



## The Psychological Aspects of the Guaranteed Income

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This paper focuses exclusively on the *psychological* aspects of the guaranteed income, its value, its risks, and the human problems it raises.

The most important reason for the acceptance of the concept is that it might drastically enhance the freedom of the individual.<sup>1</sup> Until now in human history, man has been limited in his freedom to act by two factors: the use of force on the part of the rulers (essentially their capacity to kill the dissenters), and, more importantly, the threat of starvation against all who were unwilling to accept the conditions of work and social existence that were imposed on them.

Whoever was not willing to accept these conditions, even if there was no other force used against him, was confronted with the threat of starvation. The principle prevailing throughout most of human history in the past and present (in capitalism as well as in the Soviet Union) is: „He who does not work shall not eat.“ This threat forced man not only to *act* in accordance with what was demanded of him, but also to *think* and to *feel* in such a way that he would not even be tempted to act differently.

The fact that past history is based on the principle of the threat of starvation has, in the last analysis, its source in the fact that, with the exception of certain primitive societies, man has lived on the level of scarcity, both economically and psychologically. There were never sufficient material goods to satisfy the needs of all- usually a small group of „directors“ took for themselves all that their hearts desired, and the many who could not sit at the table were told that it was God’s or Nature’s law that this should be so. But it must be noted that the main factor in this is not the greed of the „directors,“ but the low level of material productivity.

A guaranteed income, which becomes possible in the era of economic abundance, could for the first time free man from the threat of starvation, and thus make him truly free and independent from any economic threat. Nobody would have to accept conditions of work merely because he otherwise would be afraid of starving- a talented or ambitious man or woman could learn new skills to prepare himself or herself for a different kind of occupation. A woman could leave her husband, an adolescent his family.

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<sup>1</sup> Cf. my discussion of a „universal subsistence guarantee“ in *The Sane Society* (New York: Holt, Rinehart and Winston, 1955), pp. 355 ff.



People would learn to be no longer afraid, if they did not have to fear hunger. (This holds true, of course, only if there is also no political threat that inhibits man's free thought, speech, and action.)

Guaranteed income would not only establish freedom as a reality rather than a slogan, it would also establish a principle deeply rooted in Western religious and humanist tradition: man has the right to live, regardless! This right to live, to have food, shelter, medical care, education, etc., is an intrinsic human right that cannot be restricted by any condition, not even the one that he must be socially „useful.“

The shift from a psychology of scarcity to that of abundance is one of the most important steps in human development. A psychology of scarcity produces anxiety, envy, egotism (to be seen most drastically in peasant cultures all over the world). A psychology of abundance produces initiative, faith in life ' solidarity. The fact is that most men are still geared psychologically to the economic facts of scarcity, when the industrial world is in the process of entering a new era of economic abundance. But because of this psychological „lag“ many people cannot even understand new ideas as presented in the concept of a guaranteed income, because traditional ideas are usually determined by feelings that originated in previous forms of social existence.

A further effect of a guaranteed income, coupled with greatly diminished working hours for all, would be that the spiritual and religious problems of human existence would become real and imperative. Until now man has been occupied with work (or has been too tired after work) to be too seriously concerned with such problems as „What is the meaning of life?“ „What do I believe in?“ „What are my values?“ „Who am I?“ etc. If he ceases to be mainly occupied by work, he will either be free to confront these problems seriously, or he will become half mad from direct or compensated boredom.

From all this it would follow that economic abundance, liberation from fear of starvation, would mark the transition from a prehuman to a truly human society.

Balancing this picture, it is necessary to raise some objections against, or questions about, the concept of a guaranteed income. The most obvious question is whether a guaranteed income would not reduce the incentive for work.

Aside from the fact that there is already no work for an ever-increasing sector of the population, and hence that the question of incentive for these people is irrelevant, the objection is nevertheless a serious one. I believe, however, that it can be demonstrated that material incentive is by no means the only incentive for work and effort. First of all there are other incentives: pride, social recognition, pleasure in work itself, etc. Examples of this fact are not lacking. The most obvious one to quote is the work of scientists, artists, etc., whose outstanding achievements were not motivated by the incentive of monetary profit, but by a mixture of various factors: most of all, interest in the work they were doing; also pride in their achievements, or the wish for fame. But obvious as this example may seem, it is not entirely convincing, because it can be said that these outstanding people could make extraordinary efforts precisely because they were extraordinarily gifted, and hence they are no example for the reactions of the average person. This objection does not seem to be valid, however, if we consider the incentives for the activities of people who do not share the outstanding qualities of the great creative persons. What efforts are *made* in the field of all sports, of many kinds of hobbies, where there are no material incentives of any kind! To what extent interest in the work



process itself can be an incentive for working was clearly demonstrated for the first time by Professor Mayo in his classic study at the Chicago Hawthorne Works of the Western Electric Company.<sup>2</sup> The very fact that unskilled women workers were drawn into the experiment of work productivity of which they were the subjects, the fact that they became interested and active participants in the experiment, resulted in increased productivity, and even their physical health improved.

The problem becomes even clearer when we consider older forms of societies. The efficiency and incorruptibility of the traditional Prussian civil service were famous, in spite of the fact that monetary rewards were very low; in this case such concepts *as* honor, loyalty, duty, were the determining motivations for efficient work. Still another factor appears when we consider preindustrial societies (like the medieval European society, or half-feudal societies in the beginning of this century in Latin America). In these societies the carpenter, for instance, wanted to earn enough to satisfy the needs of his traditional standard of living, and would refuse to work more in order to earn more than he needed.

Secondly, it is a fact that man, by nature, is not lazy, but on the contrary, suffers from the results of inactivity. People might prefer not to work for one or two months, but the vast majority would beg to work, even if they were not paid for it. The fields of child development and mental illness offer abundant data in this connection; what is needed is a systematic investigation in which the available data are organized and analyzed from the standpoint of „laziness as disease,“ and more data are collected in new and pertinent investigations.

However, if money is not to be the main incentive, then work in its technical or social aspects would have to be sufficiently attractive and interesting to outweigh the unpleasure of inactivity. Modern, alienated man is deeply bored (usually unconsciously) and hence has a yearning for laziness, rather than for activity. This yearning itself is, however, a symptom of our „pathology of normalcy.“ Presumably misuse of the guaranteed income would disappear after a short time, just as people would not overeat on sweets after a few weeks, assuming they would not have to pay for them.

Another objection is the following: Will the disappearance of the fear of starvation really make man so much freer, considering that those who earn a comfortable living are probably just as afraid to lose a job that gives them, let us say, \$15,000 a year, as are those who might go hungry if they were to lose their jobs? If this objection is valid, then the guaranteed income would increase the freedom of the large majority, but not that of the middle and upper classes.

In order to understand this objection fully we have to consider the spirit of contemporary industrial society. Man has transformed himself into a *homo consumens*. He is voracious, passive, and tries to compensate for his inner emptiness by continuous and ever-increasing consumption (there are many clinical examples for this mechanism in cases of overeating, overbuying, overdrinking, as a reaction to depression and anxiety)-he consumes cigarettes, liquor, sex, movies, travel, as well as education, books, lectures, and art. He *appears* to be active, „thrilled,“ yet deep down he is anxious, lonely, depressed, and bored (boredom can be defined as that type of chronic depression that can

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<sup>2</sup> Cf. Elton Mayo, *The Human Problem of an Industrial Civilization*, 2nd ed. (New York: The Macmillan Co., 1946).



successfully be compensated by consumption). Twentiethcentury industrialism has created this new psychological type, *homo consumens*, primarily for economic reasons, i.e., the need for mass consumption, which is stimulated and manipulated by advertising. But the character type, once created, also influences the economy and makes the principles of ever-increasing satisfaction appear rational and realistic.<sup>3</sup>

Contemporary man has an unlimited hunger for more and more consumption. From this follow several consequences: if there is no limit to the greed for consumption, and since in the foreseeable future no economy can produce enough for unlimited consumption for everybody, there can never be true „abundance“ (psychologically speaking) as long as the character structure of *homo consumens* remains dominant. For the greedy person there is always scarcity, since he never has enough, regardless of how much he has. Furthermore he feels covetous and competitive with regard to everybody else; hence he is basically isolated and frightened. He cannot really enjoy art or other cultural stimulations, since he remains basically greedy. This means that those who lived on the guaranteed-income level would feel frustrated and worthless, and those who earned more would remain prisoners of circumstances, because they would be frightened and lose the possibility for maximum consumption. For these reasons I believe that guaranteed income without a change from the principle of maximal consumption would only take *care* of certain problems (economical and social) but would not have the radical effect it should.

What, then, must be done to implement the guaranteed income? Generally speaking, we must change our system from one of maximal to one of optimal consumption. This would mean:

A vast change in industry from the production of commodities for individual consumption to the production of commodities for public use: schools, theaters, libraries, parks, hospitals, public transportation, housing; in other words an emphasis on the production of those things that are the basis for the unfolding of the individual's inner productiveness and activity. It can be shown that the voraciousness of *homo consumens* refers mainly to the individual consumption of things he „eats“ (incorporates), while the use of free public services, enabling the individual to enjoy life, do not evoke greed and voraciousness. Such a change from maximal to optimal consumption would require drastic changes in production patterns, and also a drastic reduction of the appetite-whetting, brainwashing techniques of advertising, etc.<sup>4</sup> It would also have to be combined with a drastic cultural change: a renaissance of the humanistic value of life, productivity, individualism, etc., as against the materialism of the „organization man“ and manipulated ant heaps.

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<sup>3</sup> The problem is all the more complicated by the fact that at least 20% of the American population live on a level of scarcity as in some parts of Europe, especially the socialist countries, which have not yet attained a satisfactory standard of living, and that the majority of mankind, which dwells in Latin America, Asia, and Africa, is still living at hardly above starvation level. Any argument for less consumption meets with the argument that in most of the world *more* consumption is needed. This is perfectly true, but the danger exists that even in the countries that are now poor, the ideal of maximal consumption will guide their effort, form their spirit, and hence will continue to be effective even when the level of optimal (not maximal) consumption has been reached.

<sup>4</sup> The need of restricting advertising and, even more, of changing production in the direction of greater production of public services are, in my opinion, hardly thinkable without a great deal of state intervention.



These considerations lead to other problems that need to be studied: Are there objectively valid criteria to distinguish between rational and irrational, between good and bad needs, or is any subjectively felt need of the same value? (Good is defined here as needs that enhance human aliveness, awakens, productivity, sensitivity; bad, as those needs that weaken or paralyze these human potentials.) It must be remembered that in the case of drug addiction, overeating, alcoholism, we all make such a distinction. The study of these problems would lead to the following practical considerations: what are the minimum legitimate needs of an individual? (For instance: one room per person, so much clothing, so many calories, so many culturally valuable commodities such as a radio, books, etc.) In a relatively abundant society such as that of the United States today, it should be easy to figure out what the cost for a *decent* subsistence minimum is, and also what the limits for maximal consumption should be. Progressive taxation on consumption beyond a certain threshold could be considered. It seems important to me that slum conditions should be avoided. All this would mean the combination of the principles of a guaranteed income with the transformation of our society from maximal to optimal individual consumption, and a drastic shift from production for individual needs to production for public needs.

I believe it is important to add to the idea of a guaranteed income another one, which ought to be studied: the concept of *free* consumption of certain commodities. One example would be that of bread, then milk, and vegetables. Let us assume, for a moment, that everyone could go into any bakery and take as much bread as he liked (the state would pay the bakery for all bread produced). As already mentioned, the greedy would at first take more than they could use, but after a short time this „greed-consumption“ would even itself out and people would take only what they really needed. Such free consumption would, in my opinion, create a new dimension in human life (unless we look at it as the repetition on a much higher level of the consumption pattern in certain primitive societies). Man would be freed from the principle „he who does not work shall not *eat*.“ Even this beginning of free consumption might constitute a very novel experience of freedom. It is obvious even to the noneconomist that the provision of free bread for all could be easily paid for by the state, which would cover this disbursement by a corresponding tax. However, we can go a step further. Assuming that not only all minimal needs for food were obtained free—bread, milk, vegetables, fruit—but the minimal needs for clothing (by some system everybody could obtain, without paying, say One suit, three shirts, six pairs of socks, etc., per year); that transportation was free, requiring, of course, vastly improved systems of public transportation, while private cars would become more expensive. Eventually one could imagine that housing could be solved in the same way, by big housing projects with sleeping halls for the young, one small room for older, or married couples, to be used without cost by anybody who chose. This leads me to the suggestion that another way of solving the guaranteed-income problem would be by free minimal consumption of all necessities, instead of through cash payments. The production of these minimum necessities, together with highly improved public services, would keep production going, just as guaranteed-income payments would.

It may be objected that this method is more radical, and hence less acceptable, than the one proposed by the other authors. This is probably true; but it must not be forgotten that, on the one hand, this method of free minimal services could theoretically be



arranged within the present system while on the other hand, the idea of a guaranteed income will not be acceptable to many, not because it is not feasible, but because of the psychological resistance against the abolishment of the principle „He who does not work shall not eat.“

One other philosophical, political, and psychological problem has to be studied: that of freedom. The Western concept of freedom was to a large extent based on the freedom to own property, and to exploit it, as long as other legitimate interests were not threatened. This principle has actually been punctured in many ways in Western industrial societies by taxation, which is a form of expropriation, and by state intervention in agriculture, trade and industry. At the same time, private property in the means of production is becoming increasingly replaced by the semipublic property typical of giant corporations. While the guaranteed-income concept would mean some additional state regulations, it must be remembered that today the concept of freedom for the average individual lies not so much in the freedom to own and exploit property (capital) as in the freedom to consume whatever he likes. Many people today consider it as an interference with their freedom if unlimited consumption is restricted, although only those on top are really free to choose what they want. The competition between different brands of the same commodities and different kinds of commodities creates the illusion of personal freedom, when in reality the individual wants what he is conditioned to want.<sup>5</sup> A new approach to the problem of freedom is necessary, only with the transformation of *homo consumens* into a productive, active person will man experience freedom in true independence and not in unlimited choice of commodities.

The full effect of the principle of the guaranteed income is to be expected only in conjunction with: (1) a change in habits of consumption, the transformation of *homo consumers* into the productive, active man (in Spinoza's sense.); (2) the creation of a new spiritual attitude, that of humanism (in theistic or nontheistic forms); and (3) a renaissance of truly democratic methods (for instance, a new Lower House by the integration and summation of decisions arrived at by hundreds of thousands of face-to-face groups, active participation of all members working in any kind of enterprise, in management, etc.).<sup>6</sup> The danger that a state that nourishes all could become a mother goddess with dictatorial qualities can be overcome only by a simultaneous, drastic increase in democratic procedure in all spheres of social activities. (The fact is that even today the state is extremely powerful, without giving these benefits.)

In sum, together with economic research in the field of the guaranteed income, other research must be undertaken: psychological, philosophical, religious, educational. The great step of a guaranteed income will, in my opinion, succeed only if it is accompanied by changes in other spheres. It must not be forgotten that the guaranteed income can succeed only if we stop spending 10 percent of our total resources on economically useless and dangerous armaments; if we can halt the spread of senseless violence by systematic help to the underdeveloped countries, and if we find methods to arrest the population explosion. Without such changes, no plan for the future will succeed, because there will be no future.

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<sup>5</sup> Here too, the totalitarian bureaucratization of consumption in the Soviet-bloc countries has made a bad case for any regulation of consumption.

<sup>6</sup> Cf. Fromm, *The Sane Society*, loc. cit.