




STATUS OF UBI EXPERIMENTS IN THE SELECTED COUNTRIES

*snapshot of last quarter of 2017

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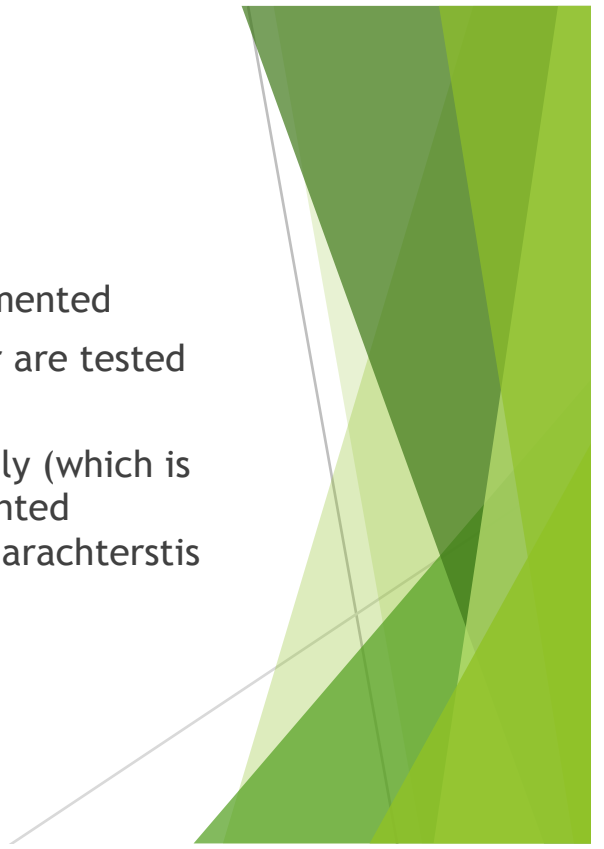
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- ▶ Comparative assessment included 6 countries with different level of development:
 - ▶ 3 developing economies
 - ▶ **Iran** - Upper middle income
 - ▶ **India** - Lower middle income
 - ▶ **Kenya** - upgraded from Low-income country at the time of the first experiment to Lower middle income at the time of second/current experiment 2016
 - ▶ 3 developed economies
 - ▶ **Spain/Barcelona** - High-income
 - ▶ **Finland** - High income
 - ▶ **Netherlands** - High income

❖ *Economies by per capita GNI, World Bank Analytical Classifications, calculated using the World Bank Atlas method <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>*

“UBI in the experimentation”

- ▶ UBI in its pure form has never been implemented
- ▶ Some of principle elements are missing, or are tested with significant modification
- ▶ Instead of presenting each model separately (which is done in the research paper), here is presented synthesis of 6 models, by selected main characteristics of features



GOAL OF INTERVENTION

- ▶ Increasing activation and employment (Netherland, Finland) - since low impact of conventional means to tackle unemployment
- ▶ Decreasing dependence of social assistance (Netherland - secondary goal)
- ▶ Decreasing urban poverty and inequality (Barcelona)
- ▶ Empowerment of individuals to take long term actions (Kenya)
- ▶ Improvement in various segments of quality of life (India, Kenya)
- ▶ Macroeconomic improvement by removing energy subsidy and increasing efficiency in energy use (Iran) - UBI was not an intended policy reform



UNIVERSALITY (paying it to everyone, without means testing)

- ▶ Yes - Iran in the first years of implementation
- ▶ Geographical - Barcelona, India, Kenya
- ▶ NO, modification of existing social transfers - (Finland - mix of unemployed on unemployment allowance and unemployment subsidy, Netherland - those on social assistance)



CONDITIONALITY (paying it with or without a requirement to work or to demonstrate willingness-to-work)

- ▶ unconditional (Finland, Iran, Kenya, India and in selected treatment groups in Spain and Netherland - for limited period of time)
- ▶ conditional (for selected treatment groups in Spain and Netherland)



INDIVIDUALISM

- ▶ Yes, recipient is individual (Finland, Netherland)
- ▶ No, recipient is household (Spain, Kenya, India, Iran)

SIZE OF TREATMENT GROUP

- ▶ 2,000 individuals - Finland
- ▶ 400 individuals in Nijmegen, and 400 individuals in Groningen - Ministry defined national limit (25 municipalities or 4% of social assistance beneficiaries), but allowed municipalities to define size of treatment group
- ▶ 1,000 households/cohabitation units - Barcelona
- ▶ 6,000 individuals India
- ▶ approx. 500 households - Kenya in 2011
- ▶ 26,000 individuals - Kenya in 2016 (plan*)

NATURE OF PARTICIPATION

- ▶ Voluntary - Barcelona, Netherland, India, Kenya, Iran
- ▶ Obligatory - Finland

SCOPE

- ▶ Nationwide (Finland, Iran)
- ▶ Local (neighborhoods, municipalities, villages)

FORM OF UBI

- ▶ Takes form of already existing social transfer/replacement - and change some elements in it (Finland - unemployment benefit, Netherland - social assistance)
- ▶ Municipal inclusion allowance (Barcelona)
- ▶ Subsidy (Iran)
- ▶ Charity/grant (Kenya, India)



Does UBI interfere with current social policies/measures

- ▶ Yes (Netherland, Finland)
- ▶ No (Spain, Kenya, India, Iran)

Does UBI imply legislative changes:

- ▶ Yes (Netherland, Finland, Iran)
- ▶ No (India, Kenya, Barcelona - but “determined commitment of the government” exists,)



Level of income (“full” of “partial” BI)

- ▶ **“full”** - Netherland, Finland (amount is defined by specific measures that is applied). In Barcelona - amount is defined by B-mincome project, as enough to cover basic needs. Kenya - “big transfer” - approx. equal to the monthly household consumption
- ▶ **“partial”** in Kenya, India, Iran - part of poverty threshold, significant but not high to substitute employment
 - ▶ *India* - 20-30% of total household income, for households in the lower income scale
 - ▶ *Kenya* - “small transfer” - approx. 30% of average monthly household consumption in the area
 - ▶ *Iran* - started as 30% of median income, but decreased during due to inflation
- ▶ *“Basic Income that is stable in size and frequency and high enough to be, in combination with other social services, part of a policy strategy to eliminate material poverty and enable the social and cultural participation of every individual is often called a “full Basic Income” and a lower one is often called a “partial Basic Income”* <http://basicincome.org/basic-income/>

DIFFERENTIATION AMONG THE TREATMENT GROUP

▶ No - Finland, Iran

▶ Yes

- ▶ Netherland (up to 6 experimental groups - without work obligation, with same work obligation, with intensified work obligation, with possibility to keep additional earnings up to defined limit...)
- ▶ Spain (conditioned and unconditioned, limited and unlimited)
- ▶ India (“general pilot” and “tribal pilot”, plus combination with Self Employed Women’s Association)
- ▶ Kenya - experimenting with the level and duration of the pilot (I pilot: “small transfer” and “large transfer” groups, with combination of lump sum vs. monthly payment; II pilot: 1. duration of 12 years, 2. duration of 2 years, 3. lump sum equivalent to the two-year basic income)

APPROACH

- ▶ Local level driven (Netherland, Spain)
- ▶ Central level driven (Finland, Iran)
- ▶ Hybrid: donor driven - Kenya, India

PAYMENT DYNAMIC and DURATION

- ▶ Periodic (monthly), duration of experiment is up to 2 years (7 months in Kenya, 2011), Iran “UBI” is introduced as long term policy change,
- ▶ Lump sum/one-off sum (Kenya in selected experimental groups to check the influence of lump sum versus periodic transfers)



FREEDOM OF USE OF CASH TRANSFER

- ▶ Yes (Finland, Netherland, Kenya, India, Iran)
- ▶ No (Barcelona - use is predefined, only consumption of “basic needs” is allowed, with need to demonstrate the nature of expenditure)



CONCLUDING REMARKS

- ▶ UBI in its pure form has never been tested in EU, Iran as the closest
- ▶ EU primarily tested conditionality of existing social programs
- ▶ Nevertheless, this doesn't minimize the power of current experiments with income and conditionality for improving existing welfare measures
- ▶ Testing policy solutions before implementation is good idea
...Especially for Western Balkan Countries with underdeveloped culture of „experimentation“