

How to deal with labour in the superstar (digital) economy?

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Abstract

This paper argues that the structural logic of the digital economy is to widen inequality, not only through its increasing automation of jobs but also in its efficiency in delivering ever greater profits to a smaller number of already-enriched organizations and individuals. Remedial actions that might be taken to mitigate the effects of some of the digital economy's structural flaws are interrogated here, with a particular focus on universal basic income (UBI) and stakeholding schemes. The paper considers whether the digital economy's inherent problems are of such magnitude that some sort of financial support for workers to buttress long periods of idleness, or to enable them to take risks in increasingly volatile and unstable global markets, is both desirable and politically feasible.

Keywords: universal basic income; digital economy; automation; joblessness; inequality; creative industries.

How to deal with labour in the superstar (digital) economy?

Introduction

The fear that the economy will one day stop producing enough jobs for the adult workforce predates the so-called modern era. Like many other similar projections about future work, Keynes's prediction in 1930 that in a century's time people would need to work only fifteen hours a week in the most advanced economies as a result of 'technological unemployment' has been treated with great scepticism. In more recent times, there have been a slew of reports and warnings from academics which highlight how advances in artificial intelligence have reached the stage where automation will become as effective in eliminating jobs in the knowledge economy as it has been in replacing human labour in the operation of repetitive and/or menial tasks (Ford 2016; Frey and Osborne 2013; Hariri 2016). And, generally, there is a sense that contemporary forms of automation have few restraints to their boundless growth. It is this sense that contemporary technological change represents a qualitative rather than merely quantitative shift which has led many academics to believe that the perennial dashing of the most pessimistic predictions about widespread job destruction in the past should not mean that we draw the same conclusions about the future threat to jobs from today's advanced forms of automation.

This paper will investigate the implications for job growth and inequality of the colonization of western economies by digital technologies. While many similar studies focus on specific sub-categories such as the sharing economy or gig work, this paper focuses on digital economy in all its networked, informational and infrastructural totality. While the emergence of strong global markets – that is to say markets that, while emanating from the most advanced capitalist nations, now had a global footprint - emerged in the early 1970s (Bell 1973; Harvey 1990), the development of global computational networks has enabled them to grow spectacularly since the 1980s (Castells 2010). While this had had the effect of bringing hundreds of millions of people who were hitherto excluded only a few decades before into the global economy, it also has appeared to widen inequality (Castells 2010). Whether coincidental or not, this sharpening of inequality reaches its apotheosis in digital markets, where monopolies abound and in companies where huge wealth commonly is shared among often very employees and shareholders (Author XXXX1). This paper will investigate measures which, while not eradicating structural inequality, promise to give each citizen, in work or otherwise, greater financial stability and the sense of self-worth derived from participation in work or voluntary activities which they actually enjoy. This will primarily focus on and critique two of the most common means by which this might be accomplished, namely stake-holding and the universal basic income (UBI). The prevalence of UBI proposals and actual schemes would seem to suggest that it is deemed to be more credible and feasible than the stake-holding concept. The paper will investigate why this is so, before finishing with a suggestion as to how these might both work and attract political support in an age where automation threatens not only menial jobs but also those upon which the global networked economy is most dependent.

The role of global markets in the rise of inequality

Long before the Internet became a truly global phenomenon, Sherwin Rosen (1981) wrote about the emergence of the 'superstar economy', whereby key markets were dominated by a small number of extremely wealthy individuals. Rosen explains this by inviting us to think of superstars in the most commonly understood sense of the term, as the best performers in arts and entertainment, and sport. These are people who cannot easily be substituted:

Lesser talent often is a poor substitute for greater talent. The worse it is the larger the sustainable rent accruing to higher quality sellers because demand for the better sellers increases more than proportionately: hearing a succession of mediocre singers does not add up to a single outstanding performance (Rosen 1981, 846).

Rosen (1981, 846) extends this argument to other occupations as well, arguing for instance that if a company is facing a multi-million dollar lawsuit it will want to appoint one of the very small number of top lawyers, however expensive they are to hire; employing a larger number of cheaper and lesser-talented lawyers from the next rank in the hierarchy is not an attractive option with so much at money at stake.

In addition to this substitutive rationale, Rosen (1981, 849) also sees technology as playing a critical role in the construction of superstar markets. Performers are required to put in a similar effort for a huge audience as they are for a few fans. To give one example, once a novelist has written a book, very little additional effort is needed for the addition of hundreds and thousands of readers of that book. This is particularly the case in the creative industries, where high initial costs (mainly in the form of expensive labour costs for high performers to work over a long period of time) are offset (if the book, film or TV series is successful) by extremely low reproduction costs (Hesmondhalgh 2007). The reason that this is can be regarded as a technological issue is that it is successive waves of new technologies which have scaled up markets by driving down replication costs while also expanding the pool of consumers. The Gutenberg revolution's bringing into being of the mass production of the book in the fifteenth century was the first major shift in creating a superstar market for authors. Other technologies were much slower in enabling the scaling up of their markets, with nineteenth century actors for example not having to compete with global superstars. That changed in the twentieth century with the effective creation of 'winner-take-all' markets where it makes more sense to pay global superstars huge amounts of money to star in your film rather than the riskier strategy of hiring cheaper, relatively unknown, actors (Frank and Cook 1995, 72-74). And it is technology that enables the high upfront cost of these superstars to be recouped in the cost-effective replication and dissemination of their performances afforded by today's flexible digital platforms, unbound as they are from either schedule or space.

Writing when the World Wide Web was still nascent, Frank and Cook (1995) argue that winner-takes-all markets' tendency to accrue great prestige and wealth to a small number of people conditions how people behave in those markets. What tends to happen is that more people than is healthy for society tend to gear themselves towards preparing themselves for the jobs with the greatest awards. This is understandable, but has the effect of wasting society's resources. A rational collective approach to education and career development would be to restrict the number of people interested in the small number of the most prestigious jobs and concentrate on filling those millions of important roles without which society would not function properly. Eventually, of course, those jobs will be filled, but not before millions of individuals have wasted many years of their lives and committed considerable financial resources to trying to achieve their dreams of prevailing in the winner-takes-all markets (Frank and Cook). Indeed, the money needed to fund this type of lifestyle means that it is increasingly the case that only those who have existing financial support, usually through wealthy parents, can afford to take this experimental approach to their careers; this is borne out by figures in the UK's creative industries which show that women, ethnic minorities and those from the lowest socio-economic strata are under-represented in the workforce (Oakley 2011). The winner-takes-all effect is indeed exacerbated in these industries where, as stated above, there are high upfront costs and the need sometimes in one's early career to take either low paid jobs, internships, and even periodic bouts of unemployment in the megacities where these industries tend to cluster and where rental and property prices are astronomical.

We can thus identify two important facets of these emerging global markets, in certain sectors at least, even before the widespread use of the World Wide Web: inequality tends to become more pronounced in these markets as a small number of people reap huge rewards while most toil for rather more modest incomes; much time and financial resources are wasted by too many people chasing a dream that only a handful of individuals will achieve. This would be problematic enough if it was confined to the arts, entertainment and sports sectors and to a handful of superstars in fields, such as medicine, which can also support a cadre of well-paid middle-class professionals. But, as this paper will argue, these types of economic arrangements have migrated to virtually all global markets. The reason why that is so is largely a result of the rise of the global network society to which I will now turn.

The rise of the network society

Frank and Cook's account of the winner-takes-all markets barely mentions the Internet. This is an important observation in reminding us that, as Rosen also noticed, these trends predate the advent of the advanced globally networked communication systems which are a key characteristic of modern society.

The most prominent account of the rise of the network is the first volume of Manuel Castells's *The Information Age* trilogy (Castells 2010). As would be expected of a sociological treatise of this magnitude, Castells takes care to trace the genealogy of the network society through thinkers like his own mentor Alain Touraine, as well as people like Daniel Bell and David Harvey. Bell (1973) used a number of longitudinal surveys to assert that by the 1970s the USA had become a post-industrial society. Harvey (1990) broadly agrees with Bell, even if, writing from a Marxist perspective, he conceptualises this slightly differently. He identifies 1973 - coincidentally the year in which Bell's book was published - as the precise juncture at which western economies passed from Fordism to post-Fordism, or, in Harvey's expression, to a regime of 'flexible accumulation' (Harvey 1990, 141-172). This new model of economic relations, based on relentless accumulation of capital, the aggressive opening of markets in parts of the economy that were hitherto not subject to the market logic, and the expansion of economic activity beyond the advanced western economies, provided an environment ripe for exploitation by the global networks that, while rudimentary in the early 1970s, would grow rapidly in the succeeding decades. In many respects, then, Castells's (2010) critique of the network society differs only from those earlier accounts in his being able from his mid-1990s vantage point to better appreciate the power of global communication networks.

Castells (2010) basic argument is that global networked communication is now so ubiquitous and hence central to the way in which our societies operate that it has ushered in what he terms 'the network society'. It is important to note that, for Castells, this is made up of many, rather than one, global networks, inside which flows of information running through and between intersecting nodes, which take the form of cities and other configurations with advanced communication infrastructures. The most significant economic activity takes place within these networks. We are all, therefore, subject to the economic logic of these global networks; those positioned outside the networks are thus marginalised. An example of how this works is the global finance industry, whose nodes are cities like New York, London, Frankfurt, Hong Kong and Tokyo. These cities/nodes operate within what Castells terms global 'space of flows' and hence are subject not only to clock time but also the 'timeless time' which represents the 24/7 operation of global financial markets. Indeed, these global communication networks proved to be a perfect facilitator for a new type of economy based on the free flow of capital around the globe. Thus, the network society has facilitated the global finance industry's colonization of almost all areas of the global economy to ensure: 'the securitization of every economic organization, activity, or asset, making financial valuation the paramount standard to assess the value of firms, governments, and even entire economies' (Castells 2010, xx).

Although this can be largely seen as a technological achievement, in the sense that the financialization of the economy would not exist without the huge advances in computational power, we should not lose sight of the considerable political impetus behind this. In this sense, the global network is taking advantage of the deregulation of financial sectors and privatisation of telecommunications services which took place in many western nations from the 1980s onwards (Harvey 1990; Hesmondhalgh 2007; McChesney 2013).

The changing role and status of work

Instituting a global economic regime whose logic all felt difficult to resist brought into being a new kind of worker too. While strict immigration laws throughout the world prevents workers from moving from country to country as freely as capital, the division of labour has become, and will continue to be, more global. A network society where functions can be contracted out to different parts of the global network makes everyone more competitive. This can be viewed in a positive way, as in Daniel Bell's (1973) early conception of an entrepreneurial worker whose taking of responsibility for his/her own training and education would be rewarded in a wide range of choice of interesting jobs in non-hierarchical organizations; this echoes Castells's (2010, 281-296) later invocation of 'flex-timers'. But this presupposes that there are enough good jobs available to the flexible worker; if not, his/her existence becomes much more stressful. The work of Guy Standing has been influential in conceptualising the insecurity that the financialization of the economy has brought about for those whose precarious existence he encapsulates in the term the 'precariat' (Sherman 2016). Standing's use of this term is applied mainly to the working-classes in the northern hemisphere (Sherman 2016, 324). But, as suggested earlier in the passage on the superstar economy, there is an increasing sense that the precariat is as applicable to middle-class professionals as it is to any other group of people. In the creative industries in particular, this has been attributed to Internet platforms cutting out of what, though pejoratively termed as the 'middle-man', actually constitutes a layer of jobs that facilitated the movement of cultural products from the factory floor to the hands of consumers (Timberg 2015; Author XXXX2).

Even Castells's (2010) largely celebratory account of the informational, or digital, economy, identifies some of these potential problems. The first of which is that middle-class wages have stagnated in the United States, barely rising in the decade *before* the onset of the global financial crisis in 2008. Figures from the International Labour Organization shows that this has continued, with the years 2006 to 2013 indicating the average growth of real wages across the developed countries of G20 as being negligible (ILO 2015, 5). This might not necessarily be problematic if it is part of a broader shift of wealth from the richest nations to the developing nations. However, a later report on the global labour force shows that there has been a downward trend in the rate of overall growth (excluding China) since 2010, with an increase of only 0.9% in 2015 (ILO 2015, 7). The gap between the average growth rates of the wages of developed and emerging nations has almost been closed as the latter's expansion has dropped from 6.6% in 2012 to 2.5% in 2015; the developed nations experienced an average wage growth of 2.0% in 2015 (ILO 2015, 8). Alongside this, job growth appears to be stalling too, despite some improvement in the global economy since the onset of the global financial crisis (ILO 2014). Over the long-term, there has been a persistent gap between impressive increases in labour productivity and less than stellar wage rises:

This is likely due to a combination of factors including globalization, skills-biased technology, the weakening of labour market institutions, and the growing pressure from financial markets to shift surpluses generated by large businesses towards investors (ILO 2017, xvi).

This last factor was studied by Thomas Piketty through the use of longitudinal statistics for a selection of developed economies which showed a sharp fall in wages as a percentage of national income since the 1970s; studies of a wider range of countries identify a similar trend (Piketty 2014, 221; cited in Atkinson 2015, 69-70). This shortfall has been compensated by the increase in capital as a share of national income, which is not surprising in an economy where global networks are so facilitative of the large flows of money traversing the globe.

At the same time, the global neoliberal rationale that reductions in public expenditure will make countries more competitive in the global network economy places great strain on welfare programmes. Castells (2010, 290-295) argues that even Japan, seen as having a system of industrial relations which is exceptional in the capitalist world, has had to submit to the logic of the network society in undergoing the reconstruction of its welfarist model. There does appear to be, then, increasing global inequality, stagnating wage increases and an economy that is proving inadequate in creating the jobs that an increasing labour force needs. Compounding all that are welfare models in which universal provision of humane levels of financial support are increasingly under threat from governments that are submitting to the logic of the global network. Despite all this, many academics and policy-makers have placed their faith in the digital economy as a means of driving growth and productivity, and reducing inequality and unemployment (Anderson 2009; Shirky 2010; Tapscott and Tapscott 2016). What the next section will demonstrate, however, is that despite its potential for encouraging entrepreneurship, the digital economy as presently constituted is a stumbling block rather than an enabler to those seeking to arrest and reverse neo-liberalism.

The colonization of other markets by the digital economy

It seems that nowadays every country's economic policy is not complete without a vision for the digital economy being at its heart. In a sense, this is entirely comprehensible in the context of the rise of the network society. Despite the considerable evidence that the digital economy is at least partly responsible for stagnating wage rises in all but the small percentage of mega-rich, the USA continues to promote the 'free flow of information across national borders' (US Department of Commerce 2017). Even where 'challenges' are acknowledged, they are not explicitly identified (US Department of Commerce 2015). This might appear unsurprising discourse from a government still wedded – even if the present administration's rhetoric sometimes suggests otherwise – to neo-liberalism. But the OECD too finds it difficult to acknowledge the structural flaws in the digital economy, namely its tendency towards widening inequality and the threat it poses to jobs through automation, instead focusing much of its critique of its workings on the lack of access that some actors have to the network (OECD 2017).

The quantitative growth of the digital economy can be seen in the size of companies which service it. Two tech companies, Apple and AT&T feature in the top 10 of Fortune 500 list of the USA's largest corporations. The list of the most profitable corporations has an even greater representation of tech companies, with Alphabet (Google), Microsoft and, way out in front of everyone else with profits of \$45,687,000,000, Apple. The relatively low ranking of AT&T and elevation of Alphabet and Microsoft in the latter list gives an indication of what is going on within companies that focus mainly on software rather than infrastructure. If greater profits are being generated from smaller companies then that must be because they are much better at driving down costs than larger corporations. Where might these cost savings come from? The short answer is: from lower labour costs. Apple's 116,000 and Alphabet's 72,053 employees are much fewer than the next two corporations on the most profitable list: J.P Morgan has 243,355, while Berkshire Hathaway has 367,000 employees (Fortune 2017). And it is not only in the USA that we can see this pattern. At the time of its 2014 IPO on the New

York Stock Exchange, Chinese social media company Alibaba's 20,884 full-time employees stood to gain a windfall of \$41 billion (Alibaba 2014, 170; NBC News 2014).

Thus we see tech companies' effective use of the network to generate huge amounts of capital while generating a comparatively small number of jobs. These employees are likely to be paid well, but an economy based on companies whose main business is developing software is not likely to be able to generate enough jobs to sustain a national workforce. Where they do create jobs in offshore locations, these are often poorly paid and extremely exploitative (Apple 2012). All this might not necessarily be problematic should these companies operate in a small, if significant sector of the economy. But, as Arvidsson & Colleoni (2012) argue:

... social media platforms should not be considered in isolation. Furthermore, the realization of value in informational capitalism in general should not be understood as occurring principally through the sale of commodities, whether this be material commodities or Smythe's "audience commodity." Instead, any discussion of value needs to take into account the central role finance plays in the appropriation and distribution of value. For example, it can be argued that Facebook is essentially a financial venture: Its profits from the sale of "audience commodities" amounted to \$355 million in 2010, but the financial rent that it has been able to appropriate in the stock market had already reached \$1.5 billion in late January 2011 (Rao 2011).

In other words, social media platforms are sucking in large amounts of capital that could be used more productively elsewhere, say in traditional forms of manufacturing. In this endeavour, the main income generating activity on social media platforms, advertising, has a role to play in the:

... transition away from a Fordist, industrial model of accumulation where the value of a company is mainly related to its ability to extract surplus value from its workers (to use Marxian terminology), to an informational finance-centered model of accumulation where the value of a company is increasingly related to its ability to maintain a convention or brand that justifies a share, in terms of financial rent, of the global surplus that circulates on financial markets (Arvidsson & Colleoni 2012, 146).

This highly effective means of rent seeking has enabled these platforms to move aggressively into other markets too. The obvious example is that of Amazon, whose online store has moved from selling books to just about any household item you can think of. Alphabet, the parent group of Google and its associated companies and ventures, is another pertinent case. The profits from its core operations of search and advertising have enabled it to expand its business in so-called 'moonshot' ventures, speculative companies where only the very few can succeed (Oreskovic 2016; Thompson 2017). This includes moves into manufacturing that are so seriously disruptive that, to give one well-known example, its driverless cars pose a threat to jobs far from Silicon Valley. If Google is successful in colonizing this market, then it will pose a threat to a large industrial corporation like General Motors and by extension the 225,000 people who work for it (Fortune 2017). The same goes for other industrial markets too. Thus, the threat to jobs is much more profound than concerns about book and record stores being closed down by online platforms or, in the famous example of a company with 13 employees at the time of its acquisition by Facebook in 2012 (Instagram) replacing a company (Kodak) that at that time employed 47,000 people (Keen 2015, 112). It is that these large social media corporations will use their excess capital to disrupt industries not only in their own sector but in all others too.

Solutions: stakeholding and the universal basic income

If we accept that this widening inequality and the qualitative and quantitative threat to jobs will only be exacerbated as automation becomes ever more sophisticated and the digital economy more widespread, what measures can be taken to mitigate its effects? Two commonly advocated means of addressing this problem are the provision of either stakeholder grants or a universal basic income (UBI).

The idea of the using stake-holding as a means of improving the life chances of those who find it difficult to compete in these skewed markets is mainly associated with Ackerman and Alstott's 1999 monograph, *The Stakeholder Society*. The premise of Ackerman and Alstott's (1999, 4) argument is that, contrary to what many liberal philosophers suppose, there is not necessarily a trade-off between liberty and equality. Their goal of making society more equal therefore has a libertarian tinge and is the main philosophical difference between the stakeholder model and the UBI. For Ackerman and Alstott, the onus should be on the individual to create his or her own wealth. However, in an acknowledgement that achieving equality of opportunity is difficult when there is such a disparity in the start everyone gets in life, they argue that each person (in the USA) should be entitled to a total of \$80,000 in staggered quarterly payments beginning when he/she turns twenty-one years of age. This would be financed by a 2% tax and, if financially possible, be paid back to the state upon their death (Ackerman and Alstott 1999, 4, 38-39). The supposition is that the most sensible will invest in education or in their own or someone else's business, but the central principle is that each person should be responsible for his/her spending decisions. This idea was endorsed by Robert Reich, the Labor Secretary in Bill Clinton's 1993-1997 administration, after he left government, even if his proposed 'nest egg' was only \$60,000 (Reich 2000: 244). There is a much earlier antecedent, though, in the form of a Demogrant, an annual lump sum of \$1,000 which fell between a grant and a salary, advocated by the Democrats' candidate in the 1972 US presidential election, George McGovern (Neyfakh 2014).

There are a number of objections to the stake-holder model from those on the left who are open to the idea of the state offering citizens' monetary incentives. The first centres on the individualistic nature of the programme, in that the one-off payments are not related to wider social goals (Standing 2006). This not only fails to address wider structural problems in the economy but runs the risk of suggesting that people are responsible for their own financial success and failure. Similar to the way in which some lottery winners are sneered at when they fail to lift themselves out of poverty, these one-off payments cannot in and of themselves overcome the structural disadvantages that many people face in the labour market as a result of their lack of social capital or, *in extremis*, through more egregious types of hurdles such as blatant discrimination (Standing 2006; White 2006). Not everyone has either the skill or the networks to set up a successful business and so expecting this type of grant to blood a wave of entrepreneurs is probably not going to happen (White 2006). The clinching argument against it, surely, is that these grants are far too modest when compared with alternative models (Parijs 2006). A review of some of the proposals and one actual scheme appears to bear this out. The UK government's Child Trust Scheme, which was set up in 2002, gave a universal payment of £250 for each child, with an additional means-tested payment of the same for children from poorer families. This fund had a voluntary top-up allowance but the money could not be accessed until the child reaches eighteen (LeGrand 2006, 121). The fund is now closed, which is perhaps the fate of schemes which promise little and hence can be terminated with little political damage (UK Government 2017). The other proposals mentioned above would deliver at most \$80,000 spread over a period from the age of 21 to the end of the recipient's life (though bear in mind that this figure would be a lot more now, nearly twenty years later).

For this reason perhaps, examples of stake-holding schemes are hard to find. What is more commonly proposed, and in many parts of the world piloted, is some sort of UBI. The argument for this type of payment is relatively straightforward in that it employs the same logic as justifications for present welfare systems, namely that no citizen should be deprived of the basic resources necessary for living comfortably. Where UBI diverges from present welfare models is in its standardisation rather than means testing of payments. It is true that many welfare systems have some sort of standardisation, in the sense that there are often payments and support which are universally provided regardless of the wealth of each recipient. Indeed, universal payments are viewed as a means of making welfare systems attractive to middle-class voters who might otherwise resent paying taxes for support from which they never benefit. Despite that, it would be difficult to win a political argument in a western democracy on the proposition that all should be given a substantial annual payment by the state regardless of whether or not they needed it. That the UBI is making that precise argument makes it a truly radical scheme.

The intellectual that is probably most responsible for popularising this idea in the late twentieth and early twenty-first century is Philippe Van Parijs. While he has an open mind about how this would work in practice, his concept of UBI is based on one very clear principle: ideally this should be a uniform payment to *all* citizens which should not be removed by means testing. Van Parijs does consider proposals for a negative income tax, a scheme that has been advocated by many. These include figures, like Milton Friedman, on the right of the political spectrum and even politicians, as evidenced by US President's Richard Nixon's introduction of a negative income tax scheme through his ill-fated Family Assistance Plan (FAP) in 1969. (Allen 2002; Neyfakh 2014). Conservatives are attracted to the negative income tax by its promise to retain a form of means testing through the progressive withdrawing of the basic income for each individual through the tax system - to the point where, once an individual's salary reached a certain level, his/her basic income would be completely withdrawn. Van Parijs takes a more social democratic approach to UBI in stressing the importance of it being seen as an entitlement as a member of a political community rather than a gift from the rich to the poor. He also puts forwards practical reasons for paying everyone the same amount of money, namely that it would cut administrative costs if the need to work out who was entitled to what was removed, an aspect which would make it easier for conservatives to support.

The main argument against such a plan is that it would prove to be a disincentive to work. In the critical literature on Van Parijs's work, this takes the form of musings on the proverbial Malibu surfer who is more interested in indulging his hobby rather than making a meaningful contribution to society (Birnbaum 2011; Caputo 2005; Pérez Muñoz 2016). This presupposes that a substantial payment will encourage a large number of 'free riders', people who will exploit the hard work and good will of others to pursue their own recreational and other non-productive pursuits for free (Pérez Muñoz 2016, 163). Van Parijs's counters this objection by arguing that UBI might actually encourage into work those who are presently reluctant to transition from being unemployed, with a generous level of welfare support, to being employed with little state support, high marginal tax rates and the worry that their labour will be withdrawn at any moment (Van Parijs 2013, 177). Nonetheless, it is undoubtedly a potential major problem in two ways. The first is that in a media environment where naming and shaming so-called dissolute people is common in many western democracies, especially in the UK and the USA, an unconditional basic income will always be vulnerable to populist political sentiment. Secondly, if too many people are discouraged from working then the strong tax base needed to support a generous UBI will be eroded; incidentally, as Birnbaum (2011, 412-413) points out, this would also be the case where people were doing productive work, like volunteering or childcare, which did not directly contribute to the tax base. Van Parijs (2013, 177) recognizes this problem and introduces the idea of some sort of moral suasion

through a state-sanctioned ‘promotion of a work ethos’. As Birnbaum (2011) has argued, the lack of compulsion in the promotion of this work ethos is likely to pressurise into work those of a more sensitive disposition, leaving the harder cases relatively unperturbed; he argues that this problem can only be solved through some sort of compulsion for the most idle. From another perspective, Caputo (2008) argues that UBI should be used to reduce absolute poverty rather than lessen inequality. With that in mind, he proposes the setting aside of a percentage of GDP agreed upon collectively – his suggestion is 10 per cent – to spend on lifting the poorest members of society out of poverty. Only after that money had been spent, would more be devoted to the next socio-economic level (Caputo 2008, 516). While his normative ideal would be to give everyone UBI, his scheme would probably not be able to raise enough money to do so.

The argument for UBI in a digital economy

Despite the considerable political difficulty in implementing a scheme such as Van Parijs’s, its merits outweigh those of its alternatives. Parijs’s main critics tend not to discuss the impact on technology on job destruction. While I do not want to indulge in futurology here, any UBI scheme should not be based on the assumption that the economy will continue to sustain today’s level of employment. While the ILO’s 2014 report on the then seemingly jobless recovery did not identify automation as an agent of causation (ILO 2014), figures from a 2017 report appear to indicate a pattern that is consistent with labour trends in economies which are becoming increasingly digital (ILO 2017). Labour productivity started to outgrow wages from the early 1980s in the largest developed economies, and from the late 1990s onwards the two have diverged to such an extent that it now represents a gap of around 10 per cent in the 36 developed nations surveyed by the International Labour Organization (ILO 2017, 15-17). This long-term trend can be encapsulated by “Baumol’s cost disease”, the phenomena identified in the 1960s by economist William Baumol that the costs in labour-intensive occupations will rise faster than costs in occupations whose processes can be more easily automated (Bregman 2017, 120). In a capitalist economy, this puts pressure on labour-intensive occupations like healthcare and education which are deemed to be ‘unproductive’. This is amplified by the exponential growth of computational power and automation whose impact is profound in industrial processes but marginal in many labour-intensive activities, putting more pressure on companies to lay off workers in the name of productivity.

This is an important counter to the concern that UBI will encourage many people to be non-productive. What it illustrates is that, to use of the economic logic of modern capitalist economies, an increasing number of people are likely to be non-productive anyway if this trend continues. And rather than being unproductive in what David Graeber (2013) has referred to as ‘bullshit jobs’, might not it be more useful to think about how large numbers of people might benefit from being freed from permanent full-time work and working on something more worthwhile instead? This could be voluntary work, or even hobbies a person has always wanted to pursue but never had the time to, such as learning to play a musical instrument or an additional language. It could be a job too, with the financial support that UBI would represent giving them the security to move from their present ‘bullshit’ job to a more worthwhile occupation. This is particularly the case for those who work in the so-called creative industries but, as I have argued above, the rise of the network society has resulted in the precariat inhabiting all areas of the modern economy. While this does not entirely solve the problem that Frank and Cook (1995) identified of too many people pursuing their dreams of stardom when they could be doing something more worthwhile, enabling people with less wealth but more talent to try their hand at more creative pursuits might make these industries more diverse.

How would such a scheme be paid for? The conventional answer is through direct taxation. There have been some costed models produced by economists, with Healy, Murphy

and Reynolds (2013) calculating that the introduction of a relatively generous basic income in Ireland would require a flat income tax at the rate of 45%. Estimates for its introduction into the US economy point to a much greater largesse. According to Sheahan, an annual basic income of \$10,000 in 2010 would have cost a massive \$2 trillion a year to fund (Sheahan 2012; cited in Gans 2014, 83). The problem with this type of speculation is that there is no possible way of knowing how the introduction of this kind of radical disruption would affect an economy in its totality. All one can do is think about how to make a convincing political case. In this spirit, I will finish with two suggestions as to how UBI could be instigated.

The first suggestion is to pay close attention to the pilot schemes that are currently running. As most of these involve a small sample of people from a specific demographic or region, they might not be able to give one a great a sense of the impact on a national economy with all its diversity and constant inflows and outflows of people. But there is one scheme in Finland which promises to produce some useful insight. This involves a cohort of 2,000 unemployed people aged between the ages of 25 and 58 in Kela, who are receiving €560/month in the two years beginning 1 January 2017 (McFarland 2017). Official research on this cohort will not be released until the two-year experimentation ends, but its results will provide great insight into the impact on people's wellbeing of the introduction of UBI into a modern economy. While small-scale studies cannot necessarily be extrapolated to an entire economy, evidence from these studies of the impact of these pilot schemes on motivation to do work and on people's general well-being will go some of the way to establishing the terms of the political debates to follow.

But even if we accept, as I do, that some sort of UBI is likely to be required in the not too distant future to cushion the effects of the widening inequality that is structurally inherent in economies powered by digital networks and the potential diminution of the workforce that more sophisticated forms of machine intelligence might bring about, the question of who should pay for it still remains. Inevitably, taxation would need to rise and this should come, primarily, from the most progressive taxes, like those which are levied on income and inheritance. But, this might be inadequate if the number of people employed contracts. Therefore, this would need to be augmented by other funds. A successful, if modest, UBI scheme that has been in operation for more than three decades is the Alaska Permanent Fund. It is drawn from Alaska's oil revenues and, though not substantial, has reached on occasion \$2,000 per year (Van Parijs 2013, 175). While it has sometimes been argued that this is a dividend that should be diverted to under-resourced public services, Alaskans seem by and large to have embraced these payments, perhaps because they come from a shared asset (Van Parijs 2013, 179). It could be argued that user generated content represents a similar kind of shared asset. How so? Well, social media platforms are parasitic on the content that each and every one of us create (Lanier 2013; Taylor 2014). We are not paid for that labour. Lanier has argued that we should be, in the form of micropayments (Lanier 2013). But, like some of the schemes outlined in this paper, the complexity of Lanier's scheme would not satisfy everyone while also setting up a massively wasteful bureaucracy to administer all the payments. Why not invert this by taxing the excess profits of platforms that generate most of their revenue from user generated content and use it to fund a UBI? How to determine what is 'excess' profit would need to be determined. In principle, though, this would be more palatable to the wider public than simply funding such a scheme through general taxation, and also help to establish in the public mind a very clear link between the digital economy and widening inequality and joblessness. In this sense, a UBI scheme that focuses more on taxing the surplus wealth generated by digital technology rather than on a dwindling number of employees' hard toil would make it an attractive proposition for politicians and the general public.

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