

## Defense of UBI

- [The Libertarian Case For a UBI](#)

This article makes a libertarian capitalist defense of Universal Basic Income, some points made are as follows:

1. Rather than decreasing work incentive, it would increase incentive as it would remove social security measures such as unemployment benefits that are dependent on remaining unemployed, whereas, with UBI, one would receive the universal income atop the income they already receive from their job.
2. The U.S. government already spends **as much on poverty programs as it would cost to raise all under the poverty line over it**. Replacing those programs with one such as UBI would simplify the process while also being more effective at reducing poverty.
3. Instead of forcing those who benefit from the existing social security programs to spend the money allocated towards them on specific products, a predetermined UBI would allow them to make the choice on how to allocate their funds.

- [UBI Pros And Cons](#)

This article lists potential benefits to the implementation of a system of Universal Basic Income, including, but not limited to:

1. Reduction of spousal abuse by the abused being given safe means to economically split with their abuser.
2. Placing everyone above the poverty line, lowering crime as seen in the section Poverty and Crime.
3. Balancing of wealth, lessening economic inequality.
4. Removing the need for social security, such as unemployment benefits and food stamps.

- [Universal Basic Income Explained](#)

This video primarily lists the pros and cons of a “mincome system,” in which the UBI covers exclusively up to the point of the poverty line without any conditions. Topics discussed are as shown:

1. The impoverished **do not** spend their money received by UBI on harmful commodities such as alcohol or tobacco, and rather use the money to purchase other commodities.
2. Only ~1% of the recipients of UBI stop working. Those that do often use their time for goals such as schooling or better parenting their children.
3. Most welfare programs come with conditions, tying those receiving the benefits into a state in which they’re forced to remain under the poverty line to continue living comfortably. A mincome UBI would be without conditions, and would not leave the poor in “welfare traps.”
4. Rather than increasing inflation, a UBI would shift funds rather than creating them, not increasing inflation whatsoever.

- [A Free Market Case For a UBI](#)

This article makes another libertarian defense of Universal Basic Income, some points being:

1. Under current social security measures, it is incentivized to remain in low-income jobs due to the threat of a loss of social security benefits. Even if these poorly paid workers were to expend effort towards a higher paying job, an increase in their income taxes

would outweigh the benefits that going from a low-paying job with benefits to a high-paying one without could have. A universal income would remove these issues by providing a benefit that **is not** withdrawn as one's income rises.

2. A UBI would allow for greater economic freedom for the recipient than the current social security measures, rather than forcing the worker's hand into purchasing commodities they don't want or need.
3. The increase in taxes to implement a UBI would not be substantial enough to outweigh the economic benefit it would have if it were implemented.
- [Pragmatic Libertarian Case: Basic Income Guarantee \(UBI\)](#)

This article details the benefits of a Universal Basic Income from a pragmatic libertarian's perspective.

1. The current social security measures are ineffective at combating poverty. 11.8% of U.S. residents live in poverty (as of 2018 according to the [USCB](#)), despite spending over \$680 billion annually. A UBI would be more direct in allocating funds to the destitute and would be enough to **raise all impoverished people within the U.S. over the poverty line**.
2. As an unconditional grant, a UBI would be noninvasive and wouldn't include measures preventing those in poverty from receiving the benefits from intrusive tests such as drug tests exempting marijuana users from the assistance of a UBI.
3. There is no objective scale to determine one's need, so a member of the petty-bourgeois class tends to afford a stronger legal case as to why they "need" the current social security than a member of the working class would. A UBI would benefit **all** working-class peoples, due to the nature of a UBI excluding **no one**.
4. A UBI would be less invasive and less presumptuous when it comes to what the recipient needs to purchase with the received income. It would also stop the state from exempting those it doesn't see as living its preferred lifestyle from measures to prevent poverty.

## **Trials of UBI**

- [On the Canadian Prairie, a Basic Income Experiment](#)

Test:

- In the 1970s, the Canadian government attempted a 5-year Minimum Basic Income test in the province of Manitoba. The experiment ensured **at least** the minimum income a family required to remain comfortable.

Results:

- There was little impact in the number of people working, some women stopped working, but the primary reason was to simply take maternity leave to better care for their children. Hospitalization, especially hospitalization caused by mental health issues, declined severely, likely due to lowered stress caused by a fear of a lack of funds. Teens were able to stay in education for longer, not needing to leave high school to support their families. Overall, the experiment proved successful, greatly improving the lives of the recipients of the funds.

- [Finnish Basic Income Pilot Improved Wellbeing. Study Finds](#) & [Evaluation of The Finnish Basic Income Experiment](#)

Test:

- The test included about two thousand unemployed Finnish Citizens receiving the equivalent of \$680 monthly for two years, employment would not affect the number of support participants received.

Results:

- Researchers interviewed eighty-one participants throughout the test, and while results varied, the general consensus was that a UBI is generally effective as a welfare measure for the impoverished. There was a slight **positive** correlation between a UBI and employment, recipients reported feeling generally happier, and some participants even claimed the UBI gave them a chance to “live their dreams.” Overall, the Finnish UBI experiment proved to be successful, despite some faults with the conduction of the experiment.

Criticisms of the test:

- The experimenters interviewed only **eighty-one of the two thousand** participants, being only four percent of the participants, however, there were other forms of questioning present in the study. Another criticism of the test was its short runtime, being only affecting the participants for two years. Finally, the test only applied to the **already unemployed**, showing no results for a UBI applied to the general population. However, even with these criticisms, the test seems to show a **very** positive effect if applied to the unemployed.
- [Economic Response to a Guaranteed Annual Income: Experience from Canada and the United States](#)

Test:

- Many tests were attempted by both the Canadian and U.S. governments to determine the effects a UBI would have, using different formulas to determine the payment methods of the UBI. The primary concern of the experiments was the “labor supply response,” or, the amount in which the total measurable amount of labor done by the participants changed within a given time after implementation of UBI.

Results:

- Tests involving Keeley’s method had the most severe results of the labor supply response (an average decline in labor supply response of about seven percent for husbands, about twenty-eight percent for wives, and about twenty-two percent for single female heads). However, Keeley’s test required eligible participants to have an income less than eleven thousand (single-headed) or less than thirteen thousand (double-headed), rather than determining eligibility by means by comparing by percentage their incomes to the poverty line. Other U.S. tests of UBI (conducted by Robins and Burtless) impacted the labor supply response less (an average decline in labor supply response of about six percent for husbands, about nineteen percent for wives, and about fifteen percent for single female heads). The results of the “mincome design” tested in Canada are by far the lowest (an average decline in labor supply response of about one percent for men, about three percent for wives, and about seven

percent for single female heads). The likely reason for the high negative labor supply response in wives is the UBI allowing them to securely leave their jobs while pregnant or raising a newborn. As for the “sociological” response, while still heavily debated, it was found that a UBI had little to no effect on marriage stability. Other results in sociological response are seen simply as “a welcome bonus” (24) and are not included within this study.

- [India's Basic Income Experiment](#)

Test:

- The experiment applied to families with under \$100 worth of income in eight different villages within Madhya Pradesh throughout June of 2011 to November of 2012. Initially, the amount was \$2.20 per child and \$4.40 per adult per month, however, this amount was increased by 50% in May of 2012 to give more benefit and to account for inflation.

Results:

- Many positive effects of the implementation of a UBI were found in this test, especially in regards to general household well-being. Some effects to well-being include, but are not limited to, a reduction from 45% to 19% of affected families reporting food insecurity, an increase from 35.5% of affected households owning beds to an astounding 83%, and an increased phone ownership from 9% to 61%. Economically, the test also considerably impacted the communities. All villages affected by UBI reported at least “small improvement” to attendance in school, reporting up to 52% where the Self Employed Women’s Association was active and up to 72% where they were not. In villages where the UBI was active, time spent doing wage labor declined by over 45.2%, and was heavily replaced by the families engaging in more desirable farming work, whereas in the control tests, **wage labor actually increased**. Finally, in villages with a UBI, decrease in debt was reported more often, from 2% to 6% in villages with Self Employed Women’s Association presence, and from 2% to 17% in villages without.

Graphs:

**Figure 1: Reported change in school attendance<sup>2</sup>**

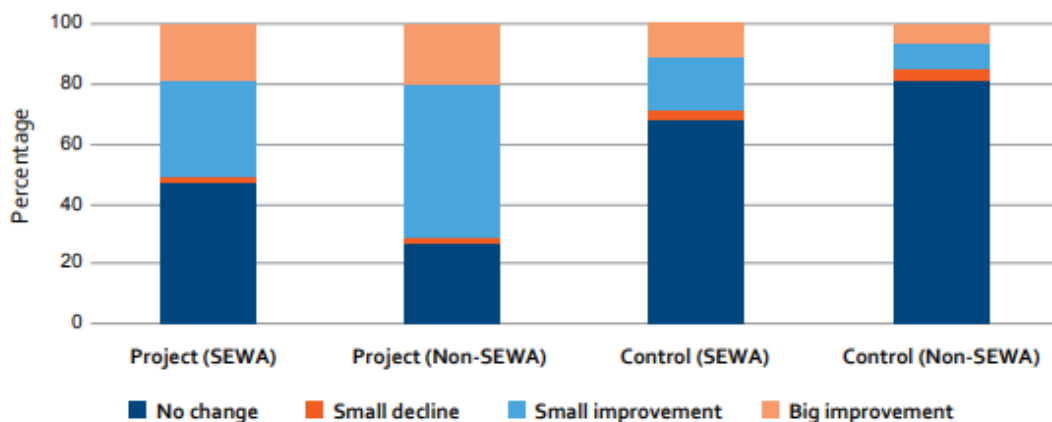


Figure 2: Shift from wage labour to farming: main occupation in the tribal village<sup>3</sup>

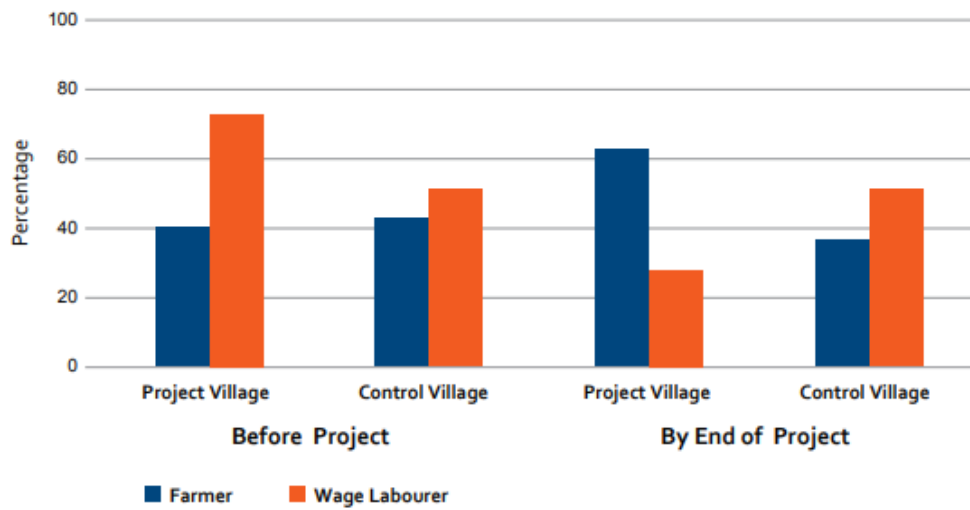
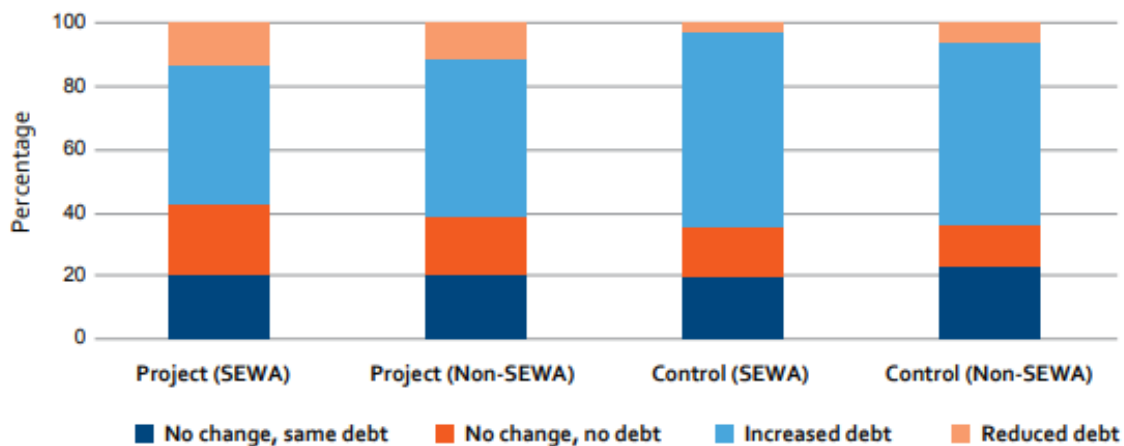


Figure 3: Change in debt in project and control villages<sup>4</sup>



### Redistributive Cash Transfers

- [Research On Cash Transfers](#)

This source lists three pro-RCT points, said points being:

1. RCTs have positive effects on children, primarily increased weight for age and weight for height, 15% decreased rates of low birth-weight, and increased school attendance.
2. Recipients of RCT use the income well, causing it to create long term benefit. Men's income increased by 64-96% five years after receiving a transfer.
3. Those receiving transfers don't expend their income on unneeded commodities such as alcohol. There is also no significant impact on work-hours.

- [Philippines Conditional Cash Transfer Program Impact Evaluation 2012](#)

Test:

- A test of a RCT was conducted in the Philippines, in which families would be given **conditional** grants of flat, untaxed payment depending on their financial and familial situation. The program primarily aimed to test RCT's ability to break generational poverty and benefit children's future. Parents with children ranging age 0-14 are eligible for the health grants, receiving a total of ₱500 monthly, as long as conditions as to how well families follow health guidelines are met. For the education grants, the only conditions to apply for the benefit of ₱300 per child monthly are to have a child 6-14 in a low-income area, and to make sure the child attends at least 85% of school days.

#### Education results:

- Attendance in preschool or daycare was 10.3% higher than the baseline of 65% for the low-income families without the RCT. Similarly, in children aged 6-11, enrolment in elementary school rose 4.5% higher than the baseline 93% in other low income households. However, for children 15-17, RCT had a **slight negative** effect on enrolment, but the RCT **did not** apply to the age group, so a positive effect on education **was not expected for those 15-17**. Similarly to the benefits in enrolment in most age groups, attendance in school **increased** in all age groups.

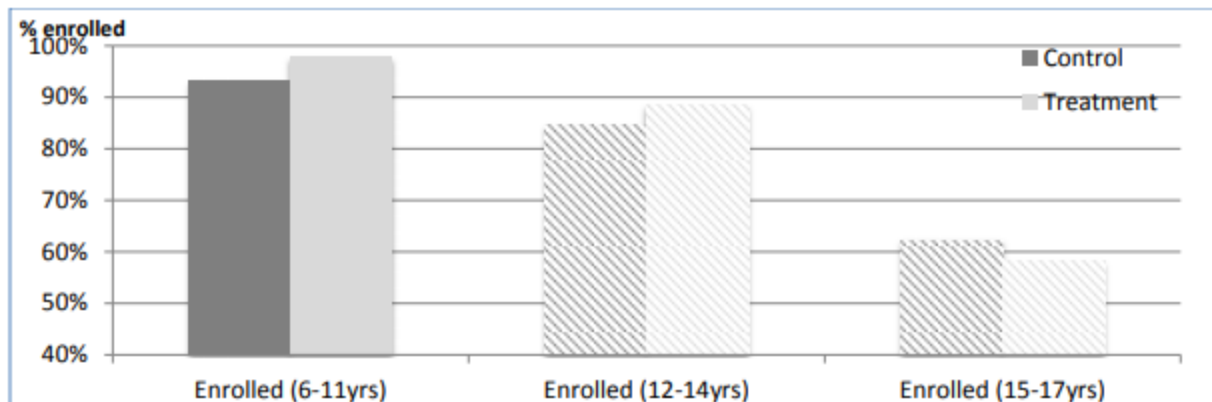
#### Health results:

- Access to prenatal and postnatal care greatly increased for women affected by the RCT health benefits. (Prenatal by 10.5% and postnatal by 10%). It was also found that pregnant recipients of RCT made visits to prenatal facilities 1.6x more than the control. RCT also reduced severe stunting in affected children 6-36 months old by 10.1% from the 24% baseline. Alcohol consumption **reduced** by 39% in households affected by RCT.

#### Economic results:

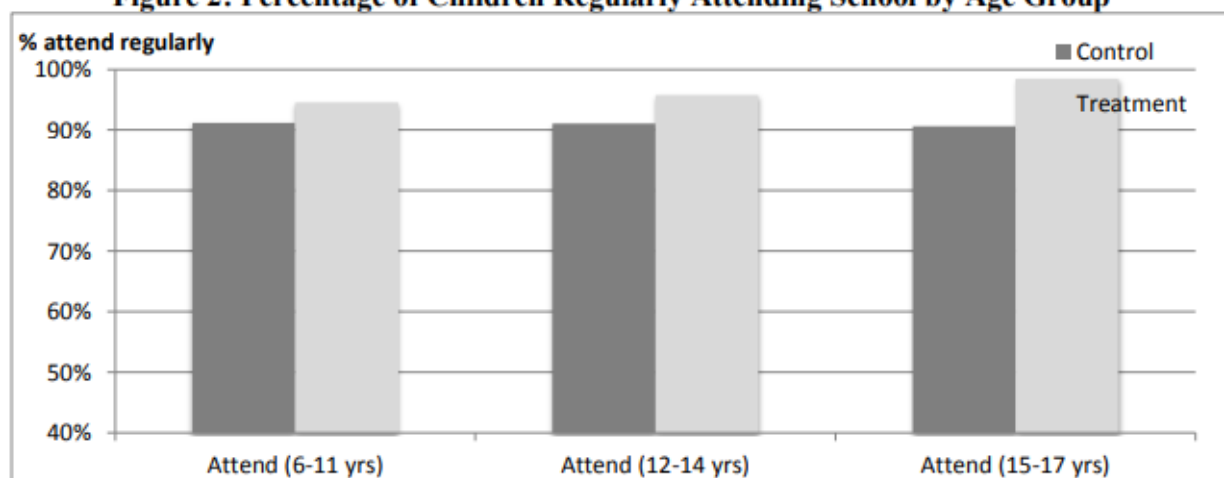
- Poor households receiving RCT increased spending on health services by 34%, increased spending on education by 38%, and increased spending on protein-rich foods by 38%. There was a reduction in poverty three years after the program's initiation by 2.7%. This impact is small, but would likely increase as more time under the program passes for affected families. It was found there was **no significant change** in motivation to work.

#### Graphs:



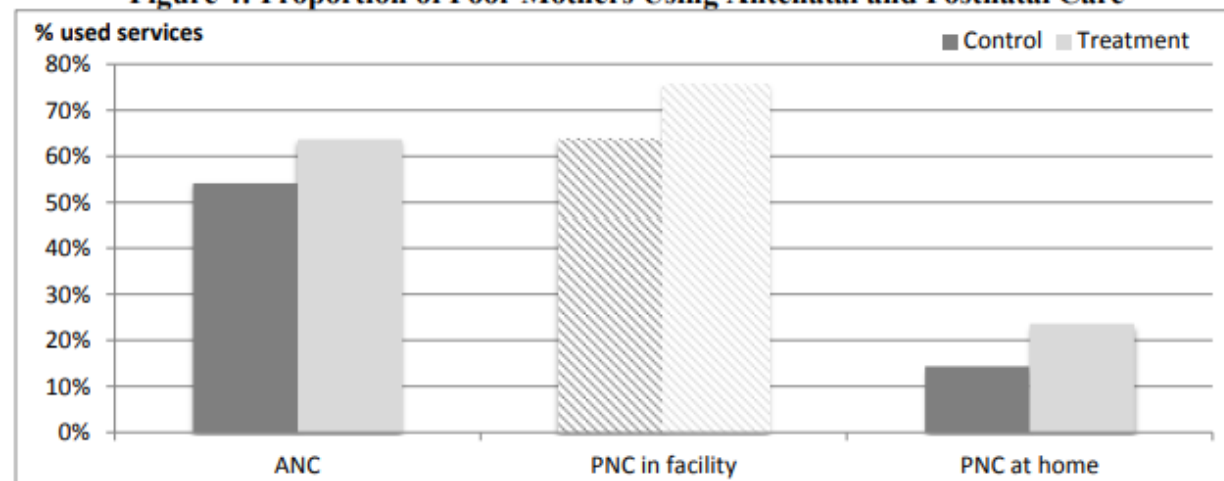
Note: Darker bars are statistically significant.

**Figure 2: Percentage of Children Regularly Attending School by Age Group**



Note: Darker bars are statistically significant.

**Figure 4: Proportion of Poor Mothers Using Antenatal and Postnatal Care**



Note: Darker bars are statistically significant.

**Table 3: Program Impact on Estimated Per Capita Income and Estimated Levels of Poverty**

	<i>Average estimated per capita income in 2008</i>	<i>% poor in 2008</i>	<i>Average estimated per capita income in 2011</i>	<i>% poor in 2011</i>
<i>Pantawid</i>	PhP 9,131	100%	PhP 10,348.16	82.5%
<i>Control</i>	PhP 9,382	100%	PhP 10,208.93	85.2%

- [Do The Poor Waste Transfers On Booze And Cigarettes? No.](#)

This article makes the claim that recipients of RCT and UBI **do not** use their given income on goods such as alcohol. Examples are as follows:

1. When examining 44 estimates of alcohol consumption across 19 studies and 13 interventions, the majority of studies report results of reduced alcohol consumption (82%).
2. There is little to no incentive for recipients to lie. The surveyors intentionally do not add items such as alcohol in separate lists and treat them with the same significance as other household items. It's also been shown that those with a non-zero baseline for alcohol don't suddenly report spending nothing on alcohol, instead, they still tend to report a decreased, but not non-zero spending on alcohol. This trend implies that recipients do not try to "game the system," and rather remain honest about their expenditures.

Graphs:

