UNIVERSAL BASIC ASSETS:
Manifesto and Action Plan

by Marina Gorbis

Growing economic inequality combined with advances in artificial intelligence and automation is already de-stabilizing many societies. Unless we act now, the situation is likely to get worse, leading to greater social upheavals and demise of democratic governance systems. In this moment of transition we urgently need to develop new frameworks and prototype new approaches to building participatory economies and societies that deliver both social and economic equity. We propose Universal Basic Assets as a framework for achieving this.

We Need to Change the Game

“The marketplace in which most commerce takes place today is not a pre-existing condition of the universe. It’s not nature. It’s a game, with very particular rules, set in motion by real people with real purposes,” writes author and professor of media studies Douglas Rushkoff in an essay titled, “Economics is Not Natural Science.” Indeed, markets are more akin to game boards with certain sets of rules designed to optimize particular outcomes reflecting prevailing power structures, cultural norms, and technology capabilities. Take for example the rules governing corporations that are key vehicles of the market economy. Ever mindful of the political influence of East India Trading Company in early colonial governance, the founding fathers made efforts to curtail corporate power. Corporations were given charters to operate for a limited amount of time—20 to 30 years—and only for the purpose of serving a public mission. They were expected to develop large commercial ventures like roads, canals, railroads, and educational institutions. (Harvard was the first chartered corporation in the US.) Importantly, investors in these early corporations were usually also their customers. Companies were created in order to ensure that they would provide good service at a reasonable price to the same people who pooled money to create them, not to maximize investment returns. It is only
recently that the rules of the game have changed. The prevailing philosophy governing corporations has become “shareholder value,” making profits for shareholders the primary and typically only goal for publicly traded corporations. Rules governing corporations and the larger economy have evolved accordingly, shaping requirements for corporate formation, governance, and oversight.

While such rules have fostered economic growth and enabled formation of mega-corporate organizations, today they are also producing highly deleterious social and ecological outcomes. This is the case for both those left behind in the economy optimizing for shareholder value and those disproportionately benefiting from it. The numbers are striking. Last year, according to a recent study by Oxfam International, the eight richest people in the world collectively owned as much wealth as the bottom 3.5 billion people (approximately half the world’s population)! This top number declined from 388 people in 2010 to 85 people in 2014, to 8 today. Oxfam claims that, if this trend continues, by the end of 2016 the top 1% will own more wealth than everyone else in the world combined.

This wealth comes at a price not only for the poor but also for the extremely wealthy themselves. Some have to build protective bunkers on secluded islands as they prepare for the inevitable social upheavals. Historical research shows that concentration of wealth and power requires investments in vast networks of expensive security institutions leading to what Dr. Rachel Kleinfeld calls privilege violence. Such violence stems from a “power structure that allows or enables violence against some citizens as the price for maintaining extreme privilege.”

The social instability caused by vast economic disparities is likely to grow deeper under the pressure of two forces. The first is the unrelenting progression of global warming that is already driving massive dislocations of the poorest and particularly vulnerable populations. Today the global number of refugees is estimated at over 60 million people, the largest number in post-World War II history. The growth of this
precarious population is not only a humanitarian concern but also a threat to the stability of nations that are poorly prepared to cope with the sudden influx of new migrants. The situation is likely to worsen as more people are forced to leave their homes because of climate disruption.

The second force—rapid advances in automation, artificial intelligence, and machine learning—is undermining established arrangements for income generation for vast swaths of populations in developed and developing countries alike. Growing numbers of people are making livelihoods in various types of alternative, often precarious employment arrangements (gig, on-demand, freelance, etc.) rather than in stable, well-paying jobs that come with essential social benefits and risk protections. Automation, global connectivity, artificial intelligence and a whole set of new technological tools are making it possible to produce goods and services in abundance without employing large numbers of workers or engaging workers in flexible but also precarious ways. As a result, the system that worked relatively well under conditions of scarcity is poorly suited to fulfill the needs of many when products and knowledge can be produced in abundance by relatively few people or in an automated fashion.

**Universal Basic Assets: A New Operating System**

Today we urgently need to change the rules of the economic game to allow us to produce not only material abundance for the few but also better lives for the many. We need to build a new operating system for our economy and our global society. And with new technologies, new geopolitical realities of a highly interconnected world, new knowledge accumulated over centuries of human endeavor, we have the tools to do so. Recently many people and organizations have been coming around to the notion of (UBI) as the solution to growing inequality and looming automation. This concept involves providing unconditional payment of some amounts of money to each individual in a society. I would argue that this is a good interim or partial solution, but by itself, it does not change the game or the operating system that
creates highly inequitable economic returns. In a world in which monetary rewards increasingly accrue to capital and not to labor, economic disparities between asset or equity owners and everyone else are likely to grow ever larger as the result of automation and network dynamics that foster creation of monopolies or oligopolies.

If we are serious about changing the game, we need to focus on *universal basic assets* (UBA), a core, basic set of resources that every person is entitled to, from housing and healthcare to education and financial security. In designing UBA, we should take into account equitable distribution of traditional physical and financial assets like land, money, and goods, *as well as* the growing pools of digital assets (data, digital currencies, reputations, etc.). We should take into account the creation of new kinds of assets that recognize and assign value to exchanges we engage in as a part of maintaining the social fabric of our society but that do not currently carry with them monetary value (caring, creative output, knowledge generation, etc.). In essence, we need to look at the concept of *assets* in its broadest sense, recognizing three classes of assets: private, public, open.

**Private Assets**

Private assets are resources that we own individually. Housing, land, personal money, and retirement accounts fall into this category.

The idea of giving people equitable access to assets such as land has been around since Thomas Paine’s publication of *Agrarian Justice* in 1795. Since then the idea has been promulgated by thinkers and activists along the political spectrum, with some focusing on re-distribution of incomes in the form of various types of taxes in order to achieve greater economic equity (UBI comes under this umbrella) and others framing the issue around equal access to opportunity, (that is, giving people a more equal starting point for achieving economic and social mobility). In this latter category, legal scholars Bruce Ackerman and Anne Alstott, for example, propose creation of The Stakeholder Society by means of a wealth tax and granting of
$80,000 to everyone upon reaching the age of maturity. The UK’s Child Trust and efforts to create Individual Development Accounts (IDA’s) in the US similarly aim at giving children a head start while helping them understand personal finance and the importance of saving for and investing in the future.

**Public Assets**

Public assets include resources collectively owned by the public and that are managed by different types of government bodies on their behalf. They can include everything from national parks to mineral and cultural resources to critical parts of physical or digital infrastructure.

The four countries that have consistently been at the top in global rankings of social mobility are Denmark, Norway, Finland, and Canada. What distinguishes all four countries and others at the top is high level of access to public resources—education, healthcare, transportation and others. Nobel Prize-winning economist Joseph Stiglitz wrote about Scandanavia’s education systems and social policies that lead to high levels of access to public resources as playing a key role in creating higher degrees of social mobility. This access to public resources that are geographically defined often leads to geography as the defining factor in the destiny of many. Research shows that, for children born to families at the bottom fifth of the population, the chance of reaching the top fifth of income levels during their lifetime is 10 percent if they live in San Francisco, New York, or Boston. The chance for the same children living in Charlotte, Columbus, or Atlanta is 5 percent, and for those from Memphis, only 2.8 percent. This is largely due to the many public affordances in different areas—public schools, transportation, healthcare—as well as access to good, well paying jobs.

In her recent book, *The Entrepreneurial State: Debunking Public vs. Private Sector Myths*, economist Marian Mazzucato traces the key role that public investments made by the US government have played in the development of most the
technologies we widely use today—GPS, mobile phone, personal computers, computer displays, and many others. It wouldn’t be an exaggeration to say that none of the iconic companies surrounding us, from Apple to Uber and Tesla, would be around if not for public investments by the Defense Department and other government agencies in many of our public universities and research labs. Private and public asset creation are tightly linked, one cannot exist without the other.

**Open Assets**

Open assets are resources that are owned and managed neither privately or by a government. They are open to anyone and governed by a defined group. Open assets are created in what MIT Media Lab researcher and IFTF affiliate John Clippinger calls the “open sector.” According to Clippinger, in the open sector, a group of “founders” create a set of initial conditions from which rules emerge through the interactions of participants.

Clippinger cites the example of the British Common Law, a basis for America’s legal system, which evolved from customs and norms, eventually being codified into constantly evolving laws. “It wasn’t top-down. It was constantly reinventing itself around the circumstances, and there was no single point of control.” This is how the open software community operates today, and this is exactly how the highly distributed blockchain community is evolving, with practices and norms emerging organically through the process of interactions and negotiations between community members. Wikipedia is another familiar example of a community bound by common practices and principles that has established an architecture and a set of practices for entering and editing information, which in turn, has made it possible to create an open resource used by billions of people worldwide.

We are at the early stages of creating a powerful new class of open digital assets. Blockchain-based cryptocurrencies are the first iteration of these assets, representing monetary or financial value. But they are already spawning all kinds of tokens to represent different kinds of value—artistic value, community value, or
even moral value. And over the next few years, we can expect to see rapid experimentation with ways to create, define, and distribute these tokens, and ultimately link them to physical objects and all kinds of services, as well as political and social intent. Already, online stores like Carbonshopper are selling eco-goods that can only be bought with Carboncoins, embedding environmentalist values—and economic value—in the goods they sell. TransactiveGrid is a blockchain system designed to rapidly set up peer-to-peer utility grids, making exchanges of solar or other renewable energy easy to trade between neighbors for micropayments. John Clippinger, in outlining the infrastructure for a decentralized democracy in the open sector, describes verified personal data tokens as a tradable asset class that people can trade for reciprocal value without compromising their privacy. And Circles, an Ethereum-based proposal from Consensys, envisions an economy where people can mint their own personal currencies, develop parity with other Circles currencies, and ultimately trade their personal currencies for a shared community currency—one way to arrive at a universal basic income while also building open or public community assets. As the infrastructure for blockchain and related open assets evolves, we have a big opportunity to re Define the economic game.

Meanwhile, in non-digital domains, we find examples of open and free systems for value creation in physical communities such as Burning Man or Freespace, where no money is allowed. People choose to come together freely and exchange or gift each other anything from physical goods to knowledge and services. This model is probably the form of existence most familiar to us as a human species as this is how many of our human ancestors lived before we invented money and market capitalism. In fact, we don’t have to participate in the open-source software movement or go to Burning Man to experience non-monetar y, non-profit-based economies—we participate in them on a daily basis in many ways. We don’t pay for love, for dinners at our parents' homes, for our child's affection, for art and music and other creative outputs that have become invisibly woven into the infrastructure of our daily lives (if we are lucky). As we transition to new forms of value creation
we have opportunities to enlarge our pool of open assets and reconsider how and what we assign value to.

**Where We Begin**

The starting place to change the economic game, to create a new economic operating system that promises more economic and social equality or mobility, is to develop frameworks for thinking about universal basic assets, to design specific solutions that emerge from these frameworks, and then to put them to the test with real-world prototypes. Institute for the Future is proposing to jump-start these efforts in three ways:

1. **Catalyze a community** of thinkers and doers through regular convenings to exchange ideas, propose frameworks, and advance solutions. It is crucial that we bring the best and most innovative thought leaders from a diversity of disciplines and communities to build a strong foundation for designing a new economic operating system built on universal basic assets.

2. **Conduct research** on various approaches to universal basic assets, particularly new types of open digital assets as well as interactions among different types of assets. Some of this research will be technical, some of it will explore business cases, and much of it will draw on political intent. It is therefore important to engage not just technical and business experts in the research, but also policymakers and political advocates.

3. **Prototype and seed tools and initiatives** that apply the best thinking in UBA to real world environments. We urgently need to launch the experiments that will become the seeds of rapid iteration and innovation in the deployment of universal basic assets. We need to design prototypes with different intents and document how these prototypes impact the lives of diverse participants in the economy. We need to link these prototypes to community building efforts and measure their success against community
criteria and values. We need to zoom out to see how they interact with one another and ultimately to forecast the kind of society they will create.

The creation of a new economic operating system is an urgent future. It’s not a speculative exercise or a potentially lucrative commercial venture. It’s essential to human survival in the decades ahead, and universal basic assets may be the most promising path to get there.