This policy package is concerned with the use of basic income as (a) an emergency response to weather the immediate effects of the COVID-19 crisis and (b) a standing policy tool to put countries on an inclusive track in the longer run.

The package discusses:

- **Basic income** – core concept, distributional aspects, potential in the developing and the developed countries;
- **Financing basic income** – traditional and emerging sources;
- **Green basic income** – connections between the climate and the equity agendas;
- **Performance and impacts** – data that exists and data that is missing on basic income schemes; and
- **Adjacent and alternative policy ideas** – instruments that deserve consideration in conjunction with basic income.

Policy debates on basic income surge around the world. The UNESCO Inclusive Policy Lab brings to the forefront data and analysis by leading experts from across countries and across sectors – all to support informed debate and to curb polarization on this emerging issue.
Basic Income – think data then policy

by John Crowley
UNESCO’s chief of research, policy and foresight

Iulia Sevciuc
UNESCO’s lead on inclusive policies and the data-driven transformations

THE ISSUE

The idea of a Universal Basic Income (UBI) – a flat, unconditional stipend given to every legal resident in a country to stay above the poverty line – is not new. It has long stayed, however, on the policy fringe. COVID-19 has changed that.

To contain the social and economic damage associated with the virus control measures, multiple jurisdictions found themselves engaging with UBI – or less ambitious variations in the form of Temporary Basic Income (TBI) or Minimum Subsistence Income (MSI) – as an emergency response.

Even before the pandemic, automation and the replacement of jobs due to it were pushing many towards seriously considering UBI as a way to distribute more fairly the risks and benefits of the technological transition.

With interest surging, the real question is what we actually know about UBI. In such an emerging and polarized policy debate, the link between what we know and how that informs decisions and policy shifts has real implications on the course of action.

When it comes to evidence and its policy use, the following are key:

i. A pool of experiments is now available from both pre-COVID settings and those that emerged during the pandemic. A number of schemes (e.g. those that kicked off relatively recently) are expected to run through the crisis and end in post-COVID set-ups. Combined,
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all the experiments provide data on the performance of the schemes in both stable and volatile/emergency environments. This matters in two regards. First, to inform the ongoing and upcoming policy debates on UBI as a standing policy scheme. And secondly, to guide deployment of UBI as an emergency response in humanitarian, development and various crisis contexts.

ii. UBI has been implemented both in the Global North (e.g., Finland, Germany, Spain, the US)[1] and in the Global South (e.g., Kenya, India, Mongolia, Namibia)[2]. It is not a “rich country” issue as it is sometimes assumed. Experts point out that there is nothing unmanageable – either technically or financially – that makes developing countries less able than advanced economies to carry the fiscal load associated with the UBI and to run the schemes. However, the essential flow of UBI evidence and know-how between and within countries, especially in the framework of the SDGs, remains sub-optimal.

iii. Financing is a key UBI concern. However, a critical mass of data is emerging to inform and support policy debates on the feasibility and the sustainability of various sources of financing, including the more traditional and innovative ones (e.g., oil and natural resource-derived funding, reallocation of existing funds, carbon tax and green basic income, private sources etc.). In addition, the data brings key lessons on distributive performance of UBI and reveals the possibilities of calibrating the progressive or regressive character of schemes through the design of their financing mechanisms.

iv. Evaluations of UBI are available. They contain a wealth of data, yet the contextual differences and the particular set-up of the experiments are often under-analyzed and under-considered in the debates on the effectiveness and the impacts of UBI. The evaluation results also tend to be skewed, with certain impacts of UBI being assigned a heavier weight in disregard of the context. For example, the experiment in Finland is quoted as having little impact on employment, yet it specifically covered the young and the long-term unemployed – a group facing high and well-known barriers in (re)entering the labour market. The results, although valuable, should therefore be cautiously extrapolated to the general population when considering the impact of UBI on employment. The same applies to measured impacts on well-being and equity, with certain experts warning against backslides in those rather than gains which tend to be attributed to UBI. The results of UBI evaluations require coherent and transparent analysis as to inform policy debates and actions based on a systematic understanding of the impacts rather than selective interpretations.

v. UBI-alternative and -adjacent ideas need exploration. Think of Universal Basic Services (UBS) as an alternative case and carbon price-and-dividend as adjacent to UBI. Arguments have been made for all, but they need to be assessed against the same targets and desired impacts – something that risks getting lost in disciplinary (if we talk knowledge production) and sectoral (if we talk policy) divides.

vi. There are critical gaps in a system-wide understanding of UBI. UBI experiments offer valuable insights, including the previously discussed issues of financing, inflation, employment etc. Remaining largely uncovered are the system-wide issues (e.g. links with minimum wage, pensions, severance pay) and the relationship of UBI with broader societal agendas (e.g. inequalities, citizenship, gender, political participation and, going deeper, SDGs as a collective framework to redress inequities). These issues need answering through evidence to inform comparative analysis of trade-offs and policy debates on UBI as part of a system rather than a standalone game-changing solution.

THE ACTION

Policy debates on UBI are surging around the world. To prevent polarization and boost effectiveness of the eventual schemes, such debates need to be based on best available data. Yet much work remains to be done to connect the worlds of knowledge and policy on this issue.

Functionally, there is a dual task of (a) scouting, aggregating, and allowing for effective diffusion of evidence on UBI, and (b) supporting informed debate on concrete policy options related to UBI. Evidence exists but it has loopholes, its quality is inconsistent, and its flow – between the developing and developed countries, and between knowledge producers and policy makers – is hindered.

Substantively, the work has to be on UBI, its variations (e.g., TBI, MSI), and UBI-adjacent (e.g., carbon price-and-dividend) and -alternative (e.g., Universal Basic Services) ideas. This includes concerns about financing, effectiveness,
Basic Income – think data then policy

and impacts of UBI. Importantly, it needs to tap into the unanswered issues of the system-wide understanding of UBI and its interplay with the joint agenda of SDGs, including inequalities, gender, wellbeing, and the social contract in the post-COVID context.

Geographically, the work has to cover both the Global North and the Global South with a clear ambition to bridge the silos of different policy experiments and jurisdictional limits. The relation to, and cooperation within, joint frameworks (i.e., SDGs, climate commitments), is central here.

About the authors

John Crowley is UNESCO’s chief of research, policy, and foresight. He is the author of 5 books and a further 100 academic articles and book chapters, mainly on political theory and comparative politics.

Iulia Sevciuc is UNESCO’s lead on inclusive policies and the data-driven transformations. Prior to her appointment to UNESCO, Iulia worked with the United Nations Development Programme (UNDP) in Indonesia and Moldova.

Notes

[1] For Spain, the programme is a Minimum Subsistence Income (MSI).
[2] For Mongolia, Chapter 2 starting on pp.31 discusses the nation’s UBI scheme.
This is a 3-part expert podcast on Universal Basic Income (UBI). It debates UBI’s potential to cushion the immediate effects of COVID and to put countries on an inclusive track in the longer run.

Part 1: Basic Income and the bigger puzzle

This part looks at UBI through the specific angle of inclusive and equitable post-COVID recovery, covering:

- UBI’s promises of greater equity – what stands behind them and could UBI deliver against such claims in the real post-COVID world; and
- Other social policy measures that should be entertained as part of both the immediate crisis response and the plans for a more inclusive recovery in the longer run.

Part 2: Financing UBI – carbon tax and beyond

There is no talk of UBI without delving into the matters of financing and fiscal load. Part 2 gives an overview of various possibilities and goes deeper into:

- Carbon tax and its feasibility as a solution for green basic income;
- Countries where carbon tax for UBI might work; and
- Other innovative mechanisms – even if emerging or only brainstormed at this point – that could be entertained as a possibility for financing UBI.
Part 3: Knowledge on UBI

This final part takes stock of the data coming from a number of countries that engaged with UBI, both before COVID and as part of this crisis response, and discusses:

- How solid the data is and how much the existing evaluations actually tell us about the effectiveness and the impacts of UBI;
- Key knowledge gaps on UBI that need deeper digging on the part of researchers; and
- Findings that are particularly critical and deserve close attention on the part of policy makers in the debates on UBI.

About the expert

Ioana Marinescu is an Assistant Professor in the School of Social Policy & Practice at the University of Pennsylvania and faculty research fellow at the US National Bureau of Economic Research. Her expertise is in universal basic income, unemployment insurance, and the politics of carbon tax.
In June 2020, the Spanish Congress of Deputies passed, with no votes against, the Minimum Subsistence Income (MSI), a new non-contributory Social Security benefit with two objectives: to reduce extreme poverty in Spain and to assist the labour integration of people at risk of exclusion. Other European countries have had similar instruments for some time, whereas in Spain the autonomous communities were responsible for the matter. It is intended to reach 850,000 households, which amounts to some 2.3 million people.

The way it is designed, the MSI absorbs the former child benefit (child poverty is very high in our country), fixes a minimum amount that is equal throughout Spain but depends on the family circumstances of the recipients, and the support provided by the autonomous communities is to be deployed on top of it. It also establishes a sort of wage supplement, with a view to helping its recipients to enter the labour market. It is therefore an ongoing benefit, not linked to the exceptional situation caused by the pandemic, and as such, different from the one-off payments proposed by some as a quick income replacement measure in the face of the lockdowns, as have been passed in other countries.

The shortcomings of the Spanish welfare state have been attracting criticism for a long time, particularly in two essential aspects: it is less redistributive than other comparable systems (it reaches lower-income brackets to a lesser extent), and it ignores new forms of poverty and exclusion that are becoming structural (they diminish in the presence of growth, but do not disappear). The purpose of the

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**by Jordi Sevilla**
Former Minister of Public Administrations, Spain; Member of the Senior Corps of State Trade Experts and Economists

- Spain passed the Minimum Subsistence Scheme (MSI) to cover some 2.3 million people.
- MSI tackles two shortcomings of the Spanish welfare system – comparatively poorer redistributive performance and missing of new forms of deprivation.
- MSI’s conditionalities and administrative bottlenecks raise concerns, with 10 percent of 900,000 applications accepted so far.
- Spain’s MSI is not to be likened to a UBI, but it is a step along the road.

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Image by Antonio Marin Segovia / Unsplash
Minimum Subsistence Income, the Spanish way

MSI is to address both of these aspects, and in this respect must be viewed as a positive measure.

However, one gets the impression that out of all the possible options (the trade unions Unión General de Trabajadores and Comisiones Obreras submitted a proposal in 2016 as a Popular Legislative Initiative), the one with the lowest cost and the stiffest bureaucratic demands for its eligibility was chosen. This may be seen as an attempt to avoid criticism from those who described the measure as ‘pocket money’ with no strings attached, which would kill its beneficiaries’ incentive to work.

With so many conditioning factors, an administrative bottleneck has formed, as a large number of incomplete applications have had to be supervised in detail. This threatens to leave without coverage too many potential beneficiaries who nevertheless have major problems meeting the requirements and even filling in the forms, as a result of which they may well receive the benefit several months late, albeit, as the government insists, with retroactive effects. Over and above the administrative problems (out of the nearly 900,000 applications submitted, hardly 90,000 have been accepted), some critics have insisted that the instrument falls short in ambition and economic coverage, and may leave many beneficiaries in the same situation as before, if the autonomous communities withdraw or reduce their integration income because of the existence of one provided by the central state.

Although there has been some confusion on the subject, the Minimum Subsistence Income has nothing to do with the proposals for a Universal Basic Income (UBI) that have been circulating for some time. They differ in at least two fundamental elements: whereas the MSI is a benefit conditional on being poor and in exchange requires entry into the labour market, UBI is based upon a guarantee of freedom (if you can’t subsist, you’re not free), is universal, and is conditioned by no requisite other than being a citizen.

We can conclude, then, that the MSI passed in Spain is a step forward along the road to providing social policies with sufficient elements to combat new forms of social exclusion, but that perhaps it has been defined very restrictively (the need to relax some of its requirements is beginning to be considered), sacrificing effectiveness and scope in exchange for a broad political consensus.

About the author

Jordi Sevilla is an economist and a member of the Senior Corps of State Trade Experts and Economists. He has held several posts in the administration, including Chief of Staff to the Minister of Economy and Finance (1993-1996). He was subsequently appointed Minister of Public Administrations (2004-2007), passing the Law on Electronic Government and the Basic Statute of the Civil Service. He is one of the first defenders of the concept of a universal basic income in Spain. He is also a frequent collaborator of the Social Observatory of “la Caixa” where he authored “Strengthening social welfare: from minimum income to basic income”.

Original date of publication: 05 November 2020

https://en.unesco.org/inclusivepolicylab/analytics/minimum-subsistence-income-spanish-way
Move the debate from Universal Basic Income to Universal Basic Services

by Ian Gough
Professor Emeritus Professor of Social Policy, University of Bath; Visiting Professor, London School of Economics

Many arguments have been made for Universal Basic Income (UBI). This piece summarizes an alternative case for Universal Basic Services (UBS). The argument is made that UBS is more egalitarian and sustainable than UBI, as befits the rethinking of eco-social policy in the face of dangerous climate change. Furthermore, it is argued that UBS is also politically more incremental and reformist than the case for a true UBI.

UBS advocates a wider range of free public services enabling every citizen to meet their basic needs and achieve certain levels of security, opportunity, and participation. The core principles are:

- **Universal**: guaranteed entitlement according to need and not one's ability to pay.
- **Basic**: sufficient rather than minimal, enabling people to meet their basic needs, participate in society, and flourish.
- **Services**: collectively generated activities that serve the public interest.

In many countries, public health services and school to higher education are founded on these goals, despite cuts, attacks, and ongoing disputes over principles. UBS poses the question: can we extend these principles to other basic necessities, such as housing, care, transport, information, and nutrition (IGP, 2017)?

Clearly, these necessities are all very different things, so there can be no uniform formula to implement UBS. However, entitlements to

• Universal Basic Services (UBS) is an alternative case to UBI. Under UBS, the provision of free public services must go beyond health or education to cover other basic necessities (e.g., housing, care, transport, information, nutrition).

• UBS can also be more egalitarian with a strong redistributive performance and impact on income inequalities.

• UBS can also be more sustainable by decarbonizing the economy in a just way – rather than disproportionally loading the costs on the lower income brackets – and by supporting sustainable consumption corridors.
Move the debate from Universal Basic Income to Universal Basic Services

certain levels of provision can be guaranteed and these can be backed up by a menu of public interventions including regulation, standard setting and monitoring, taxation, and subsidies. This does not necessarily entail direct government provision – a plurality of collective and communal providers will be involved with appropriate support from government. But the unifying principle is to extend collective solutions, as opposed to providing income support and leaving provisioning to market forces.

The case for collective provision to meet such needs can be made on two main grounds: equity and sustainability (though there are also strong arguments for efficiency and solidarity covered elsewhere but not here).

**Equity.** Free public provision of necessities is always remarkably redistributive – even if the total tax system of a country is broadly proportional to income. On average, in OECD countries, existing public services are worth the equivalent of a huge 76 percent of the post-tax income of the poorest quintile compared with just 14 percent of the richest (Table 1). Public services also contribute to reducing income inequality by between one-fifth and one-third depending on the inequality measure. Free provision of necessities automatically targets lower income households without the disincentive effects that often result from money transfers.

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<td>0.4%</td>
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<td>33.5%</td>
<td>24.3%</td>
<td>13.7%</td>
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*Table 1: In-kind benefits as a share of disposable income by quintile, average over 27 OECD countries, late 2000s
Source: Verbist et al. 2012*

**Sustainability.** Climate heating and ecological breakdown now pose existential challenges to wellbeing. The urgent necessity to move away from unsustainable economic, social, and environmental practices provides a new justification for extending UBS. First, public provisioning systems for healthcare are more sustainable than market systems. For example, the per capita carbon footprint of health care in the USA is two and a half times greater than in the UK and three and half times greater than in several European countries (Figure 1). Second, public services can play a vital role in decarbonising the economy in a just way. For example, Green New Deal programmes to retrofit the vast bulk of the housing stock will require public planning, finance, and management. They will be needed to ensure a ‘just transition’ to lower carbon living, rather than one that will load costs onto the poorest people and communities. Third and relatedly, public consumption through UBS supports sustainable ‘consumption corridors’ (Coote, 2020).

![Figure 1: Health carbon footprints per capita, 2014](source: Pichler et al. 2019)
Move the debate from Universal Basic Income to Universal Basic Services

But does not a further extension of public services encroach upon peoples’ rights to choose how to spend their incomes? Money is fungible so social transfers including UBI permit people to spend income on whatever they want. The case for consumer sovereignty and market democracy needs to be addressed directly if the arguments for UBS are to prosper. I provide elsewhere a theoretical framework to justify this approach. In summary it depends on two things: a non-monetary conception of wellbeing and a disaggregated model of provisioning.

Human needs – or the functioning of capability theory – cannot be summed up into a single unit of account; they entail different satisfiers that are heterogeneous and non-substitutable. Providing a study course will not directly improve someone’s poor housing conditions. A need-based conception of wellbeing is opposed to the indifference approach of welfare economics, where one service can be traded off against another (Gough, 2017).[2]

Similarly, we need to challenge the dominant view of the economy as a uniform space within which nameless and substitutable commodities are produced, exchanged, and consumed. Instead, there are discrete ‘systems of provision’, such as the food system, the energy system, the housing system, the education system, the care system, and the transport system. These comprise a ‘foundational economy’ of mundane, taken-for-granted networks and services that people depend on every day, such as utilities, telecommunications, and banking (Floud et al., 2018).[3]

What these two frameworks have in common is heterogeneity: the varied and incommensurable needs and provisioning systems on which we depend. It is some of these that collective and public services can address in a more equitable and sustainable way.[4]

Of course, delivering and implementing UBS will vary greatly across these domains. Let me conclude with one proposal in one country: free bus travel in the UK. This would entitle everyone to enjoy the free bus travel currently available to the over 60s, with major benefits to participation and opportunity. Of course, it would require investment in new buses and routes at convenient times. It would also require regulation, which exists in London but is absent in the rest of the country with calamitous results (monopolies, asset-stripping, fares rising faster than other prices, declining passenger journeys everywhere outside London, poor connections and lack of inter-ticketing, halving of spending on subsidies for social necessary services, and ‘forced car ownership’).

Yet, this could be rectified at a cost of around 0.4 percent GDP. Compared with UBI, costs are modest. To provide similar entitlements in childcare, adult social care, housing and infrastructure, as well as transport has been estimated to cost about 4.3 percent of GDP (Coote and Percy, 2020).[5]

Conclusion

There are strong justifications for moving towards UBS as a principled framework for allocating resources and reforming welfare systems. UBS are in-kind benefits that represent a ‘social income’ – an essential component of the means by which individuals and households are able to flourish. The case for it is theoretical – wellbeing is multidimensional; normative – the potential of UBS to secure greater equality, social efficiency, collective solidarity, and long-term sustainability; and political – UBS is incremental, relatively cheap, and can achieve superior results to a system of unconditional cash payments alongside markets for commodified services. Of course, income transfers are just as important and require reform, but not at the expense of collectively provided in-kind benefits.

Recommendations and pointers for future action

UBS is a principled policy framework and not a single policy (like UBI). Clearly different countries face quite different contexts, institutions, and policy histories. Similarly, the pattern of existing provisions will vary across health, education, housing, social care, and so on.

Policy makers should turn their attention to ways in which ‘social income’ and cash payments interact and seek optimal ways of reforming social protection systems to support rather than undermine the collective approach.

There are several implications for research. One is to investigate the social, environmental and economic impacts of collectively provided services (social income) across different countries in the short, medium, and longer term. Another is to explore public and political interest in applying the UBS framework in different locations. A third is to seek out best practice in each domain across countries, regions, and cities. And then to consider if and how lessons can be learned elsewhere. Similarly, an international network of supporters and advocates of UBS should be built up.
Move the debate from Universal Basic Income to Universal Basic services

About the author

Ian Gough is the author of the much-cited book “Heat, Greed and Human Need: Climate change, capitalism, and sustainable wellbeing,” published in 2017. He continues to work on the interface of climate change and social policy - recently advising the EU, ILO, and the Irish Presidency (among other institutions) on these topics. His website can be found here.

References


Notes

[1] The original statement of the case for UBS.
[5] Coote and Percy (2020) is the fullest and most recent statement of the case for UBS.

Original date of publication: 19 January 2021. Minor changes were made for the policy package.

https://en.unesco.org/inclusivepolicylab/analytics/move-debate-universal-basic-income-universal-basic-services
Gender inequality in times of COVID-19 – give women cash

by Guy Standing
Former Programme Director, International Labour Organization; Professorial Research Associate, SOAS University of London

A basic income system is not just desirable as a response to the coronavirus pandemic and associated economic crisis. It is essential, in both rich countries and developing countries.

However, amidst the crisis of deaths and morbidity, one aspect of what is happening has been marginalized. The global lock-down has resulted in a surge of domestic violence and abuse of women, which is obviously a sad reflection on society and humanity.

In that context, a basic income system – if appropriately designed and implemented – could have profoundly beneficial effects. Some of these have been shown in pilots in which this writer has been involved, as in India and Namibia, and some have been shown in other pilots, as analysed elsewhere. The results have powerful lessons for those now contemplating the introduction of a basic income.

A key point is that the basic income must be paid to everybody in the community and paid in cash to each person individually: not given to “households” or to “families”. If the beneficiary is someone nominated as the “household head”, it will usually be a man, which would merely reproduce gendered hierarchies and patriarchal relations. And the basic income must be equal for all women and men, with smaller amounts for each child paid to the mother or surrogate mother. Working with SEWA, the Self-Employed Women’s Association of India, we insisted on these design features in our pilots in Madhya Pradesh, where over 6,000 men, women, and children were provided with modest basic incomes over 18 months. When the outcomes

- Basic income can curb backslides linked with COVID-19 in gender equality, surges in domestic violence, and abuse of women.
- Gains on the gender front have been shown in basic income pilots in India, Namibia, and other settings. They include improved health, nutrition, school attendance and performance amongst girls, as well as better health and economic activity amongst women.
- To deliver these, basic income schemes must cover individuals (rather than households or families) and be equal for women and men.
Gender inequality in times of COVID-19 – give women cash

were compared with what happened to similar people in similar communities where no basic incomes were paid, the results were emphatic.

Girl's nutrition and health improved more than boys'; girls' school attendance and performance improved more than boys', particularly among teenagers. Women's health improved more than men's, although men's health improved too. Women's economic activity increased significantly so that many were able to take up independent income-earning work. And at the end, when all men and women were asked in the evaluation survey whether they thought men or women had gained more from the basic income, a big majority of both men and women said women. Similar results were found in African experiments.

In developed countries, such as Canada, similar findings have emerged. In addition, one of the strongest findings from negative income tax experiments in the United States in the 1970s was that the payments gave some women the means to end abusive relationships and become independent (ironically, a steep apparent increase in marital break-ups in two of the experiments – later shown to be a statistical error – was a major factor in killing political support for guaranteed income in the US).

Almost definitionally, a properly designed basic income system will reduce gender-based inequality, because on average the payment will represent a higher share of women's income. Of course, it is not a panacea. All of us, men and women, will remain vulnerable without mechanisms to protect and enhance our agency, our voice. But a basic income system is a powerful force for gender equality. Its time is coming.

About the author

Guy Standing is a Professorial Research Associate at SOAS University of London. He is a former Programme Director at the International Labour Organization. Standing has written widely in the areas of labour economics, labour market flexibility, structural adjustment policies, and social protection.
Greening the Basic Income

by Mark Paul
Assistant Professor of Economic and Environmental Studies, New College of Florida

The world is in the midst of multiple ongoing crises: the global pandemic, the climate crisis, and a persistent economic inequality crisis that condemns far, far, too many to poverty. As the vaccines begin to roll off the production line, an end to the pandemic is in sight. But the other issues, including continued scarcity amidst abundance, abundance that is helping to fuel the climate crisis, are going to take much longer to address.

In these times of runaway inequality and an ever-warming planet, policy makers are increasingly looking for ideas to mitigate emissions and redistribute resources at the same time. One of the biggest ideas gaining traction is a global green new deal.[1] As countries seek to rebuild after the devastating crisis, green investments should unquestionably be front and centre. But complementary bold ideas, including a universal basic income, are also catching on.

The hiccup, per usual, is the pesky, and often misguided question of "How do you pay for it?" However, what if I told you there was a straightforward policy that could finance a universal basic income and substantially curtail carbon emissions? It is called a carbon price-and-dividend.

The policy could reduce the Gini coefficients by 3-6 percent and slash poverty.

Carbon price-and-dividend schemes are in place in Canada and Switzerland, with dozens of other jurisdictions implementing forms of carbon pricing.

One policy could finance UBI and curtail carbon emissions. It is the carbon price-and-dividend or, in essence, a green basic income.

The policy could reduce the Gini coefficients by 3-6 percent and slash poverty.

Carbon price-and-dividend schemes are in place in Canada and Switzerland, with dozens of other jurisdictions implementing forms of carbon pricing.

The policy is simple really: set an economy-wide price on carbon across the globe and rebate the revenue back to the people on an equal per-capita basis. It is true, a carbon price, in the form of a tax or cap, means higher prices, at least in the near future as the transition away from fossil fuels takes hold. But these higher prices will be
Greening the Basic Income

more than offset for the vast majority of the world's population through the carbon dividend. The math here is rather straightforward: the rich and those living in high-income countries are responsible for the vast majority of greenhouse gas emissions, and thus will pay the bulk of the tax (Gore, 2020). However, the money is redistributed to everyone, equally. Thus, low-income people will end up with far more money in their pockets at the end of the day.

Such a policy could reduce the Gini coefficient by 3-6 percent and drastically slash the number of people living in poverty (Davies et al., 2011). This green basic income would be highly progressive while providing people not only with the benefits of cash but cleaner air too. All the while the pricing would curtail emissions as the global community runs out of time to meet the goal established under the Paris Agreement to "limit global warming to well below 2, and preferably 1.5ºC, compared to pre-industrial levels" (UNFCCC, 2015).

To account for historic emissions, rich countries could agree to simply forgo their carbon dividends, leaving more money to be redistributed amongst low- and middle-income countries. Either way, the money from a carbon price will not be substantial enough to provide a true basic income for people in middle- and high-income countries, though it would be a substantial basic income for others. Additionally, the income flow will not last forever. One of the major goals of the policy is to facilitate a transition away from fossil fuels, thus the revenue will eventually run out.

A carbon price-and-dividend is already in place in Canada and Switzerland, while dozens of other national and sub-national governments have implemented some form of carbon pricing to date. Similar policies, such as the Alaska Permanent Fund, have also recognized that common environmental assets—in this case oil—can be leveraged to benefit the people through a form of basic income support. The fund has for decades paid out upwards of $2,000 per resident per year (Boyce, 2019).

Carbon pricing is no panacea. Other complementary policies, including large-scale green investments and smart regulations are essential. But a green basic income is a straightforward way to deal with two of our most pressing issues at the same time.

About the author

Mark Paul is an Assistant Professor of Economics and Environmental Studies at New College of Florida. His book, "Freedom is Not Enough: Economic Rights in an Unequal World," is due out with the University of Chicago Press in 2022.

References


Notes

Three sources urces that discuss a global green new deal are the Climate Social Science Network, the Roosevelt Institute's paper on pathways to implement, and the United Nations Conference on Trade and Development's statement.

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https://en.unesco.org/inclusivepolicylab/analytics/greening-basic-income
Put carbon dividend at the core of post-COVID reboot

This is a 3-part podcast to connect the dots between carbon tax, carbon dividend, and Universal Basic Income (UBI) – what the emerging ideas are and how such options should be equity-weighting this recovery.

Part 1: Carbon price-and-dividend

The green transition and environmental justice are central to the debate on an inclusive post-COVID reset. The carbon tax and the carbon dividends closely connect to such an agenda. Part 1 debates these, delving into:

- The core of carbon tax and, importantly, its possible regressive aspects;
- Ways to make carbon tax more equity-weighted and the role of carbon dividends;
- The uses of carbon revenues – what and why it could be invested.

Part 2: Carbon dividend as UBI

There has been a surge of interest in UBI. Financing UBI through carbon dividends is one trending idea. Part 2 digs deeper into this option by discussing:

- If/why carbon dividends can be used as a UBI;
- Key pitfalls of solely relying on carbon dividends to fund (substantive and sustained) UBI; and
Put carbon dividend at the core of post-COVID reboot

- Ideas for hybrid financing of UBI – through carbon dividends and other sources.

**Part 3: Knowledge and policy**

This final part is all about connecting knowledge and data to policy on the ground. It talks to:

- Knowledge producers about key messages that need to be amplified to penetrate better policy and public debates on carbon price-and-dividends and inclusive recovery; and
- Policy communities about possible courses of action and emerging data that deserve closer attention.

**About the expert**

Anders Fremstad is an Assistant Professor in the Economics Department at Colorado State University. His expertise is in the political economy of the environment, especially the sharing economy and the climate crisis. Anders has written on the distributional impact of carbon pricing policies, carbon dividends, and the connections between the latter with UBI.
Close social protection gaps to reset equitably after COVID-19

This podcast concerns social protection and its place in an inclusive post-COVID recovery. It covers critical issues of:

- Social protection gaps – how these need fixing to counter the immediate effects of the crisis, as well as to set countries on a more inclusive pattern in the long run;
- Women during the crisis – how they fell through the cracks in our current systems and what is the place of gender in recovery policies;
- Digital and informal economy – how COVID-19 sped up the discussion on the social protection for such; and
- Universal Basic Income – is it feasible and/or desirable in this recovery?

About the expert

Monika Queisser, Head of Social Policy at OECD, is an expert on pension reform within the organization. Prior to her time at the OECD, she was a member of the Financial Development Department at the World Bank in Washington D.C.
The UNESCO Inclusive Policy Lab works on knowledge crowdsourcing and its translation into inequality-reducing policies. The key concern is connecting research and data to policy on the ground.

The Lab operates via a chain of in-country projects and an online platform.

The online platform of the Lab surpasses 2400 registered members, 1000 experts, and 100 online collaborative spaces. It is a leading platform of its kind, combining decentralized generation of data and consolidation of key trends.

The Lab has 19 in-country projects implemented so far. Such in-country work (i) supports shared audits of policies in terms of their inclusiveness, (ii) enhances the flow and the use of knowledge in inclusive policies, and (iii) harnesses participatory data in inequality-reducing policies.

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