

‘Pie in the sky’: Basic Income assumption for all citizens.

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The prevailing idea of silicon valley is that the landing of robots will make all people fired, which necessitates the policy to offer basic income(BI) to citizens. Recently, all tech giants are touting the pilot of BI in Kenya funded by philanthropists in Silicon Valley.

In the experiment in Kenya, test subjects can receive an income to get rid of poverty. 6000 of adults get everyday 75 dollars in 40 remote poverty-stricken villages(22 dollar for every month) for 12 years.

There is no doubt for great prospects of BI project in poor developing countries. However, the Kenya’s BI programme is founded by for-profit bank system. Given that the programme will make a difference within 12 years, the current problem in America can’t be coped with in this way. Firstly, it will be a large budget that can’t be afforded. Secondly, it is not the way to solve the basic problem. Furthermore, the proposal of BI will cause ignorance of some urgent problems, for example, sustainable poverty conditions of children、minority, decrease of social mobility, enlarging the income gap, inequality of educational chance, instable income caused by instable employment.

The advancement of technology does not decrease the total jobs obviously, but definitely reduces quality of millions of workers. New technology is gradually decreasing the jobs required basic handwork and middle skills, intensifying the inequality of labor income, which is the mean reason for overall income inequality. But in America, the poverty line is 12.6 thousand dollars(official standard in 2016), which means that BI will force the federal government to establish the most expensive tax system. However, the universal basic income(UBI) supporters of affluence hardly want to raise their taxes, more probably, they may advocate shrinking the existing expenditure for social welfare.

There are some measures we need take when waiting for the outcome of Kenya’s pilot. First, We need to upgrade and strengthen the existing projects which help workers cope with the current challenges, including the prominent education system consisting of training programmes relating to employment and lifelong learning opportunities at all levels, which is vital for developing the urgently needed, but heavily invested skills.

Second, some transformation assistance projects are required to help workers and their families deal with fluctuations in employment and income.

Third, Current U.S. security programs (such as Medicaid, unemployment compensation, nutrition supplementary assistance programs and temporary assistance) should also be enhanced. the United States should develop a national level universal

income insurance plan to help people who are in trouble due to unemployment, disability, disease or death of family members. At the same time, it is necessary to establish a mobile welfare system covering all workers (with or without employers)

In addition, the United States also needs to raise the federal minimum wage, supported by most of citizens.

Finally, the United States should start developing a revenue subsidy plan that includes an economic survey for workers who lose jobs or deduct wages because of automation. Therefore, income based income tax should be replaced by negative income tax.

All in all, policy should focus on providing effective work with enough salary, not the project for post-work era.

Summary by Chunzhuo Zhang