

Philanthropy and universal basic income

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When Facebook founder Mark Zuckerberg returned to his alma mater, Harvard University, to deliver the commencement address to this year's graduates, he urged the students to commit themselves to building a society in which everyone has opportunities to pursue meaning and purpose. "Now it's time for our generation to define a new social contract," he declared. "We should explore ideas like universal basic income to give everyone a cushion to try new things."



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It's not surprising that Zuckerberg would highlight universal basic income (UBI) as an idea worthy of exploration. In recent years, UBI schemes have become some of the most buzzed about ideas in circulation. In its purest form, a universal basic income is a long-term guaranteed cash payment made to every member of society without strings, age limits or work conditions, set to secure a minimum standard of living.

UBI focused more on the developing world and on reforming international aid. In this respect, UBI programmes can be regarded as particularly robust instances of unconditional, direct cash transfers, which have recently captured the attention of the humanitarian sector.

Why is there a rise in interest in universal basic income?

Variants of the idea have bubbled up for centuries and in recent decades, several localities have implemented versions of UBI: in the 1970s, for instance, Alaska initiated a Permanent Fund to share oil wealth. But the pace of experimentation has picked up dramatically of late. Early this year, Finland began a trial programme directed towards the unemployed, while in June, Hawaii became the first American state to commit to evaluating the idea. 2017 also marked the start of a massive basic income trial in Kenya, run by the charity GiveDirectly (see page 9), as well as a smaller, privately funded programme in Oakland.

A number of ideological tributaries have fuelled this surge of interest. Most prominently in the US and other developed nations, the spread of automation has stoked fears of a 'post-work' future – a basic income could be necessary to support the rising ranks of the permanently un- and under-employed. Some radicals have linked it to a less labour-focused vision of socialism; conservatives and libertarians have endorsed UBI as a more simple and transparent replacement for the welfare state, while progressives have proved sympathetic to it as an instrument of redistribution. Finally, there are supporters of

What is private philanthropy's position on UBI?

Most of the media attention devoted to the issue focuses on the endorsements of Silicon Valley entrepreneurs like Mark Zuckerberg, whose interest in UBI has often been portrayed as a sort of social insurance policy to try to keep the pitchforks at bay. This is perhaps an uncharitable explanation for technology's engagement with UBI; it is certainly not a fair representation of the full range of UBI's philanthropic support. Indeed, there are plenty of funders – though they are rarely the most vocal ones – who are attracted to UBI, not necessarily from alarm caused by the rise of robots but more from concern with eliminating extreme poverty in the developing world. For instance, although GiveDirectly is most often associated with its high-profile technology supporters, such as several of the founders of Facebook, a significant number of its major donors are not associated with high-tech industries.

It's not surprising that philanthropy should take an interest in the promotion of UBI. Unlike a traditional charitable ethic which was premised on the belief that the 'poor you will always have with you', from the end of the 18th century onwards, philanthropy has been fuelled by faith in the possibility of a world without poverty. UBI holds out this promise: poverty could be eliminated by simply giving people money who now have little of it.

Yet in another respect, UBI runs against the grain of the long history of philanthropy. Philanthropists often defined themselves by rejecting charity's 'indiscriminate' nature, i.e. its reluctance to make distinctions between deserving and undeserving recipients. In fact, the scientific ethos that informed philanthropy insisted upon such categorisation. In many respects, UBI represents a rehabilitation of charity's unconditionality. But it is rooted in technocratic and not sentimental considerations, i.e. the belief that putting money in the hands of the poor and letting them do what they will with it is an effective, empirically-backed policy. It is this striking combination of ambition and restraint that defines philanthropic engagement with UBI.

Of course, if UBI schemes are truly to close the 'global poverty gap', they would likely require funds well beyond the scope of private philanthropy. With limited resources, philanthropy can at least take a leading role in bolstering the initial research base of UBI. For instance, we know little about the long-term effects of basic income schemes. GiveDirectly is hoping to fill this knowledge gap with a study that one commentator has termed an 'epochal social scientific event'. Starting this year and continuing over a 12-year period, GiveDirectly will supply 6,000 adults in a random assignment of 40 villages in Kenya with a basic income (set at the Kenya poverty line of around \$22 a month). Another group of around 20,000 individuals will receive short-term aid. Twelve years is a long time, but there is an open opportunity for a funder to support a true, decade-long lifetime UBI experiment as well.

Philanthropy also has the capacity to convene and to mediate between different stakeholders in relation to UBI. Much has been made of the ways in which different ideological poles converge around UBI – in Finland, for instance, conservative-libertarians, a party of the far-left, and the Green party have all united around the UBI trial, and more recently, Zuckerberg celebrated UBI for being a 'bipartisan idea'. But that convergence obscures considerable discord. Significantly, most free-market supporters of UBI do so as a wholesale replacement of the existing welfare state – Zuckerberg underscored that Alaska's Permanent Fund was rooted in "conservative principles of smaller government, rather than progressive principles of a larger safety net" – whereas progressive advocates push for a UBI on top of existing programmes. Philanthropy is a sucker for bipartisan solutions but, while it can help to bring representatives of these divergent views into conversation, it should not fool itself into thinking that forging a working consensus will be easy.

Politics and UBI

In fact, the politics of UBI, especially within the developed world, promise to be quite messy. Recent research has confirmed what should be obvious: implementing a UBI scheme is likely to create winners and losers – and many of the latter are

politically powerful. Philanthropy can help to map out and analyse the trade-offs between contending social groups, but private donors should not mask or minimise them.

More generally, progressive funders should keep in mind that UBI is not a panacea – nor a substitute for a well-funded public sector. Indeed, they should appreciate that UBI could distract from maintaining the current, fraying safety net. As political commentator Matthew Yglesias has recently warned, in reference to Silicon Valley advocacy for UBI, "Focus on UBI as a potential fix for science fiction labour market scenarios serves to distract political attention from both actual political struggles over the labour market and actual political struggles over the social safety net." Instead, he calls on tech leaders to "embrace regular boring politics".

Should philanthropy leaders take this counsel to heart as well? The question requires philanthropy to grapple with the nature of its distinctive, and legitimising, social contribution. On the one hand, due to its lack of accountability, one of philanthropy's virtues is its freedom from 'actual political struggles', which allows it to experiment, to push views without majority support and adopt long time-horizons. It can afford to take seriously policies that could be dismissed as 'science fiction'. On the other hand, there are serious risks involved in untethering funding from the demands of contemporary politics, and funders will have different thresholds of tolerance for conjectural and experimental ideas. The possibility of support for UBI is likely to hinge on those considerations.

Or perhaps not. For, as UBI-boosters Philippe van Parijs and Yannick Vanderborght argue in a recent book, if UBI is ever established in national or supra-national form, it is likely to arrive incrementally, with partial, conditional variants emerging first. For instance, it could be provided at per capita levels, not high enough to fully sustain recipients, with the universalisation of child benefits, or with the introduction of subsidies to voluntary unemployment.

Conclusion

Supporting research and advocacy related to these policies is one way for philanthropy to bridge the world of actual political struggles and a future in which a basic, sustaining income is guaranteed for all.

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