

Intelligence MEMOS



In the C.D. Howe Institute's inaugural Regent Debate four prominent voices sparred over the following question: Should Western democracies, such as Canada, establish a universal basic income? Today, we present CNN commentator Paul Begala's argument in favour.

We face a crisis of work. Automation, technology, and artificial intelligence are changing the very nature of work itself in profound ways, ways that are different from previous technological innovations. The scope is vast. A McKinsey study estimates that 800 million workers around the world will lose their jobs to technology by 2030. There was a study in Britain that said 35 percent of all jobs in the United Kingdom will be taken by robots by the year 2034. And, of course, in the year 2034 that study will be updated by robots.

Some of the new jobs being created are great but many are not. In the United States the top two categories of jobs being created are personal care aides and fast food workers. Honourable work, to be sure, but low paying. A US fast food worker earns \$19,000 a year; a personal care aide earns \$22,000 a year.

I take my lessons on this from the late, great Ray Charles, who once when asked, "What's the worst part about being blind?" he said, "You can't see." Well, the worst part about being poor is you don't have enough money. It's really that simple. Universal basic income is a concept so simple, so direct, so obvious that even politicians are beginning to understand it.

In my country, Alaska has the highest unemployment rate: 7.3 percent, nearly double the national average in the States. Hawaii has the lowest at 2.1 percent, and yet the poverty rate in Alaska, the state with the highest cost of living, is significantly lower than in Hawaii. How can it be that in the state with the highest unemployment rate they have significantly less poverty than the state with the lowest unemployment rate?

Why? Universal basic income. For decades, Alaska has shared its oil wealth among all its citizens. Each year residents who live there year-round receive a direct payment. Last year it was about \$1,100, some years it's been over \$2,000 for every man, woman, and child in Alaska. Not enough to live on but enough to lift millions of Alaskans above the poverty line.

Another policy that we tried when I worked in the Clinton White House was the earned income tax credit. It's a refundable tax credit that rewards work, especially low-wage work. It was originally signed into law in a much smaller scale by the noted Marxist Ronald Reagan, who upon signing the law called it, and I quote, "The best anti-poverty, the best pro-family, the best job creation measure to come out of Congress."

In Europe the Finns are. In the states the city of Oakland is trying an interesting experiment.

And the results, while early, are encouraging. Less bureaucracy, more dignity, less poverty, more security. Unlike traditional welfare, which can create a disincentive to work by reducing welfare payments as income rises, universal basic income is just that: it's universal. People want to work, but if they spend all day in welfare lines, or if their welfare is reduced when they do work, then a job is far less feasible and far less attractive.

For a full video of the debate, [click here](#).

The Regent Debate series is generously sponsored by Aaron and Heather Regent. The second Regent Debate is scheduled for this fall, with details to come.

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