STATUS OF UBI EXPERIMENTS IN THE SELECTED COUNTRIES

*snaphoot of last quarter of 2017

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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

“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" *[source]* 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“