

The case for a universal basic income in the new economy.

Mike Dowson

The idea of a guaranteed minimal income for every citizen is gaining currency around the world. Increased productivity from technology makes it viable. The obvious justification is that it offers protection to the vulnerable, especially in times of change or instability.

There is, however, an equally strong argument on economic grounds. This hinges on its potentially strengthening, stabilising and diversifying effect on the communities which are the foundation of our economy.

Because of the way it dovetails with the taxation system, the basic income has most impact among two groups. One comprises poorer communities. The other comprises those members of more affluent communities who are temporarily or indefinitely without stable or sufficient regular income. This can include full-time parents and other voluntary carers, artists and people involved in community projects.

This is particularly relevant in the new economy. Global environmental constraints require us to reduce consumption. Automation will shrink the demand for labour in many areas of the productive economy but crucially, not in the areas mentioned above. It is therefore essential for the health of individuals, communities and the domestic economy itself that more of our collective surplus is recirculated. This could become seed funding for discretionary local initiatives and new cooperative endeavours.

The paper will show how a basic income is the simplest, most efficient and least prescriptive way to achieve this. It will look at how it can be most effectively implemented and the other policy areas which need to be harmonised to make it work best. It will also provide modelling of the effects on the budget and taxation and expected results in the broader economy, which may surprise.

Conference Themes: Care, exchange, work

Bio:

Mike Dowson is a management consultant, productivity analyst, writer and systems theorist. His particular interest is the interaction of people with technology.

Mike has many years of experience in business and working for technology companies. He has consulted to a diverse range of organisations, private, public and not-for-profit, of all sizes, in many industries, within Australia and overseas.

Among other things, he is currently involved with public policy formulation around the economy, technology and transformation.