

[The Inevitability of UBI for the Homeless & the Addicted - Bad Idea or Necessary?](#) Added comments in the context of a post-labor economy, with references

<http://dhmarks.blogspot.com/2024/12/the-inevitability-of-ubi-for-homeless.html>



Donald H. Marks, Physician, Scientist, 3rd generation Veteran  
My take, as a concerned non-economist



UBI Photo by [Anjo Clacinoon](#) [Unsplash](#)

Universal basic income (UBI) is a proposed government program in which every citizen may receive a regular financial supplement as needed to maintain an adequate existence. Most models of UBI advocate payment that is not based upon need, which is an option that makes no sense to me and certainly will lead to rejection by voters and will inevitably lead to corruption and waste of money. The proposed use and justification of UBI is to help offset the cost of basic expenses including minimally adequate housing, food, certain essential medications, child care, and others, for those who have an established need and do not have adequate resources just to survive, i.e. both need-dependent and resource-dependent. Despite the theoretical appeal to some, in my opinion there is near-Zero likelihood that UBI will be established in the U.S.A in my lifetime.

Much of the renewed interest in UBI appears to be from a perceived fundamental change to the economy—namely, the growth of automation, and the move to a post-production and [post-labor](#) economy—that threatens to leave many Americans without jobs that pay a even subsistence wage = a livable wage, as opposed to the more often cited, but in practice inadequate, minimum wage.



livable wagePhoto by AThe Inevitability of UBI for the Homeless & the Addicted -  
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livable wage Photo by [Amoon Unsplash](#)

The end goals of a basic income system would seem to be to alleviate poverty and potentially to replace other need-based social programs that require greater bureaucratic involvement. The world economies seem to be repeating past major changes in the economy (see the cited works of Ray Dalio, Thomas Piketty, Neil Howe and the social scientist Peter Turchin), specifically during the industrial revolutions, the great depression, and world wars. The [idea of UBI](#) has gained momentum in the U.S. and throughout the world as automation and AI increasingly replace workers in manufacturing and other sectors of the economy, with a number of [noted proponents](#) of UBI. I have noticed increasing discussion of UBI in recent

years, and I have attempted to assimilate for my personal use a position paper on this seemingly reasonable concept. Following are my thoughts, as a non-economist, practicing physician, former military doctor and currently treating those struggling with opioid addiction.

### **The impact of rapidly advancing Artificial Intelligence on the need for UBI**

The advent of AI is laying a strong foundation for increased productivity and GDP growth, setting the stage for a future where UBI may become not only possible but necessary. As technology evolves and societies adapt to this 'new normal', we probably will witness a profound transformation in our global economic model. This would evolve somewhere between capitalism, state capitalism, socialism and a post-labor economy.

What ultimately will be UBI's impact on economic inequality is a subject of much debate, and certainly revolves around the realities of implementation. Proponents argue that UBI can help reduce inequality by providing financial support to low-income individuals and families. However, critics contend that the effectiveness of UBI in reducing inequality depends on its design, funding, and UBI's interaction with other social policies. For a comprehensive approach to addressing economic inequality, some experts suggest combining UBI with other policies that focus on wealth redistribution (a forbidden concept in the USA) and asset-building programs. Leading economist thought-leaders in this area include Thomas Piketty and Marina [Gorbis](#). In essence, UBI alone may not be a comprehensive solution to increasing economic inequality, and UBI's effectiveness

would depend on how it is implemented and integrated into broader social and economic policies. The devil will be in the details, as always.



food insecurity Photo by [Sigmund on Unsplash](#)

**How will UBI be applied specifically to those dealing with substance abuse issues?**

Implementing UBI for people in the throes of substance abuse and other addictive behaviors will definitely require a thoughtful, careful, and holistic approach that utilizes all current social and rehab services coupled with the cruel reality of drug dependency. As a provider in a methadone treatment facility, and as a general internist and hospitalist, I have had first-hand exposure to these issues. Here are some considerations:

1. **Identifying appropriate recipients** - those struggling with drug addiction, enlisting the help of healthcare professionals, addiction treatment centers, counselors and wider outreach.

2. **Tailored support**: Customize the UBI program to address the specific needs of drug addicts. This could include additional funds and access for addiction treatment, counseling, and rehabilitation services.

3. **Education and awareness**: Invest in education and awareness programs to inform recipients about the importance of seeking help for their addiction and how UBI can support their recovery.

4. **Monitoring and evaluation**: Continuously monitor the progress of recipients to ensure that UBI is being used for its intended purposes only and that individuals are making efforts to overcome addiction. See my following comments on specific areas for appropriate and inappropriate use of funds. Enabling and misuse should not be tolerated.

5. **Collaborate with addiction treatment centers:** Partner with organizations and facilities that specialize in addiction recovery to provide comprehensive support to recipients.

6. **Prevent enabling:** Ensure that the UBI does not inadvertently enable drug and alcohol addiction, destructive and anti-social compulsive behaviors, violent aberrant behaviors, diversion of resources, and other problems by offering essential adequate support in the form of goods and services (perhaps a form of CBDC with restrictions), rather than cash.

7. **Access to mental health services:** Many drug addicts also suffer from underlying mental health issues. AI will play an increasing role here. Provide access to mental health services alongside UBI to address these co-occurring problems. [AI-empowered therapeutic chatbots](#) will be of assistance here.

8. **Rehabilitation and reintegration:** Encourage and support drug addicts to seek rehabilitation and help them reintegrate into society with vocational training and employment support.

9. **Social services:** Make available social services like housing assistance and food programs to ensure that the basic needs of recipients are met.

10. **Evaluate and adjust:** Continuously assess the UBI program's effectiveness and make adjustments as necessary to improve outcomes and help recipients on their path to recovery.

Remember that addressing drug and alcohol addiction and compulsive, violent or socially destructive behaviors is a complex issue, and UBI will not be the sole solution. It should be part of a comprehensive strategy to provide realistic support and opportunities for recovery.

**What exactly Should be covered by UBI?** To start this conversation, I offer the following list of areas appropriate for UBI funds:

- Essential generic life-saving medication and access to basic essential healthcare for all citizens. Medicare, Medicaid, the VA, and other health insurance systems play an important part.
- Access to basic safe food and shelter

All states need to make basic healthcare available to all residents, including those patients I occasionally see who are making too much to qualify for Medicaid but who can't afford adequate health insurance. To be clear, I do not consider [junk health policies](#) to be adequate. **Junk health insurance policies** are problematic because they engage in predatory marketing practices, fail to protect people with pre-existing conditions, and put patients at risk of bankruptcy when they get sick. These junk health policies often discriminate against people with pre-existing

conditions and may not provide coverage for basic services like maternity care and prescription medications.

On the provider side, [all licensed physicians](#), nurse practitioners and other primary health providers need to accept all insurance plans, including Medicaid, as a condition of licensure.

Equally important, and to increase its acceptability by policymakers and citizens, we need a consensus on **what should Not be covered by UBI**.

- Non-essential medications and elective medical procedures,
- Certain vaccines not already covered by government programs or mandates,
- Sex reassignment procedures and medications,
- Addictive drugs, including heroin, cocaine, methamphetamine, repurposed drugs without established benefit in humans, including xylazine and ivermectin, marijuana,
- Alcohol and nicotine products,
- Weapons,
- Elective recreational activities.

UBI, being universal, certainly has its **critics and drawbacks**:

- **Cost and Sustainability:** Critics argue that providing a universal income to all citizens will be prohibitively expensive for governments. Funding a UBI program could lead to substantial increases in taxation or divert resources from other essential public services, potentially straining national budgets [See the commentary by [CBPP](#)]. Making UBI needs-based will increase its overall acceptability and affordability. This is not the same as for social security, which should not be needs-based since those receiving SS benefits have previously paid into the plan.
- **Inequity:** Some believe that a universal approach doesn't effectively target those in greatest need. UBI may provide unnecessary financial assistance to individuals who are already well-off while not providing enough for those facing severe economic hardships, potentially exacerbating income inequality. I think that not having UBI needs-based will doom it to unacceptability for most Americans.
- **Workforce Participation:** Critics argue that a universal income might disincentivize people from working, as they would receive money without the requirement of employment. However, studies have shown mixed results regarding the impact of UBI on workforce participation [UBI, U Chicago].
- **Budget Allocation:** Allocating resources universally to all citizens may not address specific societal challenges effectively. Critics suggest that targeted social programs could better address the diverse needs of different demographics and address specific issues, such as healthcare, education, or poverty reduction, more effectively [[Money for Nothing. Brookings](#)].

- **Political Feasibility:** Implementing a universal income may face significant political challenges and resistance due to concerns about its cost and potential social and economic consequences. This can hinder the feasibility of enacting UBI policies

Everyone asks: **Where will all the money come from?** Potential sources for UBI include:

- Redirecting the interest on the national debt,
- Diminishing foreign wars and military aid,
- Expenses through the Military-industrial complex,
- Revising payments to pharmaceutical and healthcare complex industries, including opening all drug prices to negotiation, allowing imports of medications, and removing blocking patents,
- Addressing Income and asset redistribution and maldistribution. As of Q1 of 2021, the top 10 percent held 69.8 percent of total U.S. net worth,
- Collection of taxes from hidden assets, tax shelters,
- Maybe a “needs test” for certain social services, excluding social security.

## **Criticisms of UBI**

Despite its promise to curtail poverty and cut red tape, UBI still faces an uphill battle. Perhaps the most glaring downside is cost. According to the nonprofit Tax

Foundation, former Presidential candidate Andrew Yang's proposed a \$1,000-a-month "Freedom Dividend" for every adult would cost \$2.8 trillion each year (minus any offsets from the consolidation of other programs). UBI universality should be needs-based. Offering for ALL residents is counter-intuitive and sabotages acceptability.

Yang, ever the dreamer, proposed covering that substantial federal budget expense, in part, by reciprocal shrinking the size of other social programs and imposing a 10% [value-added tax \(VAT\)](#) on businesses. He also proposes ending the cap on Social Security payroll taxes and putting in place a tax on carbon emissions that would contribute to his guaranteed UBI. These proposals of Yang, like his candidacy, never gained traction, for good reasons.

Whether that set of proposals would be enough to fully offset the cost of the Freedom Dividend remains a contentious issue, however. An analysis by the [Tax Foundation](#) concluded that Yang's revenue-generating ideas would only cover about half its total impact on the Treasury.

Among the other criticisms of UBI is the argument that an income stream that's not reliant on employment would create a disincentive to work. That, too, has been a subject of debate, although certainly it seems intuitive and reasonable. Yang has suggested that his plan to provide \$12,000 a year wouldn't be enough to live on, of course, and therefore, the vast majority of adults would need to supplement the payment with other income.

While UBI has its merits, including poverty alleviation and simplification of social welfare systems, there are valid concerns regarding its universality. Critics argue that a Universal Basic Income may (it will) strain government budgets, not effectively target those in need, and potentially discourage workforce participation, among other challenges. The decision to implement UBI in a universal or targeted (needs based) manner depends on the specific policy goals and the economic and political context of a country.

Basic Income support for eligible needy citizens could be universal for several compelling reasons:

- **Simplicity and Efficiency:** UBI should serve to simplify social welfare systems by providing a fixed, unconditional minimum sustainable floor income to every eligible citizen, reducing the need for complex means-testing and administrative overhead. The devil is of course in the details, centering around the words Eligible and Equitable. This simplicity may reduce bureaucratic inefficiencies and lower administrative costs, as discussed in the World Bank's guide on UBI.
- **Poverty Alleviation:** UBI should help reduce poverty by providing a financial safety net or floor for citizens in need, especially those in vulnerable or low-income groups. It ensures that no one would fall below a certain sustainable safe basic livable income threshold, contribute to poverty reduction, and improve living standards (as mentioned by a recent [Brookings Institution report](#)).

- **Economic Stability:** UBI can stimulate economic activity by increasing consumer spending. When everyone has a guaranteed basic floor livable income, they are more likely to spend money on essential goods and services, thereby boosting demand and supporting businesses.
- **Flexibility:** UBI provides eligible citizens with the freedom to choose how they allocate their funds, whether for education, healthcare, starting a business, or covering basic needs. This flexibility empowers people to make decisions that align with their unique circumstances, as noted by [UNC at Chapel Hill](#).
- **Social Cohesion:** UBI could in theory promote social cohesion and reduce income and asset inequality by ensuring that everyone benefits from economic progress. It could help bridge income disparities and fosters a sense of inclusivity in society, as pointed out by the World Bank..
- **Future of Work:** In a rapidly changing job landscape with automation, AI, and gig work, and the shift to a post-labor economy, UBI could provide a safety net for individuals facing job disruptions, as discussed in [CNBC's article on how likely could be UBI in the USA](#).

**In summary**, a universal approach to UBI is an interesting, potentially stabilizing (or devisive), equitable approach to simplify welfare systems, could at least contribute to the alleviation of poverty, stabilize the economy, empower individuals, enhance social cohesion, and address the challenges of the evolving job market, making it a compelling policy option for the USA and many countries.

UBI may provide a working solution to mass unemployment caused by AI-driven automation by offering financial support, promoting inclusive growth, stabilizing the economy, encouraging innovation, and allowing for policy adaptation to changing circumstances. However, the success of UBI in this context depends on its design and implementation alongside other supportive policies and programs. This is especially true for the subgroups the unemployed and those dealing with addictive or criminal behavior.

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## References:

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