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BASIC INCOME – ON DATA AND POLICY



BASIC INCOME – ON DATA AND POLICY

MOST POLICY PAPERS 02

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UNESCO Inclusive Policy Lab

[UNESCO Inclusive Policy Lab](#) works on knowledge crowdsourcing and its translation into inequality-reducing policies.

The Lab operates through an online platform and a network of in-country projects.

The online platform surpasses [3400 members](#), [1400 experts](#), and [140 online collaborative spaces](#). It is a leading platform of its kind, combining decentralized generation of data and consolidation of key trends.

Twenty in-country projects are run through the Lab. These are impact-oriented interventions that expand the boundaries of knowledge and its effects on inclusive policies.

S H O R T S U M M A R Y

Connect the worlds of knowledge and policy on basic income

Policy debates on basic income surge around the world. At an unprecedented rate, countries are engaging with basic income as both an emergency response to weather the immediate effects of COVID-19 and a standing policy tool to reset on an inclusive track in the longer run.

The [Management of Social Transformations \(MOST\)](#) programme and the [UNESCO Inclusive Policy Lab](#) bring to the forefront analysis by leading experts, all to ground the debates in data and to curb polarization on this emerging issue. Key takeaways are:

- Basic income cannot be seen as a silver bullet and isolated from the rest of the policy space. It is to be treated as part of a system-wide response to converging crises.
- Calibration is key to basic income. Any desired goal, from equality to green transition, requires fitted design of the schemes and their financing.
- Much of what is known about basic income comes from policy trials. Paths to scale-up, from technical to political, demand attention.

It is not only the subject of basic income that is fascinating. The nature of this publication, with its use of think pieces and audio podcasts, is innovative as it manages to pack complex insights in an accessible, friendly format. Knowledge-producers and policy-makers are the primary audience of this paper.

This is not a case for or against basic income. This is a case for an informed debate on this topical policy issue.



"Since wars begin in the minds of men and women it is in the minds of men and women that the defences of peace must be constructed"

What we know and we don't about basic income



Photo: Scott Umstadtd/Unsplash

The idea of a universal basic income (UBI) – a flat, unconditional stipend periodically 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.

Multiple countries employed UBI – or less ambitious variations in the form of [temporary basic income](#) (TBI) or [minimum subsistence income](#) (MSI) – as a crisis measure to cushion the immediate social and economic damage of the COVID-19 pandemic.

Even before that, 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 technological shifts.

With interest surging, the real question is what we actually know about UBI. In such an emerging and polarized debate, the link between what we know and how that informs policies has real implications.

What we have

First, the good news.

Trials show how UBI performs in both stable and volatile settings. It was piloted before and during the pandemic. Many schemes will run through the crisis and end in post-COVID set-ups. Combined, these trials serve in two respects. First, to guide the debates on UBI as a longer-term policy. Secondly, to inform the deployment of UBI as an emergency response in humanitarian, development, and various crisis contexts. COVID-19 is one of many mega-crises to come. Think of the looming social and economic turmoil associated with climate change. Understanding how cash and UBI may (or may not) alleviate such shocks is critical in preparing response options.

UBI is not a developed country issue, despite what is sometimes assumed. It has been implemented both in the Global North (e.g., Canada, [Finland](#), [Germany](#), the [United Kingdom](#), the [United States](#)) and in the Global South (e.g., [Kenya](#), [India](#), [Mongolia](#), [Namibia](#)).^[1] [Experts say](#) that developing countries are not at a

by [John Crowley](#)

UNESCO's former chief of research, policy and foresight

[Iulia Sevcic](#)

UNESCO's lead on inclusive policies and data impact on policy

disadvantage in carrying the fiscal load of UBI or in running the schemes. Yet it is to be pointed out that very few of the real-life cases were truly unconditional, universal, longer-term, and sustainably funded. Notwithstanding this, the contextual lessons – in terms of developed and developing countries – are critical and available.

Financing is front-and-centre in any talk on sustained UBI. And it should stay there. Data is emerging on various financing modalities, their feasibility, and their sustainability. These include more traditional sources (e.g., oil- and natural resource-derived funding, reallocation of existing international aid or domestic revenue), innovative ways (e.g., carbon price-and-dividend, private sources, data-driven funding, dividends from marketing socially owned data), and mixed options. Key lessons are also available on distributive performance of UBI and ways of calibrating the progressive or regressive character of schemes through the design of their financing mechanisms. These are to be listened to if the intention is to go beyond individual trials towards longer-term or to-scale UBI. They become even more pressing when public buy-in and political acceptability are factored in. Think, for instance, how profoundly the politics around the policy would change depending on how distributive a given UBI scheme is and whether it is financed by re-directing existing funds (e.g., from pensions) or by tapping into new revenue streams, leaving the current entitlements untouched.

Evaluations of UBI trials are available and they contain a wealth of data. But the contextual differences and the particular set-up of the trials are often under-analysed in the debates on UBI's effectiveness and impacts. The results also tend to be skewed, with certain impacts of UBI being assigned a heavier weight in disregard of the context. Take [the Finnish trial](#) that provided 2,000 people with €560 monthly pay. The trial is often quoted as having little impact on employment. About 18 per cent and 27 per cent of participants got a job over 2 years, showing little difference with the control group. Yet this trial 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, ought to be extrapolated to the general population cautiously. The same applies to measured impacts on well-being and equity. The main point is that all trial results require coherent and transparent analysis to guide decisions based on systematic rather than selective interpretations of UBI's impacts. These results should also be understood for what they are – limited pilot results – when analysed and/or when put on par with to-scale UBI schemes.



Much work remains to be done to connect the worlds of knowledge and policy on UBI if the intent is to move ahead smartly.

What we're missing

Critical things are absent.

Alternative and adjacent policy ideas need serious exploration. Think of [Universal Basic Services](#) or universal social protection as alternative approaches, and [carbon price-and-dividend](#) as adjacent, to UBI. Cases are being made for all but, moving forward, 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.

Key gaps exist in the understanding of UBI as part of a system rather than a stand-alone game-changing solution. First, largely unknown is the interplay of UBI with the rest of the policy space. Its interactions with minimum wage, pensions, severance pay, and the broader social protection systems are particularly pressing. Second, the interplays of UBI with societal agendas (e.g., its gendered effects, links to care work, impacts on inequalities or political participation) and international frameworks (e.g., if and how UBI feeds into the Sustainable Development Goals or climate commitments) are under-analysed. All require stronger, contextual knowledge to inform comparative analysis and debates on trade-offs.

Paths to scale-up remain unclear. Much of what we know comes from limited pilot schemes, leaving open questions about the paths to, from technical to political, and the effects of, full UBI.

Data on UBI exists but it has loopholes and its quality is inconsistent. The flow of data between developing and developed countries, as well as its use, face obstacles. Valuable insights are lost in the silos of different policy experiments and jurisdictional limits.

And lastly, as so often, much work remains to be done to connect the worlds of knowledge and policy on UBI if the intent is to move ahead smartly. The former holds data, the latter holds the power of acting upon it.

Takeaways

- COVID-19 came with a surging interest in UBI. Developed and developing countries engage with UBI both as an emergency response and as a standing policy tool.
- UBI is not new. Data on performance, impacts and financing of UBI exists, but its flow and use are hindered.
- Gaps exist in system-wide understanding of UBI, analysis of trade-offs, linkages with broader agendas, and paths to scale-up.
- These need to be fixed to allow for informed decisions and depolarization of policy debates.

About the authors

John Crowley is UNESCO's former chief of research, policy, and foresight. He is the author of five 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 data impact on policy. Prior to this, she worked with the United Nations Development Programme (UNDP) on the same agendas.

Notes

[1] For Mongolia, see Gentilini, U. and M. Grosh. 2020. **UBI as Social Assistance: Comparative models and instruments**. In *Exploring universal basic income: A guide to navigating concepts, evidence, and practices*. Washington, DC: World Bank Publications, pp. 73–97.

This piece is based on original articles by the authors for the UNESCO Inclusive Policy Lab (12 February 2021, <https://en.unesco.org/inclusivepolicylab/analytics/basic-income-%E2%80%93-think-data-then-policy>) and the World Economic Forum (12 August 2021, <https://www.weforum.org/agenda/2021/08/why-data-needs-to-underpin-the-basic-income-debate/>).

Decipher the promises of basic income

Photo: Bruce Python/Wikimedia Commons; Mural: Guido van Helten

This is a three-part expert podcast on universal basic income (UBI). It debates UBI's potential to alleviate the immediate effects of COVID-19 and to put countries on an equitable track in the longer run.

Part 1: UBI and the bigger policy puzzle

This part looks into the core of UBI, covering:

- UBI's promises of greater equity. What stands behind them and could UBI deliver against such claims in the real world?
- Framing the debate. Should UBI be thought of as a technical fix to fine-tune current social protection systems or a lever to reinvent citizenship?
- The bigger picture. What other policy measures should be a part of this recovery?

Part 2: Financing

There is no talk of UBI without delving into matters of financing and fiscal load. This part discusses:

- Financing options. What are the traditional and emerging sources?
- Equity. How can distributional aspects of UBI be calibrated through its financing modalities?
- Carbon tax. How feasible is it as a solution?

Part 3: Knowledge and policy

The final part takes stock of the data coming from a number of countries that engaged with UBI, both before COVID-19 and as part of crisis response, and discusses:

- Data. How solid is it and how much do the existing evaluations say about UBI?

with [Ioana Marinescu](#)

Assistant Professor, School of Social Policy and Practice, University of Pennsylvania; Faculty Research Fellow, US National Bureau of Economic Research



Part 1:
UBI and the bigger policy puzzle



Part 2:
Financing



Part 3:
Knowledge and policy

- Loopholes. What are the knowledge gaps on UBI that need to be addressed by researchers?
- Policy. What key messages should policy-makers integrate in the debates on UBI?

Takeaways

- UBI can reduce inequalities, but the degree to which it does so depends on how progressive/ regressive the financing modalities are.
- Data shows that disincentive to work is not a key concern when it comes to UBI, with at-scale schemes likely to create jobs.
- UBI may be more desirable in countries without extensive social safety nets and those where administrative capacity is an issue.
- Paths to and effects of UBI scale-up – from positive (e.g., economic stimulus) to potentially challenging ones (e.g., interaction with existing programmes) – need to be better understood.
- The stimulus effect of UBI and the channels through which it happens, as compared to other types of stimulus, require a closer look.
- More evidence is needed on UBI's effect on prices in different contexts.
- Links of UBI to political participation and citizen engagement demand further research.

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.



The current debate on UBI centres on reinvention of citizenship. It is not about administrative fine tuning of social protection – a technical fix. It is about a new conception of freedom and equality.

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<https://en.unesco.org/inclusivepolicylab/learning/basic-income-%E2%80%93-deciphering-promises-and-data-0>

Close social protection gaps to reset equitably after COVID-19



Image by foursummers / pixabay

Photo: Four Summers/Pixabay

This is a three-thread podcast concerned with social protection and its place in the COVID-19 crisis. It discusses concrete cracks in the systems and solutions to redress them.

with [Monika Queisser](#)

Head of Social Policy,
Organisation for Economic
Co-operation and
Development (OECD)

Thread 1: Current systems

The first thread focuses on social protection, covering:

- How did the current social protection systems perform in crisis?
- What gaps in social protection were exposed and driven further by the pandemic?
- What trends (e.g., digitalization, gig economy) have accelerated in crisis, and what reforms need to be fast-tracked as a result?



**Close social
protection gaps to
reset equitably after
COVID-19**

Thread 2: Women during crisis

This thread discusses the gender dimensions of social protection, looking at it as both part of the problem and part of the solution. It delves into:

- How did women fall through the cracks in the current social protection systems?
- Who shouldered the unpaid household and care work during the pandemic?
- How was the extra burden of lockdowns and school closures absorbed?
- What is the place of gender in recovery policies?

Thread 3: Universal basic income

The final thread is concerned with universal basic income (UBI) in the context of the immediate response to COVID-19 and, importantly, long-term policy responses. It asks:

- How should UBI be thought of as part of the broader social protection system?
- Why are the mechanisms of UBI financing key to acceptability and buy-in?
- What do the UBI trials and simulations tell about its limits, feasibility, and scale-up? Why do country contexts matter?

Takeaways

- COVID-19 exposed both known gaps in the social protection systems and the needs of people who were not considered at risk before the pandemic.
- Single-earner and stable employment assumptions no longer extend into the future.
- Trends (e.g., digitalization, gig economy) have been accelerated by COVID-19, slashing the time for reforms.
- UBI is to be thought of as part of a system. Its interaction with the current social protection and its financing – sustained and to-scale – are key issues to be addressed.
- Desirability, acceptability and design of UBI are highly context-dependent. Debates on UBI are likely to be very different in countries with robust social protection systems in place as compared to countries that lack those.

About the expert

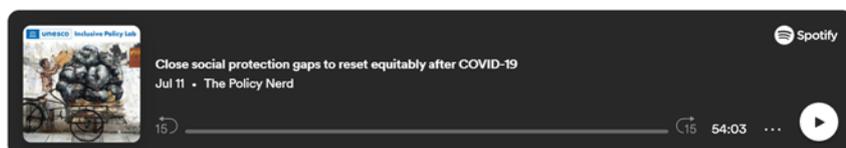
Monika Queisser is the Head of Social Policy at the OECD and is an expert on pension reform within the organization. Prior to her time at the OECD, she was a member of the Financial Development Department at the World Bank in Washington, DC.



COVID-19 shed light on old social protection gaps and, in a new twist, exposed needs of people who were not considered at risk before. It also made clear that it is no longer acceptable to have no minimum income. The image of people lining up for food assistance sent shockwaves.

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<https://en.unesco.org/inclusivepolicylab/learning/close-social-protection-gaps-reset-equitably-after-covid-19>

California trials basic income, other 14 pilots are in sight



Photo: Edgar Chaparro/Unsplash

This is a three-part podcast on the Californian guaranteed income experiment. The discussion goes deep into the trial, probing it from all angles – design, results, financing – and extracting lessons that others might draw on.

Part 1: Design, results, and performance in crisis

This part is concerned with the Californian pilot itself. It delves into the:

- Design of the trial. What was the basic set-up (numbers, criteria, process, evaluation, limitations) and how it was meant to interact with the rest of the social security system and the existing safety net?
- Results. What are the key outcomes, including gendered outcomes, and why was there such a strong impact on employment?
- Crisis. How did the pilot (unintentionally) overlap with the COVID-19 pandemic and what can be learned from that?

Part 2: Financing

Financing is critical to any talk on basic income. This part discusses:

- The Californian case. How, specifically, was the Stockton guaranteed income pilot funded?
- Scale-up. How are the other 14 upcoming US pilots financed?
- Long-term sources. What are the options of financing sustained and sustainable basic income schemes? Whether and how could the traditional ways (e.g., oil and natural resource-derived funding, reallocation of existing funds) and innovative sources (e.g., carbon price-and-dividend, data-driven funding, and dividends from marketing socially-owned data) be combined?

Part 3: Data and policy

The final part talks data, gaps, and action needed on basic income. It goes into:

- Knowledge gaps. What is known and what is lacking in data on basic income?
- Policy use. What deserves increased attention in debates and decision-making on basic income?

with [Amy Castro Baker](#)

Assistant Professor, School of Social Policy & Practice, University of Pennsylvania; Co-director of the Centre for Guaranteed Income Research

[Stacia West](#)

Assistant Professor, University of Tennessee College of Social Work; Co-director of the Centre for Guaranteed Income Research



**Part 1:
Design, results,
and performance
in crisis**



**Part 2:
Financing**



**Part 3:
Data and policy**

Takeaways

- Basic income cannot be understood in isolation from the rest of the policy space and from what is required of both governments and markets.
- Robust basic income trials should be used to demonstrate the return on investment (e.g., child health outcomes, savings in health-care costs, residential stability, and productivity).
- The Californian trial is funded through private and philanthropic sources meant to pilot guaranteed income within the new economic space in the United States. Sustained and to-scale schemes require other financing mechanisms.
- Certain populations (e.g., women, racial and ethnic minorities, care-givers) may need to be prioritized in the rollout of guaranteed income before getting to universal schemes.
- Amounts and cadence of basic income that are conducive to change in key desired domains require more research.
- Links of basic income to agendas such as gender and care work are to be improved.
- Human experience needs to be better factored in the policy making process, data has to be infused with the beneficiary voice.

About the experts

Amy Castro Baker is an Assistant Professor in the School of Social Policy & Practice at the University of Pennsylvania. She is the co-director of the Centre for Guaranteed Income Research at the University of Pennsylvania.

Stacia West is an Assistant Professor at the University of Tennessee College of Social Work. She is the co-founder and director of the Centre for Guaranteed Income Research at the University of Pennsylvania.



Guaranteed income is not a silver bullet for the current levels of poverty and inequality in the US. It is a mistake to think about it in isolation from the rest of the policy space that needs to, ultimately, provide for fair compensation of work and reduce income volatility.

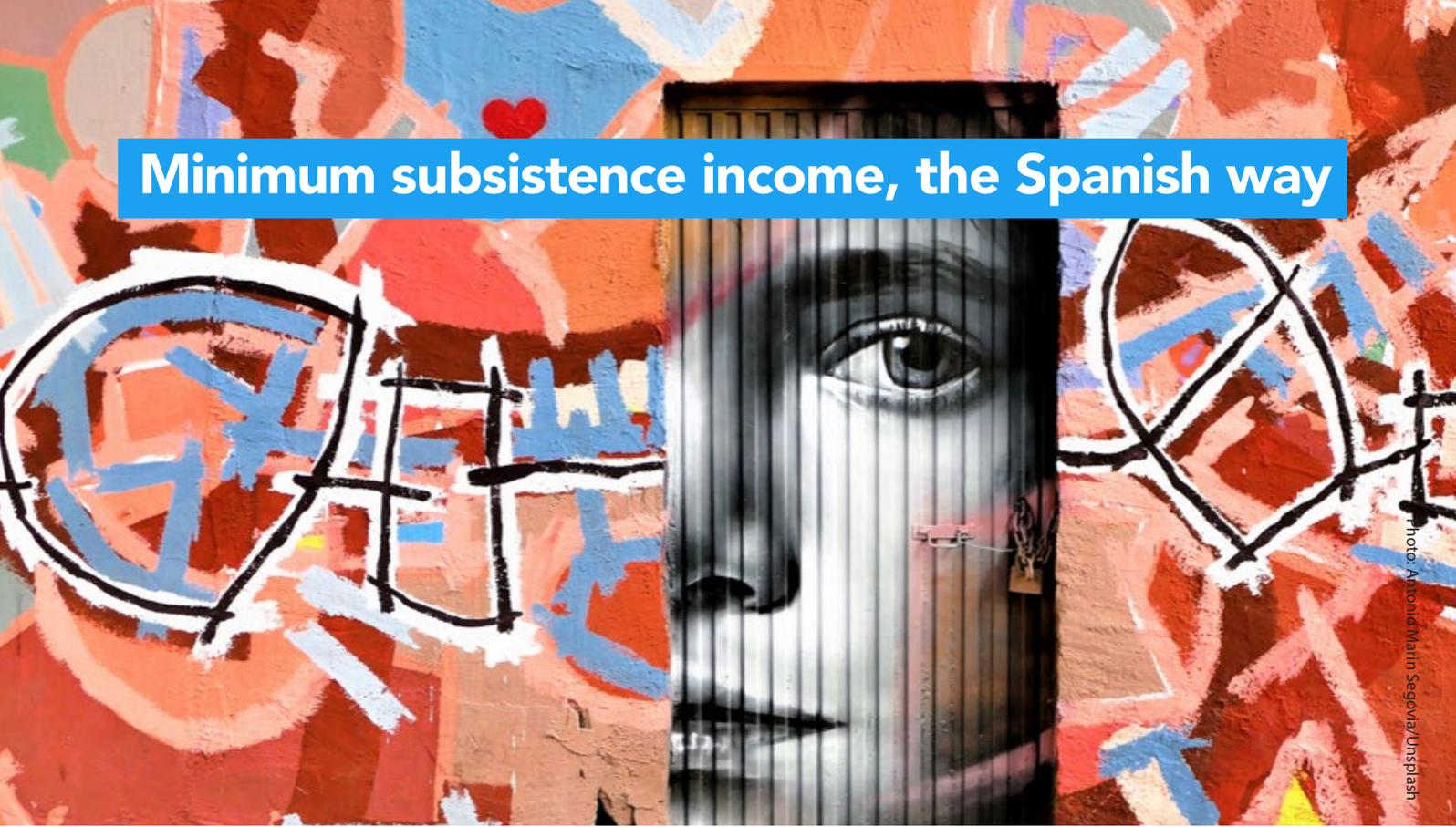
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Minimum subsistence income, the Spanish way

Photo: Antonio Main Segovia/Unsplash

In June 2020, the Spanish Congress of Deputies passed, with no votes against, the Minimum Subsistence Income (MSI) scheme, 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 the 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 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.

by Jordi Sevilla

Former Minister of Public Administration of Spain, member of the Senior Corps of State Trade Experts and Economists

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 MSI 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.

Takeaways

- Spain passed the MSI scheme to cover some 2.3 million people.
- MSI tackles two shortcomings of the Spanish welfare system – comparatively poor redistributive performance and the missing of new forms of deprivation.
- MSI's conditionalities and administrative bottlenecks raise concerns, with 10 per cent of 900,000 applications accepted so far.
- Spain's MSI is not UBI, but the scheme is a step forward along the road to providing protection against new forms of social exclusion.

About the author

Jordi Sevilla is an economist and a member of the Senior Corps of State Trade Experts and Economists in Spain. He served as the country Minister of Public Administration (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 UBI in Spain.



Spain's MSI is a step forward, but perhaps the scheme has been defined very restrictively, sacrificing effectiveness and scope in exchange for a broad political consensus.

India's quest for basic income



This is a three-part podcast on India's quest for universal basic income (UBI). It covers the pilots that have been run so far and, importantly, asks what they tell about the potential of such schemes in India and perhaps in other developing countries.

with **Sarath Davala**

Chair of the Basic Income Earth Network (BIEN), co-founder of India Network for Basic Income

Part 1: Trials

This part is concerned with concrete UBI pilots coming from India. It goes deep into the Madhya Pradesh experiment, covering:

- Design. What were the key features and how were the evaluations run?
- Results. What outcomes were assessed and why do some (indebtedness, diversification of livelihoods, gender) deserve a closer look?
- Policy space. How was the pilot designed to interact with the existing social protection system and why was this the way to go?



**Part 1:
Trials**

Part 2: Scale-up

This part goes beyond individual pilots to bigger, underlying questions on the future of UBI. It discusses:

- Scale-up. What is the potential in India and how is a critical mass of trials being run sub-nationally, testing the models and pushing the debate upwards?
- Lessons. What are the lessons on UBI India offers to the world and, particularly, to developing countries?
- Crisis. How has COVID-19 made UBI an emergency tool, and what does this say about its use in humanitarian, development, and crisis contexts?



**Part 2:
Scale-up**

Part 3: Knowledge and policy

The final part talks to knowledge producers and policy-makers about:

- Knowledge gaps. What is missing in data on UBI and, importantly, on its place in the post-COVID reset?
- Policy. What key messages need amplification in the policy debates?



**Part 3:
Knowledge
and policy**

Takeaways

- The convergence of crises – welfare, employment, and climate – demands a substantive rethinking of the current systems.
- The entire policy space needs to be put to a stress test so as to understand the performance in crisis of individual instruments and the system as a whole.
- Contextual differences in developed and developing countries need to be better understood in debates on UBI, yet the need to rethink pertains to all.
- A critical mass of UBI pilots is forming at sub-national levels – both in developed and developing countries, working out the issues and building the conditions for scale-up.
- UBI is not a patchwork solution to fix the current cracks in social protection; it has to be treated as part of a system-wide response to emerging needs.

About the expert

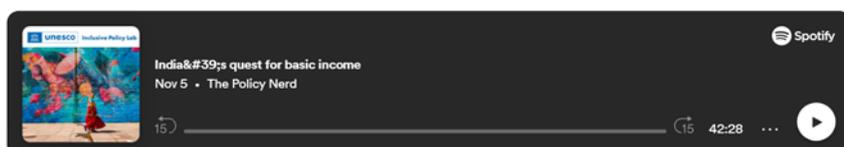
Sarath Davala is the Chair of the Basic Income Earth Network (BIEN) and co-founder of India Network for Basic Income. He served as the research director for the Madhya Pradesh basic income pilot.



Basic income is not 'one more drug' we try in an attempt to fix the current social protection systems. We are reaching a crisis that demands opening up, questioning and re-designing the system as a whole.

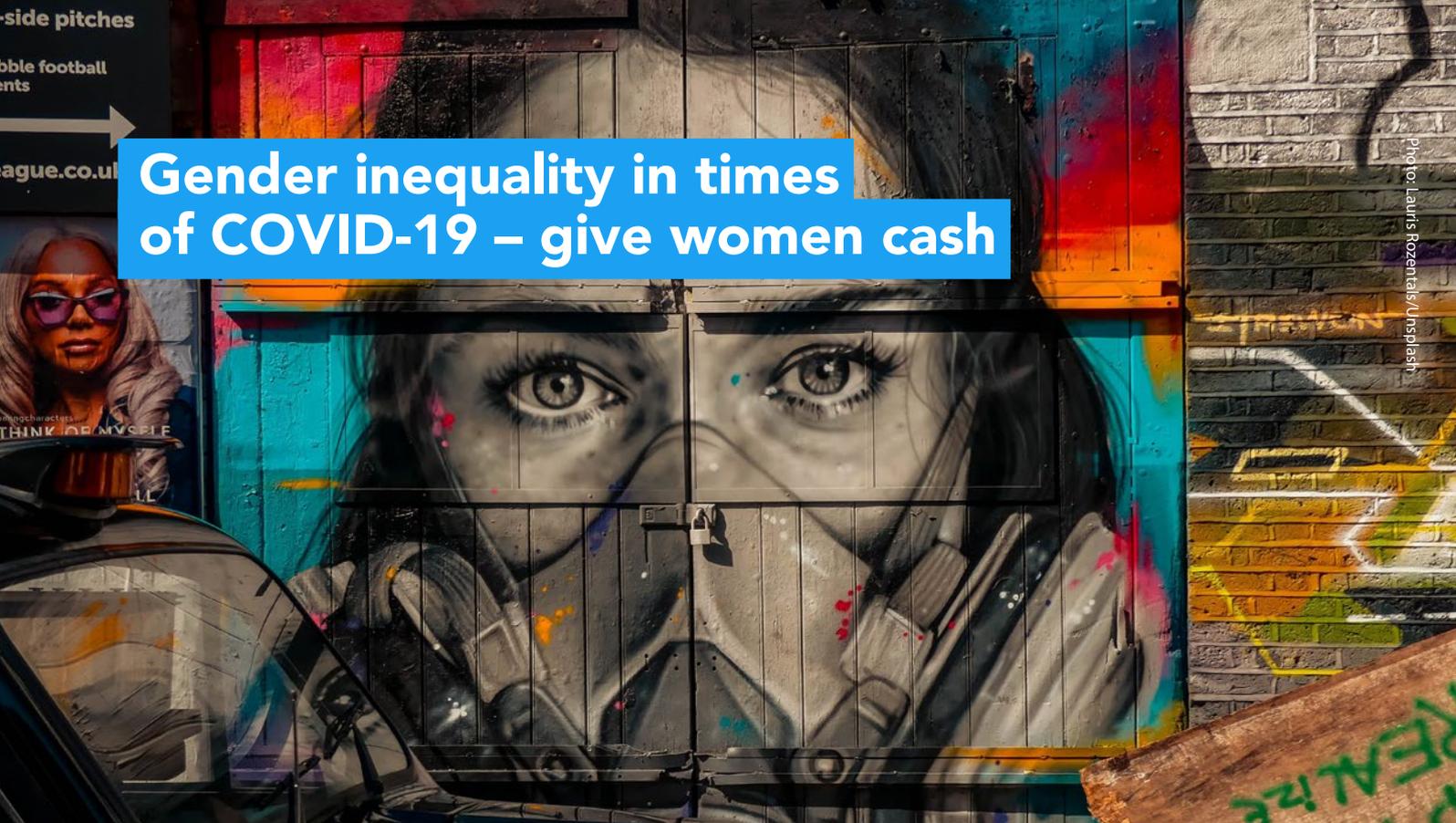
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4 November 2021

<https://en.unesco.org/inclusive-policylab/learning/indias-quest-basic-income>



Gender inequality in times of COVID-19 – give women cash

Photo: Laurits Rozenfals/Unsplash

A basic income system is not just desirable as a response to the COVID-19 pandemic and associated economic crisis. It is essential, in both developed and developing countries.

However, amidst the crisis of deaths and morbidity, one aspect of what is happening has been marginalized. The global lockdown 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. 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 were compared with what happened to similar people in similar communities where no basic incomes were paid, the results were emphatic (Davalá et al., 2015).

Girls’ 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. 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 (Davalá et al., 2015). Similar results were found in African experiments.

by Guy Standing

Former Programme Director,
International Labour
Organization; Professorial
Research Associate, SOAS,
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In developed countries such as Canada, similar findings have emerged. In addition, one of the strongest findings to emerge 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 United States) (Standing, 2017).

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.

Takeaways

- 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 be correctly designed to cover individuals (rather than households or families) and be equal for women and men.

About the author

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

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A properly designed basic income can reduce gender-based inequality. It is not a panacea, but is it a powerful policy tool.

Greening the basic Income

Photo: Leonardo Burgos/Unsplash



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 \(UBI\)](#), 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 UBI and substantially curtail carbon emissions? It is called a [carbon price-and-dividend](#).

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 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 per cent 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 1.5 °C, compared to pre-industrial levels’ ([UNFCCC, 2015](#)).

by [Mark Paul](#)

Assistant Professor
of Economic and
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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.



A green basic income is a straightforward way to deal with two of our most pressing issues – climate change and economic inequalities – at the same time.

Takeaways

- One policy could finance UBI and curtail carbon emissions: the carbon price-and-dividend or, in essence, a green basic income.
- The policy could reduce Gini coefficients by 3–6 per cent 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.

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.

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Notes

[1] Three sources 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.

Original date of posting: 19 January 2021

<https://en.unesco.org/inclusivepolicylab/analytics/greening-basic-income>



Put carbon dividend at the core of post-COVID reboot

This is a three-part podcast to connect the dots between carbon tax, carbon dividend, and universal basic income (UBI). It discusses emerging ideas and asks how we should be equity-weighting green policies in this recovery.

with [Anders Fremstad](#)

Assistant Professor,
Colorado State
University Department
of Economics

Part 1: Carbon price-and-dividend

Green transition and environmental justice are central to inclusive post-COVID reset. Key green policies, however, raise equity and distributional concerns. Part 1 debates:

- Carbon tax and, importantly, its possible regressive aspects.
- Ways to equity-weight carbon tax and the role of carbon dividends.
- Use of carbon revenues – what they could be invested into and why.



**Part 1:
Carbon price-and-
dividend**

Part 2: Carbon dividend as UBI

Interest in UBI is on the rise. Carbon dividends are debated as an option of financing such schemes. Part 2 digs deeper into:

- If/why carbon dividends can be used as UBI.
- Key pitfalls of solely relying on carbon dividends to fund substantive and sustained UBI.
- Ideas for hybrid financing of UBI – carbon dividends and beyond.



**Part 2:
Carbon dividend
as UBI**

Part 3: Knowledge and policy

This final part talks to knowledge and policy actors, discussing:

- Knowledge gaps and issues that need to be addressed on the research side.
- Emerging ideas and data that deserve closer attention in policy debates on carbon price-and-dividend and inclusive recovery.



**Part 3:
Knowledge
and policy**

Takeaways

- Distributional aspects of carbon pricing require careful calibration, with carbon price-and-dividend being a solution.
- Carbon dividends can act as a green basic income, although they are bound to decrease throughout the energy transition and may be insufficient for substantial schemes.
- Data indicates public support of carbon pricing when carbon dividends are in place, but much more is needed to understand levers to building and firming up that buy-in in real life.
- Policy messaging needs to be aligned when speaking to the people in their capacity as consumers, as citizens, and as workers.

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.



Carbon pricing raises distributional concerns that need to be addressed if the public is to buy into it. Data shows public support of carbon pricing when carbon dividends are in place. Those dividends can act as a green basic income.

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Original date of posting:
21 January 2021

<https://en.unesco.org/inclusivepolicylab/learning/put-carbon-dividend-core-post-covid-reboot>

Move the debate from Universal Basic Income to Universal Basic Services



Photo: Jutta Benzberg/World Bank

Many arguments have been made for universal basic income (UBI). This piece summarizes an alternative case for Universal Basic Services (UBS). The argument is that UBS is more egalitarian, sustainable, incremental, and realist than UBI.

The real income of households is the sum of money income and income in kind. If we discount the substantial value of unpaid domestic labour, the dominant form of income in kind consists of public social services. Cash income and services in kind are two sides of the same coin, and plans for welfare reform in today's insecure world must embrace both.

Many advocates of basic income pay lip service to this, but then advocate universal disbursement of monies the cost of which would drain away fiscal resources for in-kind benefits. The new campaign for a Social Guarantee proposes instead a guaranteed income (much less costly than UBI for the same outcomes) plus investment in basic services – see Figure 1.

In developed countries, and increasingly across the world, free or low-cost health and education services are provided to citizens or residents on a near-universal basis. Advocates of UBS propose extending similar entitlements to other conventional basic necessities, such as housing, social care, childcare, basic transport services and digital access (Coote and Percy, 2020).

The idea of 'necessities' or 'essentials' builds on concepts of universal human needs, whilst recognizing that the satisfiers of these needs will vary across countries, cultures and contexts. But they are not the same as consumer preferences or wants: it will require collective and democratic deliberation to identify the key components. Need satisfiers are by definition not substitutable for one another: a homeless family will not be directly helped by a distance-learning course. UBS embodies a plural non-monetary conception of well-being (Gough, 2019).

It also rejects the automatic appeal to market-based solutions. It returns our focus to a disaggregated model of provisioning for basic services. It has parallels with the idea of a 'foundational economy' of mundane, taken-for-granted networks and services that people depend on every day, such as utilities, telecommunications, and supermarkets (Froud et al., 2018).

by Ian Gough

Professor Emeritus
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The case for collective provision to meet such needs can be made on three main grounds: equity, solidarity and sustainability.

Equity. Free public provision of necessities is always remarkably redistributive – even if the total tax system of a country is broadly proportional to income. An earlier study of OECD countries found that existing public services are worth the equivalent of 76 per cent of the post-tax income of the poorest quintile compared with just 14 per cent of the richest (Verbist, Förster, and Vaalavuo, 2012). Free provision of necessities automatically targets lower-income households without the disincentive effects that often result from money transfers.

Solidarity. UBS has the potential to develop solidarity within the community at large. Forging a stronger right to essentials such as decent housing and social care enhances security. The geographical spread of basic services and the foundational economy improve both geographical equality and social cohesion.

Sustainability. Extending public services can contribute to a more sustainable economy. For example, the per capita carbon footprint of health care in the predominantly market-driven system in the United States is around three times greater than in many European health systems. Public services can complement the decarbonizing potential of, for example, Green New Deal programmes by guaranteeing the public planning, finance, and management needed to retrofit the housing stock.

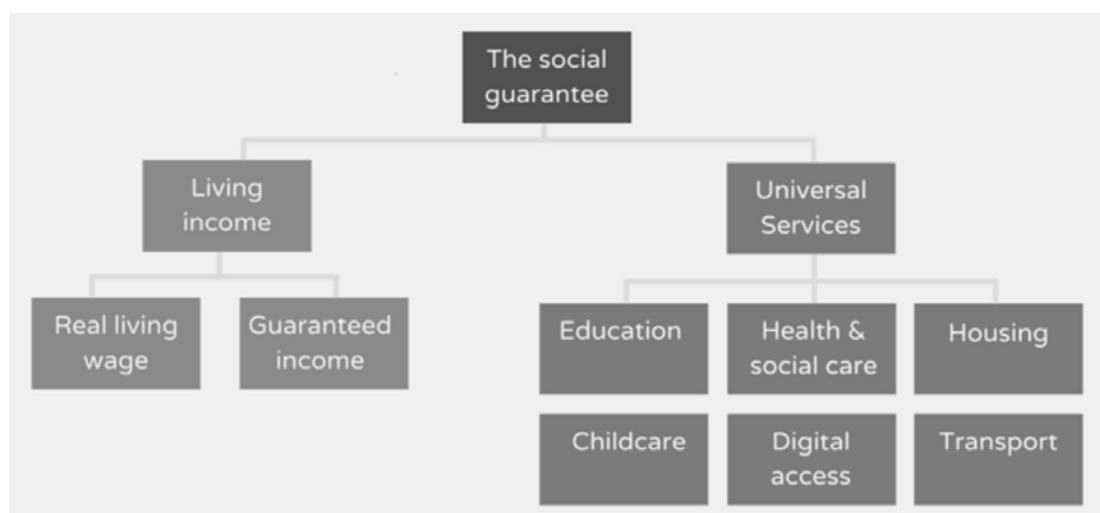
Delivering UBS

Clearly, the basic services in Figure 1 are all very different things, so there can be no uniform formula to implement UBS. However, entitlements to 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. UBS does not necessarily entail direct government provision – a plurality of collective and communal providers would be involved with appropriate support from the government.

To take one concrete example, consider extending free bus travel in the UK from the over 60s to the entire population. It would achieve major improvements 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, poor connections and lack of inter-ticketing, halving of spending on subsidies for socially necessary services, and ‘forced car ownership’). Yet this could be rectified at a cost of around 0.4 per cent of GDP (Coote and Percy, 2020). Compared with UBI, costs are modest.

The campaign for UBS seeks to reclaim and develop the collective ideal that inspired the creation of welfare states in the post-war era, but applying it to modern life today. UBS embodies transactions that are public, shared, and largely decommodified, rather than private, individual, and marketized. UBS is a principled policy framework and not a single policy (unlike UBI). Clearly, different countries face quite different contexts, institutions, and policy histories. But the unifying principle is to extend collective solutions, as opposed to providing income support and leaving provisioning to market forces.

Figure 1. Universal basic services: one leg of the social guarantee



Source: <https://www.socialguarantee.org/>

Takeaways

- 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 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 disproportionately loading the costs on the lower income brackets – and by supporting sustainable consumption corridors.

About the author

Ian Gough is Professor Emeritus Professor of Social Policy at the University of Bath and Visiting Professor at the London School of Economics. He is the author of *Heat, Greed and Human Need: Climate change, capitalism, and sustainable wellbeing* (2017). He focuses on the interface of climate change and social policy, recently advising on this the EU, ILO, and the Irish Presidency.

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Universal Basic Services (UBS) is an alternative case to UBI. The argument is that UBS is more egalitarian, sustainable, incremental, and realist than UBI.

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