

A Conversation with Philip Kovce and Julian Nida-Rümelin

»People don't work just for the fun of it«

The Basic Income Guarantee – Ivory-tower utopia or workable model for the future?

*The basic income guarantee refers to a scheme that would provide a monthly, state-mandated, tax-supported payment to every person regardless of his/her income or wealth and employment status. Here Klaus-Jürgen Scherer interviews Philip Kovce and Julian Nida-Rümelin about the proposal. The former is the author of the book, »Was fehlt, wenn alles da ist? Warum das bedingungslose Grundeinkommen die richtigen Fragen stellt« (What Is Missing When We Have Everything: Why the basic income guarantee is asking the right questions). The latter, a philosopher, warned against the divisive tendencies implicit in the basic income guarantee as early as 2008 in an article for the Quarterly's German-language parent publication, *Neue Gesellschaft/Frankfurter Hefte*.*

NG/FH: Debates about the basic income guarantee have been going on for years, most recently in the context of digitalization. Mr. Kovce, why do we need such a guaranteed income?

Philip Kovce: There are many good reasons to institute an unconditional basic income guarantee. The basic income promotes freedom rather than coercion, solidarity instead of paternalism, initiative rather than obedience. It is not a reform that would merely adjust a few set screws in the social welfare state. Rather, it is an idea that would make us reflect in fundamental ways about ourselves and how we want to live and work together. But of course nothing forces us to enact a basic income guarantee. We can decide freely for ourselves whether we want to adopt it. Switzerland – not exactly a country known for embracing revolutionary ideas – is asking itself this very question by holding a referendum in 2016 about the enactment of a basic income guarantee. The Swiss debate shows that the basic income guarantee is more about trust than it is about money. The trust issue is the »Gretchen question« of the basic income guarantee.

NG/FH: Mr. Nida-Rümelin, isn't it true that you, as a philosopher, have a much more skeptical view of this quite different version of the social welfare state?

Julian Nida-Rümelin: The idea is not new. It has been around for decades. Its ideological roots – and I mean this not in a derogatory sense, but simply descriptively – lie partly in the anarchism of the nineteenth century and partly in free-market liberal and radical market conceptions. That also explains why there is such a broad alliance behind it. Economists who are close to employers' associations at last want to replace the current social welfare state as we know it today – an institution of which they are not fond – by a simple system.

On the other hand there is an implicitly pro-emancipation attitude here as well, according to which a person should be supported no matter whether s/he has ever worked or even wants to work. Maybe some people would like to get involved in civic projects, while others would prefer to look after their children. Still others might say: »I need some downtime for two years and it would be really nice if I had an income during that period.« At first glance, that is a humane and appealing idea.



Philip Kovce

My argument is that, currently, here are in fact some formidable challenges facing the social security system, more so in other countries than in Germany. But as far as I am concerned, a complete system-makeover would carry big risks by exacerbating even more the social tensions that are already apparent today.

Here is one example: the so-called »stay-at-home parenting bonus« advocated by the CSU. This is a taxpayer-financed transfer payment to parents who want to care for their children at home, and it offers the wrong incentives. The message delivered by the program is: »You don't need to work. The state will support your choice to stay at home.« In social milieus where paid employment among women is the great exception anyway, this is bound to widen even further the gap between men and women. I am sure that, if the stay-at-home parenting bonus were increased fivefold in the form of a basic income guarantee, women living in those social milieus would not go back to work. In this way one of the goals we are currently striving to achieve – namely, the equal integration of women

and men into the world of work – would be frustrated once again.

What is more, it sends the illusory message that everything is easy and playful. We are footloose and fancy free; sometimes we do one thing and sometimes another. I may take a sabbatical from the workaday world for five years, or maybe I am still young and don't want to enter the world of work just yet. But those young people would be surprised: At the end of five years, they will no longer be able to enter the labor market at all.

NG/FH: So the system-switch would jeopardize our social welfare state, generate social tensions, and lead to a situation in which work is no longer genuinely valued?

Kovce: The basic income guarantee values work as an activity, not merely as a means to earn a living. Mr. Nida-Rümelin emphasizes that paid or »gainful« employment is necessary to integrate people into society and worries about a society with a lot of free time. That is a pseudo-choice; it is based on the assumption that people would not do anything meaningful unless goaded by external incentives.

Nida-Rümelin: That's not so. Volunteer work for the community and child-raising are very meaningful activities.

Kovce: For decades we have imagined – or the state authorities have imagined – that we needed a defining culture that identifies the concept of labor with its atrophied form, the notion of gainful employment. This perverse culture has brought us to the point where we do everything in our power to force people to work for a living no matter how pointless the work is that they have to do. This does not square with the values of either social democracy or classical liberalism. Besides, a plea for forced labor has nothing to do with social integration. The fact that we cling to the coercive aspect of labor, even though more and more jobs are being taken over by machines and thus taken out of our hands, shows that we can't resist worshipping the idol of gainful employment. Incidentally, Hannah Arendt predicted precisely this outcome: that a laboring society might very well run out of labor to do, but that this society would never let go of labor because that is all it really understood and knew how to do. So if we do not decide to abandon the society of gainful employment, we will continue to devote all of our intellectual energy to creating ever more absurd and meaningless jobs, which we assume are important from the point of view of integration and discipline. In this respect the SPD is undermining its original mission. For 100 years now it has been committed to empowering workers to create space for personal freedom vis-à-vis the capitalists. Today, the party is doing exactly the opposite. At a historical moment in which we truly could escape from the pressure to work for a living, the SPD is not committed to doing so: instead, it is inventing schemes designed ever more cleverly to force us to continue with the system of gainful employment. I think that is cynical.

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Nida-Rümelin: Most advocates of the basic income guarantee adopt the strategy of trivialization. They say: »Well, it makes sense to structure all these social service payments in a way that's easier to understand and make them independent of the issue of whether a person is able to work for a living or not.« But anyone who is not capable of working for a living, whether due to age, illness, or parental obligations, even now has a claim to social service payments that replace his or her wages or salary.

Your line of argument is a bit different; in fact, it resembles certain anarchist currents of thought from the nineteenth century, which the social democratic movement has pointedly repudiated – and for good reason. As an example of the kind of argument that the SPD has always spurned, let's consider the claim that the best of all possible worlds would be one in which labor were done purely for enjoyment. In fact, people work partly out of a sense of duty toward themselves, partly to ensure that others, such as their children, can survive, and to make their future more secure. There are numerous empirical studies showing that gainful employment plays a crucial role in bringing about integration and recognition. That is why the gender gap is so worrisome.

Gainful employment has a variety of important functions. Even civic engagement is mainly to be found among those who are integrated into working life. I imagine a fairer, more just, inclusive, and humane world of work. But it is very clear from everything you have said that you have downgraded gainful employment to the level of a hobby, and that is a serious mistake. In Aristotle's time things were different, since gainful employment

was something for the lower classes. But that has changed. In fact, we live in a society in which social integration essentially happens via work for pay.

NG/FH: But what about Hannah Arendt's argument?

Nida-Rümelin: This is an argument that has been bandied about really ever since the nineteenth century. It implies that productivity gains ultimately lead to the end of work in industrial societies. The keyword here is digitalization. These debates have been carried on inside the SPD as well. Yet such theories have turned out to be wrong again and again, for some decades now. The volume of work is not shrinking; it is growing. That is especially true of Germany.

Kovce: The volume of work is growing because we are contorting ourselves politically to make sure that it does grow.

Nida-Rümelin: No. Even though productivity is very high in certain sectors of the economy and fewer workers are required, human beings have other needs as well, e.g., cultural ones. Currently, the field of culture is experiencing an unprecedented boom. There, more paid employment is needed. There is no reason to believe that society is running out of opportunities for gainful employment.

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Kovce: I am with you on this one. My point is not to demonize gainful employment, but rather to point out that it is diabolical when people are coerced into working for a living. When it comes to digitalization, one simple principle holds: Anything that can be quantified can be automated. That is, we need human beings only when we face non-quantifiable situations. The future of work, regardless of whether we are talking about paid employment or volunteering, lies in self-determined activity, not in heteronomy.

Nida-Rümelin: The market does not respond to needs and wishes of this kind. The market follows its own intrinsic laws, which are very different. It is not as though political decision-makers wished to see business enterprises looking in vain for employees nor would they want to see entire branches of industry get in trouble because the next generation of properly skilled workers is lacking. This is not just a fantasy of philosophers or politicians; it is simply the way that the economic market works.

NG/FH: A social welfare state based essentially on gainful employment only has a future if gainful employment continues to evolve and change, isn't that right?

Nida-Rümelin: To cite one example, in Germany and France we have a social security system that is financed primarily through a tax on labor. In the Scandinavian countries things are different. But one cannot simply swap systems overnight. In other words, I am in favor of de-linking social security systems from labor as a source of financing, be-

cause that arrangement makes labor more costly and thus artificially scarce – the polar opposite of your position.

Step by step, we should expand elements of the social security system financed from general revenue, since that would enhance freedom. A common »citizens' insurance« or universal flat rate benefit would be a good idea. But I do not endorse a radical new start in which the social welfare state would be dismantled, including the cooperative structures embedded in it. In the German social welfare state one earns entitlements by having contributed to the generation of the social product. Those are entitlements that accrue even to people who might not need them, but who can claim them as earned benefits of paid employment.

Incidentally, to abolish all this with the stroke of a pen also means wiping out 110 years of social history and 150 of struggle by the workers' movement.

Kovce: Your point is expressed in a marvelously polemical way. Of course a basic income guarantee would be introduced in evolutionary stages, not as a single revolutionary act. We could allow various elements of social security as we know it today to become unconditional guarantees. One might imagine that not only family allowances but basic pensions as well might be treated as guaranteed forms of income, thus importing an element of the unconditional basic income into society. If the basic income guarantee were a revolutionary project, 100,000 Swiss citizens would not have signed a petition calling for a referendum on it. The basic income is an idea that involves multiple perspectives encouraging us to think about tomorrow as we act today. But I would like to come back to one issue that, as far as I can see, embodies our essential disagreement. You mistrust human beings.

Nida-Rümelin: No. People don't work just for the fun of it. That is a middle class ideological illusion. I also work because I have to earn money.

Kovce: And you can continue to do that. The basic income guarantee does not forbid anyone from earning money. In a society with a basic income guarantee, self-actualization can also have a financial dimension. Yet, the fact that we drill ourselves to get up at 6:00 AM to work at a job that financial need forces us to take and which we will therefore neither do well nor cost-effectively should not be regarded as an act of heroism, but



Julian Nida-Rümelin

rather as an indictment of our society. I would get up at 4:00 AM every day to engage in an activity about which I am enthusiastic. Such activities spur me to perform at my highest level, but also make me suffer the most when my performance falls short. This has nothing to do with hobbies; it is a matter of passion. The basic income guarantee does not stand in the way of human effort, but it does discourage drilling people in ways that undermine their humanity.

Nida-Rümelin: What concerns me is the humanization of the economy and a critique of self-instrumentalization. You can look that up in my book, *Die Optimierungsfalle* (*The Optimization Trap*, ed.). But your utopian exuberance, which is of course appealing, implies: »Well, the best thing of all would be if people had no more reason to earn an income by working and worked only because they had an inner calling to do so.« That is a dangerous illusion, because it comes out of a tradition that says nothing should be arduous, strenuous, or difficult.

But that is wrong. There are obligations, among which is that people should take care of earning their own income and not rely on others to do it for them. And as far as I am concerned, it is part of being an adult to accept that.

Kovce: Now you've been taken in by the old canard that we are still like hunter-gatherers, working directly for ourselves, even though we live in an economy in which everything is provided by others. Today, we live in a society marked by the division of labor, in which others help to provide my income and I help to provide the income of others; that is, I satisfy my needs thanks to what others do, while I act to meet their needs as well. I no longer feed my own clan or family directly; instead, I am involved in a global network that provides goods and services. In a society of this kind, in which I count on the services of others, it is then reasonable for me to wonder how best to enhance others' ability to render those services. Of course, forcing them to do so is the worst way to optimize their abilities; things work out better if they can act in my behalf from their own free will.

Nida-Rümelin: Excuse me, but that is a mental error. Do not underestimate the hunter-gatherer cultures. They also relied on a division of labor to go about their business. It is not as though an isolated individual went out and killed the mammoth and then dragged it home. Rather, they lived together in large groups featuring a division of labor. Anthropologists today speak of groups of 300.

And that's the way it is today. As a matter of fact, we live in a highly cooperative economy based on an intense division of labor coupled with the social welfare state. The two institutions have a difficult, tension-filled relationship. We have now passed through a phase in which economic rationality was increasingly dominant – maybe we even agree on this point – and overshadowed the rationality of the social welfare state, putting it on the defensive. A great deal depends on realizing that cooperation must not be defined simply as a function of paid labor. That much is quite clear. Thus, to cite an example, those who take care of their relatives, do volunteer work for the community, and raise children are performing an essential service to advance this cooperation.

As a part of growing up, we must learn to play our part in the division of labor, contributing to the process by nourishing and sustaining ourselves and our dependents. And the idea that we should do this only when we feel like it is basically a form of protracted adolescence, whether people are aware of that or not.

Kovce: I too embrace work with enthusiasm. I can manage to get through the worst crises posed by that work, when I see in it a set of tasks that are my own. You would like to humanize labor, but you understand that task as a paternalistic act of the state. You don't trust individuals to humanize work for themselves.

Nida-Rümelin: Quite the contrary. You are suggesting that the state would skim off and redistribute income earned by work on a grand scale, and that these incomes would be very high, since productivity would insure highly productive jobs for a few. I have no objection to state intervention, but to invent a contrast here, making it seem as if I were for a coercive state that imposed a form of labor, while you favored the freedom of the market and self-determination, is truly absurd.

NG/FH: In the digital world of the future, to what extent will algorithms replace work?

Nida-Rümelin: I don't know what will happen. If it is true that all processes that can be controlled by algorithms eventually will be taken over by machines, then we would be facing a completely new situation. Nevertheless, it is striking that precisely this argument has been advanced in debates, following the same pattern, ever since the nineteenth century – albeit not in respect to digital technology, of course. One sees that fewer and fewer weavers are needed, and proclaims the onset of a catastrophe.

But each time things have turned out differently. At each juncture new branches of industry, new markets, and new needs have arisen, even those of a non-material character. That is my great hope: that the non-material sector will grow substantially, so that continuing development will occur in a way that is sustainable and in keeping with the resources we have.

It is hard to say exactly what will happen. What I see is that those seized by the euphoria of digitalization have predicted a lot of things – the paperless office, enormous leaps in productivity, needing almost no time for communication – and that none of them has actually come to pass.

Kovce: The real issue with digitalization is not whether a text gets printed on paper, but whether it is produced with a typewriter or a computer. Thanks to the computer, printing out a text on paper has become a matter of free choice. Our consumer choices, too, are becoming freer all the time. Corporate marketing and PR budgets are increasing, because – given our freedom and amidst our affluence – they can't keep up with people's desires. Even politics increasingly is carried on more in placards than in discussions, because people worry about flagging interest among voters. In this situation we do not need to inflate the welfare state into a surveillance state to pillory alleged laggards in our hyper-competitive society. Rather, we need a civil right that enables everyone to participate in the life of society. Of course, the reality today is that we don't allow anyone to starve and we do assure everyone a subsistence-level income. However, our social legislation unconstitutionally restricts this fundamental right. The basic income guarantee is nothing more or less than the implementation of constitutionally guaranteed rights that we grant ourselves even today. The unconditional guarantee of a basic income insures that a subsistence-level income cannot be cut back under any circumstances and that it will be granted to every single person.

NG/FH: What, really, is the most important difference between a social democratic »safety

net« providing a minimum level of financial security and the unconditional basic income guarantee, if we disregard for now all the rhetoric about principles and philosophical approaches?

Nida-Rümelin: The argument in favor of a basic guarantee of a subsistence income for everyone has become superfluous, because we already have it. That is particularly clear in the case of Germany, because the Federal Constitutional Court has of course prohibited all forms of discrimination, e.g., even in respect to refugees. Besides, the carrot and stick approach of the Agenda 2010 reforms has been successful throughout much of Germany. Since 2005 we have been one of the few industrialized countries not to have registered an increase in inequality.

The demand for a subsistence-level basic income is an entirely different matter. The prevailing support levels seem to me to be too low. But when I hear people say: »I don't care who it is, whether it's someone who earns a few million or not, everyone gets the same amount,« then I wonder why the general public should waste scarce resources on this instead of investing them in the care of children, the elderly, and others who need help, as well as in education.

Kovce: Everyone is eligible for a fundamental right.

Nida-Rümelin: We are not talking about a right here. The right relates to the fact that I receive a minimum subsistence income. But the right does not say that a millionaire gets an extra 1,000 euros a month.

Kovce: I understand the basic income guarantee as a fundamental right, not as a need-based social welfare payment. The basic income guarantee has nothing to do with money. The fact that money is being paid out is the final act in a drama, the catharsis of which lies elsewhere – namely, in how we answer the question of whether we want to grant ourselves a floor under our existence with no conditions attached. When we take note of the fact that this makes us more efficient and productive, we also acknowledge that we are doing ourselves a disservice in economic terms as long as we do not enact an unconditional basic income guarantee.

Nida-Rümelin: That means we supposedly need a universal, unconditional basic income guarantee in order to spur productivity and enhance economic prosperity. Probably what you have in mind here is the fact that productivity gains presumably would be achieved by the exodus of many people from the labor market, so that the few who remained would be the highly productive ones. These are extremely speculative assumptions, and would entail what I consider to be undesirable effects from the point of view of social policy. We would then have a tiny elite of high-earners who would be supporting all the rest of us. But that is a different topic.