

True Price instead of Unconditional Basic Income

Marc Desaulles / Neuchatel, Switzerland / Summer 2013

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We live in an era of low prices. The less we pay for something, the better—this is not only a widespread popular opinion but also a scientific dogma of contemporary economics. The enormous downward pressure on prices leaves little money to pay those who work. As a consequence, the lack of income inevitably leads to debt, which grows everywhere and becomes a phenomenon that can scarcely be kept under control. This downward spiral has advanced to the point where governments can keep things going only through further injections of money. Not only has money been given a value unto itself, but it has become something akin to an artificial source of life. It also increasingly chains individuals to their egoism, forcing them ever further into the struggle for existence.

There is a pressing need to act. But how? Some would like the idea of an unconditional basic income for everyone to be the answer, as a protection against a devastating situation. They argue that the guarantee of a basic income would act as social insurance, while its unconditionality would free the individual from the need to work.¹ At first sight, these two perspectives may look appealing. But are they really?

Looked at more closely, a different reality emerges: Unconditional basic income does not get to the root of the problem. The economy remains unaffected and continues as before, according to the idea of a struggle for survival that pits everyone against everyone else. Furthermore, it worsens the situation by poisoning our attitude toward work, attacking thereby an important vehicle of human dignity. Lastly, the consequence of a regular income falling into everyone's lap would be total dependence upon it, not unlike the dependence of a herd on its shepherd.

We do not have an income problem

The question is: What is the alternative to unconditional basic income? Better put, where can we begin to build an economic life that ensures every individual an income worthy of the name? We need to get closer to the root-causes. Then we will see: First, that the fundamental problem we have is not one of income but of spending, reinforced by an equally fundamental problem concerning money. Second, that we need to develop a healthy attitude toward work. Both the problem of spending and our attitude toward work are deeply linked to our conventional economic thinking and behaviour—something that is inconvenient to admit and difficult to renounce.

Even so, let's take a closer look at both aspects. With spending, price naturally plays a central role. Everyone checks the price when purchasing something—that goes without saying. But with what frame of mind? Our conventional thinking habits notwithstanding, let's imagine a world (whether possible or not we will leave aside for now) in which the price of every commodity is such that the individual who produced it "receives as counter-value for what he has produced an amount sufficient to enable him to satisfy the whole of his needs, including the needs of his dependants, until he will again have completed a like product."² This "true price" does not come about from the side of the buyer, the consumer, but only from the side of the vendor, the producer. And the decisive factor is not the costs incurred in production but the future needs of the producer.

The implications of understanding true price in this way are immense: In satisfying his own needs, the buyer, through each transaction, ensures that the needs of all those who were involved in production are met—all their needs, not just the basic ones. This would be the case not only locally, but would also apply worldwide, to all human beings wherever they work. Through each and every such transaction, true

¹ *CHB Note:* In this article the word work is used instead of labour in order to stay focused on the human aspect rather than get caught up in the economic category. But also to avoid, by connotation and convention of the English language, the transposition of work—as something essential to every human being—into an attribute only of "workers," and thereby also linking it to class analysis. We should also give thought to those who live from unearned income. Do they work in the general human sense meant here? Clearly they are not remunerated for the work they do. They may well work, as opposed to sit on a beach, but can work as meant here be unremunerated? Is this not part of what gives dignity to the human being?

² See Rudolf Steiner, lecture of 29 July 1922, GA 340 *Economics, the World as One Economy*, New Economy Publications, Canterbury 1996. This formula from Rudolf Steiner is as valid and as exhaustive as Pythagoras's theorem. – *CHB*.

pricing would have a healing effect that would dynamise the whole economic organism. At the same time, it would engender worldwide fairness. This understanding of true price is based on economic and calculable insights; not on an external moral or ethical attitude or enforced "benevolence." Individuals may grow morally as a result of true pricing, but this can never be a requirement of its introduction.

A decisive aspect of true pricing is its orientation toward the future, since it is this that ensures an income that provides for future needs. In no sense does income 'reward' past performance; rather, it meets the producers' living costs going forwards. There is simply income, and work. But they are not linked. Nor can income be measured in terms of work, because *de facto* the logic of time separates them. Income arises first; work follows. True pricing is therefore both the starting-point and pathway for a separation of work from income, which is truly social as well as conducive to destiny. Moreover, when through true pricing income covers all future needs, it also provides the basis for the creativity and development of every individual, through whose faculties the needs of his fellow human beings are met.

There is, however, a difficulty: Money is inevitably connected to each transaction, and with this there arises a concealed and barely perceptible problem that we must find the courage to confront. Throughout the past two centuries, money has become separated from the real economy ever more blatantly, receiving in the process a value in and of itself. This situation is predicated on three ubiquitous practices: the purchase of land (instead of the right to its exclusive use), the material collateralising of loans (instead of 'personal credit'), and the emphasis on controlling inflation in the field of monetary policy (instead of fostering true pricing). These three practices are economically devastating and impact every transaction the world over. Space does not permit a detailed reflection into this subject, but suffice it to say that these three practices are obstacles to any step in improving real economic processes.

Labour as the guardian of human dignity

The unconditionality of basic income emphasizes the rights of the individual, freeing him from any demands by the wider community—from which he at the same time shuts himself off. But it also places work in a wrong light. Work has nothing to do with freedom of that kind; it has to do with karma. Work arises where the commitment of the individual towards others meets the others' recognition; it entails a relation, a link, an encounter between a point and its periphery. It is where one unfolds one's individual destiny through recognising the needs of others. One's work meets the needs of others; one's own needs are in turn covered by the work of the others: "...the thought that a certain number of persons work in order that we may possess the minimum necessities of life is inseparable from another. It is the thought that we must recompense society, not by money but with work in exchange for the work that has been done for us. We feel an interest in our fellow human beings only when we are led to feel obligated to recompense in some form of work the amount of work that has been performed for us. To give our money to our fellow human beings means nothing other than that we are able to hold them on a leash as bound slaves and that we can compel them to work for us."³ Only through work do we learn to give back what we have received through the work of others. Here too, the experience of belonging becomes tangible in its profoundest social and human sense. Through work we enter the sphere of rights—something that can never be bought with money. Rights come from belonging to a community, as do obligations. Work is one such obligation: "[...] of course everybody is forced, through his social situation, to work, and we have only the choice between working and starving."⁴ This formulation is strong but consistent. One of the most important mysteries of human incarnation is connected with work: the use of the will. Of course, modern civilisation does much to paralyse the will, to weaken or even break the connection between the "I" of the human being and his earthly will. This is about human dignity, nothing less, from which point of view work can be seen as the guardian. From this point of view also, the idea of unconditionality is both grave and dangerous and risks throwing out the baby of dignity with the bathwater of insufficient income.

Unconditional basic income and true price are opposites in the search for a secure income. The former seeks to cover basic needs by means of a regular money injection; the latter ensures that producers are paid prices that meet all their needs. From the point of view of egoism, the former focuses on one's own income; more precisely, on the money needed to meet one's basic needs, regardless of where the income comes from. The latter focuses on one's fellow human beings, on spending—to be precise, on the needs of all those who stand invisibly behind every product. Moreover, by this means it also effects a healthy functioning of the social organism, for this healthy functioning is the precondition for income in

³ Rudolf Steiner, lecture of 30 November 1918, printed in GA 186, in which Rudolf Steiner describes how only work can be exchanged for work, and how money can never be a substitute for work (translation based on <http://wn.rsarchive.org/GA/GA0186/19181130p01.html>).

⁴ Rudolf Steiner, lecture of 30 May 1919, printed in GA 337a (not yet translated). Extract of a reply by Rudolf Steiner to the question: "Is obligatory work imaginable?"

the first place.

As regards egoism, this is something that we need to consider in connection with our theme. It is known that the spiritual world cannot reliably be entered without an appropriate training. Today this primarily means to educate one's egoism. Every step beyond the threshold that is motivated by personal interest, by an egoism that has not expanded to include the whole world and all of humanity, prevents a genuine encounter with the realities of the spiritual world: It leads only to illusory images and reflections of personal desires, which of course appear beautiful and true.

With modern economic life, we also enter another world. In many regards, this world seems to be a reflection of the spiritual world. And in neither world does egoism have a place: "[Egoism] should be extirpated root and branch from economic life,"⁵ because it falsifies prices, giving them illusory expression. But self-interest also only engenders "misery, poverty, and hardship"⁶ throughout humanity.

The only possible way that I see to take charge of our future is through true pricing. The first step is to make this basic concept of Steiner's economic theory—true price in all its consequences—accessible and understandable to everyone. The second step is to build associative networks—not too small and not too large, and all connected—to perceive prices and evaluate prices, and thereby step by step to create a consciousness of true prices. The result would be a fluctuating, differentiated, worldwide economic landscape of true prices. As a third step it would then be possible to enact concrete deeds, both individual and concerted, local and general, so that market prices, now here, now there, gradually but increasingly reflect true pricing. In this way we will learn together to master economic life, humanity's economic life.

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⁵ 26 July 1922, GA 340, *Economics*, op.cit.

⁶ "...all human misery is simply a consequence of egotism ... misery, poverty and distress must necessarily arise in a community if this community is based on egoism in any way." *Anthroposophy and the Social Question*, GA 34.