



PALGRAVE STUDIES IN DIGITAL INEQUALITIES



# Inequality in the Digital Economy

The Case for a Universal Basic Income

Andrew White

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# Palgrave Studies in Digital Inequalities

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Power, exclusion, and the widening gaps between those with agency and those without is the foremost question of our time among scholars across humanities and the social sciences. This series speaks to the main drivers of power and exclusion in contemporary society: digital technological advances that are rapidly transforming society. Titles in this series will investigate and propose different ways to think, analyse and understand inequalities in the digital age. Themes covered include, but are not limited to, how digital inequalities persist vis-à-vis economic class, gender, sexuality, race and ethnicity, aging, disability, healthcare, education, rural residency, networks, and global geographies, as well as the study of emergent forms of inequality related to AI, digital labor, the platform economy and networked individualism, cybersafety, cybercrime, gaming, and emotional well-being.

Our goal is to create a series at the centre of these debates, pushing the field forward. Thematically, the series will examine both problems and solutions. On the one hand, we welcome monographs that map out how diverse digital technologies are exacerbating inequalities or creating new ones. On the other hand, we also welcome monographs that chart out how these technologies can be used to tackle social exclusions and marginalization.

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*For Vanessa & Jiajia*

## COMPETING INTERESTS

I have no relationship, financial or otherwise, with the individuals and institutions that I have written about in this book.

*Ethics Approval* The research for this book did not require the participation of any humans as research subjects, and hence ethics approval is not needed.

## ACKNOWLEDGMENTS

This book has taken a long time to come to fruition. Initially conceived before COVID-19 struck at the end of 2019, it has been a rocky journey, punctuated by various upheavals along the way, to get to this destination. I first explored some of the ideas in this book through an article in 2016 in *The Conversation*, and a journal paper in *Ethics & Social Welfare* in 2018. For giving me the opportunity to put my inchoate thoughts to paper, I would like to thank the then Business and Economy editor of *The Conversation*, Annabel Bligh, and the editors of *Ethics & Social Welfare*'s special issue on technology-driven unemployment and social welfare, Antonio Marturano and Jana Vizmuller-Zocco. Some of my developing arguments were honed at three BIEN (Basic Income Earth Network) conferences in 2018, 2021 and 2022, and I am grateful for the organizers and fellow panellists who gave me the opportunity to shape my ideas for the book. And thanks too to Lauriane Piette and her colleagues at Palgrave Macmillan for giving me the opportunity to put these ideas into the tangible form that you are reading now.

I was nearing the end of my tenure as the Head of the School of International Communications at the University of Nottingham's campus in Ningbo, China, in the summer of 2019 when I applied for research leave to start writing this book. This was kindly granted to me by the Faculty of Humanities and Social Sciences. Little did I know then that when I left China in January 2020 to start writing the book, I would never return to my job. As the lockdown started in the UK in March 2020 and extended into May, I typed the first words of what you will now read in the introduction. But then my progress stalled as my decision to resign from



my job brought my academic and personal lives in sync, in that I was now living the precarious life which is the focus of much of my writing. Thus, this imposed hiatus actually helped me to think with greater clarity about these issues even if I wasn't putting much on paper at this time. After long periods of endlessly writing job applications and periodically attending interviews, I eventually secured a part-time teaching role at Oxford Brookes University in October 2021 before commencing a full-time senior lectureship at King's College London in July 2022.

I would like, therefore, to thank colleagues and students old and new, in the School of International Communications at the University of Nottingham Ningbo China, at Oxford Brookes's School of History, Philosophy & Culture, and in the Department of Culture, Media & Creative Industries at King's College London, for making this transition easier than it might have been. I would not have been able to write this book without the loving support of my family, especially Mum and Dad, who provided us with a home during the nomadic periods of our existence after our abrupt departure from China. I should also acknowledge those we left behind in China, especially Jiajia's parents who we were delighted to meet again three years after departing Ningbo. Finally, as ever I dedicate this work to the two people who were always at my side on this circuitous journey, Vanessa and Jiajia, who make it all worthwhile.

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## ABOUT THE AUTHOR

**Andrew White** is Senior Lecturer in the Department of Culture, Media & Creative Industries at King's College London. He has worked for many UK universities, including the University of Nottingham's China campus where he was a Professor of Creative Industries & Digital Media. He has published his research in the form of journal articles, book chapters, newspaper articles and a single-authored monograph with Palgrave Macmillan in 2014 entitled *Digital Media & Society: Transforming Economics, Politics and Social Practices*; a Portuguese translation of this book, *Mídia Digital e Sociedade*, was published in 2016. His previous research on the universal basic income has been published in *The Conversation*, *The Guardian*, and a special journal issue for *Ethics & Social Welfare*.

# ABBREVIATIONS AND ACRONYMS<sup>1</sup>

AI	Artificial Intelligence
APF	Alaska Permanent Fund
BAT	Baidu, Alibaba and Tencent
BBC	British Broadcasting Corporation
BIA	Basic Income for the Arts [Ireland]
BIEN	Basic Income Earth Network
CCT	Conditional Cash Transfers
CEO	Chief Executive Officer
DCMS	Department for Culture, Media & Sport [UK] Department for Digital, Culture, Media & Sport [2017–2023]
FAP	Family Assistance Plan
GDP	Gross Domestic Product
HIV	Human Immunodeficiency Virus
IEA	Institute of Economic Affairs
ILO	International Labour Organization
IMF	International Monetary Fund
IPV	Intimate Partner Violence
Mincome	Manitoba Basic Annual Income Experiment
MIT	Massachusetts Institute of Technology
MPA	Motion Picture Association
M-PESA	Mobile-Money [Swahili]

<sup>1</sup>Excluding those in common circulation, like USA, UK and EU, and ones which have been explained at all occurrences in the text.

ONS	Office of National Statistics [UK]
PFD	Permanent Fund Dividend [Alaska]
SEWA	Self-Employed Women's Association [India]
UBI	Universal Basic Income
UNCTAD	United Nations Conference on Trade and Development
UNICEF	United Nations International Children's Emergency Fund [shortened to United Nations Children's Fund in 1953]



## Introduction

I recall vividly watching the coverage of the Iowa caucus for the Democrats' candidates for the US 2020 presidential election as the world drifted towards COVID-19 lockdowns in early 2020. While the focus of most viewers was on the most well-known politicians, those scrolling down the list of candidates would see what was then an unfamiliar name at number six: Andrew Yang. While Yang was not the first non-politician to gate-crash a major US party's presidential selection process, my particular interest in him relates to his main policy platform, the championing of a universal basic income (UBI). It is important not to under-state the significance of this, as when he first entered the race UBI was pretty much Yang's sole policy, something he had previously articulated in book length form (Yang, 2018). Yang's book was important in solidifying my growing sense that UBI could help to mitigate many of the social and economic problems generated by our increasing dependence on the digital economy. As I have argued elsewhere, the structural logic of the digital economy as presently constituted widens inequality and, through its use of automation for increasingly complex, as well as mundane, tasks, threatens jobs (White, 2014, 2015, 2016, 2019). While UBI in and of itself cannot address these structural issues, it can go some way in providing material and psychological support for those marginalised in this economic dispensation.

One of the difficulties advocates of UBI encounter when they are trying to win converts is that while many agree that the digital economy is

responsible for widening inequality, they worry about the cost of introducing a UBI scheme. This is not an unreasonable concern, especially when one considers the projected costs of some of the models: one model where \$10,000 would be paid to each recipient in the USA was projected to cost \$2 trillion in 2010 prices (Sheahen, 2012; cited in Gans, 2014, p. 83). While one should not be dismissive of these concerns, making UBI dependent on its supposed financial viability is problematic. This is because UBI should be viewed as nothing less than a crucial component of the radical re-structuring of society. This position, which I will adopt throughout this book, focuses on UBI's positive impact on individual wellbeing, overall society and environmental sustainability rather than solely its economic cost or financial benefit. As Neil Postman (1993) brilliantly articulated in his book *Technopoly*, the introduction of new technologies into existing society is rarely an additive or subtractive process, where the new technology is simply 'added' to existing social practices while older technologies become obsolete or 'subtracted' without much perturbation. Instead, the introduction of new technologies interact with existing social practices in such ways that more often than not are unpredictable and potentially transformative in their impact on existing social practices. An example of this is the introduction of the smartphone into our existing media and social sphere in the first decade of the twenty-first century. The introduction of UBI into a major economy will be similarly transformative, with the unpredictability of its precise impacts rendering many of the models of projected costs open to contestation.

This extends to some of the other political criticisms of UBI, the most prominent of which is the Malibu surfer archetype, the person who will use their UBI merely to pursue their hobby to the exclusion of more socially progressive activities (Birnbaum, 2011; Caputo, 2005; Pérez Muñoz, 2016). Not only might the assumption that people behave this way not hold true, but even if it did this might not necessarily be problematic in a situation where sophisticated forms of automation have eliminated many jobs from the workplace and where inactivity might even be celebrated for its lessening of one's carbon footprint. While it would be intellectually disingenuous to dismiss every single objection to UBI as speculative due to their incapacity to read the future, we should view as equally disingenuous arguments which assume that UBI is a good idea but not practical. This does not mean that my arguments for UBI will not try to address some of these practical objections, but that that my advocacy will focus mainly on the ethics and social justice of introducing such a



scheme. Having indicated the general approach of the book, I will now turn to a description of the different sections and discrete chapters.

The book opens with a general introduction, which you are reading now in the form of Chap. 1. After that, there are three main sections in which the central arguments are laid out. The first part focuses on the digital economy, inequality and work and comprises two chapters. The first of these, Chap. 2, discusses the digital economy's role in widening inequality and increasing insecurity. Its main purpose is to firmly locate advocacy for UBI within the context of a digital economy whose contemporary character and ubiquity works against the type of social organisation that is needed to promote sustainable ways of living. In its scaling up of virtually all markets to the global level, the digital economy has significantly accentuated what Rosen (1981) identified as the tendency for markets to be monopolised by a small number of global "superstars" (White, 2019). Those at the top can thus command an ever greater share of economic wealth, while the vast majority of, comparatively much poorer, citizens compete for what is left. This tendency has been exacerbated in recent years by ever more sophisticated forms of artificial intelligence which enable the automation of an increasing number of tasks in the workplace. The net result of this is persisting, if not rising, inequality among workers as well as a reduction in 'worthwhile' jobs. The main purpose of this chapter is to highlight that there is a major structural problem with the contemporary economy and that existing modes of organizing work and providing welfare to those that do not are inadequate. In short, it provides the intellectual argument for a new approach.

Chapter 3 alludes to the need to reconfigure our notion of paid employment. In its advocacy of a new vision for the concept of 'work', and how that would impact on the notion of the 'worker', Chap. 3 makes the need for this reconfiguration explicit. There is an inextricable link between virtually all UBI schemes and work/non-work. Whether it relates to the need either to supplement the income of those in precarious jobs (Standing & Jandrić, 2015) or to provide income to all those whose jobs are likely to be lost as a result of the increasing effectiveness of automation in a variety of workplaces (Ford, 2016), basic income schemes are usually seen as providing material support when this cannot adequately be obtained through paid employment. Arguments which essentially downgrade the status of work as a means of both material support, and moral and intellectual fulfilment tend to unite left- and right-leaning people in opposition. Whether it is through the Right's invocation to 'pay their way', 'support