BASIC INCOME, HEALTH CONSTITUTION AND GOVERNANCE COHERENCE FOR HUMAN DEVELOPMENT

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Today

The case for basic income as health constitution and governance coherence

The Evidence

The political and institutional challenges
Political economy systems for health and well-being

1. WHO as AUDITOR of good and bad policy designs
   And advocate for improving designs of other policies
2. Effect of individual policies depends on good design and coverage
3. Therefore good design and sustainable fiscal systems are co-determining factors for inclusive health systems
BASIC INCOME – what is it?

• “A basic income is a periodic cash payment unconditionally delivered to all on an individual basis, without means test or work requirement.” BIEN (Basic Income Earth Network - http://basicincome.org/)

• Life-long, permanent basic security structure

• At stake reach & terms of income security

HOW SHALL WE THINK ABOUT IT?

* An alternative architecture of income security to the one we have

1. From periodic intervention to constitutive stability in health and social policy
2. Address persistent old and new design flaws in the welfare state
3. Providing a basis for policy coherence for human development

Part of a case for humanist justice and governance, based on evidence we have that permanent basic income security is a constituent but not only part of a stable institutional architecture of human development
Characteristics

Universal.............it is given to all people in society

Permanent............on a long-term basis

Periodic................regular transfer

Unconditional...........without any strings attached

Individual...............money is given on an individual basis
Levels of Health Impact of basic income

**Individual Level:**
Mental health, Supporting Intrinsic motivation, sense of Security/control, empowerment

**Systemic Society Level:**
Generating a foundation for comprehensive economic security system, senses of belonging, security in society, inclusion and social participation, and accountability, build/rebuild universal welfare state

**Policy Level:**
Lowering public sector costs linked with poverty/insecurity to the health sector, supporting preventative health interventions, impact more direct but not confined to the lower part of the gradient only (proportional and universal effect)

**Limitations:** These effects are conditional on other change in the policy environment (fiscal capability/political preferences, economic policy)
**SIMPLIFIED OR LIBERTARIAN**

UBI dominates relative to needs-based provision

**NEGATIVE INCOME TAX (NIT)**

Replaces lost earnings, usually without behavior conditions (automatic transfer system), is not a UBI because it is not universal, rather is targeted at the poor.

**FOUNDATIONAL UBI**

Part of built-up economic security system, avoids exclusionary properties of the first two models. UBI achieves the same outcome as NIT via using taxation as a leveler, avoiding that basic transfers are viewed as social class/poverty-targeted, avoids potential for administrative complications (Haagh and Rohrgger, 2019/WHO; Haagh Polity 2019)
DESIGN FLAWS – OLD AND NEW

PROPOSITION – Welfare state design contributed to health inequity
In more built-up systems reveal the risks
Means and needs – testing S.A: disability grants
Behaviour conditions: Sanctions
Modern welfare states which aimed to insure society and development through universal services failed to do the same in the area of subsistence security
- Left individuals permanently exposed
- Generated permanent social stratifications
- Created poverty traps and work disincentives

NEW TRENDS (Employment precarity, Austerity) reveal and compound these inbuilt problems

OLD DESIGN ABSORBS and regenerate market insecurities
REASONS – Old and New – from Inclusion to Health

POST-WAR welfare state dysfunctional

- means-test > excluded status, poverty traps, individualization of risks
- Conditionalities generate principal-agent bias
- Problems only partially addressed by working-tax credits a.s.

POST-WELFARE REFORM / 2008 CRISIS / AUSTERITY

- Time-delimited anti-poverty interventions flawed (ECLAC 2012)
- Idea poverty can be eradicated by changing the individual is questioned, families shown to be often ‘worse off’ after intervention ends
- Growing evidence of negative health impacts of existing post-welfare reform benefit models
UBI HAS BEEN PART OF WELFARE GOVERNANCE DEBATES for a long time – the evidence and health governance case reflects that

- **1970s/80s debates (NIT US/Europe – sabbatical grants)** *Early UBI-like experiments* (stage of welfare state expansion – pre-austerity – attempts to repair post-war flaws)

- **1990s/00s – Poverty** *Surveys in multi-variate sources of well-being* (actors responding to structural adjustment – in poor countries targeting households for the first time) *systematic attempts at coverage*

- **2000s – Precarious labour (and new technology)** *new risks*

- **2010s – Rise and reversal of punitive state** *Present-day UBI-like experiments – trying motivation in place of control – reveal health impacts indirectly* (UK – 1/3 leave sanctions system to ‘unknown destinations’)

**PROPOSITION:** We already have the evidence – interpretation is the key
CANADA 1970s: Guaranteed Annual Income
Field Experiment: Youth fertility rates
Lower youth fertility rates for women growing up with economic security

Table 4 Mean Number of Children before Age 25 by Mother’s Birth Cohort

<table>
<thead>
<tr>
<th>Birth Cohort</th>
<th>Dauphin Subjects</th>
<th>Comparison Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>1946–52</td>
<td>1.20227</td>
<td>1.24295</td>
</tr>
<tr>
<td>1953–59</td>
<td>0.91181</td>
<td>0.93780</td>
</tr>
<tr>
<td>1960–66</td>
<td>0.66667</td>
<td>0.65969</td>
</tr>
<tr>
<td>1967–74</td>
<td>0.65723</td>
<td>0.81944</td>
</tr>
</tbody>
</table>

CANADA 1970s: Guaranteed Annual Income Field Experiment: Hospitalization rate, 8.5% decline between 1974-1978, mental health a major component

**CANADA 1970s:** Guaranteed Annual Income Field Experiment: **School enrolment,**
Reduction in labour supply by youth of about 10% explained by ↑ school enrolment

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**Figure 1** Grade 12 Enrolment as a Percentage of Previous Year
Grade 11 Enrolment


OTHER EVIDENCE: US – NIT-like experiments showed no labour market disincentives. Widerquist (2005)

1990s-2000s NEW MICRO-MODLES – testing well-being effects of institutional sources of economic security confirm that institutional design is key

NEW METHODS AND RESEARCH FOCI
• Economic security – health constitution
• Motivation as a measure of revealed health
• Grounding subjective measures – in welfare state structures

MOTIVATION – INSTITUTIONAL SOURCES
EVIDENCE from research on existing LM institutions

Tatsiramos 2003, 2009, Haagh forthcoming: Longer UI → better job search, longer employment (Germany and USA)

Sharif 2003: Long work hours of the world’s poor a result of economic distress. Reduction in work hours in response to security is rational behaviour (Global South)

Haagh 2001 (World Development): Multi-variate developmental sources of education and stability generate more intrinsic motivation to work (São Paulo, city and slum)
PROPOSITION: Modern states need to mimic the multivariate security structure that currently only those best able to compete through schooling and labour market systems are able to attain.
Stability of learning and work motivates, insecure work demotivates

Table 9. City: what is fulfilment in working life? By schooling, unemployment length and insurance status, %

<table>
<thead>
<tr>
<th></th>
<th>Low schooling</th>
<th></th>
<th>High schooling</th>
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<tbody>
<tr>
<td></td>
<td>Short unemployment</td>
<td>Long Unemployment</td>
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<td>Insured</td>
<td>Uninsured</td>
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<td>Uninsured</td>
</tr>
<tr>
<td># of observations</td>
<td>30</td>
<td>32</td>
<td>37</td>
<td>27</td>
</tr>
<tr>
<td>1. Job stability</td>
<td>27</td>
<td>56</td>
<td>27</td>
<td>56</td>
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<tr>
<td>2. Personal development</td>
<td>43</td>
<td>25</td>
<td>27</td>
<td>18</td>
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<tr>
<td>3 Occupational identity</td>
<td>30</td>
<td>19</td>
<td>46</td>
<td>26</td>
</tr>
<tr>
<td>Total (%)</td>
<td>100</td>
<td>100</td>
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</tr>
</tbody>
</table>

Pearson Chi Squares (Sig.)
Insurance as predictor of personal development or occupation

5.565  Sig. .017  5.337  Sig. .020  2.103  Sig. .123  4.892  Sig. .031

Shows People’s state of mind heavily affected by sources of economic security
Shows intersections between institutions of economic security and social policy

Effect of grants on motivation interacts with other institutional sources of stability

<table>
<thead>
<tr>
<th></th>
<th>City men</th>
<th></th>
<th>City women</th>
<th></th>
<th>Slum women</th>
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<th>Women</th>
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<tbody>
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<td>L = Long: 16 months</td>
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<td>That it gets more</td>
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<td>interesting/challenging</td>
<td>71</td>
<td>34</td>
<td>71</td>
<td>48</td>
<td>64</td>
<td>40</td>
<td>59</td>
<td>34</td>
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<td>High income, stable</td>
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<td>income or close to</td>
<td>29</td>
<td>66</td>
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<td>52</td>
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<td>Total 100%</td>
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<tr>
<td>Pearson Chi Squares</td>
<td>18.344</td>
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<td>2.003</td>
<td>.157</td>
<td>5.079</td>
<td>.024</td>
<td>4.521</td>
<td>.033</td>
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<td>(Sig.) Employment</td>
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Persons without economic security prioritize it as a goal
EMERGING WELFARE STATES

The Madhya Pradesh Unconditional Cash Transfers Project India
2010-12 (20/8 villages), $3.65 pm (200 rupees – mothers 100 per child). 18 months
(20/30 per cent lower incomes, at or just above poverty line) National Electronics Funds Transfer (NEFT) system

RESULTS
- Recipients spent more on nutritious food, health care (medicines) and borrowed less (SEWA/UNICEF 2014)
- Children’s schooling improved in 68 % of families, greater inclusion of the disabled
- Lifting conditionalities is thought to erode corruption – only 27 % of income assistance in targeted schemes reach beneficiaries (“Eleventh Five-Year Plan 2007-2012”, Planning Commission, Government of India, New Delhi, 2009.)
- Beneficiaries invest in basic personal infrastructure (bicycles, scooters, sanitary household installations)

CHALLENGE – FOR REFORM TO BE A PUBLIC - NOT PARALLEL AID – OBJECTIVE
A public health focus could help achieve that
Figure 4: General pilot: Weight-for age distribution for BI villages, by gender

a. April 2011

b. September 2012

Source: http://unicef.in/Uploads/Publications/Resources/pub_doc83.pdf
### RESULTS OF FINNISH BASIC INCOME EXPERIMENT

**EXPERIMENT 2017-2018**, Results from first year (2017), Experiment group = 2000, Control = 173,000, People surveyed (treatment 1,869; control 5,161), Received 560 Euros Tax free every month, Amounts to about 2.3 of total benefits, including housing

<table>
<thead>
<tr>
<th>Question / Statement</th>
<th>Experiment grp.</th>
<th>Control grp.</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>With a basic income would make more sense financially to accept a job offer</td>
<td>68 21</td>
<td>42 34</td>
<td>89 76</td>
</tr>
<tr>
<td>With a UBI would be easier to start your own business</td>
<td>51 22</td>
<td>39 24</td>
<td>73 63</td>
</tr>
<tr>
<td>Self assessment of own state of health</td>
<td>15 41</td>
<td>10 36</td>
<td>56 46</td>
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<tr>
<td>Perceived level of stress</td>
<td>22 33</td>
<td>20 26</td>
<td>55 46</td>
</tr>
<tr>
<td>Ability to influence social matters</td>
<td>16 19</td>
<td>25 23</td>
<td>35 48</td>
</tr>
<tr>
<td>If work part-time would rather work full-time Believes will find employment w. next 12 ms.</td>
<td>69 56</td>
<td>58 45</td>
<td></td>
</tr>
</tbody>
</table>

**KELA Ministry of Social Affairs and Health, Helsinki, Finland, 2019**

Confirms findings of previous economic security studies – Sense of exclusion went down, and sense of opportunity went up.
Other considerations re contemporary experiments

- **Europe:** not what they wanted to but could and did measure that matters in results.
- Finnish study found no effects on employment levels (neither positive or negative)
- **Instrumental variable removal of direct control, more than incentives to earn** – ALL the positive results are essentially motivational and health-related.
- The **Finland** results **underestimates** effects because housing benefit remains means-tested, which could affect employment incentives
- Small-scale **municipal-led** experiments which – as in Finland – *lifted behaviour conditions* in Denmark 2016-2017 found
  - Significant employment effects in some municipalities
  - Changed attitudes of social worker staff to citizens
  - **Small-step motivational impacts** (reported in Haagh 2019a,b) *similar to Indian pilot*

Rural village pilots in low or middle-income countries with higher gender inequality, find significant gender social and health effects, e.g. girls’ nutrition, stature and schooling (Standing et al), extends known effects of CCTs, which have shown mixed results, e.g. damaging economic and social-psychological effects when security **ends** *(ECLAC 2012, as quoted in Haagh, L. and Rohregger, 2019, Universal Basic Income Policies and their Potential for Addressing Health Inequities, WHO)*
CURRENT CHALLENGES understanding DESIGN

Post 2008 Crisis under austerity even core welfare states’ governments ABSORBED labor market insecurity within rapid institutional changes to benefit systems, EXTENDING institutionally mediated forms of insecurity within and control over the most vulnerable strata of society.

EVIDENCE of health constitutive effects of stable security has been largely ignored by governments. Policies motivated by SHORT-TERM SAVINGS focus on increasingly targeted interventions over institutional redesign, flying in the face of evidence of what works for sustained anti-poverty and health impacts.

- 2010s saw rapid intensification of punitive welfare measures (1/4 claimants affected DK/UK)
- Recognition of failure motive current UBI experiments
- But governments mainly focus on failure in labour markets rather than the negative health impacts
- CHALLENGE is therefore to help motivate a reconceptualization of the health constitutive effects of stable security
Elaborated from OECD 2011

x. Percentage of GDP spent on public benefit administration and placement services, 2007.

Y. Training, employment incentives, supported employment and rehabilitation, direct job creation, start-up incentives, spending in GDP 2007.

Elaborated from OECD 2011

x. Percentage of GDP spent on public benefit administration and placement services, 2009.

Y. Training, employment incentives, supported employment and rehabilitation, direct job creation, start-up incentives, spending in GDP 2009.

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Y. Training, employment incentives, supported employment and rehabilitation, direct job creation, start-up incentives, spending in GDP 2010.

2014 - GAUGING THE CHANGE IN POLICY PRIORITIES AFTER AUSTERITY – ADJUSTMENT

**TRAINING** and other active measures

Spending in GDP

Elaborated from OECD 2016

x. Percentage of GDP spent on public benefit administration and placement services, 2014.

Y. Training, employment incentives, supported employment and rehabilitation, direct job creation, start-up incentives, spending in GDP 2014.

Negative health impacts of punitive income security design

**Reinforced or ‘solved’ Poverty traps at health cost** – linked with the status insecurity of current systems

**Deepened moral hazard** – as medical services become involved in assessment of income security need

**Extended informalisation** – as those dependent on support leave the system without jobs (non-coverage 1/3 – 2/3 UK)

**Worsened mental health crises** – as sanctions policies are linked with severe mental health impacts in some countries

\[246\% \text{ of sanctions and disqualifications in the UK since 2001 (Adler 2016/Haagh 2019)}\]

Indirect /direct health constitutive impacts of UBI designs*

**LEGAL SECURITY** – avoiding criminalisation

**SOCIAL JUSTICE** - Promoting justice prevailing in working life and care

**HEALTH STATES** – Efficacy of social and health interventions – can build on motivation effects

**COST SAVINGS and COHERENCE** – as mental health crises and cost fall and efficacy of other policies grows

* For examples, see sources quoted on slide 1.
We have taken the foundations for health equity for granted

- **Unstable security**
- **Coerced security**
- **Falling out of society**

**Health Equity – UBI:** Haagh, L. and Rohregger, B., 2019, ‘UBI policies and their potential for addressing health inequities’, WHO Policy Paper Series - Transformative Approaches to have a Prosperous Life 1, WHO Venice Office for Investments for Health and Development

**Social Leakage:** Haagh, L. 2019, The Case for Universal Basic Income, Cambridge: Polity
FOUNDATION MODEL of UBI
(Haagh & Rohregger/WHO 2019; Haagh 2019a,b)

CHALLENGE – HOW TO FIT TO/SUPPORT WELFARE STATE

- SOCIAL SERVICES (needs-based or universal)
- SOCIAL SECURITY / INSURANCE (contributory)
- EMPLOYMENT SYSTEMS
- FINANCE
- DESIGN (Universal versus Negative Income Tax)

FOUNDATION model aims for architectural coherence and integration, where relevant replacement, but not displacement
Three-Tier Model

UBI – Shared foundation

**Needs-based provision** (universal services, top-up means-tested transfers, transfers by disability status, a.o.)

**Contributory social security/insurance** (to encourage societal saving, hybrid institutions)

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**Supportive conditions** (inclusive development/ Stable employment and occupational policies)

**Avoids pitfalls** of overly simplified UBI models (Haagh 2019)
Debates on health inequalities and UBI at country level completely disengaged

Health indicators to measure conditionality (mental health)

Strategic & political role of local level:

UBI as a policy option usually emanates from the local context, where inequalities in health are faster discernible, also in terms of costs;

**BUT:** they are squeezed financially – centre must raise and equalise resources
RECOMMENDATIONS: income security & health equity

• Income security measures play a key role in addressing health inequities

• Within a basket of a universal policies and services, universal basic income (UBI) is a promising mechanism to strengthen health equity and well-being across society in the long-run

• UBI is a strategic vehicle instrument for achieving universal income security & foundation for policy coherence for health equity

• UBI talks to Health in All Policies approach - Income security is an element of health policy
Basic Income, Equality and Health Equity: A ‘Problem’?

Targeted and basic security models unsustainable

PROPOSITION: If spending across policy areas is necessary for policy coherence then levels of public finance in GDP matter. Levels of spend and good design are mutually constitute. BOTH spending and design are a challenge in the coming years


Sources and calculations: Tables A.1 and A.2 in Appendix.


Sources and calculations: Tables A.1 and A.2 in Appendix.

Sources and calculations: Tables A.1 and A.2 in Appendix.
Table 1 - AN ILLUSTRATIVE CITIZEN’S BASIC INCOME SCHEME UK

An evaluation of a Citizen’s Basic Income (CBI) scheme with the working age adult CBI set at £60 per week
Citizen’s pension per week (p.w) existing state pension remains in place) £40

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Age Adult CBI p.w. (for individuals aged 25-64)</td>
<td>£60</td>
</tr>
<tr>
<td>(Child Benefit is increased by £20 p.w.)</td>
<td>(£20)</td>
</tr>
<tr>
<td>Income Tax, basic rate (0£ - £43,000)</td>
<td>23 %</td>
</tr>
<tr>
<td>Income Tax, higher rate (£43 – 150,000)</td>
<td>43 %</td>
</tr>
<tr>
<td>Income Tax, top rate (£150,000 - )</td>
<td>48 %</td>
</tr>
<tr>
<td>Share of households in lowest income quintile suffering losses of over 10 % at implementation</td>
<td>1.62 %</td>
</tr>
<tr>
<td>Share of households in lowest income quintile experiencing losses of over 5 % at implementation</td>
<td>2.67 %</td>
</tr>
<tr>
<td>Share of all households experiencing losses of over 10 % at implementation</td>
<td>1.9 %</td>
</tr>
<tr>
<td>Share of all households experiencing losses of over 5 % at implementation</td>
<td>9.88 %</td>
</tr>
<tr>
<td>Net cost of scheme per annum</td>
<td>£ 2 billion</td>
</tr>
</tbody>
</table>

N.B. Figures are for the fiscal year 2017/18

<table>
<thead>
<tr>
<th>Effects</th>
<th>Tax/ benefits scheme 2017/18</th>
<th>Illustrative CBI scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inequality</td>
<td>0.30</td>
<td>0.27</td>
</tr>
<tr>
<td>Poverty *</td>
<td>Children 12 %</td>
<td>8 %</td>
</tr>
<tr>
<td></td>
<td>Working age adults in poverty 12 %</td>
<td>9 %</td>
</tr>
<tr>
<td></td>
<td>Economically active working Age adults in poverty 4 %</td>
<td>2 %</td>
</tr>
<tr>
<td></td>
<td>Elderly 11 %</td>
<td>9 %</td>
</tr>
</tbody>
</table>

Poverty is defined as the number in households with incomes below 60 % of median equivalent household disposable income, and the Gini is calculated on a similar basis, based on Euro mod (Paola De Agostini, Euromod Country Report: https://www.euromod.ac.uk/sites/default/files/country-reports/year8/Y8_CR_UK_Final.pdf, p.70).

Source: Citizens’ Basic Income Trust: Citizen’s Basic Income – a Brief Introduction
WHY NOW?

1. Labour markets have changed
2. Existing income security design is inadequate
3. Advocacy and research gained momentum – 2016 Swiss Referendum only the surface

Support for Basic Income in Europe (European Social Survey – round 8 2016)

UBI described as “a monthly income to cover essential living costs that replaced many other social benefits.” Purpose is “to guarantee everyone a minimum standard of living, that everyone receives the same amount regardless of whether or not they are working and that people also keep the money they earn from work or other sources. The scheme itself is paid for by taxes.”
I ideological differences

Support for basic income amongst those who consider themselves on the left, right or centre (Round 8, 2016)

“Social democratic states”
Age differences

"Socialdemocratic states"

European Social Survey 2016
Reasons for support for basic income in Britain, Populous survey

To what extent do you agree or disagree with the following statements: AGREE

<table>
<thead>
<tr>
<th>A basic income would........</th>
<th>Total</th>
<th>M/F</th>
<th>18-24 / 25-34 / 55-64</th>
<th>AB  C1  C2   DE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Would do better than current system at providing basic security</td>
<td>45</td>
<td>47 44</td>
<td>50 51 41</td>
<td>46 50 44 41</td>
</tr>
<tr>
<td>The current system is working in the main, so no need for alternatives</td>
<td>19 v</td>
<td>21 18</td>
<td>18 18 23</td>
<td>20 17 19 21</td>
</tr>
<tr>
<td>Would give freedom to make the right decisions to a greater extent t. current sys.</td>
<td>47</td>
<td>49 45</td>
<td>53 52 44</td>
<td>50 49 45 42</td>
</tr>
<tr>
<td>Would generate disincentives to work, a too great risk compared w. current system</td>
<td>42</td>
<td>42 42</td>
<td>41 36 44</td>
<td>47 40 42 39</td>
</tr>
<tr>
<td>Would provide more of an incentive as people can keep the cash when working</td>
<td>56</td>
<td>56 55</td>
<td>57 54 56</td>
<td>57 56 55 54</td>
</tr>
<tr>
<td>Would decrease crime</td>
<td>33</td>
<td>35 31</td>
<td>46 39 25</td>
<td>34 35 32 30</td>
</tr>
<tr>
<td>Increase educational attainment</td>
<td>24</td>
<td>26 22</td>
<td>38 31 17</td>
<td>27 25 22 21</td>
</tr>
<tr>
<td>Improve mental and physical health</td>
<td>37</td>
<td>39 35</td>
<td>47 35 30</td>
<td>40 38 36 33</td>
</tr>
<tr>
<td>Reduce stigma</td>
<td>49</td>
<td>42 56</td>
<td>52 52 47</td>
<td>54 50 47 44</td>
</tr>
<tr>
<td>Unaffordable</td>
<td>38</td>
<td>40 36</td>
<td>36 29 43</td>
<td>43 36 39 34</td>
</tr>
<tr>
<td>Targeting the poorest is better</td>
<td>45</td>
<td>45 44</td>
<td>53 41 47</td>
<td>47 45 42 44</td>
</tr>
<tr>
<td>Services in kind better than cash</td>
<td>43</td>
<td>40 47</td>
<td>52 47 41</td>
<td>44 48 45 36</td>
</tr>
</tbody>
</table>

The young more like to see the benefits in terms of lower crime and opportunities for education. The poor least likely to think a UBI generates disincentives, and more likely to prefer cash than kind.
KEY MESSAGES

POLITICAL SUPPORT – mature welfare states

UK Example: Very few people think current income security systems work well

POLICY WINDOW

Contemporary design undermines effectiveness of health interventions (such as they are)

The relationship between health providers and individuals (‘patients’) is compromised

A stable economic security architecture can abate stresses of the economy which compromise health

Two effects need to be thought about in combination – not isolation

1. Building systems that can integrate and sustain different risks – targeting as a model for security is not credible

2. Building systems that can support effective public policies
Health benefits of economic security not well understood by governments or society

Health sector is not present in the economic security reform debate or experiments– but could be

The economic system needs a safety valve – people who are stressed cannot invest in health

The long-term, broad institutional focus of the UBI-UBS debate a chance to build inclusion infrastructure ground up

Full benefits of stable unconditional economic security depends on other active policies

Building effective economic security systems is an opportunity to reinvent health policy
KEY HEALTH CONSTITUTION OBJECTIVES OF UBI and UBS

1. **Addressing insecurity about provision** - making basic income security permanent – an architecture

2. **Enabling motivation** by removing punitive controls/conditionalities

3. **Removing disincentives** to work (poverty and security traps)

PROBLEMS 2 and 3 less visible in low and middle income countries – addressing 1 is urgent. EVIDENCE ECLAC

PROBLEMS 1,2,3 interact dynamically in mature welfare states

EVIDENCE SANCTIONS

BOTH spending and design are a challenge in the coming years
### Table 1 - An Illustrative Citizen’s Basic Income Scheme UK

<table>
<thead>
<tr>
<th>Category</th>
<th>Tax/ Benefits Scheme 2017/18</th>
<th>Illustrative CBI Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inequality</td>
<td>Disposable income Gini coefficient</td>
<td>0.30</td>
</tr>
<tr>
<td>Poverty *</td>
<td>Children</td>
<td>12%</td>
</tr>
<tr>
<td></td>
<td>Working age adults in poverty</td>
<td>12%</td>
</tr>
<tr>
<td></td>
<td>Economically active working Age adults in poverty</td>
<td>4%</td>
</tr>
<tr>
<td></td>
<td>Elderly</td>
<td>11%</td>
</tr>
</tbody>
</table>

Poverty is defined as the number in households with incomes below 60% of median equivalised household disposable income, and the Gini is calculated on a similar basis, based on Euro mod (Paola De Agostini, Euromod Country Report: https://www.euromod.ac.uk/sites/default/files/country-reports/year8/Y8_CR.UK_Final.pdf, p.70).

Source: Citizens’ Basic Income Trust: Citizen’s Basic Income – a Brief Introduction
Public revenue level and integration, 2000

Public spending on human development, 2000

Sources and calculations:
Tables A.1 and A.2 in Appendix.

PUBLIC REVENUE (COOPERATIVE PUBLIC FINANCE) Index of
1. Total tax revenue in GDP 2000 and trend,
2. Top marginal tax rate and multiple at which sets in, 2000, and trend.

PUBLIC SPENDING ON HUMAN DEVELOPMENT: Index of
1. Public expenditure in GDP, 2000, and trend.
2. Public social expenditure in GDP, 2000, and trend.
4. Public expenditure on education in social expenditure, 2000, and trend.
5. Public spending on training, job creation and supported employment 2000 and trend.

Effect of grants on motivation interacts with other institutional sources of stability

<table>
<thead>
<tr>
<th>S</th>
<th>City men</th>
<th>City Women</th>
<th>Slum Women</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Insured</td>
<td>Uninsured</td>
<td>Insured</td>
<td>Uninsured</td>
</tr>
<tr>
<td>L = Long: 16 months &lt;. S = Short: &gt;15 months</td>
<td>L</td>
<td>S</td>
<td>L</td>
<td>S</td>
</tr>
<tr>
<td># of observations</td>
<td>(73)</td>
<td>(59)</td>
<td>(14)</td>
<td>(25)</td>
</tr>
<tr>
<td>That it gets more interesting/challenging</td>
<td>71</td>
<td>34</td>
<td>71</td>
<td>48</td>
</tr>
<tr>
<td>High income, stable income or close to home</td>
<td>29</td>
<td>66</td>
<td>29</td>
<td>52</td>
</tr>
<tr>
<td>Total 100%</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Pearson Chi Squares (Sig.) Employment length as predictor of work as interesting/challenging

| 18.344 | .000 | 2.003 | .157 | 5.079 | .024 | 4.521 | .033 | 1.676 | .244 | ... | .265 |


**Persons without economic security prioritize it as a goal**
GOVERNANCE dysfunction

THE SANCTIONS REGIME
Failure to regulate and govern through a humanist logic

Latest phase workfare

Haagh, World Development, 2011, Haagh IJPP, forthcoming

The state motivating work through financial hardship, 24 % of case load UK/Denmark, 246 % ^ sanctions and disqualifications in the UK since 2001

In-work conditionality (Adler 2016)

↓ occupational incentives (Dk 29/3 % sanctions rate)
SANCTIONS — arbitrariness in administration

- "evidence suggests the dept’s use of sanctions is linked as much to management priorities and local staff discretion as it is to claimants behaviour” NAO, 2016
- A high failure rate, over 40 % of appealed cases in the UK and Denmark
- A growing reliance on technical processes, weak information
- "the Department for Work and Pensions has not used its own data to evaluate the impact of sanctions in the UK..and has rejected calls for a wider review”, ibid.

SANCTIONS - Negative impacts

• Employment effect short-term (JRT)
• Informalisation (Non-wage non-dependence) selvforsørgelse uden indtægt).
• UK Non-claiming: 69 % 2000 – 34 % 2016 (Money charity)
• Risk to carers and children – compartmentalisation
• Scientific basis thin, case load — “Sanction can be fixed in length up to 3 years.. And can lead to hardship, hunger and depression”, independent UK auditor (NAO)
