

Universal basic income is having a moment. Can advocates convince a skeptical public?

John W. Miller

October 02, 2019

In the 1520s, economic hardship forced destitute Europeans into the streets. In response, city governments banned begging and gave money to the poor. In the Belgian town of Ypres, a group of Franciscan and Dominican monks sued, saying the plan threatened mendicant brothers, who depended on charity. A theological court in Paris ruled that Ypres could keep its new social program—as long as begging for alms remained legal.

That decision helped give birth to the modern welfare state, from the so-called Poor Laws in 16th-century England and the first state pensions in 19th-century Germany to the New Deal in the 1930s and Europe's post-World War II nanny states.

In Ypres, the church “was also concerned that somebody was challenging its monopoly on charity,” the Belgian philosopher Philippe Van Parijs told me. “Also, the idea seemed too Protestant.” In Germany, a priest named Martin Luther had been recommending secular solutions to poverty.

If Mr. Van Parijs is an authority on the ancient theology of proposals becoming policy, it is because, for three decades, he has been one of the world's chief priests of a revolutionary idea that could shake up people's economic and moral lives far more than the town of Ypres's modest initiative: cash for everybody, an idea known as universal basic income, or U.B.I.

Here is how U.B.I. would work. A government would raise enough money, through taxes and cuts in existing social programs, to give every single legal resident under its roof a regular cash allowance. Everybody would get this money, regardless of their wealth or income: you, your mom, Bill Gates. The payments would be made for life. There would be no requirement to work or prove good behavior or character to obtain the money. You could spend the money on college, fencing lessons, trips to Thailand, marijuana or your mortgage. And you could take any job you wanted—without a change in your U.B.I. stipend.

Under that umbrella, a range of possible payments and conditions has been considered, from an extra allowance of \$1,000 a year while maintaining the current safety net to scrapping all existing welfare programs and paying people \$2,000 a month.

The time is ripe for U.B.I., Mr. Van Parijs said, because the toxic combination of growing inequality, automation and a “more acute awareness of the ecological limits to growth” demands bold policy proposals that reinforce human freedom, justice and dignity.

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It sounds woolly and utopian, but Mr. Van Parijs is no longer just an ivory tower thinker shouting into the wind. He has found an audience running scared from the robot revolution. According to a report by the consulting firm McKinsey & Company in 2017, half the world's jobs could be automated using "currently demonstrated technologies," amounting to "almost \$15 trillion in wages."

That would be an upheaval in people's lives and the cause of painful shortages in lives around the world that could match the impact of the Industrial Revolution, Great Depression and World War II. Left unresolved, the chasm between the tech-savvy, robot-rich elite and the restless masses who are underpaid to cook, clean and drive for them is likely to keep getting wider, seeding damaging dystopias of riot and revolution.

Beyond the Welfare State

That is the main reason U.B.I. is having a moment, even if no country has yet made it national policy. A U.S. presidential candidate, the tech entrepreneur Andrew Yang, has made U.B.I. a centerpiece of his campaign. Hillary Clinton thought about including it in her platform in 2016. The founder of Facebook, Mark Zuckerberg, promoted U.B.I. in a commencement speech at Harvard. There are pilot programs underway in places from India and Finland to Brazil and New Jersey. Switzerland came close to passing a U.B.I. law in a national referendum. A flurry of new books, including ones by Mr. Yang and Mr. Van Parijs, press the case.

"Never before has the time been so ripe for the introduction of a universal, unconditional basic income," Rutger Bregman, a Dutch popular historian, writes in *Utopia for Realists*. "Greater flexibility in the workplace demands that we also create greater security." The adage "Those unwilling to work will not get to eat" is now "abused as a license for inequality," he concludes.

A U.B.I. would open a new, third chapter in the story of state aid for the economically excluded that began in 16th-century Europe. After public assistance, which helps the poor, and social insurance, which pools revenue to provide things like health care and pensions, U.B.I. would introduce the concept of a state dividend, a part of the communally generated wealth available to everybody. In the United States, where social programs usually involve giving services (like health care) or vouchers (like food stamps), handing out cash would mark a philosophical shift.

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"We benefit very unequally from what was freely given us by nature, technological progress, capital accumulation, social organization, civility rules, and so on," Mr. Van Parijs writes in his excellent and authoritative treatment with Yannick Vanderborght, *Basic Income*. "What a basic income does is ensure that everyone receives a fair share of what none of us today did anything for, of the huge present very unequally incorporated in our incomes."

Left-Right Appeal

Matt Bruenig, the founder of the People's Policy Project, a Washington-based, left-wing think tank, estimates the United States controls \$100 trillion of collective wealth, including land, resources like oil and copper, and intellectual property. "If we owned the country's wealth collectively you could just pay everybody a dividend from that wealth out of a common fund," he told me.

Despite its appeal to Mr. Bruenig and others on the left, U.B.I. is also attractive to many conservative thinkers, a right-left synch that gives U.B.I. a fighting chance. Libertarians argue that it emphasizes freedom while redistributing wealth more efficiently and fairly. “U.B.I. is far less paternalistic than traditional welfare, which often treats the poor like 10-year-olds receiving an allowance,” Michael Tanner, a fellow at the Cato Institute, wrote this year.

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The first explicit case for a U.B.I.-type scheme was made by the Enlightenment philosopher Thomas Paine in his book *Agrarian Justice*, published in 1796. He proposed a “national fund” to pay everybody 15 pounds when they turned 21, and 10 pounds a year to everybody over 50. “It is not charity but a right, not bounty but justice, that I am pleading for,” wrote Paine.

In the United States, U.B.I. first gained significant popularity in the 1960s. Dr. Martin Luther King Jr. called for a “guaranteed income.” The dignity of the individual, he said, “will flourish when the decisions concerning his life are in his own hands, when he has the assurance that his income is stable and certain, and when he knows that he has the means to seek self-improvement.”

In the 1970s, President Richard Nixon proposed a so-called negative income tax: The government sets a minimum revenue level and pays people the difference between that and their income. Over 1,000 economists, including the libertarian icon Milton Friedman, supported the idea, but it did not get through Congress.

Catholic Social Teaching and U.B.I.

The current wave of enthusiasm seems to have a better chance of generating actual policy. Bishops and other church leaders are following the debate over U.B.I. but will not make an explicit endorsement. “There is no Catholic economic system,” Charles Clark, a professor of economics at St. John’s University in New York City, wrote in a paper published in 2017. “The church tries to engage and humanize any social order it finds itself in; it does not seek a theocracy.”

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But U.B.I., he and other theologians told me, seems to match the core principle of Catholic social teaching that everybody deserves enough to live on.

U.B.I. follows the thinking of key documents like “Rerum Novarum,” Pope Leo XIII’s 1891 encyclical that affirmed the right to a living wage and to unionize. It is important, the pope said, “to look upon the world as it really is.”

A commentary St. John Paul II wrote marking the 100th anniversary of that encyclical, called “Centesimus Annus,” foreshadows our current anxiety: “A traditional society was passing away and another was beginning to be formed, one which brought the hope of new freedoms but also the threat of new forms of injustice and servitude.”

One of the biggest fears around a policy that pays people no matter what they do is its impact on work. Studies indicate U.B.I. schemes do not hurt employment. Still, there is something about giving people money for nothing that, to many, feels disordered and joyless. In the Second Letter to the Thessalonians, St. Paul writes, “If any would not work, neither should he eat.” In Genesis, God says, “By the sweat of your brow you will eat your food until you return to the ground.”

The New Testament, however, also affirms our dignity as children of God no matter what we do with our days. In Lk 12:24, Jesus says: “Notice the ravens: they do not sow or reap; they have neither storehouse nor barn, yet God feeds them. How much more important are you than birds!”

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And it is easy to forget that Genesis was not referring to office work. “Work in the Catholic tradition means all valuable human activity,” said Kate Ward, a professor of theology at Marquette University. A U.B.I. “raises the question of celebrating the value and the dignity of work.” That includes things like rearing a child, gardening and volunteering at a homeless shelter. “It’s anything where we emulate God’s creativity. U.B.I. is a great way to provide a safety net for everybody and allow that,” she said. “Catholic thought has always had a suspicion that some jobs are alienating to human nature.” A U.B.I. would give workers leverage to refuse jobs that demean them.

Critics and Skeptics

To be sure, some theologians are skeptical about U.B.I. “It is well intentioned, but I think this would be an enormous mistake because it doesn’t display a preferential option for the poor,” said David Cloutier, a professor of moral theology at The Catholic University of America. “For us to say we’re going to accept an economy where people don’t work is troubling.” If current welfare schemes are flawed, he said, “we should fix those problems instead of giving money to people who don’t need it.”

Compared to existing programs, a U.B.I. would direct “a much larger share of funds to younger, non-disabled workers and to families without children,” Hilary Hoynes and Jesse Rothstein of the University of California Berkeley write in a deep analysis of U.B.I. published last year.

Their paper reflects the skepticism of many economists about U.B.I.

A basic income with meaningful revenues would be too expensive, these critics say. If you gave \$1,000 a month to every American, that would cost almost \$4 trillion, 60 percent more than the current level of social welfare spending. “The kinds of U.B.I.s often discussed would nearly double current total spending on the ‘big three’ programs,” Ms. Hoynes and Mr. Rothstein write, referring to Social Security, Medicare and Medicaid. The government would have to increase tax rates and cut existing welfare programs, a tough political sell.

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And, to be sure, in the short term, there is still little chance that U.B.I. could be a viable political platform in any country. Switzerland came the closest to implementing a guaranteed basic income scheme, but in 2016 the plan was defeated at the ballot box. In polls, Europeans are mildly enthusiastic and Americans downright skeptical.

U.B.I. could also flood the economy with too much cash, triggering inflation. Supporters say the trick here is to not simply print money but rather maintain current rates of tax and redistribution. A stable money supply is not supposed to cause inflation. In addition, they say the increase in the number of people who can afford consumer goods will stimulate growth in supply.

A U.B.I. plan would force authorities to adopt tougher immigration policies. You cannot hand out cash and not expect the world to knock on your door. A nation or community implementing a U.B.I. is likely to attract interest from migrants, not all of whom it could admit. Even liberal proponents of U.B.I. would endorse new immigration restrictions.

“A citizens’ income, like the right to vote, would be limited to those who are citizens,” explains Mr. Clark, the St. John’s economist. “The moral requirement is that we welcome the stranger, not that we make them citizens.”

Experiments and Evidence

Not surprisingly, some of the firmest supporters of U.B.I. control the tech companies automating and imperilling jobs. In a commencement speech to Harvard in 2017, the Facebook founder Mr. Zuckerberg said:

Previous generations fought for the vote and civil rights. They had the New Deal and Great Society. Now it’s our time to define a new social contract for our generation. We should have a society that measures progress not just by economic metrics like G.D.P., but by how many of us have a role we find meaningful. We should explore ideas like universal basic income to give everyone a cushion to try new things.

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In his book *The War on Normal People*, Mr. Yang, who remains a longshot candidate in the 2020 presidential race, argues that every American over 18 should receive \$1,000 a month, a program he calls the “Freedom Dividend.” Mr. Yang concedes the plan would be pricey but not as expensive as, say, a revolution. He would pay for it by cutting back spending on welfare programs and imposing a 10 percent value-added tax. In Europe, he points out, many countries have V.A.T.s around 20 percent.

A U.B.I., Mr. Yang argues, would allow Americans who lose their jobs to artificial intelligence to retrain, empower women working at home and promote “the things that make us human” over corporate profits. Under most current welfare schemes, recipients receive a monthly check. When they get a job, that money stops. A basic income scheme would let them keep their government allowance, giving them, some argue, more of an incentive to work. A basic income would allow governments to save money in the administration of its other social welfare programs because they would no longer have to choose who gets help and who does not.

There is also a feminist argument in favor of basic income. A large amount of work never gets compensated, like taking care of children and managing the home. Most of that work is done by women. Under a basic income plan, women “would benefit far more than men,” said Mr. Van Parijs, and it would “reduce the pro-male bias in the distribution of earnings and of social insurance benefits.”

A useful explainer on the economic arguments around U.B.I. is *Basic Income: A Guide for the Open-Minded*, by Guy Standing, a British economist who has collaborated with Mr. Van Parijs.

U.B.I has never been implemented in a national economy, so economists study its potential impact by looking at smaller-scale cash transfers, as well as current pilot programs. The results are mostly encouraging, although skeptics point out that it would be impossible to scale up targeted short-term programs to every single citizen.

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In Alaska, for example, residents have received allowances from the state's oil revenues, typically \$1,000 to \$2,000 per year per person, meaning \$8,000 for a family of four. An analysis of those payments by economists found that the checks did not decrease people's willingness to work and actually increased part-time work.

In the 1970s in Dauphin, Canada, as part of an academic research project, residents were offered the equivalent of around \$20,000 a year for a family of four. Total work hours declined a few percentage points, but domestic violence, hospitalizations and drop-out rates all declined, according to academic research.

In Europe, unlike the United States, governments have long experimented with cash transfers. In the 1990s, my parents received \$3,000 a month in today's dollars from the Belgian government as part of a policy aimed at increasing birth rates. The cash meant my mother could cut down on her part-time work and spend more time at home.

There is a famous example of an American cash transfer program: the G.I. Bill. After World War II, over 15 million soldiers received a free college education, zero-interest loans and cash, \$20 a week for up to a year. That amounted to 15 percent of the federal budget in 1948, but the program paid for itself many times over in tax revenues.

In this decade, as U.B.I. and other cash transfer programs have become more fashionable, a growing number of nongovernmental organizations and governments are adopting cash transfer programs as a preferred way of helping impoverished people.

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In Kenya, a charity called GiveDirectly has given money to residents in several hundred villages. In her book *Give People Money*, the journalist Annie Lowrey describes how the program has helped residents improve their education and health and start businesses.

One man named Fredrick Omondi Auma, she writes, used the money to patch "up his life and, as an economist might put it, made the jump from labor to capital." He bought his own motorbike to give taxi rides and "started a small business selling soap, salt, and paraffin in a local town center; bought two cows, one of whom had given birth; and opened a barbershop in the coastal city of Mombasa."

Most important, the money liberated people from the vicious stress that poverty imposes on people, limiting their self-esteem and dreams. As Ms. Lowrey points out, a study by researchers at Princeton University concluded that financial stress, on average, can create "a drop in cognitive function similar to a 13-point dip in IQ, or the loss of an entire night's sleep."

In Finland, the government recently tried removing conditions from a sample of welfare recipients. A number of people received their welfare checks without having to prove they were looking for a job. “In the short term, they were less motivated, but over time, they became more motivated than average,” said Mr. Van Parijs.

A Utopian Campaign

When I was looking for sources for this story, I discovered that one of the people I most wanted to talk to resides two blocks from my parents in Northeast Brussels.

In July, I was visiting my family, and the 68-year-old Mr. Van Parijs, whose wispy white hair and cropped beard suggest a Hollywood wizard, invited me over for a chat in his townhouse garden. It was a breezy, warm summer evening. Birds chirped. The professor welcomed me with his wife Sue—together, they have four grown children—and poured me a Chimay, a thick, dark ale brewed by Belgian monks.

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Mr. Van Parijs is not a businessman or politician but an Oxford University philosopher who has also taught at Harvard. He is also a dreamer who loves cycling and, in Brussels, is known for a successful campaign to ban cars downtown. He calls himself a “non-believing Christian.” It was while teaching at the Catholic University of Louvain-la-Neuve in 1986 that he co-founded the Basic Income European Network, or BIEN, which is French for “good.”

U.B.I., I started, seems like a good idea but may be too utopian by nature?

“Many things were utopian by nature to start,” he answered. The right of women and poor people to vote, for example. “You couldn’t go anywhere to study universal suffrage before it was introduced, but there were still people campaigning for it.”

But what about unintended consequences, I asked. This would change incentives for everybody.

“You could say that the existence of our pension system has had a massive impact on our societies by giving a feeling of security throughout a career,” he said. “But it started very modestly,” he explained, referring to Otto von Bismark in 19th-century Germany. “It was totally utopian until Bismark introduced state pensions. And that seemed to work, so they increased the levels. And the French said if the Germans can do it, we can do better. And that’s how it started.”