Towards a More Equitable and Just World: 
A Case for Universal Basic Income

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Abstract

The global economy has created an unprecedented amount of wealth. The top 10% of wealth holders own 82% of global wealth, while the bottom-half account for less than 1%. Such wealth disparity may be attributed to the dominant economic model’s focus on accumulating profit over providing equitable and secure lives for all. This lack of basic income security and extreme poverty is a violation of economic rights of citizens in many countries. The global spree of technical automation further exacerbated this situation through job loss. The provision of universal basic income could possibly serve as a moral and sustainable solution to ensure that no one is denied the basic income requirement for food, shelter and medical care. It is the right political choice for governments and those in authority to ensure that every citizen has the opportunity to live in dignity and economic freedom through progressive realization of basic income security.

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1. Introduction

COVID-19 emerged in December 2019, has already spread to almost all countries and territories across all continents, making it one of the most widely dispersed pandemics of our lifetime. This has generated an immense amount of fear due to its rapid rate of transmission and the severity of its health consequences; as of 30th December 2020, more than 82.47 million individuals have been affected with more than 1.79 million deaths as reported by Worldometers daily live update. As this virus continues to mutate with emergence of new strains, we are likely to see unrelenting spread of this virus in coming months and years. Vaccine development is continuing at war-speed but to reach vaccines to all countries and territories is going to be a serious logistics and economic challenge.

As a way of precaution and breaking the infection cycle it’s been advised that everyone stay home for months on end. Suddenly tens of millions of people lost their income and required government assistance to meet even their basic daily needs. This situation exposed the weakness of employment policies and the lack of economic safety nets across the board. This kind of inequality that exposed hundreds of millions of people to destitution is unjustifiable in a world that routinely preaches equity, social justice and human rights.

There are several issues related to income loss and inequality that have surfaced in light of the COVID-19 crisis. First, temporary or permanent lay-offs of millions of employees especially in the service sector such as the restaurant, entertainment, and travel businesses have had the most severe impact of the closure. Second, the sudden break of the global supply chain has caused tumultuous effects. As soon as China closed its factories and international flights, manufacturing and assembly plants everywhere which depended on raw materials and spare parts from China were immediately affected. Businesses have been shutting down, and millions are suffering from job and income loss. While a few reap the privileges of financial security to quarantine during national lockdown in their homes, many are required to work, putting their lives at risk or are being driven into homelessness and extreme food insecurity. Those suffering the most, are the ones who were already vulnerable to the effects of systemic inequities. The exacerbation of unliveable circumstances forces us to consider the futility of lump-sum capital accumulation by a very small portion of the population, while others can barely survive.

This situation not only highlights an excessive income gap but also the absence of social safety nets across rich and poor economies. According to the World Inequality Report (World Inequality Lab, 2018), income inequality between people around the world has been rising since 1980, despite overall economic growth noted in the global economy. Between 1980 and 2016 the bottom quintile of the world population saw their income increase only by a daily average of US$ 0.79 compared to US$ 8.91 for the rest (Development Initiative, 2017), indicating a rise in relative poverty. Whichever way we calculate, the global economy is at the highest level with almost US$ 37 trillion cash in circulation (Lang’at Junior, 2018), excluding physical fixed assets. Yet, millions of people are caught without any savings highlighting basic income insecurity in majority of countries.

Put blatantly, if COVID-19 is a stress test for the resilience of our societies and our current global economic model, we may safely conclude that they are failing. Perhaps this is nature’s wake-up call for us to review our global economic trajectory and explore possible ways and means by which all human beings across the entire spectrum of race, gender and ability, can have basic income security to meet their most basic necessities during all times.

It is time to (re)discover and (re)think our basic human values and human needs and the fragility of life itself. At the societal level it is time for us to (re)consider how we should create meaningful employment and sustainable safety net measures to ensure basic income security
for all. To better understand this situation, we need to question the following: Why did the past promises made to benefit the disadvantaged and the poor fail so grossly? What happened to public sector economic and social policies? Why did the trickle-down framework only benefit a small proportion of needy people and leave behind the majority in need? Where did we fail? Why did we fail so miserably? And finally, what mechanisms would ensure an equitable distribution of wealth that would meet the basic necessities of everyone, everywhere?

The objective of this exploratory paper is to review recent situation, frameworks and concepts related to basic income security as an approach to leaving no one behind and suggest ideas for going forward. We posit that the long-discussed concept of universal basic income (UBI) has currently become more relevant as a solution for ensuring that in a world that has such vast resources and wealth, no one is denied the basic necessities of life. This review paper is based on analysis of relevant literature on various social assistance and basic income experiments implemented in selected countries.

2. International Frameworks and Initiatives

Bringing greater equality and fighting poverty are not new ideas, they are basic to the human rights and social welfare agendas. The United Nations (UN) founded in 1945, in its charter speaks of ‘larger freedom’ to promote social progress and basic political freedom to which all human beings are entitled to (United Nations, 1993). Article 1 of the Universal Declaration of Human Rights (United Nations, 1994) recognises all human beings as free and equal in dignity and rights. The International Covenant on Economic, Social and Cultural Rights adopted by the United Nations General Assembly in 1966 that came in force in 1976 commits its parties to work toward the granting of economic, social, and cultural rights including labour rights and the right to health, the right to education, and the right to an adequate standard of living. It is unfortunate that after seven decades of the Human Rights Declaration and five decades of the Covenant, hundreds of millions of people have remained unemployed and are unable to support a family compromising their dignity and basic economic rights. This has persisted despite many conventions and global commitments that have followed in an attempt to push national governments and the international community toward progressive realization of human rights.

The UN and its partners have proposed several initiatives in the past decades to address poverty and income generation activities including at the grassroots level. The United Nations agencies were vocal in drawing attention to increasing human costs as a result of unemployment, malnutrition and severe setbacks in basic education and primary health services. There was even a reverse in gains made on human development indicators during previous decades (Jolly, 1991). In order to address this acute problem, UNICEF introduced a ‘basic needs strategy’ approach in its country programmes (Mehrotra et al., 2000). In succeeding years, UN agencies in collaboration with the World Bank and International Monetary Fund, introduced a new strategy - namely, the ‘poverty reduction programme’ which aimed to address poverty by targeting the most vulnerable populations (The World Bank, 2013). Despite these ambitious initiatives, there has been limited success in creating sustainable livelihoods and income in many countries where the most vulnerable people live. In developed countries, there are interventions such as employment insurance and old age pension schemes but they have their own limitations in providing long term solutions to addressing chronic poverty which affects a significant proportion of the population.

In addition to the United Nations, there are several international groups consisting of ‘like-minded countries (Dolman, 1979), that meet every year to review the situation and plan for improving the global economy, and the eradication of poverty and hunger. Other similar
groups are, the Davos group organised annually by the World Economic Forum and G20, a group of high-income countries and upper mid-income countries (Council on Foreign Relations, 2019). These groups debate annually to develop the best solutions to reduce poverty, promote financial stability, and tackle other global issues such as climate change, global health issues, cyber security, etc. The policy decisions coming out of these self-appointed group meetings shape the works of all international agencies, bilateral and multilateral organisations, and lending organisations. Despite all the recommendations released by these groups there is an ever-increasing number of refugees, widening economic gaps, declining social services and persistent income insecurity for millions. This outcome has been critiqued due to these groups’ agendas invariably focusing on GDP growth, and building public-private partnerships which are consistently in the interest of corporate businesses. There has rarely been discussion on income insecurity at the grassroot level focusing on the needs of those who need them the most. Such overemphasis on GDP growth and corporate alliance has been attributed largely to the efforts to strengthen globalization.

More recently, the 2030 transformative sustainable development agenda adopted in 2015 by the UN General Assembly places a particular emphasis on leaving no one behind in all aspects of development including social and economic wellbeing of everyone (Development Initiatives, 2017). Given the past track record, one can imagine that unless very bold initiatives are put in place, there is a high likelihood that a significant percentage of the people will be left behind from having access to basic social services and basic income security. The provision of Universal Benefit Income (UBI) would seem to have the potential to ensure that all individuals have a guaranteed basic income which would translate practically in terms of leaving no one behind.

3. A Key Paradigm at Stake: Globalisation

Globalisation has important consequences on the global economy. There is no agreement on when globalisation started, but in the way it impacts our global economy today, it is safe to attribute its initial appearance to the 1980s. Globalisation broke trade barriers creating integrated global trade and finance (Kouser et al., 2011) with the intention of creating new jobs and economic growth worldwide, to benefit everyone.

Globalisation was aided by deregulation (Dougherty & Yahmed, 2017). This helped to demolish trade barriers, relaxed banking regulations and create competitions in all aspects of trade and commerce. Deregulation was expected to reduce bureaucracy and simplify business processes and create jobs. It was accompanied by privatisation which allowed big businesses to buy small businesses without barriers (Dudley, 2019). The development of a global free market under globalisation has seemingly only benefited large corporations based in developed countries and the growth and employment levels of just a few economies. Businesses in the majority of middle- and low-income countries have few ways of competing with businesses in developed economies. Therefore, the impact of globalisation initiatives remains mixed at best, especially for small businesses and front-line workers around the globe, in both developed and emerging economies.

The financial deregulation of the 1980s accompanied by the spread of privatisation speeded up globalisation immensely (Momani, 2015). During the initial phase many countries with skilled and semi-skilled labour which also happened to be cheap, benefited with good employment opportunities. The rise of China as global manufacturing hub could be attributed to this period in globalisation history. Other countries which benefited include India, Vietnam and a number of countries in Africa and Latin America. But this fanfare soon ended as big businesses drove smaller business through take overs causing job loss in many countries.
It is an imperfect competition where big powerful institutions bloated with cash push smaller businesses and institutions into abyss. Ultimately, this model contributes to income insecurity for millions coupled with peoples’ feelings of helplessness. The modern education system also has become part of this global conglomerate which supports globalisation, in that it is a proponent of wealth creation but has no concerns or a mechanism for wealth distribution such as through employment security and a decent wage (McDonald, 2017).

In recent decades globalisation is aided by advances in info-technology and biotechnology further contributing to disparities between big and small firms. It is beyond robots replacing humans; it is the software doing all the ‘maths’ done by humans in collecting and analysing data minimising the needs for ‘thinking humans’ at work. This revolution fueled by the explosion of artificial intelligence (AI) has led to the automation of production, marketing and distribution at large scale, making many employees redundant (Globalization Partners, 2020).

Further, the growth in online marketing and mechanisation of retail shopping such as self-check-out at supermarkets has replaced a large number of skilled, semiskilled and unskilled workers. With continued growth in AI and cyber technology, tens of millions of jobs would be replaced in the coming decades in developed economies (BBC Business News, 2019) adding millions more to the already existing pool of unemployed people. These institutional changes in working environments in the name of gaining efficiency are exacerbating the income insecurity of millions of workers. This situation is also gradually catching up in mid and low-income countries where the unemployment rates are already at alarming levels.

Based on several literatures reviewed on income insecurity the authors suggest following potential pathways (Figure 1) responsible for creating income insecurity in our societies.

**Figure 1**

*Pathways of Income Insecurity*
There is no dispute that globalisation, aided by info-technology has played a major role in increasing overall labour productivity and efficiency in trade, industry, agriculture, health care and several other sectors. However, it is necessary to highlight that in reality, the idea that globalisation of economy and technology will benefit everyone has been exaggerated and oversold (Stiglitz, 2017), as many people have been left out by losing jobs, hence incomes. The notion that the trickledown effect of globalisation would benefit everyone has proven to be an unmet promise and remains an illusion.

What the world is witnessing now is extremes in terms of the rise in wealth accumulation that co-exists with a high level of poverty at unforeseen levels (Credit Suisse, 2019). According to Oxfam Canada (2019), 2153 individuals had more wealth than 4.6 billion people, accounting for 60 per cent of the world population. According to Forbes magazine (Forbes, 2020) there are 36 million millionaires in the world. Similarly, the magazine also listed 2095 billionaires worth US$ 8.7 trillion. This contrasts sharply with the fact that 820 million people do not have enough to eat on daily basis (Press Release Newswire, 2020). According to the most recent Human Development Report (UNDP, 2019) more than 40 per cent of world population do not have any type of social protection. Despite routine commitments by all governments the situation of poverty among the bottom quintile has remained stagnant. The world still has 2.2 billion people without access to safe drinking water (United Nations, 2020). Meanwhile bottling companies extract underground water and spring water for commercial marketing almost at no cost. There are 840 million people living without access to electricity (International Energy Agency, 2020), while big industries in many countries enjoy power supplies subsidised by their governments (Sustainable Energy for All, 2020). Nearly one billion people live in slums which is expected to grow to 2 billion by 2030 as people migrate to peri-urban areas in search of livelihood (Habitat for Humanity, 2018). Such extreme disparity between the world’s richest and poorest is detrimental to our morale, to environmental sustainability, to social justice and for peaceful coexistence of human beings.

4. Universal Basic Income (UBI) as a Solution

The world is likely to witness unforeseen crises similar to COVID-19 in the future decades. The current gap in income inequality may continue to widen. We may also continue to witness poverty across the globe, despite ongoing efforts to eradicate it. Governments need to consolidate lessons from past experiences, consider new ideas and formulate credible interventions to ensure income security for everyone. In line with several other authors (Cunliffe & Erreygers, 2001; Standing, 2017), we propose that it’s time to consider universal basic income as a solution to address the issue of income insecurity as discussed above.

A universal basic income (UBI) is a periodic cash payment organised by the government unconditionally to all individuals without requirement for any work (Standing, 2017). It is a kind of economic security in which all citizens are guaranteed a fixed amount of cash on a regular basis irrespective of the employment status of the recipient. Its main aim is to ensure that everyone has a fair chance at an adequate quality of life (Basic Income Earth Network, 2020a). With the provision of UBI, anyone who does not have a job or livelihood to earn a basic income is guaranteed to receive a cash grant organised by government. This grant is meant to cover expenses for daily basic food, a place to live (housing costs) and medical costs (unless there is a provision for free medical care). The idea is that no one should starve, be homeless, or die from lack of medical care as they are the basic minimum for survival and human security.

UBI is not a new concept and discussions surrounding the concept have evolved over many decades with questions such as - how high should basic income be? Should the basic income replace existing welfare systems? What is meant by universal? Should it include
citizens only or also include migrants? What about children and old age pensioners? How should it be organised and where would the funding come from?

The idea behind basic income is to address the issue of income insecurity in a given population through direct cash assistance, plain and simple. As explained below, not only the idea but the practice surrounding UBI has evolved significantly and there are many examples which provide sufficient rationale as well as experience to consider UBI as a viable solution to ensure that in a world which has so much collective resources and wealth, no one should be denied basic necessities.

The idea of minimum guaranteed income for everyone was proposed first as a charity to take care of the poor during the 16th century and to prevent theft. A Spanish theologian, Juan Luis Vives, who worked in England and Belgium was against physical punishment given to thieves. He considered punishments as inhumane; besides they did not prevent people from stealing. He proposed for a comprehensive guaranteed basic income for the poor as a relief programme to address the issue of poverty in Bruges, Belgium. The principle behind this idea was that no one should die of hunger whatever the source of poverty. This idea was further augmented by French activist Marquis de Condorect, published posthumously in 1795, in the form of social insurance to address the needs of old people, women and children (Basic Income Earth Network, 2020).

During the subsequent two centuries this idea of universal income appeared, disappeared and reappeared in various forms in Europe, led by Karl Marx, Joseph Charlier and Stuart Mills. Their position was that everyone has the unconditional right to some income and anything above this minimum will have to be earned (Cunliffe & Erreygers, 2001). This idea of universal basic income, which leans towards socialism, did not gain much popularity for presumed, known and unknown reasons (including but not limited to the following assumptions; opponents believe that people would become lazy with free handouts; some people also objected of giving cash handouts to capable persons, while some people simply did not like the idea of giving free cash with no justifiable reasons). Nevertheless, this idea continued to appear under different names such as ‘state bonus’, ‘social dividends’, and ‘national dividends’, during various periods of early 20th century England.

Universal basic income has also been discussed in the heart of capitalist world. In the United States of America during the 1960’s, at the peak of civil rights movement, it was first introduced in 1967 by James Tobin. Under the title ‘demogrants’, these financial grants were meant to supplement the income of the poor depending on family size. A second similar initiative was planned in 1969, called ‘family assistance programme’ (FAP) but ultimately rejected by the US Senate in 1970 as described in Basic Income earth Network history.

Discussions on universal basic income also started across Europe beginning with Denmark and Netherlands during the 1970’s, then in Germany and Britain during the 1980’s and finally in France during the 1990’s. In 2006, likeminded professionals from Australia, New Zealand, Spain and South Africa joined previous countries’ proponents of UBI to establish a global network called Basic Income Earth Network (Basic Income Earth Network 2020a). Together, they continue advocating for the universal basic income strategy to end income insecurity. Despite a long-standing history of discussing UBI-like initiatives, they have not been implemented in any serious way. Therefore, though the urgency for implementing UBI has existed across time, it is of increasing importance perhaps now more than ever. We can learn from similar such efforts to develop an informed way to take it off the ground.
5. Experiments towards UBI: Experiences and Lessons

Many developing and mid-income countries have tried cash transfer programmes. They are a kind of basic income project whereby individuals are given monthly stipends with or without certain conditions. In the case of conditional cash transfer, the conditions imposed on the recipient family could range from a requirement to send their children to school, to timely vaccinate their children, to routinely visit maternity clinics during pregnancy, or to deliver babies in a clinic (as opposed to at home) to name a few. According to a World Bank study, 64 developing and mid-income countries now have conditional and unconditional cash transfer programmes in place. However, the coverage is still quite low. For instance, in Sub Saharan Africa and South Asia, the range is around one-tenth and one-fifth of the poorest quintile in these regions, respectively. Meanwhile the coverage increases up to 64 per cent in upper-mid-income countries (The World Bank, 2015). There is considerable evidence that families receiving such cash grants benefit with additional cash income. Thereby these efforts have been largely effective in meeting their objectives.

Finland, a developed country with a GDP of US$ 50,175/Capita (The World Bank, 2019), started an experiment with 2,000 unemployed adults (25 to 58 years) by giving € 560.00 every month for two years and compared them with 5,000 subjects in a control group who did not receive a stipend. The participants in study group continued to receive basic income even after they found jobs. The researchers reported that the subjects in the study group earned €21.00 less per month compared to the control group, but they felt significantly less stressed as “they [were] able to find meaningful work without the fear of being left with no means to put food on the table”; had fewer health issues and felt less insecure financially and were able to spend time on social and community works compared to control group (Germanos, 2020). In comparison, the participants in the control group reported that they constantly had to prove that they were looking for jobs (Kela-Finland, 2020) and that such income insecurity added to their stress levels (The New York Times, 2019).

In Canada, the Ontario Provincial government introduced a basic income programme in 2016, designed to “reduce poverty, encourage work, reduce stigmatization, and produce better health outcomes and better life chances for the recipients” (Haridy, 2020). The project targeted unemployed and low-income individuals with a guaranteed cash assistance of C$ 16,989.00 for singles and C$ 24,027.00 for couples per year (Ontario Provincial Government, 2019). The project enrolled 4,000 individuals. A voluntary survey involving 424 participants, including in-depth interviews with 40 individuals in this basic income programme revealed positive findings such as feeling of better physical wellbeing (79%), cessation of dependence on foodbanks (24%) improved mental health outcomes including reductions in stress levels (88%) and decreased hospital and clinic visits (Forani, 2019). Nearly half of those interviewed returned to school to upgrade their skills to qualify for better employment opportunities. Despite these positive results, the program did not run its full course of 3 years and was terminated after 17 months by the newly elected Conservative Provincial Government (Haridy, 2020). It did not continue as it was assumed to be expensive and not viable solution to ending poverty. Basic income was argued to be a factor for demotivation to enter the workforce and therefore would be too expensive to sustain (Monsebratten, 2018).

Another popular approach to compensate for lost employment incomes is employment insurance (EI) also known as unemployment benefits. EI is a state provided insurance that pays out if one loses their job and meets certain eligibility criteria. It is a restricted scheme in that one does not receive benefits if they are self-employed or if they are fired. This is the most common financial safety net scheme in the United States which has been used extensively in response to the COVID-19 crisis.
Similarly, in Canada, the Canada Emergency Response Benefit (CERB) scheme was implemented to assist individuals and businesses affected by the current pandemic. As of 4th June 2020, the government has received and processed 15.44 million applications and disbursed Canadian dollar (C$) 43.51 billion. The benefit includes C$ 2000.00 per months for up to four months to anyone who lost jobs. These recipients are allowed to earn up to C$ 1000.00 per month. The CERB also provides 75 per cent or up to a maximum of C$ 3,388.00 per month per employee of wage subsidies to support businesses to retain their employees. All students are provided C$ 1,250.00 per month for four months. There are separate grants for non-profit organisations and charities, food banks, etc. all with a view to retaining employees (Government of Canada, 2020, Canada Emergency Response Benefit Statistics).

A key advantage of EI is that it is targeted to those in need. However, it has been suggested that EI can be improved to overcome the following flaws: failure to monitor the beneficiaries; moral hazard; disincentives to work, and tax distortion (Fabre et al., 2014). UBI has some of the same flaws but generally it has broader reach, works as a better approach as a basic income security scheme for all and is simpler to manage. Nonetheless, there remains a large philosophical debate surrounding its effectiveness.

The philosophical arguments in favor of and against universal basic income continue without any end in sight. The group on the political right emphasize that money has to be earned, as income is not viewed as a birth right (Minogue, 2018). Additionally, they argue that UBI is expensive and is not sustainable. The group on the political left propose that UBI is the best if not the only solution to close the gap in income disparity. This ultimately will prevent a small group of people from accumulating most of the wealth while the remaining majority of the population struggle to make ends meet (Amaded & Brock, 2020). Incidentally, this argument is supported by many high-profile entrepreneurs from the political right such as Elon Musk (Clifford, 2018a), Richard Branson (Clifford, 2018b) and Mark Zuckerberg (Lui, 2017; Clifford, 2018c). Their belief is that automation and globalization have destroyed the global employment market. This phenomenon has created a lot of part time jobs, contract works and temporary jobs which are not enough to sustain a decent standard of living. In contrast, this argument is challenged by another billionaire, Bill Gates (De Lea, 2019), who believes that the government should not hand out cash. He suggests that improving ‘progressive tax structure’ is perhaps a better solution. According to Chris Huges, Co-founder of Facebook (Huges, 2018), “Cash is the best thing you can do to improve health outcomes, education outcomes and lift people out of poverty”. In an interview by Richard Quest (Quest, 2018), the co-founder of Facebook, Huges argues that UBI could be successfully financed and implemented by increasing taxes of the richest 1 per cent.

It is not an issue of who is right and who is wrong on this argument. The bottom line is that the bottom half of the working-class population is likely to continue to dedicate their time and energy to work that hardly make ends meet while the top 10 per cent or so richest continue to accumulate unprecedented amount of wealth. Revamping tax structures suggested by Gates and Huges sounds like a noble idea but according to the past trends and growing intensity of corporate culture, deepening of the marriage between the wealthy and political power and practical complexities in reversing the growing inequality trends, the working class could be waiting for a long time to see any meaningful outcomes. While redistributive measures through taxation and the provision of low cost or free social services would address the plight of the majority of the working class, the poorest and the destitute require targeted schemes that would leave no one behind. It is especially for the fulfilment of the basic economic and social rights of these people, and possibly for all people below the poverty line, for whom UBI seems most relevant and practical solution.
Table 1
Perceived Advantages and Disadvantages of Universal Basic Income

<table>
<thead>
<tr>
<th>Potential advantages</th>
<th>Potential disadvantages</th>
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<tr>
<td>Promotes equality: with ensured safety net it would reduce individual-level income poverty; with guaranteed cash income people who are used to work overtime to meet the ends meet may decide to work just the normal hours thus making time for families; it would also mean recognising domestic works for which no one gets paid.</td>
<td>Promotes disincentive: with free cash being provided people may decide not to work and this would promote laziness thus undermining value of work; this could mean shortage of workers for low-ranking jobs such as garbage collection; it would lead to inflated wage for those jobs. Overall impact could be shrinking labour force.</td>
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<tr>
<td>Create better working environment: if people are ensured of basic income the employees may be able to challenge unhealthy working environments thus promote better working conditions, and better wage.</td>
<td>Businesses may shut down: businesses may resist to increase the minimum wage.</td>
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<tr>
<td>Helps to target job loss: basic income will protect workers displaced by growing automation; people may initiate small businesses of their own.</td>
<td>Wasteful payments: if the cash grant is universal the middle class and rich individuals will also benefit wasting national wealth.</td>
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<td>Greater mobility: people may have better mobility at jobs as they may be able to say no to certain (e.g. hazardous) job offers if they have guaranteed cash income; it will prevent exploitation by employers.</td>
<td>Employers may exploit: with the full knowledge that employees are receiving cash grants employers may reduce wage and just pay what is nationally mandated minimum wage; the employers may never increase wage.</td>
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<td>Tax benefit: with guaranteed cash income people may start businesses that would broaden tax base of the government; may flourish small and medium businesses.</td>
<td>Prohibitive cost: the cost to the government would be prohibitively expensive and may have to borrow money increasing national debt burden.</td>
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<tr>
<td>Smooth transition: ongoing globalisation will continue to increase job loss leading to potential chaos and discontent, basic income may neutralise such potential risks.</td>
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<td>Simplify existing safety net systems: by centralising universal basic income all exiting parallel systems of social safety nets will be dissolved by installing a simplified system.</td>
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<td>Ending poverty: it will be a key step to ending poverty and homelessness and bringing everyone above the poverty line.</td>
<td>Capitalism will extract whatever money governments pump into the poor community by increasing the market price of basic commodities, whatever money given to the poor will still be extracted by the rich.</td>
</tr>
<tr>
<td>Feeling of security and stability: people feel secure and stable as they do not have to worry about financial insecurity; it will lead to reduction in violence, abuse and other social ills.</td>
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The experiences and lessons from existing basic income programmes indicate that there are certain advantages of a guaranteed income scheme (Amaded & Brock, 2020). The main advantages include better health and education outcomes, financial security, and a feeling of stability.

Importantly, with any solution, there exist certain disadvantages. It is necessary to weigh these with the advantages to determine if there is an adequate trade-off. The most worrisome disadvantage expressed by many is the risk of increasing national debt. Additionally, there lies a risk in promoting laziness among some as well as diminishing the overall value of work. The general conclusion nonetheless would depend on what the goal is. If the commitment is to reduce excessive inequality and guaranteed basic income security for all, the advantages would easily seem to outweigh the disadvantages. Similarly, the overarching advantage that UBI will advance humanity by ensuring that no one goes hungry, no one is homeless, and no one dies of lack of basic medical care makes a quite strong case. Based on the available research reports on basic income and social assistance programme the authors summarises the advantage and disadvantage of UBI as presented in Table 1.

6. Why UBI is Needed Now and the Way Forward

A philosophical debate can continue in favour of and against UBI for many years to come, as with any such concept, especially when it involves money. But the growing reality is that more and more industries and business outlets are being automated with different levels of artificial intelligence (AI) and cyber technology. This is expected to create a larger and larger pool of unemployed individuals, which becomes a cause of concern for political and social instability. Idle unemployed youth could become a societal burden as they are more susceptible to engaging in theft and terrorism, among other social ills such as drug abuse and alcoholism. The argument holds that, if people have basic income security, they would be less stressed, and divert their energies in more productive ways.

All governments in developing countries for several decades have introduced various schemes to end poverty but there are only limited successes that can be emulated (Kamruzzaman, 2009). Universal basic income may be an ideal intervention that actually puts cash in the hands of people, with minimum bureaucracy and with full transparency.

Job replacements are not new. People have experienced job replacements during agricultural revolution and industrial revolution with the introduction of heavy-duty agricultural implements and robots in agriculture and in heavy duty automation and mechanisation in manufacturing. In the past people were gradually absorbed into employment through adaptation of new skills. But this time it is different given the scale and speed of automation in almost every field. In addition, the size of affected population with automation is considerably larger than during agricultural and industrial revolutions (Skynet Today, 2019; BBC Business News, 2019). According to Forbs magazine millions of jobs have been lost to automation (Sterling, 2019). Many new jobs are still created related to new technology but these jobs require higher technical skills to manage advanced technology as a result many semi-skilled and unskilled are neither qualified nor required. Besides, in many instances, one work process managed by new technology may replace jobs of scores of individuals such as in the highly-automated assembly lines. It’s hard to imagine the consequences of mass scale automation on employment in the developing countries where the unemployment rates are already in double digits.

7. How to Plan, Fund and Deliver UBI?

There are several questions that must be addressed in setting a roadmap to organising and implementing universal basic income initiatives by countries. What steps are necessary to formulate a national-level UBI plan? Where will the funding come from? Can a country afford
to sustain paying a fixed amount of cash to all its citizens - regularly? Will this free cash demotivate people from seeking regular employment? What are efficient modalities for implementation?

Countries need to start by reviewing and building upon their existing social safety net system. Each country will have to decide on the level of coverage, targeting mechanisms and the level of assistance based on need and affordability. The following are the logical key steps in moving forward towards planning and instating UBI.

7.1 A Unified National Policy

At the moment, social safety nets such as employment insurance, child grants, old age grants, maternity benefits, cash transfers, assistance to disabled persons, etc. are managed by different departments and ministries with parallel administrative networks. The World Bank estimated that the average developing country has an array of about 20 social safety net programmes in operation (The World Bank, 2018). All these parallel programmes have evolved as ‘addons’ with overlaps and inefficiencies. According to the same World Bank report 1.9 billion people in 136 countries are enrolled in various beneficiary rolls. Cash transfer is one of the safety nets implemented in 64 of these countries. The report also identified serious issues with coverage and targeting. Only one tenth and one fifth of the poorest quintile are reached by one of these programmes. According to this report, cash transfer represents only one fifth and one half of what is required to close the income gaps in developing countries and mid-income countries.

A key step is to undertake stocktaking of these programmes at the country level with the aim of moving towards UBI as one overarching safety net intervention. There should just be one national database of potential beneficiaries to avoid duplication. In line with this, each country should have just one national policy and a comprehensive programme covering all target beneficiaries rather than fragmented policies and benefit schemes managed by different departments. As such, there could be just one implementation department for addressing the social safety net system. This will avoid parallel systems and greatly reduce administrative costs and avoid duplications. Social safety net policy should be a federal decision as it is citizenry issue while implementation responsibility could be delegated to decentralised structures.

7.2 Review Employment and Minimum Wage Policies

All employees, public and private, must be protected by labour laws and regulations to have their basic rights met through minimum wage law, sick leave and pension benefits at the minimum. These should be enforced by the national regulatory authority to ensure that employees are not abused and exploited. An employee-oriented system that promotes their well-being will reduce various types of burden on national economy. For effective implementation of UBI, it is crucial that the minimum wage is set at a level that is higher than the basic income allowance.

7.3 Review Tax and Subsidy Policies

The main source of funding for UBI will need to come from various types of taxes. The regulatory body of each country should review its tax policy to make sure that all loopholes are closed for potential tax avoidance and underpayment of taxes. Many countries allow tax havens and tax breaks. Tax breaks may be necessary in the beginning for some enterprises as an incentive, but the tendency to extend the benefits for indefinite periods should be avoided. In some countries, there are massive subsidies-some of which might be serving the higher income brackets, while others might be wastages. These must be reviewed to improve financial prudence and improve country’s tax base. For many countries, especially least developed
countries, use of foreign grants and loans will remain an option to complement funding for the UBI schemes.

7.4 Target Coverage and How Much?

The extent of coverage and eligibility is often political and depends on affordability, but to truly implement UBI successfully, we must consider all people equally. A final decision could be made depending on the local political and economic realities.

The amount specified as cash benefit should be enough to keep the beneficiaries above the poverty line defined by each country. This requires identifying how much cash is needed to take care of basic daily food needs, rent to stay and medical costs, cost for water, sanitation and energy for household use. The second criteria should consider the amount for singles, couples and couples with dependents. Further, medical costs may be addressed by issuing an identity card to waive payments for medical costs during visits to clinics. This may not be required in countries with free health care.

7.5 Other Issues

The introduction of universal basic income should not disrupt other specific targeted ongoing programmes such as school feeding, assistance to pregnant and lactating women and targeted support for disabled individuals.

8. Implementation Modalities

For implementation, the following issues are relevant: Determining the federal versus decentralised structures’ roles; identifying efficient ways of delivery that reduce bureaucracy and potential corruption; use of existing institutions including the potential role of private sector and civil society organisations; need for monitoring and oversight mechanism to ensure timely implementation and prevent potential leakages. These and other country specific relevant issues would need to be considered in designing the UBI.

8.1 Political Commitment is Essential

UBI provides a practical opportunity to fulfill the political commitment by countries towards ending poverty and hunger while leaving no one behind. Once political commitment is demonstrated, national governments will need to set deadlines for commencing UBI and progressively increasing the coverage of the scheme until all needy beneficiaries are covered. The national team leading the process would need to consult academics, private sector, donors and communities in designing the scheme and set a target date for rolling out an implementation plan.

8.2 Collaboration with International Organisations

All countries may not be able to implement basic income plan nationally on their own due to lack of resources. Governments should seek collaboration with international organisations such as The World Bank. The collaboration should include reviewing of existing tax policies, analysing other options of funding and overall affordability with funding proposals. It is to be noted that expanding opportunities for employment and livelihoods are the best options for reducing the cost burden of UBI schemes.

8.3 Good Governance and Oversight Mechanism

The government must engage private sector at all levels in the design and implementation of UBI to ensure accountability, transparency and efficiency. This will require establishing a credible database of beneficiaries (universal or partial) and various aspects
related to the actual implementation process and outputs. There will also be a need to establish credible oversight function by relying on timely audit, monitoring and evaluation.

9. Conclusions

The idea of minimum guaranteed income for everyone, floating since the 16th century, never took firm root anywhere. Governments around the world introduced various measures to protect people from economic hardships through such measures as unemployment insurance, establishing daily minimum wage, defining poverty-line, social insurance schemes, old age pension, food coupons, health insurance, special programmes for disabled individuals, and so on. Nevertheless, there are always certain groups of people falling outside these social security safety nets who do not have the provision of basic income security. In response, a number of countries have introduced the idea of Universal Basic Income as a way of protecting their income insecure population. The ‘universal’ part of the UBI has been used loosely in the sense that the cash disbursement was interpreted as universal (meaning for everyone) by some while in other countries it was targeted for unemployed and income insecure populations only.

Despite continued growth in the global economy, income distribution has remained extremely skewed with only a small minority benefiting from global economic growth. Various interventions implemented to fight poverty and to bring economic justice in developing countries seem to have failed the fundamental human rights and social justice principle of reaching all citizens. With the speed of automation and continued strengthening of capitalism where profits are held by the owners of ‘The Capital’, the income insecurity of the majority may likely remain as a regular feature in our societies for some time to come. The existing social safety nets seem unable to address the economic hardships unintentionally created by the current economic growth model adopted globally. The trends from the past decades’ are clear that in a majority of countries, the trickle down from growth and prosperity, employment growth and the selective safety net schemes will not be able to guarantee that all citizens have basic income security.

There are enough resources in virtually all countries; the problems seem to lie more in setting priorities and in resource allocation/distribution which impacts unfairly on the most vulnerable sect of societies. For instance, some countries choose to spend excessive amounts of resources in military spending while denying the most basic rights of their citizens. It is the political choice of the governments in countries to make decisions on how best to allocate/distribute the available resources so that every citizen may benefit from nations’ wealth to fulfil the most basic citizens’ rights.

Given the variety of programmes and projects implemented globally to address the issue of poverty and ever-growing inequality, there seems to be no perfect social safety net that works for everyone, hence, there is currently no social safety net model to be emulated globally that would ensure that no one is left unreached when it comes to the provision of basic income security.

As a way forward and in the interest of citizenry, UBI may be the best instrument to address the existing and projected income insecurity that is likely to worsen in the coming years. Every human being has the right to human dignity and social justice as per the UN declaration and covenants on Human Rights. The idea of UBI is to make sure that everyone’s basic life needs are met as per the human rights principles. UBI is aligned with the United Nations’ Sustainable Goal #2 of ending hunger and achieving food security so implementing it now is particularly timely. It is up to the governments and civil society groups to identify vulnerable group(s) based on specific criteria for a targeted state assistance through UBI. The idea is to make sure that no one suffers from basic income insecurity and everyone’s basic
economic rights are fulfilled. This, we believe is the obligation of the State as the primary duty bearer and others who support the State in fulfilling its duties for its citizens.

References


