

Emerging Proposed Solutions to the Crisis of Capitalism: A Discussion of Basic Income, Lifelong Salary, Socialism 2.0 and Ecosocialism

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Introduction

As an English teacher at a Japanese university I am interested in much more than just putting the English language into the heads of my students. I worry about their future in the rapidly changing economy that has been transitioning from the traditional lifelong employment model of Japanese capitalism toward a more globalized and precarious type of capitalism. I am also interested in studying the political and economic structures that make English language training an inescapable part of my students' lives, so there are some connections worth studying in my field between language education and the political and economic structures within which it takes place.

Young people may sense vaguely that they are beginning their adult lives in a time of global instability due to ecological destruction, unemployment caused by automation and labor outsourcing, global and domestic income disparity, and rebalancing of economic power among the United States, Western Europe, China and Russia, but in terms of information they get about the outside world, they live a

sheltered existence. Instead of writing within my specialty (language education), in this paper I wish to introduce and discuss some innovative and radical proposals for economic and social reform that have emerged outside of Japan in recent years.

Growing concerns about the crisis of capitalism and the attendant failures of establishment political parties, as well as the rapid pace of automation and offshoring of jobs to inexpensive labor markets, have caused both activists and government and corporate leaders to seriously consider the merits of a basic or guaranteed income for all citizens. Even conservative thinkers who have traditionally been opposed to social welfare are coming around to accepting it because the pace of automation and offshoring threaten to create unprecedented levels of social instability. Radical new social welfare programs have to be implemented, and a basic income seems to be an affordable and straightforward solution. Much of its appeal stems from its apparent simplicity.

The discussion in this paper is based on the proposal of Bernard Friot, a French sociologist and economist who has found that the apparent simplicity and appeal of basic income proposals, and their endorsement by corporate leaders, is due to the fact they involve no reform of fundamental structures and the causes of the problems they aim to fix. They are destined to perpetuate or worsen existing problems. He has suggested that something very different called “lifelong salary” (*le salaire à vie*) would be far superior.

Basic Income vs. Lifelong Salary

Bernard Friot started his career with a study of the evolution of the French social security system between 1920 and 1980. In his PhD he challenged the claim that the 1945 French social security reforms were a natural element of early 20th century mass production, a stage of capitalist development referred to as Fordism. He insisted instead that these reforms involved a socialization of wages that was a distinctly anti-capitalist intervention.

Professor Friot leads the *European Institute of Wages* and a popular education association called *Réseau Salariat (Network for Wage Earners)*, which promotes the idea of an “unconditional lifelong salary” (*salaire à vie inconditionnel*). He

denounces basic income as “a spare tire for capitalism” because it would leave capitalism intact and many fundamental social problems unresolved. The lifelong salary, according to his analysis, is the best subversive response to the four main institutions of capitalism:

1. Lucrative (productive) property, which refers not to private property, but rather to private property from which profit is derived.
2. Credit. A state does not need to borrow to finance investment.
3. Employment market. Capitalism depends on the precariousness of employment. Workers live under constant threat of becoming unemployed, and in this state of perpetual insecurity they must compete with others and be alienated from society.
4. Arbitrary valuation of only certain forms of work. One’s work is valued only if it is done for a private corporation, and the value usually depends on the number of years spent in a particular job. Civil service jobs are valued less because they are seen to be parasitical, derived from taxes on the “real” economic activity in the private sector. Other forms of work such as parenting, community volunteering, care of the elderly and so on are not valued at all.

Although the plan to implement lifelong salary has been criticized as being utopian, Friot stresses that much of it is *dejà-là* (already there) in the form of the already socialized portion of salaries that goes to taxes to support the civil service and the military, and in the form of payroll deductions for pensions, unemployment insurance, health care, etc. The reforms of 1945 that introduced this new system took France half-way to full socialism. They are regarded as great progress and an integral part of the defeat of fascism in Europe.

Under the lifelong salary plan, enterprises would not pay workers directly. All expenses dedicated to salaries would be socialized; that is, paid into payroll deduction plans, and all adult citizens would receive a lifelong salary from the government. Decisions on economic management and policy would be made by elected legislatures and worker committees. Workers would be able to improve their incomes and social standing by obtaining professional qualifications throughout their

lives.

Friot also does a critical analysis of corporate ownership and governance, stressing that the revenue to support lifelong salary must also come from a program that aims to democratize the enterprise. Workers must own the enterprises where they work, and the dividends paid out to a leisured investor class must be diverted to fund lifelong salary and other social programs.

These details of Friot's proposals are explained in a half-hour video produced by a group promoting lifelong salary as superior to basic income and other proposed solutions for unemployment¹⁾. The video shows excerpts of Friot debating his ideas with mainstream conservative politicians, who react with dismay to his radical proposals, which they claim to be based on archaic ideology with no popular support in the contemporary world.

Bar graphs presented in the video illustrate how the revenue of enterprises could be re-allocated. Payroll deductions, taxes, salaries, profits and shareholder dividends could be reconfigured to give every citizen a lifelong salary based on qualifications achieved through formal education and vocational training. The graphs make the eradication of capitalism and socialist revolution seem rather bloodless and simple. People with no knowledge of early 20th century history may not be aware of how violent past struggles over these issues were, and they may not properly take account of how violently the propertied classes of today would resist change. Nonetheless, Friot has a point when he notes that French social reforms of the 1940s successfully achieved a nonviolent, positive transformation of society (half-way to full socialism) simply by requiring all enterprises to make payroll deductions for health care, pensions and unemployment insurance. Furthermore, civil servants and military personnel effectively achieved the lifelong salary that Friot proposes everyone should have.

The rhetoric used in the video is not stridently anti-capitalist, which, ironically, might make it more effectively subversive. The lifelong salary plan amounts to a full socialist transformation of society, and viewers should keep in mind how many nations throughout history have been brutally punished for daring to implement similar programs. The lifelong salary requires worker and citizen control (through state institutions) of the means of production and a command economy, so it is sure

to invite criticism that it would be plagued with the same problems experienced by the socialist experiment in the Soviet Union and elsewhere.

Friot, to his credit and unlike many “anti-capitalist” writers and activists, doesn’t hide the fact that he is a Marxist or worry about being tainted by a label that many in the post-1991 world view as ridiculously archaic. He seems to be a libertarian or “pure” Marxist, sympathetic to the faction that lost power when Lenin seized state power and disbanded the soviets and factory councils²⁾. Friot assumes that the transformation to full socialism could be done in a way that is democratic and supportive of human rights. Salaries, prices and decisions about investment and production would be managed by government. The plan doesn’t require the elimination of private property, or of privately owned lucrative property, but it does imply that the management of large enterprises would be highly regulated to maximize social good, and their profits would be deposited in state coffers. How democratic and just it would actually be would depend entirely on the actions and decisions of millions of people participating in such a social transformation, and how strongly it would be opposed. A significant hurdle in such a reform, aside from the resistance that would come from the very wealthy, is the resistance that would come from the middle class who are themselves heavily invested in the equity market and depend on it for retirement savings. Even many public sector unions are heavily invested in the institutions of capitalism, and they famously suffer for their exposure to risk during financial crises like that of 2007-2008³⁾.

Socialism and The Second Economy

It is common perceived wisdom that socialism failed once before or that in China it has been transformed into something unrecognizable as socialism, but twenty-five years later, the reasons for the Soviet Union’s demise and the true nature of Chinese capitalism/socialism are still subjects of intense controversy. Scholars still debate the causes of the Soviet collapse, and because so many causes are proposed, it is likely that the cause was not some inherent flaw in socialism itself. Most of the causes identified have nothing to do with ideology but are rooted in specific contexts, decisions, and policies of, and actions by individuals. To a great degree

that is under-appreciated in the West, the failures of socialism were caused by the violent opposition that has always met any form of socialism, nationalism or economic independence that challenges the post-WWII petrodollar system or lies outside what American and British leaders euphemistically call “the global order” or “the international community.”

One significant cause of the Soviet Union collapse was the ever-expanding second economy—the illegal free market that the state always struggled to control. While the privatization and liberalization of the Soviet system is usually understood to be something that happened in the late 1980s during Gorbachev’s reforms, the second economy had been a problem ever since the revolution. Leaders debated what to do about it, and some were more successful than others, but it was never completely suppressed. Stalin was famous for his willingness to suppress all challenges to state control of the economy, and that the second economy survived Stalin’s reign is a testament to the persistence of human greed, or what might be charitably called the desire to engage in trade and seek private gain. By the 1970s, the second economy was widespread, involving both small and large-scale cheating. Thomas Kenny and Roger Keeran described the situation in chapter three of their book *Socialism Betrayed: Behind the Collapse of the Soviet Union*:

After 1953, illegal money-making presented a much greater problem than legal activity. Illegal activity eventually assumed an astounding array of forms, eventually penetrated all aspects of Soviet life, and was limited only by the boundaries of human ingenuity. The most common form of criminal economic activity took the form of stealing from the state, that is, from work places and public organizations. Grossman said, “The peasant steals fodder from the *kolhoz* [collective farm] to maintain his animals, the worker steals materials and tools with which to ply his trade ‘on the side,’ the physician steals medicines, the driver steals gasoline and the use of the official car to operate an unofficial taxi.”⁴⁾ Variations on this theme included the diversion of goods into the private market by truck drivers and the use of state resources to build a summerhouse, renovate an apartment, or repair a car. At times stealing from the state occurred in wholesale and systemic ways. This included “well-organized gangs of

criminals capable of pulling off daring and large-scale feats.” It included the practices of managers reporting the loss or spoilage of goods in order to divert them to the black market. It embraced a common practice in state stores of salespeople and managers laying aside rare goods in order to secure tips from favored customers or to sell them in the black market. Consumer durable goods like automobiles for which waiting lists existed presented “considerable opportunity for graft,” as well as for “speculation,” that is, for resale at higher prices⁵⁾.

After Gorbachev had been in power for a few years in the late 1980s, he was known to be reluctant to use force to settle problems, so separatists and entrepreneurs were emboldened to push the limits. The more things seemed to be heading toward breakup and market privatization, the more the government officials and the *nomenklatura* themselves were eager to take possession of state assets. If Boris Yeltsin had not been the opportunist who conspired behind Gorbachev’s back to break up the union, it would have been someone else soon enough. After Yeltsin took power, Western guidance assured that privatization became a feeding frenzy on state-owned property throughout the 1990s.

If this problem of the secondary market was the ultimate cause of the Soviet collapse, this may be the fundamental flaw in human nature that any future socialist transformation would have to manage extremely carefully. Any proposal for basic income or lifelong salary will end up contending with the problems faced by the Soviet Union. A socialist government needs to behave like an organized religion in as much as it must always be ready to suppress the lust for self-enrichment, monitoring and curtailing the animal spirits, constantly educating and providing moral instruction and encouraging sacrifice for the collective.

Marx famously said the religion is the opiate of the masses, but this is not, as it has always been falsely understood, a complete rejection of everything that was good in the ethical systems taught by the world’s religions. The Jesuit missions in 18th century Brazil were successful communes that competed with the capitalist system sanctioned by Portugal using slave labor. It is a truism, and a favorite criticism of the American conservative religious movement, that Jesus Christ had

socialist sympathies. Marxism and religion both sought to expand circles of empathy and constrain individual selfishness for the sake of social harmony.

While historians know that the Soviet politburo constantly debated the need for ideological training and punishment of those who were earning illegal income (and of dissidents like Bukharin who argued for a limited free market), there is no reason to believe that such discussions are out of place in capitalist systems. Since the 2008 financial crisis, and particularly since the 2016 American presidential election, Western media have published numerous editorials and reports on the crisis of capitalism, the failure of neoliberal economics, and the takeover of democratic institutions (to the extent that they used to represent the interests of citizens to some small degree) by a corporate oligarchy. The general population is being devastated by the problems of capitalism: de-industrialization, wide income disparities, unrepayable public and private debt, excess financialization of the economy, offshoring of jobs to low-wage zones, erosion of tax revenue, the weakening of worker unions, and central bank money printing (under the euphemism “quantitative easing”) leading to speculative investment in non-productive assets. Political parties have no ability to competently respond to these problems because they are all beholden to the interests that profit from them. Meanwhile, the robot revolution looms, and from the automation that has occurred so far, displaced workers have had no access to the profits gained from higher productivity. It has got to a point where we can no longer afford the luxury of living without socialism and redistributive justice. The excesses of capitalism, the looming ecological catastrophes, and the threats of automation make more socialism the inevitable choice if we want to survive.

It must be said at this point that public discourse over these issues has been confused by misconceptions about the nature of modern capitalism. While some believe all problems stem from unconstrained capitalism, others have noted that the global system is already a “sovietized capitalism,”⁶⁾ a corporate-government bureaucratic regulatory regime that amounts to a “socialism for the rich.” The financial journalist Max Keiser often makes statements like this to underscore this point:

A lot of people say free markets are what caused the problem... [However], free markets would imply that prices are dictated by buyers and sellers in the marketplace... but what has happened is that we live in an era of central banks, and central banks have become the new rulers, the new monarchs, the new potentates, the new politburo, and they don't let free markets work, at a very fundamental level. They don't let the price of money be determined by the free market⁷⁾.

This is a crucial point to consider if ignoring it leads to a misunderstanding that our present system is really a free market and basic income is the answer to the problems it has created. Investment analyst and advisor Mike Shedlock makes this point saying, "It would behoove 'living wage' advocates to consider the possibility the real problem is central bank sponsored inflation, not a failure of government to provide a 'living wage' to those doing nothing."⁸⁾

Socialism 2.0

Nonetheless, this skeptical view of basic income or lifelong salary doesn't address what is to be done about the dire predicament created by a free market that pursues infinite growth on a finite planet. The logical conclusion points to limitations on market demands, on the freedom to consume whatever resources one can buy.

If nuclear engineers can talk about "lessons learned" after each nuclear disaster then carry on with their operations, then perhaps socialists have a right to say we can get it right next time despite the setbacks of the past. This time information technology may provide an essential tool for avoiding failure. The great failing of centrally planned economies was always that planners could never effectively know all that was going on in society. They could not gauge supply and demand as well as a free market could. However, now billions of devices connected to the Internet can gather and analyze the data that was always missing in the past. The writer Peter Joseph elaborates further that a new economic model would not need to be centrally planned by a committee at all but would be rather a Collaborative Design System.

He states:

One of the great myths of this model is that it is “centrally planned.” What this means, based on historical precedent, is that it is assumed that an elite group of people basically will make the economic decisions for society. No. This model is a Collaborative Design System (CDS), not centrally planned. It is based entirely upon public interaction, facilitated by programmed, open source systems that enable a constant, dynamic feedback flow that can literally allow the input of the public on any given industrial matter, whether personal or social⁹⁾.

One may take issue with the notion that society could be led in a positive direction by the collaborative, bottom-up will of the masses and not by a government with pre-determined goals such as limiting population growth, saving pollinating species, or any particular chosen priority. The choices emerging out of a collaborative design system might amount to a collective demand for large cars, more air travel, junk food and reality television programs. It is a leap of faith to believe it would lead to enlightened policy that would prevent ecological catastrophe. Nonetheless, Peter Joseph’s point is valid. Technology has made it possible to know the collective will, whether it is a matter of price discovery, gauging supply and demand, or recording and acting on the social policy preferences of millions of people on a wide range of issues. These possibilities would subsequently make possible a democratic socialism that could overcome the disadvantages of previous socialist experiments.

In the contemporary discussion of social welfare reforms, basic income and full-employment schemes, there has been little discussion of how these may need to be accompanied by individual obligations and curtailments on individual freedoms. It may seem absurd, for example, to suggest that a system providing lifelong salary would have to be accompanied by ideological training (promotion of new policy) and obligations to work. After all, citizens in capitalist societies receive their pensions and socialized medical care without needing much coercion to approve of them and make their contributions to them while they are young and healthy.

However, the move toward total socialization of salaries—full pensions for all working-age adults—might provoke different responses. No one wags a moralizing finger at a seventy-year-old for being a burden on society because we know he worked in the past and earned his retirement benefits. Many promoters of basic income have missed this point and made a false analogy that equates old-age pensions with basic income for all adults.

Humans are moralizing creatures, and our moral systems, whether they stem from religious traditions, Adam Smith, or Marxism, emerged from our moral instincts, which have been observed in other primates as well. Most of our moralizing is focused on policing who has worked and contributed, ensuring fair distribution of goods (not to be confused with equal distribution), family and group loyalty, and regulation of sexual behavior, which is, ultimately all about a competition for a scarce resource. Many people believe that certain private behaviors are victimless and have no public consequences, but in socialist or communal setting, this is not the case. Religious cults and communes are famous for disintegrating when the sexual appetites of leaders erode the loyalty of younger members. In contemporary capitalist societies, most people conform already to traditional constraints on sexual behavior. They are socialist in this sense because they obey norms not just out of personal preference (the freely made choice to be monogamous, for example) but also to avoid social sanction or to willingly do something that promotes social stability and child welfare.

In a socialist system, moralizing and social sanction become amplified because suddenly there are more shared resources that might be given to would-be freeloaders. With the emergence of a system that provides a “living wage” to everyone, regardless of their perceived efforts to “earn” a wage or “deserve” what they receive, numerous policy decisions would have to be made that make the inevitable connection between the *right to* work and the *obligation to* work. These are co-requisite. One of the earliest socialist theorists, Étienne-Gabriel Morelly, stated it in 1755 long before Marx rephrased the precept famously as “from each according to his ability, to each according to his need”:

Every citizen will make his particular contribution to the activities of the

community according to his capacity, his talent and his age; it is on this basis that his duties will be determined, in conformity with the distributive laws¹⁰⁾.

Thus free-riders would not long be supportable, regardless of how many tasks could be automated and to what degree human labor could be made redundant in the brave new world that will come after capitalism. This would inevitably require some people taking their lesser-preferred job rather than waiting for the job they would prefer to have.

Even if people end up simply servicing and supervising the machines doing the actual work, societies will organize themselves in such a way that people have a job to go to and groups to belong to. They need to feel needed and they need to escape the moral judgment of others who would label them as parasites. Indeed, these jobs have already been created to a great extent in this period of history when only a small percentage of the workforce produces food and other essentials. Many people feel, perhaps secretly, that their jobs are non-essential and contribute no obvious necessities (such as food, shelter, medical care) to society, but they work anyway because a job gives status, social connections, and wallet-size certificates that one can exchange for food. They work happily, carrying out the essential self-deception that they are performing essential work. The anthropologist David Graeber has noted, but has also admitted to being unable to explain, an obvious contradiction of capitalism: It is supposed to efficiently eliminate waste and hire no extra labor, but for a certain privileged sector of the population that has the right certificates (degrees, licenses and so on, which are bureaucratic requirements) there has been a proliferation of middle-management jobs involving filling in spreadsheets, filing, scheduling, managing databases and so on. Advertisements direct eyeballs to more advertisements in a different medium, rather than to products and services. “Efficient” privatization schemes often result in public sector projects being given to the private sector through layers of sub-contractors, with profit taken at each layer. NGOs and charities are part of the free market because they depend on voluntary spending rather than taxes, but they spend a large portion of their budgets on administrative jobs. How could this ever-expanding bureaucracy occur in a free market?¹¹⁾

Professor Friot is aware of the need to educate about these aspects of the present system. His proposal comes from a desire to educate people and cure the psychological and social ills arising from lifelong competition for employment. Basic income proponents, on the other hand, do not address the problem of alienation, competition and needing to sell oneself on the job market. They seem to think that the problem is only transactional: give everyone a certain level of monthly income and all the social problems produced by the present system will be resolved in the market place. Friot believes that we should be suspicious of such simplistic thinking promoted by capitalist interests. Popular discourse around basic income proposals has not been accompanied by much deeper thinking about its implications and consequences. No one is questioning the incongruity of basic income being promoted by free market champions, by people who seem to know, unconsciously perhaps, that it only seems to be socialist but is not really a threat to their interests.

Basic income is indeed being conceived of as a crutch for capitalism, what Friot calls “a spare tire for capitalism.” It is being thought of as assistance for those who are temporarily unable to convince anyone to give them employment. It is hoped that bureaucracies can determine a fair income level that would provide an individual with the necessities of life, then needy individuals can be given that amount and subsequently this monthly stipend will empower them to solve all the varied problems they have had in obtaining good health, sound human relationships, housing, education and vocational skills. It is a reiteration of Ronald Reagan’s philosophy of getting government out of people’s lives. Government and everyone else can just look away because now these unfortunate souls will be empowered to solve their problems in the free market, or just be atomized and warehoused in apartments with the minimum requisites for maintaining biological vital functions: sofa, television, refrigerator, sink, shower, toilet. Meanwhile, long-term planning and defined-benefit social programs, such as public housing and food stamps, can be dismantled because the free market is going to take care of everything. It is obvious that there is no socialism in this plan. Basic income, as it is being promoted, is a bandage for the wounds inflicted by neoliberal economics.

Discussion of basic income proposals has failed to anticipate, or deliberately avoided, many of the difficult questions that would arise, and have always arisen,

when human groups attempt to fairly distribute both labor and the fruits of labor. What follows is a short list of some of the contentious questions that would emerge:

1. Basic income has worked experimentally over short periods in small communities in which everyone knows each other and people can sanction free riders (and where the program is funded by larger outside sources), but how will it work in a society of millions of strangers in which no one has to worry much about what the neighbors think (or all the neighbors are also on the dole)?
2. Basic income proponents assume that all people want to work because work gives personal dignity and provides an outlet for creativity, but many of the jobs that need to be done (with or without the robot revolution) are dirty, difficult, dangerous and boring, and they offer little opportunity for self-fulfillment. People who are qualified to do more interesting work have no interest in job-sharing schemes which would involve them doing, for example, janitorial work one day per week. Some surveys indicate that even garbage collectors say they would continue in their jobs even if they could quit and live on a good guaranteed income because they feel like they are doing something useful. But what would they really do? Results of surveys asking hypothetical questions are highly unreliable, and honest social scientists will admit this¹²⁾.
3. Some jobs are done in comfortable surroundings, but the people who perform them often find that they are boring “bullshit jobs” that have no apparent intrinsic value or social value¹³⁾. The politicians and bureaucrats who propose basic income plans perhaps forget, or have never known, what it is like to perform the dirty, dangerous, tedious and meaningless jobs—the kinds of jobs done by people who buy lottery tickets every week because they have an enduring dream of not needing to work. What will it take to incentivize people to do unpleasant work when they can receive a comfortable income for staying home or pursuing the free education that they hope will lead to the chance to do more agreeable work in air conditioned comfort?
4. Would the creation of an idle class on basic income create a demand for

immigrant labor and illegal workers who will remain excluded from access to citizenship and basic income? The experiences of some resource-rich nations indicates this is an outcome in societies where citizenship qualifies one to obtain a share of resource wealth.

5. Related to the point about unpleasant work is a phenomenon that is happening at the same time basic income is becoming a popular notion. Prostitution is being legalized and normalized in some countries as just another kind of work, a kind of “industry.” If the right to work becomes an obligation to work, and there is a plan to counsel and force people to transition from basic income into employment, will people be required to work in the sex industry? If not, why should prostitution be legal? What qualifies someone to be judged suitable for this work, and what right does one have to decline a good job offer in this exciting new sector of the economy? Similar questions arise regarding work in any economic activity that one might find objectionable on religious or moral grounds.
6. Will basic income be permanent, enshrined as an inalienable right, or could it be cancelled by the election of a government with different policies. Basic income wouldn’t mean very much if people could not trust that it would be in place over the long term. In the end, a society can only provide from what it produces collectively, and if productivity falls in this new system, a vicious cycle of decline will weaken it. The Soviet Union proclaimed jobs, housing, food, and health care as rights enshrined in law, and it was fairly successful in this regard, but the quantity and quality of the benefits were not always satisfactory, to say the least.
7. The answer to question 2 about incentives to work is, of course, that employers will have to offer salaries significantly higher than the basic income to persuade people to do unpleasant jobs (assuming that basic income provides an adequate income and not a piteous subsistence income that in itself is supposed be an incentive to work). Basic income would inflate salaries and prices, so within a short time the basic income would be more like welfare payments as they exist now in most developed nations (meager handouts that fall far short of being adequate provision), and it would serve the same

function. Inflation would make basic income become the new subsistence income, a level of poverty so miserable that it leaves people safely stored away from the mainstream population, even though it is supposed to incentivize people to seek employment or to stay in their low-income jobs. Furthermore, it is worth repeating that later, once the benefits of basic income have been eroded by inflation, many defined-benefit social programs will no longer exist. One might suspect that because governments have been trying to create an inflation rate of 1%-2% in recent years, and failing, it may be the undeclared goal of basic income proponents to use it to create inflation. A period of high inflation would make government and private debts (and savings accounts) relatively smaller.

8. The point made in 7 above assumes that basic income would provide, as its name suggests, a minimally comfortable standard of living, but some proposals suggest nothing of the kind. The income levels proposed would be a floor to prevent people from falling into abject poverty, but would still inflict a level of hardship on recipients that would incentivize them to seek additional income. The idea behind these proposals is that it would be enough to “get people on their feet” so they can find work. The basic income supplement wouldn’t be lost until an individual’s total income (from both employment and basic income supplement) rose above a fixed level. It is hard to see how this proposal differs from various social welfare and unemployment insurance programs that already exist, or used to exist in other forms. It is also difficult to see how this is not a gift to employers who would be incentivized to pay less. They would feel justified in paying less because they would be paying taxes to support basic income payments. This model would cause wage deflation rather than inflation. There would have to be higher corporate taxes and payroll deductions to finance such a plan, but no one seems to be talking about that side of the equation. Finally, this plan would also incentivize recipients to find income sources on the black market, or in the second economy, as it was called in the Soviet Union.
9. Basic income would be a faith-based plan to the extent that planners would hope that the extra money in circulation would stimulate the economy, but it

would be a poor replacement for a serious economic development plan with specific goals. The extra money circulating in the economy would produce some new employment, but it wouldn't change industrial policy, build factories or create new export industries.

10. What restrictions would be placed on people receiving basic income? The thinking behind basic income seems to be that there won't be any restrictions. It will eliminate all the paperwork and tedious hurdles to qualify for assistance. It will eliminate bureaucracy and the degrading means-testing that makes people prove they are qualified and deserving of assistance. With basic income, people would just be given money and told to go away and do whatever they want with it. But would it work out that way? In reality, not everyone's needs can be met by the same level of income, so their needs would still have to be evaluated. It is easy to imagine that recipients would begin to act in ways that would bother people who were still foolish enough to work. For example, contributors would begin to ask these next questions (11—22):
11. Do recipients have to stay in the country? The local currency might buy much more in a foreign country with better weather and nicer beaches¹⁴⁾.
12. Can recipients gamble with or buy stocks with basic income? If so, what happens when investments and gambles turn out badly?
13. Can recipients use basic income to qualify for a mortgage, and if so, will this inflate prices in the housing market in a way that negates the original benefit of basic income?
14. What is to be done with recipients who have, or later develop, gambling, and drug and alcohol dependencies and spend their basic income on these habits?
15. What is to be done for people who are not ready for employment because of a lack of education or training, or because of problems related to physical, mental and emotional health?
16. What happens if someone uses up all his basic income before the next payment? He would technically be poor and in need of assistance. He would be living on the streets, and the basic income plan is supposed to help such people.
17. What is to be done for a recipient who makes one or more women pregnant?

As the legal parent obliged to provide for his offspring, does he get the necessary premium to feed the extra mouths, or should this go to the mothers? If the extra basic income doesn't go to the father, does this erase his parental rights and obligations?

18. What are the other effects on family formation and family cohesion, or even on the transition from childhood to adulthood? What would the answers to these questions be in a society in which one did not have to struggle to earn a living?
19. Because it provides a floor of security, will basic income incentivize people to start new ventures and take risks that they wouldn't otherwise, or will it have the opposite effect? If people have their basic needs guaranteed, they may have reduced ambitions. Society might be much less dynamic when essentials become as easy to obtain as oxygen.
20. Another question relates to the fatal mistake of the Soviet Union mentioned above: the emergence of the second economy and the government's inability to suppress it. With a basic income in place, citizens would be highly motivated to retain their status as recipients of basic income while they seek ways to secretly supplement it. Thus a second economy would emerge in which people exchange goods and services, some of which are legal, illegal or in a gray zone (like prostitution) of being illicit (disfavored for one's own body and the bodies of people we care about) but tolerated when strangers are involved.
21. Will recipients be coerced into working? Will they have rights of refusal for employment offers, and rights of refusal regarding relocation and taking care of family members? Will recipients be coerced into undergoing therapy for whatever ailments prevent them from working?
22. What strings are attached to free education and health care? Would everyone be able to pursue as much education as they wanted, or would availability of education be determined by state planners? What demands would there be on students to achieve higher standards and graduate within a certain time limit? Education might become a more competitive sphere than it is now in a market economy in which suppliers, who have no obligation to provide jobs to

graduates, are willing to admit any student who can pay the fees. Likewise, recipients take on new obligations with free healthcare, which motivates the state to dictate healthy lifestyles to those who benefit from that care.

All of these questions elucidate what Bernard Friot meant when he said basic income is merely a “spare tire for capitalism.” Basic income proposals are being presented to the public without any deep discussion of their social consequences or full disclosure of the motivations for promoting them. Proponents of basic income are naively ignoring issues that both Joseph Stalin and Ronald Reagan would understand well—neither man suffered from illusions about human nature. They would both probably agree with the view expressed by two American law professors who stated that nations thrive on the solidarity, moral character and abilities of their people. Stalin might have chosen to dismiss this as “bourgeois culture,” but he and other socialist leaders encouraged all comrades to follow the same socially conservative precepts that these American law professors support:

Get married before you have children and strive to stay married for their sake. Get the education you need for gainful employment, work hard, and avoid idleness. Go the extra mile for your employer or client. Be a patriot, ready to serve the country. Be neighborly, civic-minded, and charitable. Avoid coarse language in public. Be respectful of authority. Eschew substance abuse and crime¹⁵⁾.

In the quote above, one would need only to substitute “your employer or client” with “the revolution and your comrades” to make these precepts align with socialism. In contrast to this social conservatism that was common to both Cold War adversaries, basic income is being presented as a social transformation that would provide everyone with their basic needs while demanding nothing in return and allowing for great freedom in lifestyle choices. The point was perhaps made more succinctly by the poet Leonard Cohen when he faced an crowd at a chaotic and mud-soaked music festival in France in 1970:

“When the music festivals are yours, they will not belong to others... there is no revolution here. When others talk about the revolution, it is their revolution... They are like any other owners.” He was incoherent, but the message got through regardless: talk of revolution was... a fantasy that concealed the fact that earthly achievements required earthly labor and deserved earthly rewards...¹⁶⁾

Thus it is that in present times socialist solutions are being presented without any consideration of who is going to own this revolution. What pressures would be put on citizens to contribute, and who would decide policy priorities? Which communal resources would be developed and how would they be shared, or rationed? And “rationed” is the more appropriate term because “voluntary” restraint would have to be imposed restraint. A logical response to the ecological crisis leaves no other choice.

Recipients of basic income would not be content for long with having their freedoms and dignity restricted, or with being marginalized and warehoused as a parasitic underclass if the free market continued its failure to provide full employment. Basic income would have to be followed by an obligation of society to create full employment, and with this change society would have to become fully socialist. Society would have to coerce people to work and turn themselves into contributors to society, and, most likely, defenders of the new society against outside attack and subversion. (Ask a Cuban about this). Excessive recreational drug usage, or sexual promiscuity, for example, would not be viewed as harmless, victimless habits because these behaviors would be seen as detrimental to social harmony, as refusals to accept obligations to continue building the ideal society. Likewise, society would have to take responsibility for saving the downtrodden, homeless and addicted, infringing on their freedom to die on the street and actively doing something to rehabilitate them. Historically, this has been frowned upon in “free” societies as a deprivation of freedom that blurred the line between punishing non-conformists and helping the needy. It was ideological “re-education camp”—a sort of prison with work duty required until the patient/inmate was considered rehabilitated. Such treatment has always been viewed negatively in societies that love freedom and

prefer the cheaper option of leaving people asleep on cold concrete.

Socialist nations have always understood these problems well and their welfare policies involved, ideally, providing full employment while obliging everyone contribute to society. Citizens could not easily refuse work or requirements to relocate for work, yet they could not freely relocate to look for work elsewhere. Forced relocations in the USSR reached cruel proportions in the 1930s, as is well known, but at the same time in the United States the crisis of capitalism forced millions of farmers to “voluntarily” relocate. The USSR, however, never had individual freedom as a creed to live by. It did not produce a generation of young people who took gap years during college to go traveling in Europe and Central Asia. The famous “hippy trail” through Afghanistan in the 1960s and 1970s consisted of young Westerners observing Soviet citizens helping to build hospitals and universities there.

In contrast to the questions raised above, basic income proposals are being proposed in full avoidance of a discussion of whether they could succeed in a system which does not curtail freedoms and compel people to work. Instead, basic income is being promoted as a way to deal with the inconvenient problems and contradictions of capitalism. It is being suggested as a way to streamline bureaucracy, to efficiently deliver assistance while eroding or replacing defined-benefit programs that are (or were) supposed to guarantee a certain quality of education, health care, housing and food. A cash payment is to be given to individuals with which they are supposed to just walk away and look for solutions to all their problems on the market. These proposals offer nothing in the way of meaningful help for people who need to maintain or restore their lives within networks of caring fellow human beings.

As I was searching for a way to describe this situation, I heard Max Keiser describe it this way on his financial news show, *The Keiser Report*:

There is no discussion of morality anymore. It's accepted wisdom and fact that Wall St. commits financial terrorism, that we are entering into a Wall Street-led ecological holocaust, and that it is inevitable... so... without any moral dimension in the discussion, without any consideration of how to design

society... our financiers on Wall Street and in Washington, how are they going to allow themselves to be carried away on this vector of shameless narcissism leading to premature human extinction?¹⁷⁾

Ecosocialism

Max Keiser's mention of ecological holocaust points to something that even Mr. Friot's concept of lifelong salary seems to not address, as it is heavily influenced by early 20th century discourse about productivity and industrial expansion under worker control. The ultimate cause of the present social and economic crisis is rooted in energy. All of the easy energy resources have been extracted, and we are now left with those that involve an unfavorable ratio of EROEI (Energy Returned on Energy Invested), a calculation of the energy input that is required to extract a certain amount of energy that can be put into use doing work in society. The rising rate of necessary EI (energy invested) was a factor even long ago in the Soviet era during the 1970s and 1980s when planners faced the shock that all the easy resources had been tapped, and this was followed by the added shock of low oil prices that the Americans and Saudis are alleged to have deliberately created as a tactic for fighting the Cold War.

At that time, the Soviets were also facing the shock of what the second economy was doing to socialism. The problem was so widespread and demoralizing that it was revealed at the highest levels of government, involving the daughter and son-in-law of General Secretary Brezhnev himself. However, unlike the present leadership of global capitalism, the Soviets were at least able to recognize this crisis as a moral problem. Several attempts were made to punish offenders, re-establish ideological education and remind citizens of the purpose of the 1917 revolution. Soviet planners were also aware of the dangers of being too utopian and ignoring the constraints of human nature. They tried to undo the policy of "wage-leveling" by introducing policies that would give higher rewards to the highly educated, overtime workers and other people judged as making valuable contributions to society (those who worked on the nuclear weapons program were particularly well rewarded).

Many such nuances of Soviet history are poorly understood in the West because of the biases of scholars and journalists who were eager to always portray Soviet planners as idiotically utopian and blind to the self-interested aspects of human nature. The revision of wage-leveling policy was meant to reduce incentives to participate in the second economy, but it also created a class of people who had extra money to bribe shop clerks.

History shows that the Soviet Union ultimately failed to suppress the second economy. It kept growing and completely devoured the system once Gorbachev's reforms came. The thesis of Keeran and Kennedy's book, *Socialism Betrayed*, is that the collapse was not inevitable. In their view, the second economy could have been suppressed if Gorbachev had not been so keen to focus on nuclear disarmament, so reluctant to use force, so enthralled with Western social democracy, so pessimistic about the Soviet system, and so blind to the way unprincipled politicians like Boris Yeltsin were able to exploit the openings created by *glasnost* and *perestroika*.

Presently, the ecological crisis makes the economic and social crisis of the entire planet much more acute than what was faced by the Soviet Union in the 1970s and 1980s. Bernard Friot proposes a system which could capture all the lucrative property of France and divert revenues from it toward lifelong salaries for all, but there seem to be no deeper questions asked about where this lucrativeness will come from when the ecological crisis demands that we use less energy and consume less of everything. How could a de-growth economy (*décroissance* is the term that was originally coined in France) provide an adequate standard of living for all if it did not eliminate capitalism's need to maximize consumption and profit? Friot seems to be working with 19th or early 20th century understanding of economics that relies on industrialization and takes for granted access to favorable EROEI sources of energy¹⁸⁾. However, Friot's willingness to talk about a radical overthrow of corporate control is the necessary prerequisite that so many erstwhile ecologists dare not speak of out of fear of alienating sponsors and supporters who don't want to contemplate the necessary radical changes. In his book *Green Capitalism: the God that Failed*, Richard Smith declares what is seldom said but should be obvious to any observer:

The only way to rationally reorganize the economy, to de-emphasize the “careless” industries and emphasize the “caring” industries, is to do this ourselves, directly, by consciously and collectively and democratically planning most of the industrial economy, even closely coordinating most of the world’s industrial economies. To do this we would have to socialize virtually all large-scale industry (though, as I’ve said elsewhere, this does not mean we need to nationalize “mom & pop” restaurants, small-scale owner-operator businesses, worker cooperatives, small farmers, and the like, though even some of those would need to be tightly regulated). Naomi Klein is rightly skeptical about “energy nationalization on existing models,” because Brazil’s Petrobras or Norway’s Statoil are “just as voracious in pursuing high-risk pools of carbon as their private sector counterparts.” But that’s because the “existing model” they operate in is the capitalist world economy — so even if they’re state-owned, they still need to abide by the rules of the market. This only underlines the eco-socialist argument that the only way we can stop global warming and solve our many interrelated environmental crises is with a mostly-planned, mostly publicly-owned, mostly non-market economy¹⁹⁾.

Even by mid-20th century French leaders had understood this fundamental problem they faced after the nation was defeated in WWII and the colonies were in danger of being lost. It was clearly understood then that WWII was fought for access to oil. The outcome of the war was certain when the Japanese lost Indonesian oil and the Germans lost in Stalingrad on the way to the Baku oil fields. With the war over and most of the world’s oil under American, British and Soviet control, Charles de Gaulle and other leaders knew that France was poor in natural resources and would have to hold onto its colonies in order to have any status as a world power. At the very least the French would have to find a way to retain their former colonies in a new relationship that came to be called neo-colonialism, or *Françafrique*, a system that assured French dominance in the new nominally independent nations.

France succeeded in this and managed to retain access to oil and uranium in African and Middle Eastern nations. To this day, even after the introduction of the

euro, France still controls African economies through the French-backed West African Franc and Central African Franc. However, in a reformed French economy providing a lifelong salary, this unequal arrangement would not be something for a good Marxist to endorse, unless the relationship could be made much more mutually beneficial than it has been so far. Thus a consideration of France's energy sources raises some difficult questions about how a lifelong salary policy would deliver a decent standard of living for all when there is also an imperative to enter a new stage of history that the French ecologist Serge Latouche has called *décroissance* (de-growth)²⁰⁾.

A successful lifelong salary system would also raise tensions about nationalism and citizenship, about who is qualified to receive a lifelong salary. A nation that provides a good life for its citizens becomes an envied magnet for outsiders, but a sudden influx of outsiders forces the government to defend its achievements from external forces that would undermine it. *Nationalism* is a dirty word in modern capitalist discourse because of its association with fascism, but a certain degree of nationalism used to be considered a good thing. From 1945 to 1970, before the Reagan-Thatcher neoliberal revolution, nation-based economies were permitted to flourish and improve the standard of living of their citizens. However, now this system has been greatly weakened and nations are straining under the pressure of refugee flows.

One final question to add to the list above is this: If I could write all of the above and raise so many questions about basic income and lifelong salary, why do we not notice experts, media reports and politicians doing the same? Why is basic income being discussed as if it is not a reiteration of very old debates about human nature, work, freedom and the fairest way to share the excess wealth that an energy resource-exploiting society is capable of producing? On that note I finish with a quote from Max Keiser's guest, Chris Martenson, interviewed in the same episode mentioned above:

They [past and present Federal Reserve chairpersons] are conducting massive social experiments. Money is not this thing you study in textbooks and is real. Really, it's an agreement that we hold with each other, and they are violating

our agreement at the core level, and she [Janet Yellen, Federal Reserve Chairperson] knows this well... Plutarch notes that the oldest and most fatal ailment of all republics is the gap between the rich and the poor. I wrote that because I knew [in 2008] they [the central banks] were about to start printing money. I knew that it was going to create a wealth gap. How did I know that? I'm just one guy sitting in a room. How did I just analyze something that escaped the attention of the whole Federal Reserve and all their researchers? It didn't. They know they are creating this wealth gap. They are doing it specifically. They are taking money from pretty much everybody because Janet Yellen has decided that she knows better²¹⁾.

Conclusion

This quote is indicative of the growing feeling of urgency about the need to reject and radically transform long-standing institutions of domestic and international governance. One can occasionally glimpse this in the standard channels of the mass media, but in Japan there is even less awareness of the discontent and radical proposals that have appeared in North America and Western Europe in the last decade. Japanese university students hope to be entering basically the same Japanese corporate and political structures that existed for their parents' and grandparents' generations, and they have little awareness of, or perhaps live in denial of, the storm clouds forming in other nations they are closely connected to by economic and military alliance. I have written this discursive essay in the hopes of bringing greater awareness of the new thinking emerging from what some optimistically call the "stage of late capitalism." Although a radical socialist transformation in France or anywhere else still seems like a remote possibility, the fact that basic income is now a mainstream topic and lifelong salary is being discussed seriously by millions of people is indicative of a significant change in public discourse that has appeared since capitalism's systemic crisis of 2007-2008. Should another such crisis occur, it may prove to be the event that transforms this talk into action and tips the present system over the edge. Professor Friot himself has stated:

There is a large demand for change. For sure, still only a minority is aware of this plan, but it's an influential minority. We are actually in a cold period of history, but during a hot period when people start to agitate for change, which happens regularly (1789, 1870, 1936), this minority will trigger the movement. We have to prepare for it now with public education programs²²⁾.

Notes

- 1) Usul, "My dear contemporaries: lifelong salary according to Bernard Friot (Mes chers contemporains: le salaire à vie selon Bernard Friot)," *6 Coups 6 Mouches*, 2015, <https://youtu.be/eyrEykrCQi0>.
- 2) Noam Chomsky, *Manufacturing Consent: The Political Economy of the Mass Media*. Lecture, University of Wisconsin–Madison, March 15, 1989, <https://chomsky.info/19890315/>. While Chomsky here accuses Lenin of staging a coup against the workers' revolution, the standard defense of Lenin and Stalin is that they knew that the new socialist state would be attacked mercilessly both internally and externally. This proved to be the case throughout the entire life of the Soviet Union as if faced first the civil war, then the attack by Nazi Germany, then opposition from the United States during the Cold War. Their rationale was that true socialism would have to wait until external threats disappeared.
- 3) Consider, for example, the Canadian province of Ontario, where the Ontario Municipal Employees Retirement System is a major "partner" in Bruce Power, the province's "private" sector nuclear energy utility. (Note how the distinction between private and public sector is blurred in this example. Is it really private sector when its major partner is a union of municipal employees?). Another example: the Ontario teachers' retirement fund took heavy losses in 1997 in the infamous and massive Bre-X gold mine fraud.
- 4) Roger Keeran and Thomas Kennedy, *Socialism Betrayed: Behind the Collapse of the Soviet Union* (iUniverse, 2010), Chapter Three.
- 5) Gregory Grossman, "The Second Economy in the Soviet Union and Eastern Europe," *Berkeley-Duke Occasional Papers on the Economy of the Soviet Union*, July 1990.
- 6) Max Keiser, *Keiser Report E723*, 16:15~, February 24, 2015, <https://youtu.be/pAJXph8eHJ4>.
- 7) Max Keiser, *Keiser Report E1120*, 12:50~, September 7, 2017, <https://youtu.be/XIfgfSW6Sjo>.
- 8) Mike Shedlock, "Living Wage Idiocy and Free Market Experiments," *Mishtalk*, January 9, 2017, <https://mishtalk.com/2017/01/09/living-wage-idiocy/>.
- 9) Peter Joseph, "Economic Calculation in Resource-Based Economics," *P2PF Wiki*, accessed September 2, 2017, http://wiki.p2pfoundation.net/Peter_Joseph_on_Economic_Calculation_in_Resource-Based_Economics. See also Peter Joseph, *The New Human Rights Movement: Reinventing the Economy to End Oppression* (BenBella Books, 2017).
- 10) Albert Fried and Ronald Sanders, ed., *Socialist Thought: A Documentary History* (New York: Columbia University Press, 1964), 18-31. The relevant excerpt from this text can be read at this

- web page: *Code of Nature, or The True Spirit of Laws*,
<https://www.marxists.org/subject/utopian/morelly/code-nature.htm>.
- 11) Chris Weller, “A top anthropologist says the US is flooded with ‘bulls---’ jobs that should disappear,” *Business Insider*, December 15, 2016, <http://www.businessinsider.com/david-graerber-jobs-should-disappear-2016-12>.
 - 12) I admit that my views on these issues have been influenced by life experience. I’m old. I worked some dirty, dangerous and miserable jobs when I was young, and I’ve seen a lot of shirking in my life. I witnessed rampant fraud among peers in Canada’s formerly generous unemployment insurance system and worker compensation programs. Everyone working these jobs, except the students who believed they were just passing through these blue collar jobs, bought lottery tickets and spoke of a wish to escape from the drudgery of their work. I do not doubt for a minute that most of them would have retired instantly if a comfortable pension had been available. One acquaintance, a former sawmill worker, confessed to me that he had deliberately cut off his own finger with a table saw in order to collect long-term worker compensation benefits. He told me this while dressed in a Santa Claus suit. His compensation claim had been accepted and he now worked occasionally as a shopping mall Santa. I was the photographer assigned to work with him on this seasonal gig.
 - 13) David Graeber, “On the Phenomenon of Bullshit Jobs,” *Libcom.org*, August 20, 2013, <https://libcom.org/library/phenomenon-bullshit-jobs-david-graeber>.
 - 14) A standard trick in Canada in the 1970s was this: Unemployment insurance recipients, many of them seasonal workers who knew they would be rehired in the summer, evaded the requirement to stay home and be actively engaged in looking for employment. They asked a trusted family member to forge their signatures on checks and deposit them in their bank accounts while they wintered in Mexico. This loophole had to be closed down by introducing “humiliating” means testing and another layer of “useless” bureaucracy: forcing the unemployed to appear in person every two weeks and show photo identification in order to receive their checks.
 - 15) Amy Wax and Larry Alexander, “Paying the price for breakdown of the country’s bourgeois culture,” *Philadelphia Inquirer (Philly.com)*, August 9, 2017, <http://www.philly.com/philly/opinion/commentary/paying-the-price-for-breakdown-of-the-countrys-bourgeois-culture-20170809.html>.
 - 16) Liel Leibowitz, *A Broken Hallelujah: Rock n Roll, Redemption and the Life of Leonard Cohen* (W.W. Norton and Company, 2014), 160-161.
 - 17) Max Keiser, *The Keiser Report*, E1040, 20:28~, <https://youtu.be/Y0NID1iBrkU>.
 - 18) R. T. Howard, *Power and Glory: France’s Secret Wars with Britain and America, 1945-2016* (Biteback Publishing, 2016), Chapter 6. Howard notes the contradictions faced by French communists in the 1950s toward French control over African resources: “Even French communists, who were instinctively sympathetic toward the struggles of colonial peoples, were lukewarm towards the increasingly vocal claims for Algerian independence, regarding it as a threat to the standards of living of ordinary French men and women.”
 - 19) Richard Smith, *Green Capitalism: the God that Failed* (World Economics Association Book

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Series, 2015), 113. In this chapter Richard Smith mentions specifically Al Gore, James Hansen, Bill McKibben, Naomi Klein, and the UK Green Party as examples of respected leaders of the environmental movement who are adept selling books and raking in donations for their causes but unwilling to face contradictions and admit that “mainstream debate has been frozen in a time warp of failed bankrupt strategies, confined entirely within the framework of capitalism.”

- 20) Serge Latouche, *Farewell to Growth* (Polity, 2010).
- 21) Max Keiser, *The Keiser Report*, Episode 1040, 18:22~, <https://youtu.be/Y0NID1iBrkU>.
- 22) Emmanuel Daniel, “Lifelong Salary: Work is Dead. Long Live the Salaried Class (Salaire à vie: l’emploi est mort, vive le salariat!),” *Slate*, March 3, 2013, <http://www.slate.fr/story/68185/salaire-vie-travail>.