

# The Church and basic income proposals

Anxiety over getting replaced in a job can be a powerful impetus for people and lead to radical outcomes. Donald Trump successfully campaigned for the presidency in 2016 by appealing to voters who'd seen their livelihoods in the coal industry go away.

But such concerns span beyond how Americans produce their energy. With advances in artificial intelligence poised to produce technology that outperforms humans in virtually all jobs – skilled and unskilled – in the next 40 years, larger questions emerge about how people across all of society will be able to support themselves.

One answer comes in the form of universal basic income proposals. Basic income is an umbrella term for a host of policy proposals. Basic means an income floor, a dollar amount – \$10,000 a year, for example – which goes to every person over a certain age, such as 18 or 21.



Ward

Kate Ward, an assistant professor of theology at Marquette University, told Our Sunday Visitor she embraces the idea.

“I think Catholic social thought can support it, and I think there are a lot of pragmatic arguments as well,” she said. These arguments include bipartisan appeal: Conservatives favor

streamlining bureaucracy. Progressives want real structural change to the economy to help people meet their basic needs.

## **From stigma to freedom**

A universal basic income wouldn't be a cure-all, or "the last policy," and wouldn't lead to major changes to how we incentivize things already, Charles Clark, a professor of economics at St. John's University in New York, told OSV. "But it would bring everyone up to the official poverty line."

"It reduces stigma if it's something that every member of society gets just because we have this basic understanding that people have the basic right to have their basic needs met," Ward said. "We have a real problem in U.S. society with stigma of those who receive public assistance."

Clark noted that data around basic income programs in other countries show that they don't deter people from working, but rather that, in addition to poverty decreasing, entrepreneurship soars, with people using their basic income payments as seed money to start small businesses. He added that the only group that data indicated as working less with a basic income was married women with young children, and that "Maybe they do have something better to do with their time!"

Clark also noted that the current social safety net has grown less effective, as it was designed for an economy in which one income was sufficient for a household to make ends meet. With wage stagnation and the transition from permanent jobs with benefits to more part-time jobs, that's no longer true. Working on basic income proposals in other countries, Clark said the most resistance he's experienced has come from people administering social welfare programs, who thought a basic income might eliminate their jobs.

"It's going to eliminate the job of regulating the poor," Clark said. "But there are still people who need help, and

that is really why you go into social work, so you can help people, not to make them stand in line for five hours so you can verify that they need food stamps.”

## **Real-life cases**

Some of the data around basic income programs actually come from cases, past and present, in the United States. For instance, the Alaska Permanent Fund is a dividend derived from the state’s oil reserve that provides an individual payout to residents who have lived in Alaska for a whole calendar year and intend to live there indefinitely. In 2018, the individual dividend was \$1,600.

Lynette Schmidt, manager of business operations for KNOM, a Catholic radio station based in Alaska, told OSV that the dividend “for most families, especially in the Alaskan bush, helps to mitigate the high cost of living, just a little, or helps purchase the supplies – gas, ammunition, boats – needed for subsistence activities. We still very desperately need to work to survive.”

In Minnesota, an experiment emerged from a pilot for the Minnesota Family Investment Program in the 1990s. With an increase in single-parent families and the rise of more lower-wage service jobs, Chuck Johnson, deputy commissioner of Minnesota’s Department of Health and Human Services, said he and his colleagues sought to address what was essentially an income problem for the families in the program.

At a time when many states were experimenting with work requirements as part of how they distributed Welfare benefits, the Minnesota plan kept earned Welfare benefits in place, only gradually phasing them out as recipients’ earned incomes increased, rather than “dropping them off a cliff” altogether when people went back to work. This was combined with childcare assistance.

“You could move more people to work and have an emphasis on work in your public assistance program, but you could also structure it in a way that would allow people to see their income increases make families better off,” Johnson told OSV. “And I think part of what we saw transpire there too was essentially making part-time work a viable option.”

Studies later found the pilot had positive social outcomes for kids in these families, such as fewer behavior problems and better school performance. Families in the pilot also had greater marriage stability and fewer instances of domestic violence. Johnson noted that even a couple thousand dollars a year can have a great impact on family functioning and well-being.

## **Catholic teaching**

Where the Church would stand on the widespread embrace of universal income proposals is a tricky question.

“The Church isn’t in the designing economic policy business, particularly because the Church’s emphasis is on universal principles,” said Clark of St. John’s University, who added that the policy exists in the realm of prudential decision-making around the question of whether it helps meet the needs of a given society.

Ward of Marquette University said the Church’s “long history of supporting the government helping people meet their basic needs” means it’s “not at all problematic.” As far as long-standing prohibitions against collectivism in Catholic social teaching are concerned, Ward said she understands that label as applying to “approaches that deny the freedom of the human person” – an error she said capitalism can fall into. But an approach that gives people freedom to spend money in ways to promote their flourishing, she said, is “extremely consonant with Catholic social thought.” She echoed the conclusion of Johnson, that a little can have a great impact.

“A person who is struggling with decisions like, ‘Do I have enough change to take the bus home? Or if I walk four miles so I can buy some ramen for dinner?’” is occupying his or her mental power with those concerns, she said, instead of with “higher-order, long-term planning, saving, decisions that could help you, perhaps, rise out of poverty.”

As for a future in which technology is doing everyone’s former job, Ward says the beauty of Catholic social thought is that, while it says work is important and integral to human nature and identity, the Church “has never said that that only applies to waged work.” Cooking, gardening, making art and volunteering in one’s community are all valuable ways people work, in the eyes of the Church. So are caring for children and vulnerable adults, which Ward noted every family is currently expected to do on its own.

“It really is OK if technology is freeing people from difficult, dehumanizing, drudgery work. Because they’ll still do work; they’ll still do valuable human activity.”

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