

## Levy Economics Institute of Bard College

# **Policy Note**

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# REMEMBERING POPE FRANCIS'S CALL FOR A UNIVERSAL BASIC WAGE

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On April 21, 2025, a day after Easter Sunday, the world mourned the passing of His Holiness Pope Francis. Five years earlier, on Easter Sunday, April 12, 2020—amid the devastating COVID-19 pandemic—he issued a powerful plea for economic justice, urging leaders to address the deepening crisis of insecurity faced by workers. His call for a universal basic wage (distinct from a universal basic income) sought to guarantee dignity and rights for all laborers—during the pandemic and beyond—underscoring the value of essential work.

Half a decade later, the fundamental challenges he urged us to recognize remain unresolved. Unemployment is pervasive, economic inequality continues to widen, precarious labor conditions persist, and millions of workers still lack basic protections. The Pope's vision of a fairer economy resonates today: "This may be the time to consider a universal basic wage which would acknowledge and dignify the noble, essential tasks you carry out. It would ensure and concretely achieve the ideal, at once so human and so Christian, of no worker without rights" (Vatican News 2020).

Life after the pandemic, the Pope argued, depended on universal access to the three Ts: trabajo (work), techo (housing), and tierra (land and food). The Pontificate reminded us that guaranteeing a universal basic wage is inseparable from securing dignified work and living conditions for all—not just during crises, but as a lasting principle of well-being. This vision, rooted in papal encyclicals and international frameworks like the *Universal Declaration of Human Rights*, demands that economies prioritize human dignity over mere survival.

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On October 2021, I joined Mariana Mazzucato, renowned economist and Levy Institute advisor, and other experts at the Pontifical Academy of Social Sciences conference, where this imperative took center stage. We both called for mobilizing the public purpose and the public purse toward economic policies that are in service to collective well-being. My focus was on guaranteed employment for all; not just as a crisis response to the pandemic, but as a policy that would help tackle runaway inequality, the slide into authoritarianism, and the fallout from extreme climate events. It would also allow Europe to emerge from the pandemic with a structural policy that can help mitigate economic cycles and deliver more effective social and policy integration across the continent.

What follows are excerpts of my remarks, republished in memory of Pope Francis, who worked with Argentina's Plan Jefes y Jefas: a program I studied during my dissertation fieldwork. Pope Francis had worked with the program's cartoneros (Sanchez 2015)—the urban recyclers who cleaned up landfills and did essential environmental work, and who come from the poorest and most marginalized communities.

### Remarks at the Pontifical Academy of Social Sciences Vatican, October 8, 2021

Dear hosts, distinguished guests. Thank you for the invitation to be part of this important event. [...] Let me connect to the theme of the day, by turning to the message His Holiness Pope Francis issued on Easter Sunday, 12 April 2020, in the midst of the raging COVID pandemic. He called for the consideration of a universal basic wage "that would ensure and concretely achieve the ideal ... of no worker without rights ... which would acknowledge and dignify the noble, essential tasks working people carry out."

[...]

Allow me to suggest that we have concrete solutions for tackling the multiple pandemics before us: COVID, poverty and mass unemployment, public health, and the climate disaster. The proposal on which I have been working is for a public job guarantee that secures a decent job with a decent wage, in a project serving the public good, to anyone seeking such work. A European job guarantee is a structural policy that would ensure the sort of resilience that was discussed here at the conference.

- It is an institutional framework that would provide good jobs in critical public service areas, wherever and whenever they are needed.
- As a public option for good jobs, it secures the economic floor below which no working person would fall.
- It would ensure a just transition to fossil fuel workers as Europe moves to a greener economy.
- It would guarantee that jobs are never the collateral damage from economic downturns, climate disasters, tech change, and/or pandemics.
- And it would serve as a stepping stone to new employment opportunities for the millions of youths who are unemployed across the continent.

A European job guarantee would not only serve as a public option for decent jobs, but, as a critical job creation tool in long neglected areas, it can help train public health workers and staff community clinics, hospitals, and vaccine distribution centers. It can ensure that there are no longer health deserts across Europe. And it can staff the countless urgent tasks to remediate and repair the environment.

Catastrophic events are uninsurable—there is no actuarial model that we can devise to protect ourselves from the financial costs of calamities like COVID or the climate crisis. Governments must act.

Many public services are not "profitable" enough to attract sufficient private-sector investment and provisioning alternatives. One cannot hope to structure the precise commercial return that will ensure that there will be enough hospitals, environmental projects, community cleanup, and environmental rehabilitation investments. Government must act.

And amidst these multiple pandemics, there lies another: the quiet perennial epidemic of unemployment and poorly paid employment. All research available demonstrates that unemployment inflicts unconscionable health costs on individuals, their spouses, and their children.

In my work, I show that unemployment behaves like an epidemic—it propagates and spreads from community to community. One might say that it is highly contagious, as one unemployed person leads to the layoff of another. Unemployment is also correlated with suicides and increases the mortality of the unemployed. It takes a large physical and mental toll not only on the unemployed themselves, but on their families and their children. How can one hope to solve the public health crisis without solving the unemployment crisis too? Unemployment is not just an economic problem—it is a powerful social determinant of public health.

The European job guarantee is a method of inoculation that can treat both crises together: by creating employment opportunities for the unemployed, it would *prevent* the outsized social and health costs, while simultaneously mobilizing our collective capacities to tackle the gaps we face in public health and environmental work.

As was surely the case in Europe, COVID revealed acute shortages in the US. First there were not enough dispatchers to answer the calls of the sick. Then there were not enough sanitation workers to ensure clean spaces and working environments. There were not enough production lines and workers to produce the needed PPEs and safety equipment.

As children moved to remote learning, there were not enough teachers and teacher assistants to help the learning process. Our teachers had to teach our kids and their own, while doing all the usual, invisible and unpaid household unpaid work. People who returned home did their household chores and work responsibilities and many also cared for sick loved ones.

There were not enough people to deliver food to the elderly who were isolated. Even in the midst of a pandemic (when establishments shut down), there was no shortage of work to be done.

We needed nothing short of mass mobilization to address the crisis we faced. And the very people who sustained us—the lauded essential workers—toiled under terrible conditions, earned poverty wages, had poor (if any) access to healthcare, few benefits or job protections.

Meanwhile, fires, floods, and hurricanes continued to ravage nations. There is no shortage of work to be done.

Governments around the world mobilized (however well or poorly); they responded; they used the power of the public purse—public money, not private donations or tax collections—to fund the COVID response. The US spent over 10 percent of GDP overnight to deal with the crisis (and in a few short months it appropriated 12 percent more) and that initial budget of \$2.59 trillion was large enough to pay the *entire payroll* in the country for the first most critical three months of the pandemic, with money to spare, which was enough to hire every single unemployed person at a living wage. We spent the money but

still emerged out of this crisis with poorly paid jobs and mass unemployment.

Other countries responded too. Europe broke its own rules. While everything about the eurozone's flawed institutional design was aimed at tying the hands of government from spending "excessively," the great recession of 2008 and COVID made it clear: Europe is not made for crisis. And more crises are in store.

The job guarantee is a concrete, well developed, and tested proposal that can make the difference in how we tackle these challenges before us. There is a policy framework for its implementation. The Treaty on the Functioning of European Union (TFEU), Article 148, and in particular Article 122, provide the legal basis for its implementation. The existing Youth Job Guarantee provides the blueprint.

But there are countless other examples of how to make it happen: from the Zero Long Term Unemployment Areas in France; to the experiments in the Marienthal region in Austria; the largest job guarantee program in the world, India's National Rural Employment Guarantee Act; and—close to my work and my heart—Plan Jefes y Jefas in Argentina, a program I studied for my dissertation and where, as I understand it, Pope Francis had worked with the cartoneros, the urban recyclers who cleaned up landfills and did essential environmental work, and who come from the poorest and most marginalized communities. There are countless examples of democratically organized, bottom-up, direct employment programs for the unemployed that can deliver concrete health and environmental benefits to the unemployed themselves and their communities—and to the economy as a whole.

The job guarantee is extremely popular. It consistently garners over 70 percent support. Few programs can boast such overwhelming and consistent bipartisan support.

In the US, mining communities have understood its potential to bring good green jobs, when the fossil fuel industries die out. I have worked with colleagues on drafting or providing input to various legislative initiative in the US and abroad. We supported the drafting of the Job Guarantee Resolution in the US Congress and other draft legislation such as the Work Promotion Act, while the job guarantee was called the most critical component of the Green New Deal agenda in the US. Regional communities are organizing around it, social movements have embraced it, from the Sunrise movement to the Poor People's campaign.

In Europe, unions have endorsed it—including the largest union in Italy, the CGIL, and the ETUC. It was debated in the French Parliament in May 2021, adopted in the platform of the largest party of Scotland in September 2021, and has been discussed at high-level meetings at the European Parliament. Australia's Parliament successfully passed a job guarantee motion introduced by the Greens earlier in October 2021.

The list is long and the urgency cannot be overstated.

Let me conclude with some reflection on the conversations that already took place at the Pontifical Academy yesterday:

- We live in an age of multiple pandemics: COVID, inequality,
  post-truth, rising authoritarianism, and environmental
  calamity. The structural factor that underpins them all is
  economic insecurity—unemployment, poverty, precarious
  employment, and poorly supported invisible unpaid home
  care work.
- The architecture of the European Union is unsuitable for handling crises, as it includes many internal contradictions.
   Even if consensus is found on economic policy, under current institutional arrangements, it is unworkable.
- There is a recognition that treaties and constitutions are
  of our own making and, despite the challenges to amend
  them, they are not immutable nor given from above. They
  are man-made and can be remade.
- The costs of these pandemics—real and financial—are unavoidable. If we fail to deal with these crises, the human costs will be extraordinary. If we choose to act boldly, we can protect human life and the planet. That may mean revising or unwittingly breaching the Treaty again. It is a tradeoff worth making.

We have a job guarantee blueprint and we have a responsibility.

The European job guarantee can be a direct and immediate solution to help tackle the multiple crises before us.

### **Notes**

- 1. https://www.levyinstitute.org/people/mariana-mazzucato/
- https://www.pass.va/content/dam/casinapioiv/pass/ pdf-booklet/2021 booklet healing patient europe.pdf

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