

# After Universal Basic Income, The Flood

What if we implement UBI and it makes everything worse?

Simon Sarris

Give a man a fish and he will eat for a day. Teach a man to fish and he will eat for a lifetime. Wait, scratch that—he won't eat for a lifetime. Automation took over and fished the metaphorical seas dry.

Meanwhile, some bold tech leaders pipe up: *"I have a brilliant idea. What if we just give everybody fish?"*

## California Optimistic

When 20,000 people move to L.A. every year to become famous actors and only five of them really *make it*, it suggests a special kind of optimism on the part of those people and that place, an outlook so extreme that it actually becomes gloomy. *California Optimism* is an admixture of this hope and desperation. L.A. weather fits the ethos; sunshine every day, as they say, makes a desert.

Imagine falling asleep in the 1990s and waking up today. You nodded off watching the news explain the looming pension crises, making a case for raising the retirement age by letting some really old guy talk about "cost disease." You wake up in 2017 to discover that all of that actually happened, and now we really are out of money, Baumol is dead, and many "millennials" aren't sure what the definition of a "pension" is, exactly. Then you read about Universal Basic Income (UBI). Many articles explain the potential positives of implementing such a system, but none explain quite how we've made the leap from "we can't pay for people's retirement anymore" to "let's give everyone money and see what happens."

If you really were asleep for 25 years you might suppose we entered a new age of plenty, or at least solved some political problems with an era of robust cooperation. I just checked Twitter; these things did not happen. That's how you know that UBI qualifies as California Optimistic. The future speak is *forcefully* positive, but it's desperation doing the talking. Most advocates propose UBI not because we have solved mankind's big money problems and the next stepping stones clearly lead us to Star Trek. Rather, they advocate for UBI because they foresee even more problems if we do not try something new in the near future to stave off real pain.

I do think that a thoughtfully planned future is a brighter future, but in recent history some top-down society engineering projects resembled accidental dystopias. Scrutiny of any "grand scheme" is therefore warranted and necessary.

## Math Assumptions

Math-based objections to UBI are the most commonly cited, so I want to skip them almost entirely, except to talk about inflation.

### **Price inflation of basic necessities**

Rent is currently eating the world. Rental income just hit an all-time high. If we adopt a UBI system and everyone is given a very predictable amount of money, it may be seen as a system easily gamed by landlords and possibly other producers of essentials. Implementing UBI without reforming land-use and zoning regulations may result in nothing more than a slow transfer of money to landlords. What are the odds of that happening? Well, it seems like it already did happen with healthcare and college tuition (loans) in the U.S., and if we use those as our guide, the “money” part and the “meaningful reforms” part should be done in a very particular order.

Because housing rates are reasonable in some places (Japan and Montreal come to mind), I think the problem of combining a UBI system with current rent inflation is a problem that can be fixed. But without the fix put in place first, UBI may be punting real political problems while giving the appearance (until years later) of solving them. Plus it would make the price inflation obvious for landlords, just like it was for healthcare companies and colleges getting guaranteed loans.

Payments as a solution to a broken system is not the same as truly fixing the system. If UBI punts this real problem, we’ll be creating a financial time bomb.

### **UBI Is a Transfer of Wealth from the Needy to... Everyone**

UBI can be a hard sell because it is a koan of fairness, activating one’s empathy and rage simultaneously. The income is meant to support people who desperately need it, but also to support wealthy hipsters who just don’t feel like working. The one hand clapping begins to feel like a slap.

Many of the funding ideas for basic income involve replacing all social safety programs: Disability (SSDI), Supplemental Security Income (SSI)<sup>1</sup>, Social Security, food stamps, medicaid, etc. Many proponents suggest that the money saved eliminating all of these programs (and their overhead) can be used to give everyone a modest basic income.

On the face of it, this makes the numbers come close to acceptable. It also means that UBI schemes essentially take money out of the pot currently reserved for the needy and disabled, and distribute it to able-bodied people plus the needy and disabled. Such a scheme has the potential to have good effects: by eradicating welfare traps that keep people away from paid work, it might encourage people to enter the workforce. But if that’s the main positive motivation for UBI, *why not just restructure the existing benefits so that these traps don’t exist*, instead of blindly re-allocating money from the for-sure needy to those who just don’t feel like working? This is the same structural problem that occurs in rent-eating-the-world, college-costs-eating-the-world, healthcare-costs-eating-the-world (okay, the U.S.). It is not adequate to just provide funds as the fix—in fact, that may make the problem worse. We must make sure that our optimism for UBI is not simply masking very real and hard problems in society.

*We must be careful to make sure that, if implemented, UBI is not a transfer of wealth from the needy to the hucksters.*

Removing all welfare to create UBI (to give everyone the same amount) is a de facto pay decrease to anyone with needs outside their control—such as diabetics, who need all the things you do to live, *plus*

*insulin*. So after cost-to-stay-alive is factored in, they get less money than you do from UBI. In this way, giving everyone the same amount results in its own kind of inequality starting from the very first check.

### **The difficulty of medicaid is under-appreciated**

Speaking of hard problems to solve in society, the numbers aren't the only issue with the "remove the old programs" assumption. Programs like medicaid provide more than just money or medicine; they provide case workers and associated footwork—and those things are needed. There's a much higher no-show rate among medicaid patients than other cohorts. They don't sign up, they're afraid of doctors, they don't have addresses, and so on. We *know* that the problems some groups face are deeper than others, and helping them may require difficult and not-very-efficient overhead, but it's overhead that is still worth going through to become a better functioning society. This is what medicaid and medicare workers are doing every day.

If the government is already undertaking a program that is complicated and difficult to scale, but is (so far) the best organization to do it, why not let them keep doing it? We are at least better serving some populations this way. I think that when people speak of removing the "overhead" of other social programs, in their optimism they overlook the work that many of these programs are already accomplishing, which includes helping people who can be very difficult to help and employing others who are trying to do so.

### **The P.T. Barnum Objection**

*"Very in favor of UBI. One of the reasons I like the idea is because it'd hold everyone accountable for their bullshit choices. What'd you do with your money this month? Spent it all frivolously? Fuck off... until next month."*

— *Some Guy on reddit*

Is a person with two children and a gambling addiction better off with food stamps and housing vouchers, or with UBI payments?

There are many difficulties facing the poor in the U.S. and "not enough money" does not begin to capture the whole picture. The complexity of modern life is profound, and subsequent complications are often the most intense for the people who are the poorest and least able to understand that complexity. It is especially grim for those who have a hard time navigating financial instruments. People who are functionally illiterate, for example, could struggle. That amounts to about 11 million adults in the U.S. Even those with "below basic" literacy, which is roughly 30 million adults (14 percent of the U.S.), might find financial forms nearly impossible.

What percent of people are poor because they hit a snag or were dealt bad cards, and what percent of people are poor because they are unable to understand money in a modern economy? And it's not just incompetence or lack of education that impairs the ability to be financial independent; elderly people can be simply too trusting, and easily scammed. I don't know the answer, and I'm not bringing up demographic delineations to be mean or to suggest that I know which is the greater culprit. I am only suggesting that the difficulty of the modern economy itself is certainly somewhat at fault.

Poverty reduction programs currently in place are not perfect, but they do make attempts to stop those most vulnerable from being exploited. What happens to these people if UBI is implemented? Will they continue to be confused by money management in this economy and to be scammed by others who have a greater understanding? I don't think we can call that an improvement. (The U.S. legal system does already acknowledge that this is a problem, and not just for poor people. Conservatorship has helped many a life stay on track, perhaps most famously, Britney Spears'.)

Giving the poor direct cash may help some of them more than food stamps. People are usually good at sorting out their own priorities (or so says economic studies and libertarian internet-commenters). But for some percentage of people, this cash alternative might be more harmful than helpful. Are those people worth forsaking? The poor in the U.S. are faced with some pernicious financial instruments: payday loans, car title loans, furniture leasing, fees for keeping a low balance, lottery tickets, and, of course, everyday hucksters. This is the P.T. Barnum objection: There's a sucker born every minute, and with UBI we'd be stuffing their wallet with plums for the taking.

*All systems can eventually be gamed.*

To implement UBI at the expense of every other social program is to make the presumption that the people helped by those programs are competent and capable of shifting to a life of budgeting and managing their own money and of avoiding exploitation. Think of the most vulnerable people you've ever encountered and remember that, with UBI, they all get the same amount of money. Now think of everyone from leaders at cigarette companies and at bling social-status brands to landlords who will want to take advantage of those vulnerable people. We must be careful to make sure that, if implemented, UBI is not a transfer of wealth from the needy to the hucksters.

### **The Existential Problem**

*"A basic income means they don't have to work 40 hours a week just to survive so they can do what they really want to do in their spare hours."*

— *Some guy on Hacker News*

When it comes to disability benefits, the data suggests that men really just want to watch TV and take drugs; that they don't spend much time raising children or on civic engagement or other higher pursuits. Other people have written a lot about this, so I don't want to spill more ink on the subject. The *Commentary* magazine article discusses the fact that most of those who are consuming disability benefits are not, in fact, physically unable to work.<sup>2</sup> This should be apparent from the fact that disability claims are strongly correlated with the economy, yet recessions do not cause people to become paraplegics. And this rise in disability claims has happened in spite of workplaces becoming safer over the decades. So we already *know* what many people collecting disability payments will do in their spare hours. Suggesting a more Utopia-laden vision may be unrealistically optimistic, and, when dealing with contemporary civilization, sobriety of view is recommended.

In light of the data that suggests predominant laziness, it's possible that for many people the "not having money" part of their problems is the easy part. People may hate being unemployed more than they hate not

having money. What if we implement UBI as a “solution,” but lack of money was not the problem? What if the problem is getting and keeping a job?

I am worried that the problem here is often under-discussed because the kind of person who advocates strongly for UBI (or at least writes articles) probably imagines only the best possible outcome, based on people behaving in the best possible way. Just as you can find Silicon Valley techies who think Soylent is the only sustenance a person will ever need, intellectuals tend to think everyone could be as content as they would be living life in their heads or inventing their own destiny. Most people need to be doing *something* to feel satisfied and a potential UBI system addresses this need just as inadequately as disability checks do now. Cue drug epidemics.

Judging from current population behavior, we have at least hints that UBI may be fundamentally attacking the wrong problem, and I think that many UBI advocates might be under-appreciating this. These advocates need to make the case for how writing “UBI” at the top of a check instead of writing “disability” will produce a better outcome.

### **The Systems View**

The Nassim Taleb point of view is that to be sustainable and stable the world needs to be decentralized and antifragile. In other words, instead of a single government, it would be better to have 100 functional governments with small, local democratic governance. Large systems have difficulty adapting quickly, or at all, and can miss the nuance of local conditions. When a large system fails, it could fail millions or billions of people. Large systems can make evolution, tinkering, idea sharing, and other positive forces difficult or impossible.

All systems can eventually be gamed. Sometimes it can take 20–30 years for people to discover how to take advantage of a system. Sometimes the gaming makes a system useless or degraded; sometimes it causes systems to crash (see: tax evasion schemes, Utopian projects of the 20th century like hippie communes, patent trolls, every example in *Seeing Like a State* by James C. Scott). It is, therefore, a nice feature when systems are light, flexible, and easy to adapt to local conditions, or, in the event of failure, easy to replace altogether. When lives hang in the balance, this latter feature may be more of a necessity. If your small hippie commune fails, you can always rejoin the capitalist hellscape, or whatever everybody did in the 80s. If an encompassing and unwieldy system like UBI has been running for 20 years and fails... well, it will be a lot less simple to replace. How would UBI be made flexible and adaptable if in a few decades it isn't working? You don't build a nuclear power plant (or even a dam) without a plan for what to do if it goes critical. Any serious steps toward enacting a UBI system need a contingency plan, a strategy for what to do if the government runs out of money, or cannot distribute the money, or needs, for whatever reason, to shut it down.

When you read about UBI schemes, do the articles suggest such a plan? Go look at your favorite pro-UBI plan so far. Does it have a section titled “And This Is What We'll Do If the Lights Go Out”? If not, you're not looking at a plan, you're looking at a California Optimistic muddle.

The absence of a contingency plan is a fatal design flaw for UBI. Top-down complexity has a cost. If UBI fails 10–30 years into the future we may have a significant population percentage that has never done any work and suddenly needs to. Because any UBI program failure would likely be a result of running out of

money, it could be catastrophic for the communities that produced nothing and have no means of even trucking in subsistence food—kind of like the recent situation in Venezuela.

A pertinent Venezuela digression: The ruling party under Chavez used oil money to launch a number of programs aimed to combat poverty in the country. These programs can be thought of as the “hold my beer” version of basic income, plus some socialist style expropriations. Unintended consequences followed. The mission for quality food led to increased reliance on imports, and Venezuelan farmers were harmed by the food subsidies, plus “expropriations performed by the Venezuelan government resulted in a drop in production in Venezuela.” If access to free food makes it no longer economically viable to produce food within the country, and then the free food *stops*, problems are imminent. This is more or less the trouble Venezuelans are in today. An outcome this dramatic probably wouldn’t happen under a true UBI, but it illustrates that what the state chooses to invest in (or not) can have some serious second-order effects. Venezuela wasn’t trying to kill their local farms, they were trying to increase access to food.

For grand schemes, good intentions are not enough. Contingency plans are a must, and robust or antifragile plans are preferred. UBI as it is commonly designed is *super* fragile. The correct solution to a problem is not always a top-down scheme with recurring, nebulous future obligations, and we should think *very* carefully before implementing one.

### **What you spend government money on matters**

It is nice when money spent on civilization at large has a return on investment. Very broadly, some spending will disappear when great change or collapse occurs, and other spending (like roads or most infrastructure) creates more civilization-grade durable goods.

Giving everyone a set amount every year won’t create the highway systems, subway systems, nuclear power plants, Hoover dams, space programs, water filtration systems, and more that we need as a society overall. In fact, if the total UBI system cost as a percent of tax receipts becomes too large, UBI may *preclude* these things from ever being built. If most tax money is merely being redistributed among the population, new feats of civil engineering won’t be developed or even envisioned. We need to really consider this trade-off. Think, for example, of Haussmann’s renovation of Paris, or the Paris metro project, or the Hoover dam in the U.S. What if instead of building that infrastructure, the money was distributed among all Parisians (or Americans) over those years. What would be the difference in positive effects, 200 years later?

If you could take from the rich and give to everyone or take from the rich and create a clean water or power supply, which is *probably* a better use of the money, decades on?

It is important to note, of course, that the U.S. is neither enacting UBI nor creating many more durable public goods.

### **Other Ideas that Might Work Better**

I’m fond of exploring “guaranteed minimum agriculture” or “basic job” ideas. Such plans are more resilient against shock or system collapse.

Basic Agriculture would de-industrialize parts of local U.S. economies, softening the blow of what's happening regardless. This could result in more diverse regional ecosystems, which (comparing small towns in the U.S. to small towns in western Europe) may alone be worth the cost. Besides which, it could be great impetus for different parts of the country to develop their own fancy opinionated cheeses.

Having some agriculture everywhere might also be a nice asset. As a society we probably spend too much on military system backups (in the event of a catastrophe), and not enough on civilian backups. What's the point of a network that can resist a nuclear attack if the people who remain starve anyway, because food is centralized?

Basic Job schemes should also pass the "systems view" of things. If we pay people to do basic jobs (building infrastructure, local farms, local economy gigs), and then we run out of money to pay them, at least we built stuff that can still be used. In comparison, giving everyone UBI is much more hope-oriented; it (often optimistically) predicts that some of the people unburdened from work will create lots of value. This could very well be true for some people, but it sounds awfully California Optimistic and doesn't seem to jive with the issues we already know exist. Even if it does happen, we can expect such fruits to be more rare, less distributed, and less predictable. Inequality is almost guaranteed.

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<sup>1</sup> Supplemental Security Income, the program that's kind of already basic income under the guise of psychiatry, or something. SSI is funded through income taxes, not Social Security taxes. There are ~8.2 million people on it.

<sup>2</sup> This should be apparent from the fact that disability claims are strongly correlated with the economy; recessions do not cause people to become paraplegics. And this rise is in spite of workplaces becoming safer over the decades.

*Read Part 2 here.*

## **Why Basic Jobs Are Better Than Basic Incomes**

Let's build communities, livelihoods, and small-scale economies

**Simon Sarris**

I have previously written about why Universal Basic Income (UBI) may result in poor outcomes, even if we're able and willing to implement it.

Here, I invite you to think about what an alternative—one that still addresses the issues UBI hopes to solve—might look like. If you have not read the previous article you may miss some context in this one, as the advantages of the alternate system listed here correspond to the UBI flaws listed there.

I believe that instead of paying everyone unconditionally and hoping for positive results, society is probably better off with a Basic Jobs program that pays people to create positive value for their communities. Paying people to produce, when for them it would otherwise not be economically feasible, is a more directed and intelligent approach to welfare than merely spreading the proverbial hay. A Basic Jobs plan may be less ideal in who it helps, but it's a less fragile system overall.

*Let your mind wander well beyond stock-photo visions of job-stimulus programs—a few guys with yellow vests and hard-hats building roads and bridges and “infrastructure.”*

Generally, when a system optimizes for a result, it invariably produces more of that result. UBI's blanket-of-money approach optimizes for a certain kind of poverty, but it may create more poverty of the same kind in the long run. A Basic Jobs program introduces work and opportunity into communities, which may be a better welfare optimization strategy. Moreover, it's a program that could be implemented while *keeping* a targeted approach to aiding those most in need

### **What Are Basic Jobs?**

Basic Jobs programs, also called Job Guarantee or Workfare, are welfare programs in which the state promises to hire workers in order to enhance livelihood security. The National Rural Employment Guarantee Act in India is a modern example. Historically, the U.S. operated the Civilian Conservation Corps and Work Projects Administration with similar goals. Basic Jobs are occasionally floated as an alternative to Basic Income.

Let your mind wander well beyond stock-photo visions of job-stimulus programs (a few guys with yellow vests and hard-hats building roads and bridges and “infrastructure”). To create Basic Jobs properly, we need to greatly expand our idea of what it is possible to fund. Remember, we are not aiming for a perfect program, we are simply trying to envision something better than the UBI proposals out there today.

### **Why Are Basic Jobs Better Than UBI?**

The 20th century is pock-marked with attempts to wholesale reshape societies—and with the subsequent disastrous aftermath. The attraction of UBI may rest more in its directness and in its grand thinking than in its promise to robustly fulfill its goals. Good welfare, like good governance, is probably *not* best solved by the plan that's simply the easiest to explain. Have you ever had a politically-minded teenager tell you, “We really just need one law: Don't be a dick”? We must be absolutely sure that UBI does not turn out to be welfare's intellectual equivalent.

#### **1. Gradualism and piloting**

Studying a UBI pilot with an end date is not studying UBI at all; it is studying a misnamed, temporary cash payment. By the very nature of pilot programs, a cohort's behavior cannot reliably change over the long term. No study has ever guaranteed money to a cohort forever, which impacts the validity of the study's outcomes. Even if a program were able to offer funds forever, it would be difficult for a pilot to show the long-term effects, some of which may not be seen for generations. What pilot, for example, can tell us what it's like for kids to grow up with parents who've never worked?

Universal Basic Income pilots also tend to fail at the *Universal* part. It's hard to study how society would change if you are not piloting something that affects all of society. For example, this study in Finland, is far from universal:

*“During the experiment, a total of 2,000 unemployed persons between 25 and 58 years of age will receive a monthly payment of €560, unconditionally and without means testing. The experiment will run for two years.”*

Basic Job programs, by contrast, are more amenable to piloting and gradual roll-out. New clusters of jobs appear (and end) all the time. Piloting Basic Jobs can be done in different communities with varying magnitudes, and the legislation to do so is already in place:

*In the United States, the Humphrey-Hawkins Full Employment Act of 1978 allows the government to create a ‘reservoir of public employment’ in case private enterprise does not provide sufficient jobs. These jobs are required to be in the lower ranges of skill and pay so as to not draw the workforce away from the private sector. However, the act did not establish such a reservoir (it only authorized it), and no such program has been implemented in the United States, even though the unemployment rate has generally been above the rate (three percent) targeted by the act. —via Wikipedia*

And even a pilot may have lasting benefits. What we learn from a Basic Jobs pilot will be more applicable than studying temporary cash transfers in a community and expecting that knowledge to translate into society-wide UBI. If a pilot is successful, one can imagine a kind of National Civil Service, organized like existing federal programs such as the National Park Service, which can hire professionals to train and supervise projects.

## **2. The people who need more help can still get it**

Unlike many UBI proposals, subsidizing a Basic Jobs program does not require defunding other welfare programs. Because with Basic Jobs we can keep some amount of existing welfare programs, the people potentially forsaken in UBI schemes can still get the help they need. A future with Basic Jobs still allows for costly medical assistance, case workers, special needs, extra care for the sick and the infirm, and so on. Under a pure UBI safety net, a diabetic effectively gets less money than everyone else because they have additional life needs (insulin); such problems are ameliorated with Basic Jobs because we can keep and incrementally improve our current basket of welfare programs.

Basic Jobs are not an exciting tear-down and rebuild. Boring is better than spectacular, here, especially if the spectacular cannot help people at the margins, and cannot promise to be free of spectacular failures. The problems society faces are complex and necessitate a hodgepodge of social programs. This is not to say that UBI *cannot* work—it might—but it is wishful thinking to wager our whole society on its success.

## **3. Pro-social and existential factors**

One of the biggest assumptions people make about UBI is that the problems of today and the near future are *primarily* ones of money. I don't think the data supports this. Economist Noah Smith recently gave several examples.

Click for stats on healthcare, housing, food, etc.

The pervasive problem in society today is not that people don't have enough *money* to survive, it's that to survive and thrive people need things beyond food and rent: social responsibility, a sense of purpose, community, meaningful ways to spend their time, nutrition education, and so on. If we fixate merely on the money aspect, we may be misdiagnosing what is making our 21st century so miserable for so many people. *What if it doesn't work? What if we run out of jobs?*

There is a strong, proven correlation between disability income and drug abuse. I ask, how does writing "UBI" on the top of the check instead of "disability" make a difference? Disability claims are strongly correlated with the economy, yet recessions do not cause people to become paraplegics. Disability in the U.S. is a very soft basic income already, with a socially-accepted (and very thin) disguise. The at-risk population in the U.S. needs more than just a check. They need purpose and responsibility.

#### **4. Basic Jobs are more resilient**

What if it doesn't work? What if we run out of jobs? Suppose a Basic Jobs program fails 20 or 30 years into the future. Maybe there's too much corruption or not enough oversight, or the political will is no longer there, or the money itself is no longer there. Contingency planning is good. No matter how much you trust the pilot, you still want an airplane with emergency exits.

If a Basic Jobs program crashes, the side effects seem less severe (or even mildly positive) when contrasted with a UBI failure. So what if we accidentally fund farms, bakeries, furniture production, house construction, and all sorts of small scale crafts across the country? Even in pessimistic scenarios, we can expect some of the businesses and functions built by the program to continue serving their communities after an official program is gone, in the same way that the Hoover dam is still there. A Basic Jobs program can plan for contingencies and for the divvying up of what's been created, democratically, by community. Sheep farmers that are no longer supported by the government have at least got their flocks. If things ever go south, Basic Jobs better position us to try something else.

By contrast, with UBI, if the program fails after 20 or 30 years, we may end up with the opposite: a generation that never learned to work, or to do anything for that matter, suddenly finding itself without the means to even transport food into their communities. For a community wholly dependent on UBI, a community that does not produce for others or for themselves, an abrupt end to that UBI is a doomsday.

Implications for the future pose a question: Who is more likely to eventually go to work, the children of UBI recipients or the children of Basic Job recipients? It is not possible to answer this question with a UBI pilot, but it can be answered by posing a more fundamental question: Are wealth and poverty intergenerational? Of course they can be. The goal is to alleviate poverty. As a society, we should be careful not to put a system in place that inadvertently entrenches people within it. A child growing up in a Basic Jobs household, witnessing working parents, almost certainly has a better shot at life than a child growing up in a UBI household, with parents who may have never worked.

#### **5. Avoids issues of unfairness and resentment**

*"In front of virtue the immortal gods have put sweat. ...And it is by working that a man becomes more philos than other men to the immortals and to mortals. They all hate the idle."—Hesiod, Works and Days, 600 B.C.*

Stone: "Every time I try to explain UBI I get nasty looks and laughed at."

Basic Jobs programs avoid the resentment issues of UBI schemes. People have never liked the idea of paying other people to do nothing, which is why most current cash transfers in the U.S. that approximate a basic income are under the guise of disability. Employing people with basic jobs is a more palatable option, and can be considered a way to *invest* in an entire community, instead of transferring cash to those who many will perceive as moochers.

Someone employed in a basic job can easily change their station, may be learning or practicing skills, and has no resume gap. Whereas those who work a basic job for 10 years have something to point to as a measure of success, those who collect UBI and do not work for a decade may become part of an unemployable underclass. Such a difference is important if the funding dries up, and may be critical to generations down the line. As I previously mentioned, the children of Basic Jobs recipients will probably be better equipped for any future.

In sum, Basic Jobs programs are politically easier to swallow because society expects some kind of return on investment if it is paying people to work.

## **6. Paying people to do work has its own positive effects**

Capitalism has a good share of critics, but while there are plenty of issues at the margins, the building blocks of capitalism have led to some nice returns for all of humanity, even for the poorest among us.

Capitalism is comprised of a series of transactions between parties. The side effect of the median transaction in capitalism is the creation of value. If you want something, you must *create value* for someone (sell something or work for someone) before you can get (buy) the thing you want. The nature of this is not very complicated, but it's fundamentally what makes markets, and nearly everything, work. Over centuries, the cumulative effects of capitalism are large:

What 200 years of transactions pay for in second-order effects. Credit: Max Rosen/CC-BY-SA  
We should want to keep this positive effect of capitalist economic transaction. UBI creates paychecks; Basic Jobs programs do, too, but basic jobs *also* create transactions, incentives, and products, thereby fulfilling secondary needs for society.

A Basic Jobs program can be thought of as a program that pays people to make other people's lives better in addition to their own. We would be paying people to produce local food and crafts, subsidized to reduce risk, and therefore giving communities an alternative to the Walmart-esque globalized marketplaces. If the government subsidizes the workers so that their goods can be competitive, it will foster local economies while putting money in the pockets of local workers who themselves have more power. Hopefully, the second-order effects of such commerce are impactful enough maintain the benefits. One could argue that the strong Swiss and other European agricultural subsidies are already a soft form of a Basic Jobs system. *With Basic Jobs, town halls could enable communities with high unemployment to decide for themselves what they need.*

Basic Jobs programs are a socialized attempt to identify communities that need help and offer a pseudo-capitalist solution. How many basic jobs could gradually be shifted to self-sustaining jobs? Can a 100 percent subsidized bakery in a town eventually become 50 percent subsidized, or zero percent subsidized, as the workers buy out the government to turn a government-assisted bakery into an employee-owned bakery? There is opportunity to enrich the community while freeing up government capital to create the

next opportunity. Paying people to work may not sound like welfare, but the second-order effects on communities might be more powerful than any version of cash-transfer welfare has ever been.

### **Guaranteed Minimum Agriculture**

Please note, my confidence in the feasibility of what I suggest below is *very low*. I offer this alternative as only a thought experiment.

Guaranteed Minimum Agriculture is one option that could be fulfilled by a Basic Jobs program. I don't want you to think that agriculture jobs would be the only ones worth funding; I want you to think about a role for Basic Jobs that goes well beyond mere "infrastructure." To make it meaningful, we're going to need a lot more political imagination than the typical stimulus program. *Guaranteed Minimum Artisans* or *Trades* might be more accurate. We don't want to build roads, we have no problem making more of those already. We want to build communities, livelihoods, and small scale economies.

With Basic Jobs, town halls could enable communities with high unemployment to decide for themselves what they need. Some towns may want to revive agriculture in their area. Others may request training and equipment for all sorts of crafts: bakeries, furniture studios, a town brewery, small-scale daycare subsidized by paying workers wages, the means (and payroll) to establish a co-op that might allow local farmers to deliver meat, eggs, cheese, vegetables, to people in the area. I use these examples because in the past most towns used to have their own bakery and brewery, and a sufficient (no Walmart needed) market. If there is value in community, why not pay and support local markets and see what happens? If it doesn't work, of course, we can always try something else, there's no shortage of need. More and better housing could always be built, almost anywhere.

Agriculture may benefit the most from a planned deindustrialization. Mechanization shifted the ranks of America's farmers from a distributed many to a concentrated few. This created food pipelines that are efficient and cheap, but at the same time eroded what was once common knowledge about how to grow, process, preserve, and even eat. We in the U.S. are less healthy than ever, and outsourcing the majority of our food production to just a few parts of the country has played its part in making us that way. Industrialization and consolidation was an acceptable trade-off as manufacturing and mining jobs boomed. Now that the job landscape is different, we should consider returning to a more distributed form of agriculture. What good is total efficiency, if the cost is forsaking our communities? And what is the meaning of food security, if out of 100 people in a room, only a handful know how to care for more than a potted plant?

The internet was originally designed as a redundant network for military purposes. If catastrophe struck the U.S., other places could still communicate and function. We should consider the cost of consolidating food production the same way: the more distributed it is, the more America has a civilian backup. Guaranteeing a level of agriculture in every area guarantees livelihoods and also food security in those areas and beyond. This is not a new argument—it's similar to how Japan justifies their food security and subsidy system, which emerged after the post WWII famines. Guaranteeing a level of small-scale agriculture in Europe is also a result of many farm-subsidy programs, which are costly but ensure a distributed level of quality products in many countries (like Switzerland, where 55 percent of farmer income comes from the state). In the U.S., this would mean a shift in farm subsidies from promoting mass-yield crops like corn and soy to small farms that promote more local yields, especially animal products. Currently, about \$20 billion in subsidies mostly go to very large farmers churning out these staple crops. A

guaranteed minimum agriculture would instead promote regional economies and encourage calorie sources from something other than millions of acres of corn. This creates an obvious initial focus for a Basic Jobs program.

*Aside: Americans, even rich ones, are food ignorant to the point of measurably poor health outcomes. In the shift to mass production of food, we left behind quite a bit of quality. And while quality food is easy to find in cities, it could still be cheaper. Beyond quality, there are benefits to knowing your breadmaker, cheesemaker, and so on. It's not necessary for the success of Basic Jobs, but it would be nice if subsidizing local agriculture and artisans created a more food-conscious culture. Obesity numbers are not trivial, with excess weight now implicated in at least 20 percent of all deaths in the U.S. If a deindustrialization of food is successful, the effects on healthcare alone may be worth it.*

We have not solved the problems of derelict urban centers, ugly cities, or lack of housing. The increase in automation (a fear motivating some UBI proponents) doesn't look like it's equipped to solve these problems either. It's up to us. If it does not seem crazy to pay all people to do nothing (UBI), then we should be willing to pay some people to do something.

In every possible future, creating more housing and furnishing public parks and buildings at a higher material standard is work worth doing. Paying people to do nothing is not revolutionary, it's just a lack of political imagination. It's worth it for us to think bigger than that. Be like Alex, with his dream for a New England filled with trains:

Have the imagination to consider all of the work that is not being done, even with F.D.R.-style public works programs can be found almost everywhere. Building bicycle lane networks. Creating *and maintaining* public parks, flowerbeds, sidewalks. Demolition and recycling and re-urbanization (or reforestation) of derelict factory grounds. There are so many projects that, if accomplished, would make parts of the U.S. better places to live. Even the attempt to accomplish these projects would improve community morale and sense of purpose. As long as swaths of America are in disrepair and lacking employment opportunities, Basic Jobs programs have a mission to fulfill.

### **Basic Job Downsides**

I believe that a plan which takes the shape of a Basic Jobs program has more positive outcomes and much more limited downsides than UBI. But there are still non-trivial issues:

- Basic Jobs don't help everyone, and certainly not everyone uniformly.
- Basic Jobs do nothing for people who cannot hold down any kind of job.
- Basic Jobs are way more difficult to implement than "here's a check, everybody."

However, even these downsides have solutions. With a Basic Jobs program implemented, we can hopefully also keep existing welfare programs that *dohelp* those unfit for employment. (We already have a basic income for people who are completely unable to work, its called SSI—Supplemental Security Income, not to be confused with Social Security. SSI is not funded by Social Security, but by income tax revenues and pays 8.3 million Americans already.) What UBI lacks, Basic Jobs provides.

