

Anglo-American University  
School of International Relations and Diplomacy

Free Money for All:  
Does Universal Basic Income Make Sense Everywhere?

Bachelor's Thesis

June 2019

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Anglo-American University  
School of International Relations and Diplomacy

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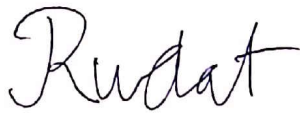
A thesis to be submitted to Anglo-American University in partial satisfaction of the  
requirement for the degree of

Bachelor  
in  
International Relations (TT)

## **Declaration of Consent and Statement of Originality**

I declare that this thesis is my independent work. All sources and literature are properly cited and included in the bibliography. I hereby declare that no portion of text in this thesis has been submitted in support of another degree, or qualification thereof, for any other university or institute of learning.

I also hereby acknowledge that my thesis will be made publicly available pursuant to Section 47b of Act No. 552/2005 Coll. and AAU's internal regulations.

A handwritten signature in cursive script that reads "Rudat".

Patrick Leon Rudat  
May 2020

## **Acknowledgments**

I would like to thank the lecturers during my time at AAU who have helped me to develop skills and deepen my knowledge in the field of international relations. In particular, Professors- George Hays, Adrian Brisku, Jakub Franek, Gaelle Vassogne, Tereza Smejkalova, and my advisor Alexei Anisin, whose courses and insights I found to be the most intriguing.

Lastly, I would like to express gratitude for the role that my brothers Thilo and Simon played in the selection of my topic. They catalysed a process of growing curiosity about the fundamental question of the future of work and the dangers associated with labour automation. Their informed input and direction towards public intellectuals and literature in the current debate about how these challenges can be confronted has made the research for this thesis a smoother process for myself.

## **Abstract**

Free Money for All:

Does Universal Basic Income Make Sense Everywhere?

by

Patrick Leon Rudat

Although the processes of globalization, digitalization, and the subsequent onset of the information age have improved living standards for millions of people, institutions such as the Organization for Economic Cooperation for Development and the World Bank are among a growing body of critical voices that have raised concerns regarding the potential implications of the ongoing fundamental transformation of the nature and availability of work. Contemporary research suggests that over the last decades, a small elite has amassed a disproportionately high share of global wealth, partially due to convergence of the world's economies. Growing inequality, combined with the increasing prevalence of artificial and robotic machines of production, have led some to question whether future prospects for upward social mobility and rising living standards can be obtained for a large portion of the world's population. This deepening sense of dissatisfaction has contributed to the polarization of societies, resulting in a rise of radicalism and populist movements, especially across Europe and America. However, this widespread frustration is not unique to the highly developed countries, but is also prevalent in developing countries, where a lack of resources, as well as corruption and mismanagement, contribute to ineffective social systems, making the prospect of equality and the advancement of livelihood appears unrealistic on a global scale.

Consequently, international and regional institutions as well as governments have started to hint that there is a need to formulate policies that combat these trends, so that the cleavages and problems associated with the evolution of the world economy can be reduced. The policy of a Universal Basic Income has been identified as a possible solution by an increasing number of institutions and public intellectuals. However, until recently, it has largely remained in the realm of theory due to fears of exorbitant costs, as well as creating a shortage in labour supply. Nonetheless, there are a few examples of regions that have adopted a Basic Income and a number of recent pilot programmes aimed at understanding its potential effects have been conducted. The overwhelming majority of which yielded promising results such as the increase in entrepreneurial activity and the reduction of stress related illnesses, as well as improved income equality. In this thesis, four regions in four countries/continents (USA, Finland, Namibia, and India) where Universal Basic Income programmes have been implemented, will be examined and contextualized into the global debate about what they can tell us about the usefulness of such a policy.

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## **List of Abbreviations**

UBI - Universal Basic Income

BI – Basic Income

RCI - Rational-Choice Institutionalism

GT- Game Theory

HI – Historical Institutionalism

APF - Alaska Permanent Fund

PFD – Alaska Permanent Fund Dividend

KELA – Finish Social Insurance Institution

KBIE - Kela Basic Income Experiment

KG – Kela Basic Income Experiment Grant

OBIG - Otjivero Basic Income Grant Project

OP – Otjivero Basic Income Grant Payout

KAS – Konrad Adenauer Stiftung

MPBI - Madhya Pradesh Basic Income Programme

MG – Madhya Pradesh Income Programme Grant

IPDS – Indian Public Distribution System

OECD – Organization for Economic Cooperation and Development

UNICEF – United Nation’s Children’s Fund

EU – European Union

PIAAC – Programme for the International Assessment of Adult Competencies

GDP – Gross Domestic Product



## Chapter 1: Introduction

*“The curse of poverty has no justification in our age. It is socially as cruel and blind as the practice of cannibalism at the dawn of civilization, when men ate each other because they had not yet learned to take food from the soil or to consume the abundant animal life around them. The time has come for us to civilize ourselves by the total, direct and immediate abolition of poverty.”<sup>1</sup> - Martin Luther King*

The principle of alleviating poverty through the fair and efficient sharing of wealth is not a new idea. In particular, since the industrial revolution shifted the nature of how many societies were organized, there has been a struggle for how social cohesion should be achieved and maintained.<sup>2</sup> While the dissolution of the Soviet empire and the accompanying failure of communist ideology played a significant role in establishing the dominance of the liberal capitalist market system in what Fukuyama described as “the end of history”<sup>3</sup>, the rapid acceleration of technological change is one factor that appears to have eroded the foundations of this order. Indeed, even within the next ten years, robots are estimated to replace twenty million factory jobs globally by the year 2030.<sup>4</sup> Specifically, according to estimates by PIAAC, 9% of all jobs are at high risk of being automated and 50% of all jobs face a transformation in the tasks required.<sup>5</sup>

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<sup>1</sup> King, Martin Luther. *Chaos or Community?* 175. Penguin Books, 1969.

<sup>2</sup> Jean Vercherand, “The Social Question since the 19th Century. *Labour*. 9. Palgrave Macmillan, London, 2004.

<sup>3</sup> Fukuyama, Francis. “The End of History?” *The National Interest*, no. 16 (1989): 3-4. Accessed February 13, 2020. [www.jstor.org/stable/24027184](http://www.jstor.org/stable/24027184).

<sup>4</sup> “Robots ‘to Replace up to 20 Million Factory Jobs’ by 2030.” BBC News, June 26, 2019. <https://www.bbc.com/news/business-48760799>.

<sup>5</sup> “Automation and Independent Work in a Digital Economy.” OECD Policy Brief on The Future of *Work*. 1-2. OECD Publishing Paris, 2016. <https://www.oecd.org/employment/Policy%20brief%20-%20Automation%20and%20Independent%20Work%20in%20a%20Digital%20Economy.pdf>.

The number of people that can be considered part of the precariat (a term to describe a social class in a state of unpredictability and lack of security)<sup>6</sup> has been expanding at an alarming rate.<sup>7</sup> Although global living standards, even in impoverished nations, have risen over the last centuries<sup>8</sup>, this trend can be largely attributed to the economic success of China, whereas many developing nations did not make such progress.<sup>9</sup> Therefore, an overall increase in living standards does not mean that the problem of inequality is being solved effectively. Indeed, the 2019 Credit Suisse report on global wealth suggests that in most parts of the world, the top 10% of earners receive the majority share of increased wealth, resulting in a stagnation of wealth distribution over the last years. (see Appendix 1).<sup>10</sup> Hence, some have suggested that there is a need to restructure the labour market and social systems in the first world,<sup>11</sup> as well as to recalibrate efforts toward developmental growth in emergent nations.<sup>12</sup> This could lead to a reduction of adverse outcomes related to inequality. These include the rise of populist parties, radical ideologies and further waves of emigration toward the developed world.

A strategy that has been gaining prominence in recent time is the policy of a Universal Basic Income (UBI). It was first suggested by Thomas Paine in 1796 and

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<sup>6</sup> Frenchy Lunning, *Fanthropologies (Mechademia, 5)*. 252. University of Minnesota Press, 2010.

<sup>7</sup> Guy Standing, "Who Are 'The Precariat' and Why Do They Threaten Our Society?" Euronews, May 2, 2018. <https://www.euronews.com/2018/05/01/who-are-the-precariat-and-why-they-threaten-our-society-view>.

<sup>8</sup> Jeffrey Williamson, "How Tough Are Times in the Third World?" 112. In D. N. McCloskey, ed., *Second Thoughts: Myths and Morals of U.S. Economic History*. New York: Oxford, 1993.

<sup>9</sup> Hanna, Rema, and Benjamin A. Olken. "Universal Basic Incomes versus Targeted Transfers: Anti-Poverty Programs in Developing Countries." *The Journal of Economic Perspectives* 32, no. 4 (2018): 201-202. <https://www.jstor.org/stable/26513502>.

<sup>10</sup> "Global Wealth Report 2019." Credit Suisse Research Institute. 10. Credit Suisse AG Zürich, 2019.

<sup>11</sup> Guy Standing, "Universal Basic Income Is Becoming an Urgent Necessity." The Guardian News and Media, January 12, 2017. <https://www.theguardian.com/commentisfree/2017/jan/12/universal-basic-income-finland-uk>.

<sup>12</sup> David Coady, and Prady Delphine, "*Universal Basic Income in Developing Countries: Issues, Options, and Illustration for India*." IMF Working Paper. 4-6. IMF Washington D.C., 2018. doi:10.5089/9781484370049.001.

has since been adopted by Milton Friedman, Martin Luther King, Mark Zuckerberg, and Barack Obama among others.<sup>13</sup> Nonetheless, this advocacy from people from all over the political spectrum has not resulted in a nation-wide adaptation.<sup>14</sup> However, the increasing pressure created by automation, the competition of workers through globalization, and the lack of adequate income distribution has fuelled the debate of the utility and necessity of a UBI over the last years.<sup>15</sup> Naturally, there is a need for further research on this topic. Nonetheless, there have been a number of recent studies that have been conducted. This thesis will consider the most significant cases across the globe.

Developed countries are investigated through the Alaska Permanent Fund (APF) in the United States, which has been financed through state oil revenue. Implemented by a Republican administration to reduce government spending and to encourage settler-ship since 1976, it is deemed successful in achieving its goals according to a significant portion of observers.<sup>16</sup> The European case that is investigated in this thesis is the Kela Basic Income Experiment (KBIE) in Finland from 2017-2018. This highly publicized trial was constructed to understand what impact a BI would have on the Finnish labour market. Preliminary findings have received mixed responses regarding their informative value. However, fears of problems such as increased unemployment were not found.<sup>17</sup>

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<sup>13</sup> John W. Miller, "Universal Basic Income Is Having a Moment. Can Advocates Convince a Skeptical Public?" *America Magazine*, October 4, 2019. <https://www.americamagazine.org/politics-society/2019/10/02/universal-basic-income-having-moment-can-advocates-convince-skeptical>.

<sup>14</sup> *Idib.*

<sup>15</sup> Maura Francese, and Delphine Prady. "Universal Basic Income: Debate and Impact Assessment." *IMF Working Papers* 18, no. 273 (2018): 1–24. <https://doi.org/10.5089/9781484388815.001>.

<sup>16</sup> Johnathan, Dehn "Bedingungsloses Grundeinkommen: Wo Klappt's, Wo Nicht?" *Katapult Magazin*. Accessed February 15, 2020. <https://katapult-magazin.de/de/artikel/artikel/fulltext/wo-klappts-wo-nicht/>.

<sup>17</sup> Ashitha Nagesh. "Finland Basic Income Trial Left People 'Happier but Jobless'." *BBC News*, February 8, 2019. <https://www.bbc.com/news/world-europe-47169549>.

In contrast, the developing world is examined through the Otjivero Basic Income Grant Project (OBIG) in Namibia from 2008-2013. This project is associated with outcomes such as increased entrepreneurship, positive migration, and better health care.<sup>18</sup> Lastly, this thesis will analyse the Madhya Pradesh Basic Income Experiment (MPBI) in India from 2011-2012. This project is widely considered to be the most promising of its kind, as it resulted in extensive economic growth, greater inclusion and equality, as well as better rates of child education.<sup>19</sup> These cases allow for a comprehensive process of contextualization, whereby the specific construction, successes and failures can teach us about the utility of the introduction of a UBI in other areas of the world.

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<sup>18</sup> Rigmar Ostermann. "The Basic Income Grant Pilot Project in Namibia: A Critical Assessment." *Basic Income Studies*. 8, no. 1 (2013): 71-91. doi:10.1515/bis-2012-0007.

<sup>19</sup> Schjoedt, Rasmus. "India's Basic Income Experiment." *Development Pathways*, no. 21 (2016): 1-10. <https://socialprotection-humanrights.org/wp-content/uploads/2016/04/Indias-Basic-Income-Experiment-PP21.pdf>.

## **Chapter 2:**

### **Theory & Method**

This thesis draws from political science literature to examine the social and economic implications of the introduction of UBI, through utilizing the method of Mill's most different system designs in comparative case study research. Hence, four pilot programmes, across four separate continents with varying cultural, economic, and political backgrounds have been selected so that findings about the outcomes the specific UBI policy can be compared. The conclusion chapter contextualizes the findings into their relevance in regard to the global debate on the necessity and usefulness of a UBI policy. The theoretical framework for this thesis consists of the rational-choice (RCI) and historical (HI) institutionalisms, as the mutual engagement of both allows for a complementary micro-, as well as, macro-level of analysis.<sup>20</sup>

### **2.1. Rational Choice Institutionalism**

RCI has been chosen for this thesis due to its practicality and association with economic issues, which is useful in regard to UBI. It seeks to attach rules/laws to human behaviour (akin to the natural sciences), as it assumes that actors behave rationally according to a list of preferences and choices in a given scenario in relation to the information available to them.<sup>21</sup> At the core of RCI is the principal-agent model. In this model, institutions (i.e. the principal) can be effective in shaping human behaviour as they are tasked with establishing “the rules of the game” and citizens

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<sup>20</sup> Ira Katznelson and Barry R. Weingast, *Preferences and Situations: Points of Intersection Between Historical and Rational Choice*. 1-20. New York: Russell Sage Foundation, 2005. <http://www.jstor.org/stable/10.7758/9781610443333>.

<sup>21</sup> Hugh Ward, “Rational Choice.” *Theory and Methods in Political Science*, 65–66. Palgrave MacMillan, 2002. [https://doi.org/10.1007/978-0-230-62889-2\\_4](https://doi.org/10.1007/978-0-230-62889-2_4).

(i.e. the agents) tend to act according to the rules, as breaking rules would result in a negative outcome for themselves. An example to illustrate this are the Champagne fairs during the 12<sup>th</sup> and 13<sup>th</sup> centuries in France. As the fairs increased in size, it became more difficult to ensure honest trading. A lack of accountability incentivized some individuals to engage in fraudulent activities. As a response, commercial law was introduced through the installation of a system of judges that could impose heavy sanctions on violators. Consequently, trading became more reliable.<sup>22</sup> Thus, institutions in this approach have considerable power in influencing individually driven behaviour through constructing a framework of rules and regulations.

Game Theory (GT) is a method that is synonymous with RCT. It can be used as a tool to explain and predict behaviour.<sup>23</sup> A classic example of a social scenario is the Prisoner's Dilemma thought experiment, whereby two people have been arrested for a crime. They cannot communicate with each other. If they both remain silent they will receive two years each, given both of them do so. If one gives the other away, while one side remains silent, the co-operator gets no punishment, while the other receives an eight-year sentence. If both parties confess, they receive four years.<sup>24</sup> In this thought experiment the best strategy for each prisoner, knowing what is the best strategy for the other is, is to defect, so that a maximum punishment can be avoided. This most dominant, rational strategy for actors is known as the Nash Equilibrium.<sup>25</sup> Nonetheless, in RCI actors are not merely viewed as one-dimensional, participating in a single game. Indeed, they can be engaged in games within games (nested games).

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<sup>22</sup> Paul Milgrom, Douglass Cecil. North, and Barry R. Weingast. *The Role of Institutions in the Revival of Trade: the Law Merchant, Private Judges, and the Champagne Pairs*. 1-23. Stanford University, 1990.

<sup>23</sup> Ward, "Rational Choice." 65–66.

<sup>24</sup> Steven Kuhn, "Prisoner's Dilemma." Stanford Encyclopedia of Philosophy, April 2, 2019.

<https://plato.stanford.edu/entries/prisoner-dilemma/>.

<sup>25</sup> Ibid.

This implies that actors can have preferences across several engagements and explains why an actor may not choose the most rational outcome in a given scenario.<sup>26</sup>

In addition to this, some further central ideas relevant to RCI and its understanding of institutions, societal processes, and individual action are the themes of asymmetric/incomplete information, the problem of collective action and free riding, and the emotions of protest. Akerlof outlines the problem of asymmetric information in his study of the used car market, whereby buyers are unable to determine the peaches (good cars) from the lemons (bad cars). Since most buyers have a fixed price in mind, it is in their interest of the seller to get rid of the lemons. Over time, the overall quality on the market will suffer because of the adverse selection of the buyer, as the salesman is in a position of having superior knowledge.<sup>27</sup> Apart from asymmetric information, there are also imperfect and incomplete information, where one party may only have partial or no information at all about the other actors. Yet, actors can tune their preference by taking in new information and reevaluating probabilities (Bayesian updating).<sup>28</sup>

As RCI is concerned with the individual, the study of group dynamics and how individuals function within them is crucial. For instance, there can be a problem of free riding in regards to public goods. As many public goods, e.g. roads or parks, are generally non-excludable, actors may not feel a need to contribute, resulting in over-consumption or under-production. Indeed, there are many problems that can

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<sup>26</sup> George Tsebelis, "Nested Games and Rationality." In *Nested Games: Rational Choice in Comparative Politics*, 4. University of California Press, 1990.  
[www.jstor.org/stable/10.1525/j.ctt1pnk3s.6](http://www.jstor.org/stable/10.1525/j.ctt1pnk3s.6).

<sup>27</sup> George A. Akerlof, "The Market for "Lemons": Quality Uncertainty and the Market Mechanism." *The Quarterly Journal of Economics* 84, no. 3 (1970): 488-500. <http://www.jstor.org/stable/1879431>.

<sup>28</sup> Samir Okasha, "The Evolution of Bayesian Updating." *Philosophy of Science* 80, no. 5 (2013): 745. doi:10.1086/674058.

arise of a group is too large. Therefore, mechanisms such as mandatory taxes are crucial to make sure that the interest of the group and the individual are somewhat aligned.<sup>29</sup> Moreover, emotions are not regarded as irrational by RCIs, as they are fulfilling a specific function. For instance, the failure of a nuclear plant could be attributed the company running it. The outrage could result in punishment and improvement of safety standards, in turn making it safer for the individual.<sup>30</sup> Furthermore, Hirschman argues in regards to group dynamics that an individual has the option of voicing concerns, exiting altogether or remaining loyal when confronted with an issue depending on the circumstances.<sup>31</sup>

Therefore, RCI enables us to understand the effects of UBI from an economical point of view. As UBI is a policy that is founded within the principle of monetary transfers, the strengths of RCI in explaining individual action through rules and incentives<sup>32</sup> fit the given scenario that is being studied. Furthermore, RCI supports the employment of qualitative studies. As the studies that serve as a basis to analyze the selected regions are of a qualitative nature, RCI is the best tool in interpreting the given data. Indeed, RCI allows for prediction and explanation<sup>33</sup> of why UBI may or may not work. As the debate around this policy is gaining traction, yet it has not been adopted on a nation-wide scale, RCI application can give a strong recommendation of policy adaptation as compared to more interpretive approaches.

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<sup>29</sup> Mancur Olson, *The Logic of Collective Action, Public Goods, and the Theory of Groups*. 8-16. Harvard University Press, 2002

<sup>30</sup> James M. Jasper, "The Emotions of Protest: Affective and Reactive Emotions in and around Social Movements." *Sociological Forum* 13, no. 3 (1998): 397-401. <http://www.jstor.org/stable/684696>.

<sup>31</sup> Albert O. Hirschman, *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States*. 106-129. Harvard University Press, 2007.

<sup>32</sup> Ward, "Rational Choice." 67.

<sup>33</sup> Katznelson, and Weingast. *Preferences and Situations: Points of Intersection Between Historical and Rational Choice*. 3-4.



## 2.2. Historical Institutionalism

As the introduction of a UBI is closely tied to the debate about the changing nature of work, HI is a very suitable theory when trying to ascertain of the adequacy of such a policy, as it deals with grand, substantive questions of broad interests in a macro context, taking into consideration a wide array of variables over time.<sup>34</sup> This includes transformative topics such as revolutions, economic crisis, and the emergence of welfare systems.<sup>35</sup> HI developed out of group theory in combination structural functionalism with a more distinct evaluation in which ways some institutions matter more than others, as well as how they interact with each other.<sup>36</sup> Hence, in this theoretical approach, institutions play a significant role in establishing societal norms. However, institutions are not considered to be the sole engine for initiating these processes, but rather as a piece of a larger puzzle as themes such as ideal forces can also play a role. HI views states as a set of social and governmental institutions.<sup>37</sup> Therefore, societal processes cannot be causally explained through only studying a specific, single dimension, but rather in a comparative context.

For instance, Pierson analyzed the path of EU integration, arguing that the intergovernmentalist approach about merely analyzing outcomes is not sufficient, as there is not enough evidence that the mechanisms led to the specified outcome (i.e. no convincing path dependence and causality). He stresses that a comparative HI approach, whereby causal processes are identified, offers a more compelling

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<sup>34</sup> Theda Skocpol and Paul Pierson. "Historical Institutionalism in Contemporary Political Science." In *Political Science: State of the Discipline*, 3. New York: W. W. Norton, 2002.

<sup>35</sup> *Ibid.* 1-2.

<sup>36</sup> Peter A. Hall, and Rosemary C. R. Taylor, "Political Science and the Three New Institutionalisms." *Political Studies* 44, no. 5 (December 1996): 936-57. doi:10.1111/j.1467-9248.1996.tb00343.x.

<sup>37</sup> B. Guy Peters, "Legacy of the Past: Historical Institutionalism." In *Institutional Theory in Political Science: The New Institutionalism*, 74. London: Pinter Publishers, 1998.

argument that EU integration has supranational features because member states do not have complete sovereignty in a number of areas.<sup>38</sup> In regards to the introduction of a UBI, this means that HIs would consider a one-dimensional analysis of an outcome of a single country as not being as insufficient when trying to ascertain why and how a UBI policy makes sense. Indeed, a longitudinal approach that takes into consideration the societal process across different contexts (i.e. cases) yields more authoritative results.

Another example to illustrate HI applications is Skopcol's comparative study of revolutions. Three case studies over extended periods of time were selected (France, Russia, and China). Skopcol outlined that the RCI, micro analytical approaches did not provide sufficient explanations of the overall causal mechanisms behind the occurrence of revolutions. Therefore, Skopcol identified the variables of state structure, international competitive pressures, international demonstration effects, and class relations as sufficient to be a cause of revolution.<sup>39</sup> These variables were distilled toward the following conclusion:

“I have argued that (1) state organizations susceptible to administrative and military collapse when subjected to intensified pressures from more developed countries from abroad, and (2) agrarian sociopolitical structures that facilitated widespread peasant revolts against landlords were, taken together, the sufficient distinctive causes of social-revolutionary situations commencing in France, 1789, Russia, 1917, and China, 1911.”<sup>40</sup>

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<sup>38</sup> Paul Pierson, “The Path to European Integration: A Historical Institutionalist Analysis.” In *Comparative Political Studies* 29, no. 2 (1996): 157–58. doi:10.1177/0010414096029002001.

<sup>39</sup> Theda Skopcol, *States and Social Revolutions a Comparative Analysis of France, Russia, and China*. 45–46. Cambridge University Press, 2015. <https://doi.org/10.1017/CBO9780511815805>

<sup>40</sup> Idib. 154.

Consequently, HI utilizes the identification of variables. The variables that show commonality over different scenarios, indicate what the general cause or effect of a particular phenomena is.

In relation to the contents of this thesis, HI's emphasis on contextualization enables a comparison of a spectrum of variables that can help to determine what may or may not make a UBI a realistic policy for particular states or regions across the globe. Its looser interpretation about what an institution is (as compared to the old institutionalists approaches)<sup>41</sup> allows for the incorporation of factors such as automation. Moreover, as the digitalization of societies is a factor that is played out over time, HI analysis through the feature of path dependence and causality, to emphasize the importance of history in societal processes.<sup>42</sup> This is a useful tool when studying the potential effects of a transformative change, e.g. how welfare systems should be organized globally.

### **2.3. Comparative Case Study Method**

As the aim of this thesis is to ascertain what the social and political implications of an introduction of a UBI are, a comparative case study method offers the most utility as it allows for an analogy of different contexts over time.<sup>43</sup> Therefore, in order to test the universality of such a social policy, four different cases in four different continents with varying economic stature have been selected. As the commonality between the cases is their UBI policy, this thesis will make use of Mill's

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<sup>41</sup> Sven Steinmo, Kathleen Ann. Thelen, and Frank Longstreth. *Structuring Politics: Historical Institutionalism in Comparative Analysis*, 11, Cambridge: University Press, 1994.

<sup>42</sup> Hall, "Political Science and the Three New Institutionalisms." 9.

<sup>43</sup> Delwyn Goodridge, "Comparative Case Studies: Impact Evaluation." *Methodological Briefs*, no.9 (2004): 1-2. <https://www.unicef-irc.org/publications.html>.

direct method of agreement / most different systems design. This approach evolves around the selection of cases, whereby the individual cases can be quite different in their context, as long as the dependent variable (i.e. the UBI policy) is present in all cases. The common results can be classified as the effect of that certain phenomenon.<sup>44</sup>

Furthermore, it is important to distinguish between the policy of a UBI and the concept of a negative income tax, whereby individuals under a certain level of income would be exempt from paying taxes as outlined by Friedman.<sup>45</sup> This thesis will focus on cases that fit the definition put forward by the Citizens Income Trust that states a UBI is unconditional, automatic, non-withdrawable, individual, and a right, with the feature of monetary transfers.<sup>46</sup> Moreover, the selected cases all have academic, public, primary analysis of the impacts of the programs, which are no older than ten years so that findings are as relevant as possible for the contemporary debate of the usefulness of a UBI.

In regards to case selection, Klotz argues that it is important to consider the universe of possible cases, as well as avoiding non-cases.<sup>47</sup> As it pertains to this thesis, whole countries were not an option in the case selection, as a UBI has not yet been adopted on such a large scale. Therefore, this research will focus on regional implementation. As the method relies on the method of most different systems design,

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<sup>44</sup> Charles C. Ragin, *The Comparative Method: Moving beyond Qualitative and Quantitative Strategies*. 36-37. University of California Press, 2014.

<sup>45</sup> Milton, and Rose D. Friedman., *Capitalism and Freedom*. 192-194. University of Chicago Press, 2012.

<sup>46</sup> "Features of Basic Income." Citizens Income Trust. Accessed February 11, 2020. <https://citizensincome.org/citizens-income/what-is-it/>.

<sup>47</sup> Audie Klotz, "Case Selection." In *Qualitative Methods in International Relations*, 46-47. Basingstoke: Palgrave Macmillan, 2009.

the case selection focused on regions that are geographically, culturally, as well as economically in contrast with each other. However, the context in which this policy was conducted will be reflected upon the implications for the whole country. Thus, the regional contexts are not entirely separated from the countries themselves.

The first selection is the Alaska Permanent Fund (APF). This case is perhaps the most relevant as it is the longest running UBI program, implemented during a Republican administration<sup>48</sup> in the world's richest, most affluent nation.<sup>49</sup> The second case is the Kela Basic Income Experiment (KBIE) because it was conducted in a left leaning, European Union member state.<sup>50</sup> Although the scale of this experiment was relatively small, it stirred considerable, global interest among academics.<sup>51</sup> Thereafter, the Otjivero Basic Income Grant Project (OBIG) in Namibia serves as a representation of developing countries in African contexts, as it suffers from heavy structural unemployment, and a lack of education.<sup>52</sup> Its experiment was executed over an eight-year period with some periods of discontinuation, coming to a halt in 2015.<sup>53</sup> Lastly, the Madhya Pradesh Basic Income Programme (MPBI) in India acts as a case of an ambitious, advancing country with a large population<sup>54</sup> that spends a

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<sup>48</sup> "Overview." Alaska Permanent Fund Corporation, January 7, 2020. <https://apfc.org/>.

<sup>49</sup> "The World Factbook: United States." Central Intelligence Agency, February 1, 2018. <https://www.cia.gov/library/publications/the-world-factbook/geos/us.html>.

<sup>50</sup> "The World Factbook: Finland." Central Intelligence Agency, February 1, 2018. <https://www.cia.gov/library/publications/resources/the-world-factbook/geos/fi.html>.

<sup>51</sup> Björn Lindahl, "The Research Project against All Odds: Olli Kangas on Finland's Universal Basic Income." *The Nordic Labour Journal*, June 22, 2018. <https://web.archive.org/web/20180629211310/http://www.nordiclbourjournal.org/i-fokus/in-focus-2018/nordic-working-life/article.2018-06-19.3754995539>.

<sup>52</sup> "The World Factbook: Namibia." Central Intelligence Agency, February 1, 2018. <https://www.cia.gov/library/publications/the-world-factbook/geos/wa.html>.

<sup>53</sup> Frank Dahlmann, "Was Wurde Aus Dem Grundeinkommen in Namibia?" *Brand Eins Online*. Accessed February 4, 2020. <https://www.brandeins.de/themen/rubriken/was-wurde-aus/dem-grundeinkommen-in-namibia>.

<sup>54</sup> "The World Factbook: India." Central Intelligence Agency, February 1, 2018. <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>.

considerable amount of its resources on welfare programmes. Yet, they are generally considered to be quite ineffective.<sup>55</sup>

The dimensions that will be analyzed and compared among all cases are the overall social and economic outcomes in the given context. This entails sub areas such as the impact on the labour market, the potential to reduce social conflicts, and the implications for healthcare policy. The ability to reduce social conflicts will be discussed because UBI programs, especially the OBIG and MPBI, are partially directly aimed at empowering women and children.<sup>56</sup><sup>57</sup> The discussion about impact on healthcare policy as is also compatible, as the introduction of a UBI is generally associated with a decline in stress related diseases<sup>58</sup>, but also with a small increase in the consumption of temptation goods.<sup>59</sup> Nonetheless, the impact on the labour market is most relevant because critics of UBI cite fears of creating a disincentive to work. Moreover, the KBIE was specifically aimed at understanding how the labour market is impacted by UBI<sup>60</sup> and all official studies regarding the mentioned cases is concerned with this overarching theme as well.

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<sup>55</sup> Abhijit Banjee, Paul Niehaus, and Tavneet Suri. "Universal Basic Income in the Developing World." *Annual Review of Economics* 11, no. 1 (2019): 19-21. <https://doi.org/10.3386/w25598>.

<sup>56</sup> "Founding Document" *BIG Coalition*. Namibia NGO Forum, 2005. [http://www.bignam.org/Publications/Coalition\\_Platform.pdf](http://www.bignam.org/Publications/Coalition_Platform.pdf).

<sup>57</sup> "Executive Summary" *Madhya Pradesh Unconditional Cash Transfer Project*. 1-3. SEWA Bharat India, 2015. <http://sewabharat.org/wpcontent/uploads/2015/07/Executive-summary.pdf>.

<sup>58</sup> Olli Kangas, Signe Jauhiainen, Miska Simanainen and Minna Ylikännö. "The Basic Income Experiment 2017–2018 in Finland: Preliminary Results." 21. *Reports and Memorandums of the Finnish Ministry of Social Affairs and Health*, 2019.

<sup>59</sup> Brett Watson, Mouhcine Guettabi and Matthew N Reimer. "Universal Cash and Crime." *Review of Economics and Statistics* (2019): 17-18. [https://doi.org/10.1162/rest\\_a\\_00834](https://doi.org/10.1162/rest_a_00834).

<sup>60</sup> "Basic Income Experiment." Social Insurance Institution of Finland. Accessed February 4, 2020. <https://www.kela.fi/web/en/basic-income-experiment>.

## Chapter 3:

### Universal Basic Income in the Developed World

The Western world has enjoyed commanding economic success during the last centuries. Pomeranz has called this process of attaining socioeconomic dominance “the great divergence”.<sup>61</sup> Indeed, as of 2017, Western economies make up 80% of the highest GDP per capita among the twenty most affluent nations (see Appendix 2).<sup>62</sup> However, many feel that this wealth is not being shared adequately among the population and that the process of labour automation will inevitably erode the Western market system as a large workforce will no longer be required to produce economic output.<sup>63</sup> Consequently, there are sufficient economic and political incentives, as well as a strong economic foundation to pioneer these policies. Major studies by the IMF<sup>64</sup>, the World Bank<sup>65</sup> and the European Commission<sup>66</sup>, as well as a scientific journal established in 2006 called “Basic Income Studies” have provided a wide theoretical analysis of UBI in a Western context. The APF in a free-market economic context in the US and KBIE with a EU social democratic welfare system are the most relevant cases of BI in practice and are therefore well suited to investigate UBI implementation and its outcomes.

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<sup>61</sup> Kenneth Pomeranz, *The Great Divergence: China, Europe and the Making of the Modern World Economy*. Princeton University Press, 2012.

<sup>62</sup> Plecher, H. “GDP per Capita 2017, by Country.” Statista, December 9, 2019. <https://www.statista.com/statistics/270180/countries-with-the-largest-gross-domestic-product-gdp-per-capita/>.

<sup>63</sup> Standing, “Who Are ‘The Precariat’ and Why Do They Threaten Our Society?” Euronews.

<sup>64</sup> Maura Francese and Delphine Prady. “Universal Basic Income: Debate and Impact Assessment.” *IMF Working Papers* 18, no. 273 (2018): 1–24. <https://doi.org/10.5089/9781484388815.001>.

<sup>65</sup> “Universal Basic Income: A Guide to Navigating Concepts, Evidence, and Practices.” *International Bank for Reconstruction and Development Paper*. 1-337. World Bank Washington, 2020. <https://doi.org/10.1596/978-1-4648-1458-7>.

<sup>66</sup> Pavel Ciaian, Andrey Ivanov, and Dartis Kancs. “Universal Basic Income: A Viable Policy Alternative?” *The World Economy* 42, no. 10 (2019): 2975–3000. <https://doi.org/10.1111/twec.12798>.

### 3.1. The Alaska Permanent Fund (USA Case Study)

Alaska is the largest US state with a population of 700,000 (2% of US total). It is situated in the Northwest. Its APF is the longest running, largest scale UBI-resembling program of its kind.<sup>67</sup> Republican governor Jay Hammond, who argued that the extensive wealth generated by natural resources in Alaska was not being distributed adequately among the population, was the political force behind the introduction in 1976. During the construction of the first trans-Alaskan oil pipeline, Hammond pushed forward the policy to ensure that the economic benefits would be felt throughout Alaska.<sup>68</sup> The APF was passed through a constitutional amendment.<sup>69</sup> It is organized as a fund and eligibility requirements are defined very broadly, whereby an application form has to be filled between January and March of every year. Potential recipients are all residents, including children. (see Appendix 3).<sup>70</sup>

The amount paid out to Alaskan's varies (see Appendix 4).<sup>71</sup> It peaked at 3269 US dollars in (due to a 1,200 dollar bonus that year) and was at 331 US dollars its lowest point in 1984 shortly after its introduction. The total amount paid out last year amounted to roughly 1 billion US dollars.<sup>72</sup> The APF's performance is closely linked to oil prices and stock market performance. This is because of a governmental body,

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<sup>67</sup> "Why Alaska's Experience Shows Promise for Universal Basic Income." University of Pennsylvania. Accessed February 27, 2020. <https://knowledge.wharton.upenn.edu/article/alaskas-experience-shows-promise-universal-basic-income/>.

<sup>68</sup> Karl Widerquist, "Jay Hammond: Father of the Alaskan Basic Income." BIEN, December 7, 2017. <https://basicincome.org/news/2017/12/jay-hammond-father-alaskan-basic-income-dies-83-2005/>.

<sup>69</sup> "Constitution." State of Alaska. Accessed February 4, 2020.

<http://www.legis.state.ak.us/basis/folioproxy.asp?url=http://www.jnu01.legis.state.ak.us/cgi-bin/folioisa.dll/acontxt/query>.

<sup>70</sup> "Eligibility Requirements." Alaska Permanent Fund Dividend Division. Accessed February 4, 2020. <https://pfd.alaska.gov/Eligibility/Requirements>.

<sup>71</sup> "Division Info." Summary of Dividend Applications & Payments. Alaska Permanent Fund Dividend Division. Accessed February 27, 2020. <https://pfd.alaska.gov/Division-Info/Summary-of-Applications-and-Payments>.

<sup>72</sup> Ibid.



which is tasked with diversification through investing fund assets. In total, merely 11% of all oil related revenues go towards financing the APF.<sup>73</sup> This arguably low amount can be attributed to Alaska has no state income or sales tax so state owned oil revenues are needed in other administrative areas.<sup>74</sup> Nonetheless, as global oil prices tend to have fallen during the last decade (see Appendix 5)<sup>75</sup>, the generated revenue of the APF has been fluctuating and although the APF is a very popular policy among Alaskans, some politicians have suggested its abolishment, describing it as a too costly, inefficient, socialist construction.<sup>76</sup> The size of the dividend is calculated by adding the fund's net income from the last five years, multiplied by 21%, divided by two, subtracting the APF's expenses, and then dividing it by the number of applicants.<sup>77</sup>

Research about the economic and social effects of the PFD somewhat limited as there is little to no government funding and it is difficult to collect data because many Alaskans view their spending behaviour as a private matter.<sup>78</sup> There have been a total of ten published research papers. Three of which are concerned with the labour market, one with income inequality, two on health, another two on spending, and a

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<sup>73</sup> Mouhcine Guettabi, "What do we know about the effects of the Alaska Permanent Fund Dividend?" *Institute of Social and Economic Research*. 8. University of Alaska Anchorage, 2019. [https://pubs.iseralaska.org/media/a25fa4fc-7264-4643-ba46-1280f329f33a/2019\\_05\\_20-EffectsOfAKPFD.pdf](https://pubs.iseralaska.org/media/a25fa4fc-7264-4643-ba46-1280f329f33a/2019_05_20-EffectsOfAKPFD.pdf)

<sup>74</sup> Oliver Goldsmith, "The Alaska Permanent Fund Dividend: A Case Study in Implementation of a Basic Income Guarantee." *Institute of Social and Economic Research*. 4-5. University of Alaska Anchorage, 2020. <http://hdl.handle.net/11122/4170>.

<sup>75</sup> "WTI Crude Oil Prices - 10 Year Daily Chart." MacroTrends. Accessed March 3, 2020. <https://www.macrotrends.net/2516/wti-crude-oil-prices-10-year-daily-chart>.

<sup>76</sup> Richard Feloni, "The Future of Alaska's \$65 Billion Fund That Pays Every Citizen around \$2,000 a Year Is a Major Issue in the Governor's Race." *Business Insider*, October 26, 2018. <https://www.businessinsider.com/alaska-permanent-fund-gubernatorial-race-2018-10>.

<sup>77</sup> "Calculation of the Permanent Fund Dividend." Alaska Permanent Fund Corporation. Accessed March 3, 2020. [web.archive.org/web/20130117184423/http://www.apfc.org/home/Content/dividend/dividend.cfm](http://www.apfc.org/home/Content/dividend/dividend.cfm).

<sup>78</sup> Goldsmith, "The Alaska Permanent Fund Dividend: A Case Study in Implementation of a Basic Income Guarantee." 10.

paper each on poverty and crime.<sup>79</sup> Therefore, there is a need to collect further data on the potential benefits. However, the recent literature has helped to identify major, underlying trends. As American public opinion traditionally highly antagonistic towards social programmes according to Epstein,<sup>80</sup> there is a case to be made regarding what the cost-benefit ratio of this policy actually is from an economical and political viewpoint alike. If the APF were to be abolished, a reinstatement would be difficult to achieve since constitutional changes require broad support.<sup>81</sup>

Indeed, just as the APF is dependent on oil revenue, so are most Alaskans as about one third of all jobs are based in this sector.<sup>82</sup> These dependencies on periodic booms mean that it has been historically difficult for Alaskans to pursue settler-ship through a stable income and decent living standards. This is especially true for remote regions inhabited by indigenous populations who make up about 20% of its population and large number heavily dependent on government support.<sup>83</sup> Hsieh's study on purchasing behaviour suggests that the annual payout enables Alaskans to buy durable goods they could otherwise not afford (e.g. appliances or snow machines). Alaskans seem to buy these durable goods before the dividend is paid out.<sup>84</sup> Another study supports this evidence and additionally suggests that in fact 30% of recipients direct the extra cash towards financing their debts and increasing their

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<sup>79</sup> Guettabi, "What do we know about the effects of the Alaska Permanent Fund Dividend?" 1.

<sup>80</sup> William Epstein, "Cleavage in American Attitudes toward Social Welfare." *The Journal of Sociology & Social Welfare* 31, no. 4 (2004): 178-179. <https://scholarworks.wmdu/jssw/vol31/iss4/10>.

<sup>81</sup> "Constitution." State of Alaska. Accessed February 4, 2020.

<http://www.legis.state.ak.us/basis/folioproxy.asp?url=http://www.jnu01.legis.state.ak.us/cgi-bin/folioisa.dll/acontxt/query>.

<sup>82</sup> Goldsmith, "The Alaska Permanent Fund Dividend: A Case Study in Implementation of a Basic Income Guarantee." 1.

<sup>83</sup> *Ibid* 2.

<sup>84</sup> Chang-Tai Hsieh, "Do Consumers React to Anticipated Income Changes? Evidence from the Alaska Permanent Fund." *The American Economic Review* 93, no. 1 (2003): 301. Accessed February 27, 2020. [www.jstor.org/stable/3132183](http://www.jstor.org/stable/3132183).

savings.<sup>85</sup> Therefore, it can be argued that the APF is a foundational pillar of Alaskan society and without it consumption and settler-ship could decrease in times of economic contraction.

Indeed, the dimension of how the APF influences behaviour of recipients is a central goal of most research. A study of how the extra income by way of the APF affects crime has been conducted. The findings suggest that in a four-week period after the cash distribution, property crime decreases by 8%, but substance abuse rises by 9%.<sup>86</sup> Furthermore, the study outlines an increase in temptation good purchases (e.g. gambling, alcohol and tobacco). However, the elasticity of drug usage as compared with food stamp distribution in other US states is estimated to be four times larger in other, comparable regions.<sup>87</sup> Thus, it can be argued, even though some types of crime tends to increase, this does not appear to be as severe as compared to other welfare programmes. Consequently, fears of the APF disproportionately fuelling the problem of societal addiction seem to be overstated.

A major study on the responsiveness of the labour market to income shocks, utilizing the PFD as a case study was published in 2019 by the University of Chicago. Firstly, following the period of the payout, part-time work increases on average by 1.8% (see Appendix 6)<sup>88</sup>, but it seemingly has no other significant effects on employment. However, this trend was described as being not statistically of significant margin. Researchers argue that this could be attributed to APF payouts

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<sup>85</sup> Ibid 10.

<sup>86</sup> Watson et al. "Universal Cash and Crime." 28.

<sup>87</sup> Ibid 29.

<sup>88</sup> Damon Jones, and Ioana Marinescu. "The Labor Market Impacts of Universal and Permanent Cash Transfers: Evidence from the Alaska Permanent Fund." *Human Capital and Economic Opportunity Global Working Group*. 38. University of Chicago, 2019. <http://dx.doi.org/10.2139/ssrn.3118343>.

acting as a stimulus and therefore counteracting the above-described effects.<sup>89</sup> Therefore, this study contradicts the widely held belief that UBI would significantly decrease aggregate labour supply. Considering that automation will reduce demand in the total workforce anyway<sup>90</sup>, introduction of UBI likely will not exacerbate unemployment rates in the short-term, and will make the gradual reduction in demand for labour in the long-term a smoother process.

Another often-cited criticism of UBI is the cost. However, it is crucial to consider areas where funds could be saved elsewhere as a result of UBI (for governments and individuals alike). For instance the problem of obesity has developed into a major health crisis in the US. Over 42% of all Americans are considered obese and 18% of deaths are related to complications arising from this condition. The total cost is estimated to amount to over billion 147 billion US dollars annually (this is excluding reduced economic activity that can arise as a result).<sup>91</sup> A 2019 survey data study suggests that the APF can help to drastically reduce these figures among children.<sup>92</sup> The researchers concluded the following:

“We find that a one thousand dollar unconditional and universal income payment decreases the probability of being obese as a child by 4.5 percentage points, which equates to a 22.4% reduction in the number of obese 3-year-old Alaskans. The averted obesity cases result in average medical-cost savings between 20 and 92 cents per PFD dollar by the age of 17, depending on how the effect of the cash transfer is assumed to persist over time.”<sup>93</sup>

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<sup>89</sup> Ibid 21-22.

<sup>90</sup> Guy Standing, “Universal Basic Income Is Becoming an Urgent Necessity.”

<sup>91</sup> David Blumenthal, “Rising Obesity in the United States Is a Public Health Crisis.” The Commonwealth Fund, April 24, 2018. <https://www.commonwealthfund.org/blog/2018/rising-obesity-united-states-public-health-crisis>.

<sup>92</sup> Brett, Watson Mouhcine Guettabi and Matthew N Reimer, “Universal Cash Transfers Reduce Childhood Obesity Rates.” *Review of Economics and Statistics* (2019): 46-57.

[https://doi.org/10.1162/rest\\_a\\_00834](https://doi.org/10.1162/rest_a_00834).

<sup>93</sup> Ibid 17.

Explanations why this may be the case are argued to be that families tend to spend the children's PFD on better nutrition and health care. Furthermore, the extra income allows mothers to work fewer hours, whereby they have more time to spend with their kids.<sup>94</sup> This means that UBI can make a real contribution to strengthen families and bettering living standards for children, who are the foundation of future progress. From an economical perspective, the reduced healthcare related costs alone can finance a sizeable portion of UBI.

A somewhat counterintuitive trend that has been discovered from the APF is that it seems to worsen income inequality. This is because wealthier recipients tend to save or invest the money, while poorer individuals spend the proceeds on consumption. Thus, the total wealth of better-situated people increases, while less privileged wealth remains about the same.<sup>95</sup> Perhaps this can be cited as evidence for more targeted welfare systems, but a rise in investment can develop into more employment opportunities for the ones at the lower end of the income distribution. Regardless, the APF constitutes an income floor and therefore drastically reduced overall abject poverty, especially among native Alaskans by 12,4%.<sup>96</sup>

To summarize, the positive effects of the APF heavily outweigh its downsides. As Oliver outlines, it has grown into a foundation of Alaskan life over the last thirty years but it contradicts traditional societal perceptions of economic relationships.<sup>97</sup> It could be argued these ideological criticisms appear to be somewhat flawed. The state

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<sup>94</sup> Ibid 18.

<sup>95</sup> Guettabi, "What do we know about the effects of the Alaska Permanent Fund Dividend?" 8.

<sup>96</sup> Ibid 7.

<sup>97</sup> Oliver, "The Alaska Permanent Fund Dividend: A Case Study in Implementation of a Basic Income Guarantee." 24.

government owns most of Alaska's land and natural resources.<sup>98</sup> This does not seem to be a very capitalistic, free market system in the first place. As Alaska has extremely low (or none-existent) tax rates, to abolish the PFD would not only increase poverty and unemployment, as well as weakening consumption, it would also have a knock on effect into areas such as overall health and the rate of settler-ship. Therefore, Alaskan policy makers should work to consolidate the fiscal health of the APF and provide greater funds into research on how it could be improved. Indeed, Alaska has already served as a pioneer on UBI policy, especially since it is a deeply Republican state. It could continue to serve as an example of how societies tackle the problems of the future in a fiscally responsible and socially just way, rather than regressing into ideological-political, partisan debates that offer no real contribution in improving people's lives. As Zwolinski states, UBI is not a leftist, utopian dream. On the contrary, there is a strong libertarian case to be made for it, whereby UBI is a more egalitarian, less bureaucratic approach than other existing welfare programs.<sup>99</sup>

### **3.2. The Kela Basic Income Experiment (Finland Case Study)**

Finland is a EU member country situated in northern Europe with a population of 5,5 million. Its economy is diversified and strongly integrated into the international market. The main industry sectors that make up its GDP are services (66%), manufacturing (31%), and the export of natural resources such as wood, which generate three billion Euros annually. 60% of its total trade volume is conducted

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<sup>98</sup> Idib 1.

<sup>99</sup> Matt Zwolinski, "Property Rights, Coercion, and the Welfare State: The Libertarian Case for a Basic Income for All." *The Independent Review* 19, no. 4 (2015): 515-29.  
<http://www.jstor.org/stable/24563066>.

within the EU.<sup>100</sup> Its politics are traditionally centre-left leaning with social democratic tendencies. In 2012, The Finnish consensual proportional-representation democratic parliament has been alternating between social democratic and moderate conservative majority led governments. As of late 2019, Finland has the youngest female prime minister,<sup>101</sup> further reflecting a large platform for progressive ideas.

Although Finland's economy is by no means underdeveloped, it has experienced sluggish economic growth over the last decade.<sup>102</sup> Some have partially attributed this for Finland having one of the most extensive welfare systems in the world, whereby it supposedly creates a disincentive to work for many. Consequently, under the leadership of a centre-right government, the Finnish social insurance institution (known as "Kela") was tasked in 2015 with conducting a BI program to see if there are more efficient alternatives to the current way the Finnish social welfare system is organized.<sup>103</sup> The experiment was carried out between 2017-2018. Participants received a monthly payment of 560 Euros. It sampled 2000 randomly selected intervals between the ages of 25-58 who receive governmental support. Data was collected through surveys, interviews, and registry. The findings of the groups who received the BI were compared to the other 173,000 Finns who receive unemployment benefits. Appendix 7<sup>104</sup> shows the size and rate of response to Kela from the subjects.

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<sup>100</sup> "The World Factbook: Finland." Central Intelligence Agency, February 1, 2018. <https://www.cia.gov/library/publications/resources/the-world-factbook/geos/fi.html>.

<sup>101</sup> "Finland Country Profile." BBC News, December 10, 2019. <https://www.bbc.com/news/world-europe-17288360>.

<sup>102</sup> "Finland's 'Lost Decade' Continues-Economy Same Size as in 2006." Yle Uutiset. Accessed March 5, 2020.

<sup>103</sup> Ollie Kangas, Simanainen, Miska & Honkanen, Pertti, "Basic Income in the Finnish Context." *Intereconomics: Review of European Economic Policy* 52, no.2 (2017): 87-88.

<https://doi.org/10.1007/s10272-017-0652-0>.

<sup>104</sup> Kangas et al. "The Basic Income Experiment 2017-2018 in Finland: Preliminary Results." 3.

Many observers classify the KBIE as a failure.<sup>105</sup> This is because it was widely propped up to be setting an example towards a pathway to a full UBI introduction.<sup>106</sup> However, these aspirations were flawed. Firstly, the KBIE was not a UBI but rather a BI experiment. This means that rather than payouts being universal in their nature, they were specifically directed at the unemployed.<sup>107</sup> Thus, the useable data is limited to this sub-group of the population. Furthermore, setting a time frame for payouts, especially as short as two years, negates a lot of the potential benefits of a BI. If individuals know that the support they receive will eventually run out, they are not likely to exhibit the same behaviour as someone who would know that they could rely on BI for a longer period of time. Moreover, researcher wanted significantly higher funds so the experiment could be scaled up and higher payouts. They were limited to a budget of twenty million Euros and the length of the experiment was reduced by a year.<sup>108</sup> Also, subjects of the study were under no obligation to contribute to the research. Consequently, response rates were low (25% on average).<sup>109</sup> Nonetheless, since research on UBI is somewhat limited, the KBIE enables a deeper understanding of how the unconditionality of payments can change personal, as well as the institutional perception, of recipients.

Indeed, most positive trends researchers found are improvements in the respondents trust in institutions<sup>110</sup>, a better self-perceived health (see Appendix 8<sup>111</sup>),

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<sup>105</sup> Aria Bendix, “One of the World's Largest Basic-Income Trials, a 2-Year Program in Finland, Was a Major Flop. But Experts Say the Test Was Flawed.” Business Insider, December 8, 2019. <https://www.businessinsider.com/finland-basic-income-experiment-reasons-for-failure-2019-12>.

<sup>106</sup> Lindahl, “The Research Project against All Odds: Olli Kangas on Finland's Universal Basic Income.” The Nordic Labour Journal.

<sup>107</sup> Kangas et al. “The Basic Income Experiment 2017–2018 in Finland: Preliminary Results.” 3.

<sup>108</sup> Bendix, “One of the World's Largest Basic-Income Trials, a 2-Year Program in Finland, Was a Major Flop. But Experts Say the Test Was Flawed.” Business Insider

<sup>109</sup> Kangas et al. “The Basic Income Experiment 2017–2018 in Finland: Preliminary Results.” 3.

<sup>110</sup> Ibid 19.

<sup>111</sup> Ibid 21.



and much higher confidence in their own future (see Appendix 9<sup>112</sup>). It should be noted the experiment's subjects did not receive more money than they otherwise would have from Kela. Therefore, the variant the KBIE brought into play was the unconditionality of payments. It can be argued that these positive parameters alone contribute to easing mental health issues, which are prevalent in Finnish society. Indeed, OECD research outlines that Finland is the leader in mental health incidence in the EU. One in five people are suffering from these illnesses and the related costs are estimated to amount up to 5,3% of the total GDP.<sup>113</sup> The recorded increase in trust towards state institutions can also be considered to be counter-acting political apathy and the rise of populist parties domestically. During the 2019 parliamentary elections the radical, anti-immigrant force "Finn's Party" scored a strong 17,7%.<sup>114</sup> Although Finland is considered the "happiest" country on earth,<sup>115</sup> these growing negative attitudes have the potential to undermine the political system and spoil the legacy of a progressive, inclusive Finland.

The results on the impact of the labour market showed no statistically significant differences in employment status between the control group and the recipients of BI (i.e. the KBIE did not result in significantly greater rates of employment).<sup>116</sup> Nonetheless, Appendix 10<sup>117</sup> indicates that recipients of BI were slightly more willing to accept a full time job. Moreover, Appendix 11<sup>118</sup> suggests that recipients felt greater confidence in their own financial well-being than the

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<sup>112</sup> Ibid 20.

<sup>113</sup> "Finland's Mental Health Challenge." OECD Observer. Accessed March 10, 2020. [https://oecdoobserver.org/news/fullstory.php/aid/6164/Finland\\_92s\\_mental\\_health\\_challenge.html](https://oecdoobserver.org/news/fullstory.php/aid/6164/Finland_92s_mental_health_challenge.html).

<sup>114</sup> "The Right-Wing Finns Party Does Well in Finland's Election." The Economist Newspaper. Accessed March 10, 2020. <https://www.economist.com/europe/2019/04/17/the-right-wing-finns-party-does-well-in-finlands-election>.

<sup>115</sup> Ibid.

<sup>116</sup> Kangas et al. "The Basic Income Experiment 2017–2018 in Finland: Preliminary Results." 31.

<sup>117</sup> Ibid 23.

<sup>118</sup> Ibid 24.

control group. However, researchers admit that these results may not be statistically reliable due to the small number of respondents and numerically small differences.<sup>119</sup> Depending on individual perception, these findings can be interpreted in the two following ways; one being that BI can help to give the vulnerable in society greater security during times of unemployment without generating extra costs, the other being that seeking to remain unemployed is being incentivized. Further data is needed to confirm the reliability of the above-mentioned findings. From the rational-choice perspective there is an argument to be made for both.

In conclusion, the KBIE did not live up to its hype. It was overambitious and underfinanced to really deliver meaningful results that can be utilized for the debate about the necessity of a UBI. De Wilselaere et al. contextualize the failure in the following way:

“International media and advocacy networks ignored critical limitations and jumped on the announcement of Finland’s experiment with basic income with little regard for (or, indeed, knowledge of) context. This gave birth to the narrative that Finland would be the first country to implement a basic income, framing the experiment in a way that inevitably carves out a path to (perceived) policy failure. Ignoring the political context and its constraints from the outset means the dominant narrative set expectations sufficiently high to ensure that the experiment was doomed to fail as soon as it entered the design phase. Enter numerous disappointed and frustrated critics lamenting the Finnish government’s failure to understand or, worse still, deliberately intent on sabotaging basic income policy development.”<sup>120</sup>

Although the KBIE did not produce the somewhat anticipated paradigm shift in the BI debate, there are some lessons to be learned from it. Indeed, it can be argued that BI has the potential to reduce bureaucracy and increase individual

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<sup>119</sup> Ibid 23-24.

<sup>120</sup> Jürgen de Wilselaere, Antti Halmetoja, and Ville-Veikko Pulkka, "The Rise (and Fall) of the Basic Income Experiment in Finland," *CESifo Forum*, 19, no. 3 (2018): 17.

confidence, trust in institutions, and self-perceived well-being. Given that many countries have experienced a stark rise in populism and nationalism, a trend that some have compared to the conditions in the 1930s that eventually resulted in the Second World War,<sup>121</sup> introducing UBI can be implemented as a mechanism that strengthens the confidence in liberal, democratic institutions.

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<sup>121</sup> Gerald F. Seib, "How the 1930s Echo in Today's Politics." The Wall Street Journal. Dow Jones & Company, June 27, 2016. <https://www.wsj.com/articles/how-the-1930s-echo-in-todays-politics-1467046457>.

## Chapter 4:

### Universal Basic Income in the Developing World

The United Nations set itself the ambitious goal to eliminate extreme poverty by 2030.<sup>122</sup> Even though poverty rates have decreased in recent times; this can be mainly attributed to the success of emergent nations such as India and China. Rema & Olken argue that this economic development will not be able to solve the underlying problem of extreme income and wealth inequality. Furthermore, the least developed countries, which are mainly situated on the African continent, continuously fail to provide the most basic services to its citizens.<sup>123</sup> Given these circumstances, the policy of a UBI in the context of the developing world has gained traction over the last decade. Indeed, researchers outline that it can replace ineffective social welfare programmes that are subject to bureaucracy, corruption and failure over efficient targeting, whereas a BI is argued to be the most effective way to allow citizens to buy the services they feel are needed the most on an open market. The OBIG in Namibia and the MPBI in India are two relevant case studies as they illuminate how a UBI could help rising emergent nations by replacing inefficient targeted welfare schemes or how its financing through foreign aid can boost developmental growth.

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<sup>122</sup> “The United Nations Decade for the Eradication of Poverty 2018-2027 | Poverty Eradication.” United Nations. Accessed April 4, 2020.  
<https://www.un.org/development/desa/socialperspectiveondevelopment/united-nations-decade-for-the-eradication-of-poverty/third.html>.

<sup>123</sup> Rema & Olken, "Universal Basic Incomes versus Targeted Transfers: Anti-Poverty Programs in Developing Countries." 201.

## 4.1. Otjivero Basic Income Grant Project (Namibia Case Study)

Namibia is a democratic republic situated in South West Africa with a population of 2,6 million. It is considered one of the driest countries with the lowest population density on the continent.<sup>124</sup> A former German colony, its economy is mainly reliant on mining trade with its South African neighbour, as well as tourism, which make up half of its total GDP. It suffers from significant unemployment rates hovering at around 30%-40% over the last decade<sup>125</sup> and some of the lowest life expectancy rates globally at merely 64 years. This figure can be attributed to widespread HIV infections and a generally underdeveloped health sector.<sup>126</sup> While Namibia is classed as a promising emerging economy with freedom of press laws, a developed banking sector as well as relative political stability,<sup>127</sup> according to Aiken and the World Bank, significant income disparity (due to persistent structures stemming from the Apartheid/colonial period), high unemployment and poverty rates continue to limit its development.<sup>128</sup>

In 2005, a UBI introduction was proposed in a joint effort by the Namibian Grant Coalition (consisting of: the Council of Churches in Namibia, the National Union of Namibian Workers, the Namibian NGO Forum, and the Namibia Network of AIDS Service Organizations). They outlined the following mission statement:

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<sup>124</sup> “The World Factbook: Namibia.” Central Intelligence Agency, February 1, 2018. <https://www.cia.gov/library/publications/the-world-factbook/geos/wa.html>.

<sup>125</sup> Ibid.

<sup>126</sup> “Namibia Health.” World Health Organization, March 21, 2020. <https://www.who.int/countries/nam/en/>.

<sup>127</sup> “Emerging Markets.” Bloomberg. Accessed April 4, 2020. <https://www.bloomberg.com/news/photo-essays/2013-01-31/the-top-20-emerging-markets>.

<sup>128</sup> Drew Aiken, “Inequality in Namibia: Decreasing but Still Significant.” O’Neill Institute, May 28, 2018. <https://oneill.law.georgetown.edu/inequality-in-namibia-decreasing-but-still-significant/>.

“Namibia has extremely high levels of poverty and the highest incidence of income inequality in the world. The reduction of poverty needs to be addressed as a top priority because social justice is a pre-requisite for economic growth. We also note that poverty is a contributing factor to the spread of HIV/AIDS and is thereby undermining economic security and at the same time exacerbating poverty. Consequently that means we need to address poverty and HIV/AIDS together. We resolve that the Basic Income Grant is a necessity to reduce poverty and to promote economic empowerment, freeing the productive potential of the people currently trapped in the vicious and deadly cycle of poverty.”<sup>129</sup>

Although this proposal for a national introduction never came to fruition, the Konrad Adenauer Stiftung (a German based foundation by the Christian Democratic Party to promote democracy and free market economics)<sup>130</sup> agreed to finance a pilot program in a selected village as the most poverty stricken areas are situated in rural parts of the country outside of the biggest cities.<sup>131</sup> The stated goal was to conduct research about potential benefits of BI in a third world context and to push forward the debate on how to best empower people and lift them out of poverty.<sup>132</sup>

The small village of Otjivero, situated 100km outside of the capital Windhoek, was selected because it was regarded as one of the most crime-ridden, underdeveloped parts of the country with a population of ca. 1000, thereby staying within the financial constraints.<sup>133</sup> The Otjivero payout (OP) was initially at 89 Namibian Dollars, which was at roughly half of what was required to be classified at

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<sup>129</sup> “Founding Document” *BIG Coalition*. Namibia NGO Forum, 2005.  
[http://www.bignam.org/Publications/Coalition\\_Platform.pdf](http://www.bignam.org/Publications/Coalition_Platform.pdf).

<sup>130</sup> “Leitlinien - Konrad-Adenauer-Stiftung E.V.” [www.kas.de](http://www.kas.de). Accessed April 4, 2020.  
<https://www.kas.de/de/leitbild>.

<sup>131</sup> “The World Factbook: Namibia.” Central Intelligence Agency, February 1, 2018.  
<https://www.cia.gov/library/publications/the-world-factbook/geos/wa.html>.

<sup>132</sup> “Basic Income Grant Otjivero, Namibia - 10 Years Later.” *BIG Coalition*. 56-58. Friedrich Ebert Foundation, 2019. [http://www.bignam.org/Publications/BIG\\_ten\\_years\\_later\\_report\\_2019.pdf](http://www.bignam.org/Publications/BIG_ten_years_later_report_2019.pdf).

<sup>133</sup> Haarmann, Claudia, Dirk Haarmann, Herbert Jauch, Hilma Shindondola-Mote, Nicoli Natrass, Ingrid van Niekerk, and Michael Samson. “Assessment Report.” *Basic Income Grant Coalition Namibia*. 1-103. Friedrich Ebert Foundation, 2009.  
[http://www.bignam.org/Publications/BIG\\_Assessment\\_report\\_08b.pdf](http://www.bignam.org/Publications/BIG_Assessment_report_08b.pdf).

the lower bound of "severe poverty" at the time.<sup>134</sup> Every registered resident was eligible for the cash transfer, with the exception residents over the age 60 as they are eligible for a state pension. The primary caretaker (who was usually the mother) was allowed to collect the cash grant for their children under the age of 21. In order to prevent fraudulent activities, a "smart card " was introduced containing the resident's name, birth date, and fingerprints. People who moved to Otjivero after the start of the experiment were not allowed to receive funds. Research was conducted before, during, and after the OBIE utilizing baseline surveys, panel surveys, key informants, and a series of case studies.<sup>135</sup> The project lasted from 2008 until 2015 with some periods of discontinuation. Most research was focused around the first two-year period.<sup>136</sup>

The OBIE yielded many positive results. One being its success in lifting people out of poverty through catalyzing a process of increased entrepreneurship. Indeed, self-employment rates increases by 301% within one year as people now had the necessary buying power to purchase goods (see Appendix 12<sup>137</sup>). Moreover, rather than discouraging employment, the unemployment rate fell from 60% to 45% within twelve months (see Appendix 13<sup>138</sup>). These encouraging figures indicate that grant acted like an economic stimulus package. Private savings increased and in turn investment from individuals, as well as consumption went up. Researchers also

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<sup>134</sup> Haarmann et al. "Assessment Report." 48.

<sup>135</sup> Ibid 13-14.

<sup>136</sup> "Basic Income Grant Otjivero, Namibia - 10 Years Later." *BIG Coalition*. 4-6. Friedrich Ebert Foundation.

<sup>137</sup> Haarman et al. "Assessment Report." 73.

<sup>138</sup> Ibid 71.

noticed a rise in expenditure for improvement in housing and 40% of respondents indicated that they use the OP to pay back debt.<sup>139</sup>

Furthermore, child education was improved as a result of the pilot programme. Many residents were previously unable to pay the school fees. Appendix 14<sup>140</sup> indicates that this figure decreased by 50%. Also, child malnutrition was reduced from 42% to 10% (see Appendix 15<sup>141</sup>). Indeed, a local clinic experienced a sharp rise in patients who were seeking treatment, accompanied by an increase in income by over 500%, as residents were able to attend without risking bankruptcy.<sup>142</sup> These positive trends will likely benefit the region in the long-run as the circulation of money will enable the children to receive a better education putting them into a position to drive future developmental growth and the clinic to acquire additional resources so that healthcare services do not remain an exclusivity.

Analysis of the collected information showed no evidence of a general increase in alcohol consumption. Out of seven liquor stores in the village, one shop closed down. Moreover, although migration to the village increased by 35% in the first year due to the economic expansion, overall crime fell by 36,5% (see Appendix 16<sup>143</sup>). In fact, researchers argue that the OBIE also showed the potential of UBI to drive empowerment and community organization. Villagers elected a committee that advised villager on ways the money is best spent. On top of this, women indicated

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<sup>139</sup> Haarmann et al. "Assessment Report." 79-81.

<sup>140</sup> Ibid 67.

<sup>141</sup> Ibid 55.

<sup>142</sup> Ibid 57.

<sup>143</sup> Ibid 46.



that they felt more independent and the number of them working as prostitutes decreased.<sup>144</sup>

Despite these positive outcomes, the programme was discontinued after the increased migration of over 30% to Otjivero, made further pay outs too costly for the FES . A national survey conducted by the Institute for Public Policy Research in 2014, half of all Namibians were strongly in favour of a UBI introduction.<sup>145</sup> Even though the Namibian minister of economy at that time who is now the president (Hage Geingob) was a strong supporter of the OBIE, he has failed to pursue further steps. Indeed, the Namibian government declined to participate in the research.<sup>146</sup> Observers argue that there is a lack of political will, as BI would entail a fundamental reform of the Namibian tax system, undermining existing political structures. The CAS calculated that a national BI would that is set at the same amount as the OP, the Namibian tax system's revenue would have to increase by 16% so that the BI could be financed, equating to 4-5% of the annual national budget.<sup>147</sup>

In conclusion, the OBIE was an extremely encouraging project for UBI advocates. It has shown that untargeted welfare schemes can drive economic growth and improve the life standards significantly. Given the large number of positive outcomes that could influence the Namibian society positively if a national BI would be adopted, making the tax system more efficient seems like a good trade-off. Indeed,

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<sup>144</sup> "Basic Income Grant Otjivero, Namibia - 10 Years Later." 8-10.

<sup>145</sup> "Namibians Express Strong Policy Preferences in Comparison to the Government." *Afro Barometer*. 1-3. Institute for Public Policy Research, 2014. <https://afrobarometer.org/fr/press/namibians-express-strong-policy-preferences-comparison-government>.

<sup>146</sup> Haarmann et al. "Assessment Report." 79-81.

<sup>147</sup> "Basic Income Grant in Namibia." Centre for Public Impact (CPI). Accessed February 4, 2020. <https://www.centreforpublicimpact.org/case-study/basic-income-grant-big-namibia/>.

Namibia has a large shadow economy with and the tax collection rate is under 25%<sup>148</sup>. If Namibia raises its value added tax by two percent and manages to improve its tax collection rate by 10%, a national BI could be financed. Increased consumption would drive up the government income as well.<sup>149</sup> This would put Namibia in a position become an example for other African countries on how to accelerate growth and improve the life of its citizens in an effective manner by empowering its citizens.

## **4.2. Madhya Pradesh Basic Income Programme (India Case Study)**

India is a federal parliamentary democracy, situated in South Asia. It has the 7<sup>th</sup> largest area and is the second most inhabited country on earth with a population of 1,35 billion. Although India is one of the fastest growing economies in the world with an immensely strong domestic consumption and a sizeable export sector,<sup>150</sup> its exponential population growth over the last century as well as an extreme lack of income distribution, are contributing factors that a large number of Indians live in extreme poverty without access to basic services such as healthcare. In fact, 73% of wealth generated in 2019 went to the wealthiest 1% in Indian society, whereas 67 million Indians saw only a 1% increase in their wealth.<sup>151</sup> Not only is India divided in terms of wealth distribution, but also along cleavages such as gender, caste, and religion. Under prime minister Modi's Hindu, nationalist government, minorities have

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<sup>148</sup> Dehn, "Bedingungsloses Grundeinkommen: Wo Klappt's, Wo Nicht?" Accessed February 15, 2020. <https://katapult-magazin.de/de/artikel/artikel/fulltext/wo-klappts-wo-nicht/>.

<sup>149</sup> Dahlmann, "Was Wurde Aus Dem Grundeinkommen in Namibia?" Accessed February 4, 2020. <https://www.brandeins.de/themen/rubriken/was-wurde-aus/dem-grundeinkommen-in-namibia>.

<sup>150</sup> "The World Factbook: India." Central Intelligence Agency, February 1, 2018. <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>.

<sup>151</sup> "India: Extreme Inequality in Numbers." Oxfam International, October 19, 2019. <https://www.oxfam.org/en/india-extreme-inequality-numbers>.

complained about a deterioration in democratic principles such as the independence of the judiciary and the freedom of the press.<sup>152</sup>

Nonetheless, India has an embedded welfare state, spending around 3,9% of its GDP on social services such as food subsidies. However, there are criticisms that the funds are not distributed effectively to the ones in need and that too large a share is misappropriated by corrupt officials.<sup>153</sup> Consequently, there have been continuous efforts to find improved distribution systems. In 2009 the Self Employed Women's Association (SEWA) planned a pilot project with the goal to test the policy of a UBI.<sup>154</sup> With financial backing from UNICEF, villages in the northern Indian state of Madhya Pradesh were chosen as subjects because it is one of the least developed states in India. The project was split into two parts. During the first phase, twenty villages with similar socio-economic statuses were chosen. Eight of these received the Madhya Pradesh Income Programme Grant (MG), while the other twelve villages were monitored as a control group over a period of 18 months. In the second phase, two resembling villages were chosen, one receiving the MG- the other not. This trial was conducted over a period of twelve months.<sup>155</sup>

The amount to be paid out as part of the Madhya Pradesh Basic Income Programme (MPBI) was set at 30% of an average low income family revenue so that,

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<sup>152</sup> Arch Puddington, "Can Indian Democracy Survive Modi's Hindu Nationalist Agenda?" Freedom House. Accessed April 5, 2020. <https://freedomhouse.org/article/can-indian-democracy-survive-modis-hindu-nationalist-agenda>.

<sup>153</sup> Arya Akhilesh, et al. *A Little More, How Much It Is... Piloting Basic Income Transfers in Madhya Pradesh, India*. 115. UNICEF & SEWA Bharat, 2004. [http://unicef.in/uploads/publications/resources/pub\\_doc83.pdf](http://unicef.in/uploads/publications/resources/pub_doc83.pdf).

<sup>154</sup> Schoejdt, "India's Basic Income Experiment." 12-16.

<sup>155</sup> Bardhan, Pranab. "Universal Basic Income – Its Special Case for India." *Indian Journal of Human Development* 11, no. 2, (2017): 22-24. doi:10.1177/0973703017734719.

“it is enough to make a difference, but not enough to live in dignity.”<sup>156</sup> For the first trial the amount of 200 Indian Rupees was increased to 300 Indian Rupees after twelve months. Children under the age of 18 received half of the amount of an adult and the primary caretaker was allowed to receive the cash transfer. SEWA employees who visited all the 5547 eligible recipients paid out the MG in person every month, unless the recipients had a bank account. The data was collected through the survey method before during and after the MPBIE from 15,000 individuals. 200 case studies and key informants were also utilized.<sup>157</sup> Crucially, the MG was universal and unconditional in its nature. Thus, every inhabitant of a selected village was eligible-given that they were willing to accept the cash transfer.<sup>158</sup>

A major transformative trend that was identified was a stark increase in entrepreneurship. SEWA recorded a 50% decrease on time spent doing undesirable wage labour, but rather farming related activities than among recipients. In the control group there were no significant changes (see Appendix 17<sup>159</sup>). Moreover, villagers, especially women, were more likely to start a second economic activity and the purchase of income generating goods rose by. Female workforce participation increased by 16%,<sup>160</sup> Furthermore, cattle ownership, especially in the poorest tribal villages, increased by 82%, whereas it fell by 25% in the control villages.<sup>161</sup> A 12% decrease in debt levels occurred in MPBI village, compared to a merely 4% decrease in the control villages (see Appendix 18<sup>162</sup>). A third of test subjects stated that they

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<sup>156</sup> Akhilesh et al. *Piloting Basic Income Transfers in Madhya Pradesh, India*. 115.

<sup>157</sup> Ibid.

<sup>158</sup> Ibid 116.

<sup>159</sup> “Executive Summary” Madhya Pradesh Unconditional Cash Transfer Project. 13. SEWA Bharat India, 2015. <http://sewabharat.org/wpcontent/uploads/2015/07/Executive-summary.pdf>.

<sup>160</sup> Ibid 14.

<sup>161</sup> Akhilesh et al. *Piloting Basic Income Transfers in Madhya Pradesh, India*. 328.

<sup>162</sup> Ibid 348.

work more hours than previously.<sup>163</sup> The process of providing funds to people in need has shown to incentivized individuals to pursue increased economic activity, and fiscal responsibility rather than encouraging a decrease in labour supply in the Madhya Pradesh context.

Another positive outcome is that the overall health of the villagers who received the MG improved significantly. There was a 10% decrease in people who fell in the BI villages (see Appendix 19<sup>164</sup>). Researchers theorize that this can be attributed to better nutrition, improved living conditions and decreased stress levels. Indeed, there was a recorded increase and milk and vegetable consumption, but not in alcohol sales.<sup>165</sup> 66% of recipients also indicated that there were more likely to buy medicine and got to the doctor in general, as fears of indebtedness decreased. Moreover, villagers were more likely to spend money to acquire clean drinking water. 24% of households improved their lighting and cooking source and 16% reported that they improved their toilet.<sup>166</sup> Therefore, it can be argued that unconditional cash transfers lead to better overall health in poor regions, while at the same time strengthening the healthcare, as subjects are more likely to be able afford, as well as make use of these services.

Women and children were the two groups that experienced the most statistically significant improvements. School attendance was much higher in the MPBI villages. In the age group from 14-18 years, children in the control villages

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<sup>163</sup> “Executive Summary” Madhya Pradesh Unconditional Cash Transfer Project. 14.

<sup>164</sup> Akhilesh et al. *Piloting Basic Income Transfers in Madhya Pradesh, India*. 217.

<sup>165</sup> “Executive Summary” Madhya Pradesh Unconditional Cash Transfer Project. 10.

<sup>166</sup> Ibid 6-8.

were 23% less likely to attend schooling (see Appendix 20<sup>167</sup>). Girls in BI villages were twice as likely to attend secondary school than in the control villages. Also, survey data indicate that families were more willing to spend money and school fees and supplies. Child wage labour declined by 20% in BI villages compared to merely 5% in control villages.<sup>168</sup> A 25% increase in the number of normal weight children was recorded. On top of this, as recipients had their own bank account to receive the MG, they reported a greater sense of independence.<sup>169</sup> The positive effects on the most vulnerable in society through improved educational, health-related, and economic outcomes seem to suggest that UBI is a highly egalitarian social policy tool through strengthening families and individuals with monetary capabilities.

In conclusion, the considerable success of the MPBI has made significant contributions in driving forward the debate about UBI. In 2016, the Indian Ministry of Finance released an extensive working paper of how a national UBI can be realized. It proposed the dissolution of ten major programmes in Indian Public Distribution System (IPDS). The ministry suggested that the richest quartile of Indians should not receive the payouts due to costs. The amount recommended was set at 120 US Dollars annually, costing around 4,9% of total GDP.<sup>170</sup> This is projected to drive extreme poverty from 22% down to 0,5%. However, the report stated that the current administrative apparatus would not be able to handle an introduction but it was also outlined that, “this policy is ripe for a serious discussion.”<sup>171</sup> Taking into consideration the high administrative costs, as well as the inefficient allocation of

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<sup>167</sup> “Executive Summary” Madhya Pradesh Unconditional Cash Transfer Project. 11.

<sup>168</sup> Ibid 10.

<sup>169</sup> Ibid 15.

<sup>170</sup> Saksham Khosla, *India's Universal Basic Income*. 1-3 Carnegie Endowment for International Peace, 2018.

<sup>171</sup> Ibid 5-6.

many services in the IPDS<sup>172</sup>, an Indian UBI can help to reduce social-economic cleavages, through empowering women, stimulating consumption, and driving entrepreneurship. However, given the Hindu, nationalist policies of Prime Minister Modi<sup>173</sup> do not seem to indicate that the strengthening of minorities through the undermining and transformation of embedded welfare structures is something that is not a politically desired goal in the near future. Indeed, OECD members spend 22% on social welfare on average, which is ten times more than India.<sup>174</sup> Be that as it may, the MBPI has provided statistically significant evidence that a UBI does not result in a decrease in labour supply, but rather in increased economic activity and better living standards in an Indian context, as well as driving interest in constructing further BI pilot programmes elsewhere.<sup>175</sup>

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<sup>172</sup> Pranab. “Universal Basic Income – Its Special Case for India.” 5-7.

<sup>173</sup> Puddington, “Can Indian Democracy Survive Modi’s Hindu Nationalist Agenda?” Freedom House.

<sup>174</sup> “Social Spending.” OECD Library. Accessed April 6, 2020. [https://www.oecd.org/sites/soc\\_glance-2016-19-en/index.html?itemId=/content/component/soc\\_glance-2016-19](https://www.oecd.org/sites/soc_glance-2016-19-en/index.html?itemId=/content/component/soc_glance-2016-19).

<sup>175</sup> Khosla, *India’s Universal Basic Income*. 59-61.

## Chapter 5: Conclusion

Although the debate on the necessity of an introduction of UBI has gained considerable traction over the last decade, it is likely to pick up further steam in the future as automation processes and increasing income inequality continue to erode the foundation of how societies are organized.<sup>176</sup> Indeed, the global COVID-19 crisis has already sparked widespread calls for an immediate implementation so that the economic impact of the pandemic can be minimized.<sup>177</sup> Spain's government announced in April 2020 that it plans to adopt a BI policy that should become, "a structural, permanent instrument that stays forever."<sup>178</sup> Once a government adopts UBI on a national basis, other countries may follow suit, given that its impact is corresponding to what a majority of contemporary research has shown, whereby BI is believed to significantly reduce extreme poverty levels while simultaneously encouraging consumption and improving health.<sup>179</sup>

Even though the cases discussed in this thesis yielded such overwhelmingly promising results, there are some underlying flaws in the pilot programmes that has given rise to critical voices that put in question the informative value of the research

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<sup>176</sup> "Automation and Independent Work in a Digital Economy." OECD Policy Brief on The Future of *Work*. 1-4. OECD Publishing Paris, 2016. <https://www.oecd.org/employment/Policy%20brief%20-%20Automation%20and%20Independent%20Work%20in%20a%20Digital%20Economy.pdf>.

<sup>177</sup> Francis Reynolds, "The Coronavirus Crisis Is Making a Guaranteed Income More Likely Than Ever Before." *The Nation*, April 4, 2020. <https://www.thenation.com/article/economy/guaranteed-income-coronavirus-ubi/>.

<sup>178</sup> Rodrigo Orihuela, "Spanish Government Aims to Roll Out Basic Income 'Soon.'" *Bloomberg*. Accessed April 6, 2020. <https://www.bloomberg.com/news/articles/2020-04-05/spanish-government-aims-to-roll-out-basic-income-soon>.

<sup>179</sup> Maura Fancese, and Delphine Prady. "Universal Basic Income: Debate and Impact Assessment." *IMF Working Papers* 18, no. 273 (2018): 20/23. <https://doi.org/10.5089/9781484388815.001>.



apart from the criticism of exorbitant costs.<sup>180</sup> For instance, all pilot programmes had a short, limited time frame. Therefore, the behaviour of respondents may differ to from what it would be were the payouts being continuous over a longer period of time. In addition to this, a vast majority of the data collection took place using survey methods. There is no way of ensuring the test subjects were being truthful in their answers. Also, in the KBIE, part taking in surveys was mandatory. The response rates were low. Thus, results may be skewed.<sup>181</sup> In Alaska, hardly any research has been conducted because of cultural reservation towards providing personal data<sup>182</sup> and in the OBIE there was no control group included for reference.<sup>183</sup>

In general, it can be argued that there is a need for further research once UBI is implemented on a larger, macroeconomic scale. This may make it easier for policy makers to justify the usefulness of UBI implementation through more concrete empirical evidence. However, evaluating BI should not only take into consideration the monetary aspects, but rather its emancipatory value.<sup>184</sup> Indeed, UBI is a tool for individual empowerment. The APF, KBIE, OBIE, and the MPBI did not only produce no evidence of higher rates drug consumption and creating a shortage in the labour supply. On the contrary, in the APF, the dividend supports indigenous tribes, allowing for the purchase of necessary durable goods for settler ship in remote regions.<sup>185</sup> The KBIE significantly increased respondents' confidence in their own future. The OBIE

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<sup>180</sup> Yuan Yheng, Marta Guerrero, and Patrick Haverman. "Universal Basic Income: A Policy Option for China beyond 2020?" *UNDP Working Paper*. 14-15. China Office, 2017. <https://www.cn.undp.org/content/china/en/home/library/poverty/universal-basic-income--a-working-paper.html>.

<sup>181</sup> Kangaset al. "The Basic Income Experiment 2017–2018 in Finland: Preliminary Results 13.

<sup>182</sup> Goldsmith, "The Alaska Permanent Fund Dividend: A Case Study in Implementation of a Basic Income Guarantee." 4-5.

<sup>183</sup> Dahlmann, "Was Wurde Aus Dem Grundeinkommen in Namibia?" Accessed February 4, 2020

<sup>184</sup> Standing, "Universal Basic Income Is Becoming an Urgent Necessity." *The Guardian*.

<sup>185</sup> Mouhcine. "What do we know about the effects of the Alaska Permanent Fund Dividend?" 13.

and MPBI boosted entrepreneurship and strengthen the position of females and children.<sup>186187</sup>

The universality and unconditionality of payments can fix some of the weaknesses of existing targeted welfare schemes. Prady & Delphine state that this can help to fix inclusion and exclusion errors, as many current safety nets have, “large coverage gaps of poor households, sizeable leakages of resources to richer households, and inability of programs to lift recipients out of poverty, often signaling low program generosity.”<sup>188</sup> The egalitarian approach of UBI can also reduce negative stigma that is often associated with recipients of welfare.<sup>189</sup> In addition to this, UBI can be viewed as a stimulus package. Indeed, many heads of private sector companies such as Mark Zuckerberg and Jeff Bezos advocate for an introduction so that there is a constant, strong market for the consumption of goods and services.<sup>190</sup>

Although Banjeree, et al. outline that developing countries stand to benefit the most from UBI, they stress that it is important for governments to ensure they have the necessary administrative capacities for an implementation, as well as a concrete plan for financing. The amount paid out for a BI is though to be best set at 30%-50% of what would be considered “extreme poverty“ in a national context, so that there is still an incentive to seek labor.<sup>191</sup> The most common financing models that are frequently considered are: additional funds from welfare that would no longer be

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<sup>186</sup> Haarmann et al. “Assessment Report.” 96-97.

<sup>187</sup> “Executive Summary” Madhya Pradesh Unconditional Cash Transfer Project. 6-9.

<sup>188</sup> Coady & Delphine, “*Universal Basic Income in Developing Countries: Issues, Options, and Illustration for India.*” 7-9.

<sup>189</sup> Epstein, “Cleavage in American Attitudes toward Social Welfare.” 178-179.

<sup>190</sup> Miller, “Universal Basic Income Is Having a Moment. Can Advocates Convince a Skeptical Public?” *America Magazine*.

<sup>191</sup> Banjeree, et al. “Universal Basic Income in the Developing World.” 21-23.

required, reforming the tax system, and creating capital funds such as the APF.<sup>192</sup> This could be more easily realized in developed countries, but research from the OBIE and the MPBI strongly suggests that this could also be attained in emergent economies such as Namibia and India, given there is the political will to do so.<sup>193</sup><sup>194</sup> In the developed context UBI can heavily reduce the size of the precariat and provide a much needed strengthening of the public's trust in institutions.<sup>195</sup>

To summarise, UBI has advocates from all parts of the economical and political spectrum.<sup>196</sup> It has immense emancipatory and monetary value, making an implementation on a national scale a matter of time. Standing summarizes the necessity for UBI in the following way:

"I support the idea for three principal reasons. Primarily it is a matter of social justice. People like me go back to Thomas Paine, who argued that the land is owned by everybody, that the wealth created by generations should be shared to some extent, and that everyone should have social dividends, We are in an era of chronic insecurity and growing inequality. We need to have new mechanisms for income distribution which give people a sense of security Secondly, it would enhance individual liberty. It would give people a sense of control over their lives and would provide them with freedom."<sup>197</sup>

Indeed the cases discussed in this thesis indicate can be an immensely powerful tool for individual empowerment in the first- and the developing world alike. Countries need to intensify a societal discussion about the challenges that will arise with the

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<sup>192</sup> Thomas Colson, "The Economist behind Universal Basic Income: Give All Citizens UBI to Help Combat a 'Neofascist Wave of Populism'." Business Insider, January 5, 2017. <https://www.businessinsider.com/free-money-universal-basic-income-guy-standing-economist-neofascism-populism-brexit-2017-1>.

<sup>193</sup> Haarmann et al. "Assessment Report." 83-86.

<sup>194</sup> Khosla, *India's Universal Basic Income*. 7-11.

<sup>195</sup> Standing, "Who Are 'The Precariat' and Why Do They Threaten Our Society?" Euronews.

<sup>196</sup> Miller, "Universal Basic Income Is Having a Moment. Can Advocates Convince a Skeptical Public?" America Magazine.

<sup>197</sup> Colson, "The Economist behind Universal Basic Income: Give All Citizens UBI to Help Combat a 'Neofascist Wave of Populism'." Business Insider.

worsening of wealth inequality and the rapid automation of labor. The more political force is behind seeking to identify solutions rather than trying to conserve antiquated, existing structures, the sooner UBI can begin to establish itself as a norm and evolve outside of the theoretical realm.

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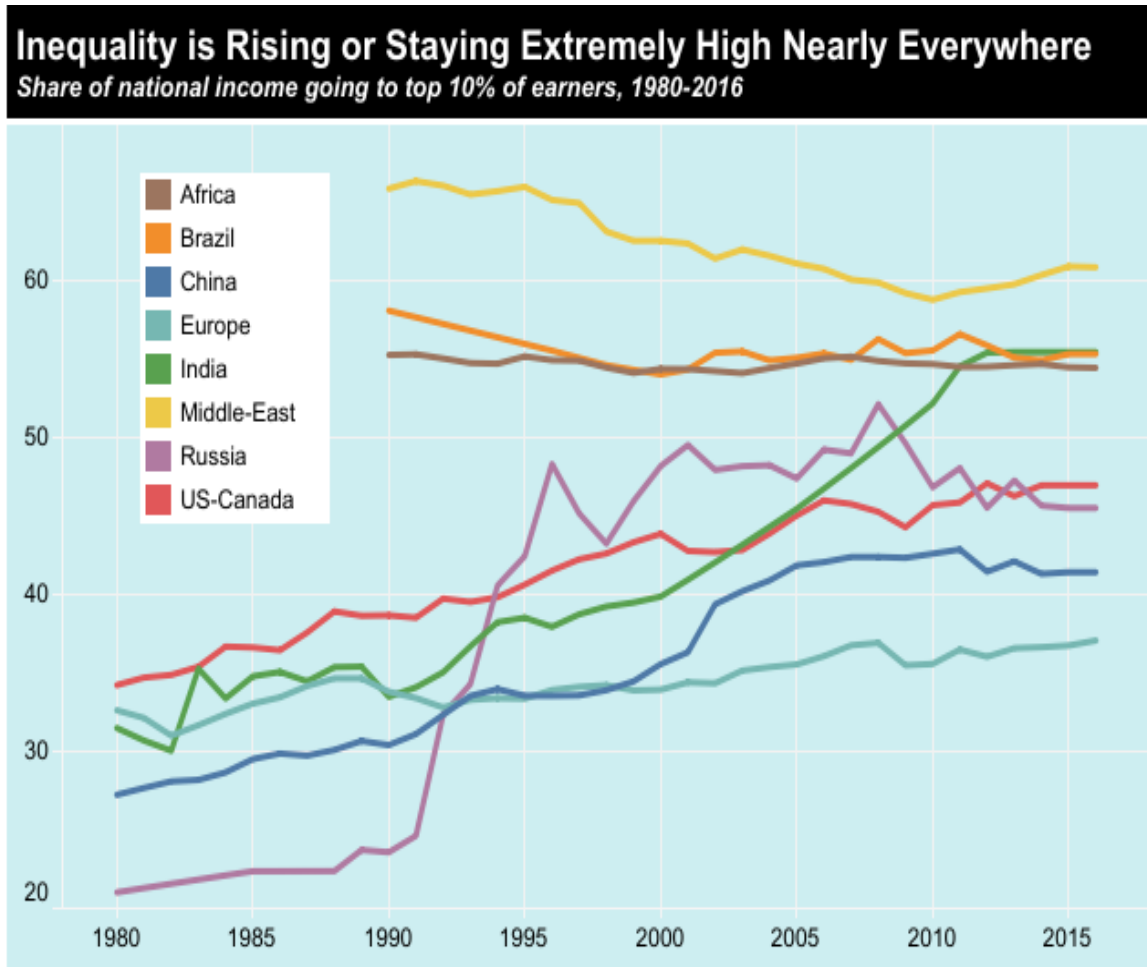
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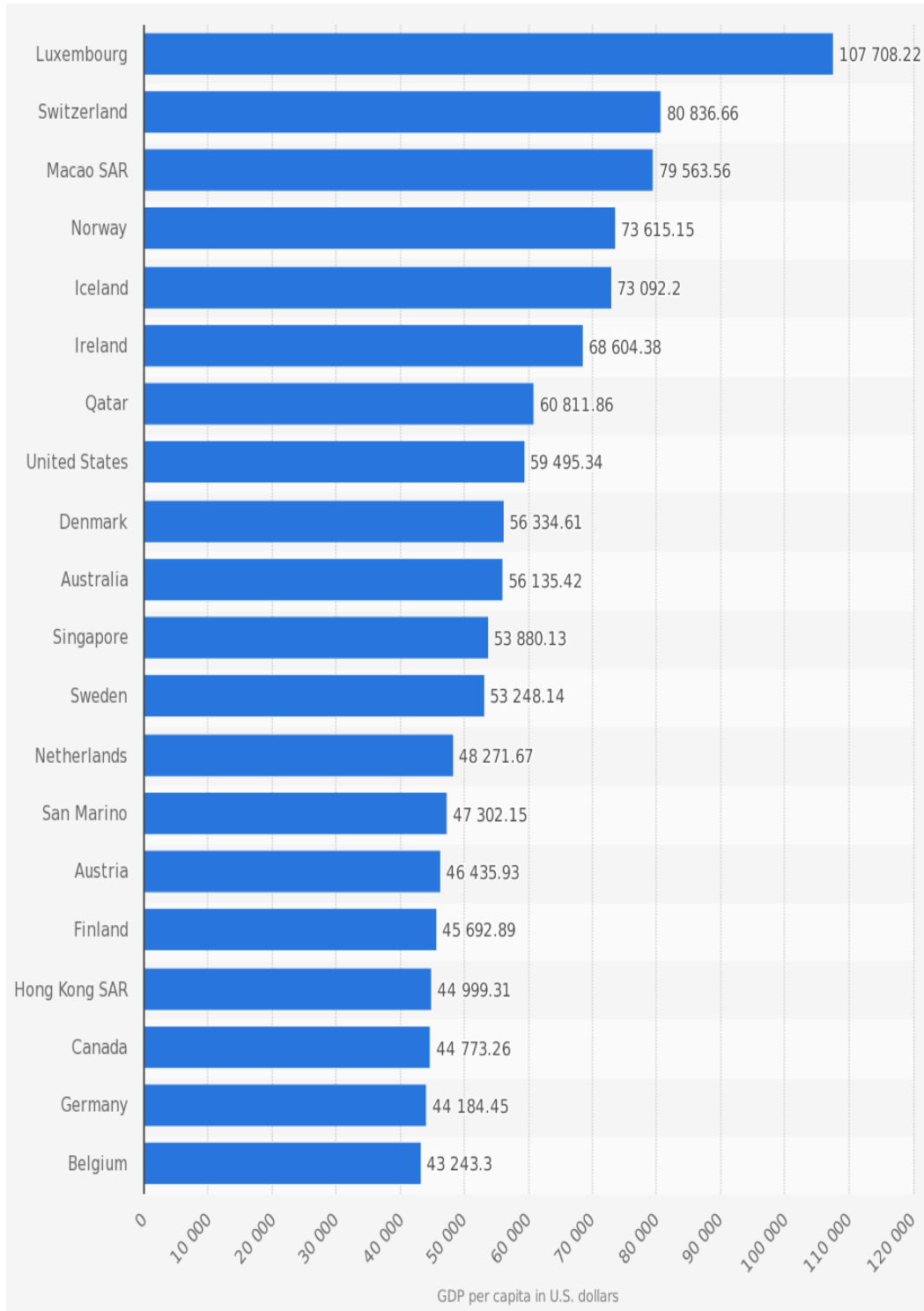
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## Appendices



### Appendix 1: Share of Income Distribution (%) over Time

“Global Wealth Report 2019.” Credit Suisse Research Institute. 10. Credit Suisse AG Zürich, 2019.



**Appendix 2: GDP per Capita in 2017 (US Dollars) - Top 20 Countries**

Plecher, H. "GDP per Capita 2017, by Country." Statista, December 9, 2019.

<https://www.statista.com/statistics/270180/countries-with-the-largest-gross-domestic-product-gdp-per-capita/>.

## ELIGIBILITY REQUIREMENTS

To qualify for a 2020 Permanent Fund Dividend you must be able to answer yes to all of the following statements.

- I was a resident of Alaska during all of calendar year 2019;
- On the date I apply for the 2020 Permanent Fund Dividend, I have the intent to remain an Alaska resident indefinitely;
- I have not claimed residency in any other state or country or obtained a benefit as a result of a claim of residency in another state or country at any time since December 31, 2018;
- I was not:
  - Sentenced as a result of a felony conviction during 2019;
  - Incarcerated at any time during 2019 as the result of a felony conviction; or
  - Incarcerated at any time during 2019 as the result of a misdemeanor conviction in Alaska if convicted of a prior felony or two or more prior misdemeanors since January 1, 1997
- If absent from Alaska for more than 180 days, I was absent on an allowable absence; and
- I was physically present in Alaska for at least 72 consecutive hours at some time during 2018 or 2019.

### **Appendix 3: Eligibility Requirements for the APD**

“Eligibility Requirements.” Alaska Permanent Fund Dividend Division. Accessed February 4, 2020.  
<https://pfd.alaska.gov/Eligibility/Requirements>.



## SUMMARY OF DIVIDEND APPLICATIONS & PAYMENTS

Dividend Year	State Population	Applications Received	Applications Paid	Dividend Amount	Percent Change	Total Disbursed Amount
2018	736,239	670,759	639,247	\$1,600.00	45.5%	\$1,022,795,200.00
2017	737,847	670,706	633,005	\$1,100.00	7.6%	\$696,305,500.00
2016	739,828	674,939	638,178	\$1,022.00	-50.7%	\$652,217,916.00
2015	737,625	678,308	641,561	\$2,072.00	10.0%	\$1,329,314,392.00
2014	735,601	676,467	637,289	\$1,884.00	109.3%	\$1,200,652,476.00
2013	736,399	672,603	634,366	\$900.00	2.5%	\$570,929,400.00
2012	732,298	679,633	641,644	\$878.00	-25.2%	\$563,363,432.00
2011	722,190	677,888	644,959	\$1,174.00	-8.4%	\$757,181,866.00
2010	710,231	670,399	637,873	\$1,281.00	-1.8%	\$817,115,313.00
2009	692,314	660,290	624,888	\$1,305.00	-36.9%	\$815,478,840.00
2008	679,720	648,532	616,484	\$2,069.00	25.1%	\$1,275,505,396.00
2007	674,510	634,490	600,278	\$1,654.00	49.4%	\$992,859,812.00
2006	670,053	629,098	595,166	\$1,106.96	30.9%	\$658,824,955.36
2005	663,253	632,831	597,639	\$845.76	-8.1%	\$505,459,160.64
2004	656,834	631,229	599,992	\$919.84	-17.0%	\$551,896,641.28
2003	647,747	626,009	596,176	\$1,107.56	-28.1%	\$660,300,690.56
2002	640,544	621,257	590,031	\$1,540.76	-16.7%	\$909,096,163.56
2001	632,241	620,486	586,848	\$1,850.28	-5.8%	\$1,085,833,117.44
2000	627,533	619,063	583,633	\$1,963.86	11.0%	\$1,146,173,503.38
1999	622,000	592,779	573,324	\$1,769.84	14.9%	\$1,014,691,748.16
1998	617,082	585,222	565,657	\$1,540.88	18.9%	\$871,609,558.16
1997	609,655	575,270	555,289	\$1,296.54	14.7%	\$719,954,400.06
1996	605,212	566,061	546,651	\$1,130.68	14.2%	\$618,087,352.68
1995	601,581	564,702	542,397	\$990.30	0.7%	\$537,135,749.10
1994	600,622	559,840	535,178	\$983.90	3.6%	\$526,561,634.20
1993	596,906	550,705	528,399	\$949.46	3.7%	\$501,693,714.54
1992	586,722	544,017	523,099	\$915.84	-1.7%	\$479,074,988.16
1991	569,054	535,475	512,764	\$931.34	-2.2%	\$477,557,623.76
1990	553,171	533,876	498,447	\$952.63	9.1%	\$474,835,565.61
1989	538,900	526,511	508,710	\$873.16	5.6%	\$444,185,223.60
1988	535,000	537,279	519,724	\$826.93	16.8%	\$429,775,367.32
1987	541,300	553,320	530,594	\$708.19	27.3%	\$375,761,364.86
1986	550,700	543,858	533,315	\$556.26	37.7%	\$296,661,801.90
1985	543,900	526,976	519,413	\$404.00	22.0%	\$209,842,852.00
1984	524,000	494,150	482,135	\$331.29	-14.2%	\$159,726,504.15
1983	499,100	469,229	458,213	\$386.15	-61.4%	\$176,938,949.95
1982	464,300	487,841	470,897	\$1,000.00		\$470,897,000.00
<b>Total</b>		<b>21,471,339</b>	<b>20,486,801</b>	<b>\$41,221.41</b>		<b>\$23,973,499,973.43</b>

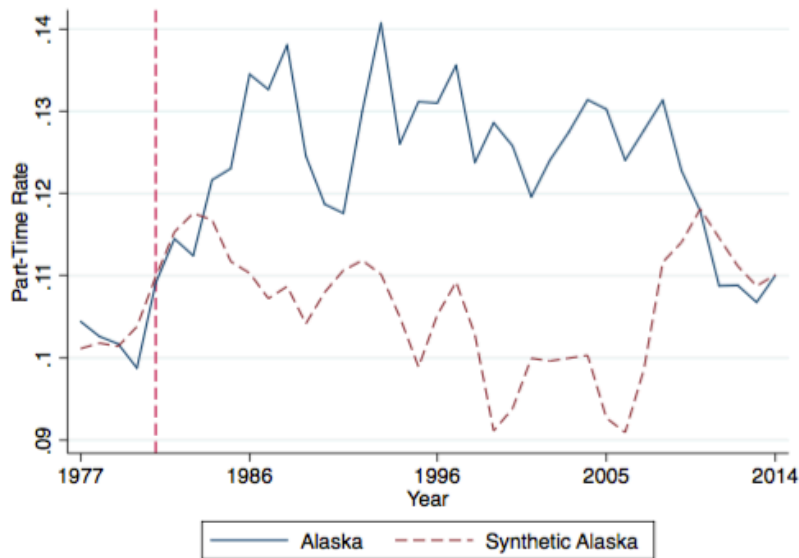
### Appendix 4: Summary of APD Payouts over Time

“Division Info.” Summary of Dividend Applications & Payments. Alaska Permanent Fund Dividend Division. Accessed February 27, 2020. <https://pfd.alaska.gov/Division-Info/Summary-of-Applications-and-Payments>.



**Appendix 5: Crude Oil Prices per Barrel in US Dollars over Time**  
 “WTI Crude Oil Prices - 10 Year Daily Chart.” MacroTrends. Accessed March 3, 2020.  
<https://www.macrotrends.net/2516/wti-crude-oil-prices-10-year-daily-chart>.

**Figure 3: Part-Time Rate, 1977-2014**



**Appendix 6: APD Impact on Part-Time Employment over Time**  
 Jones, Damon, and Ioana Marinescu. “The Labor Market Impacts of Universal and Permanent Cash Transfers: Evidence from the Alaska Permanent Fund.” *Human Capital and Economic Opportunity Global Working Group*. 40. University of Chicago, 2019.  
<http://dx.doi.org/10.2139/ssrn.3118343>.

**Table 1: Response rates of the survey**

Study group	Number of persons reached	Number of successful interviews	Response rate (%)
Treatment group	1,869	586	31.35
Control group	5,161	1,047	20.29
Total	7,030	1,633	23.23

### **Appendix 7: Response Rate for KBIE**

Kangas, Olli, Signe Jauhiainen, Miska Simanainen and Minna Ylikännö. “The Basic Income Experiment 2017–2018 in Finland: Preliminary Results.” 10. *Reports and Memorandums of the Finnish Ministry of Social Affairs and Health*, 2019. <http://urn.fi/URN:ISBN:978-952-00-4035-2>.

**Table 7. Self-perceived assessment of health**

	Health (%)	
	Test	Control
Very good	14.8	10.4
Good	40.6	35.8
Fair	30.0	36.0
Poor	10.1	13.2
Very poor	4.1	4.0
Cannot say	0.3	0.6
$\chi^2$	.0073	

### **Appendix 8: Self-perceived Assessment for Health in the KBIE**

Kangas, Olli, Signe Jauhiainen, Miska Simanainen and Minna Ylikännö. “The Basic Income Experiment 2017–2018 in Finland: Preliminary Results.” 21. *Reports and Memorandums of the Finnish Ministry of Social Affairs and Health*, 2019. <http://urn.fi/URN:ISBN:978-952-00-4035-2>.

**Table 6. Self-perceived estimate of change during the previous two years in the level of confidence in one's own future, one's own financial situation and one's own ability to influence matters**

	Confidence in one's own future (%)		Confidence in one's own financial situation (%)		Ability to influence societal matters (%)	
	Test	Control	Test	Control	Test	Control
Poor	6.8	9.8	13.0	19.4	16.0	25.1
Rather poor	7.8	13.2	11.8	16.8	19.5	22.6
Moderate	25.8	30.1	32.4	32.4	31.1	26.5
Quite strong	34.8	30.0	26.3	19.4	17.1	15.5
Strong	23.4	16.2	15.9	10.9	11.8	7.1
Cannot say	1.4	0.7	0.7	1.1	4.6	3.2
$\chi^2$	<.0001		<.0001		<.0001	

### Appendix 9: Level of Confidence for Own Future in the KBIE

Kangas, Olli, Signe Jauhiainen, Miska Simanainen and Minna Ylikännö. "The Basic Income Experiment 2017–2018 in Finland: Preliminary Results." 21. *Reports and Memorandums of the Finnish Ministry of Social Affairs and Health*, 2019. <http://urn.fi/URN:ISBN:978-952-00-4035-2>.

**Table 10. Full-time and part-time employment and a wish to work full-time instead of part-time**

	If a wage earner, is currently in (%)	
	Test	Control
Part-time employment	38.0	30.3
Full-time employment	62.0	69.7
$\chi^2$	.0870	
	If working part-time, would rather work full-time (%)	
	Test	Control
Yes	68.6	58.2
No	31.4	41.8
$\chi^2$	.1931	

### Appendix 10: Wish to work part-time vs. full-time in KBIE

Kangas, Olli, Signe Jauhiainen, Miska Simanainen and Minna Ylikännö. "The Basic Income Experiment 2017–2018 in Finland: Preliminary Results." 23. *Reports and Memorandums of the Finnish Ministry of Social Affairs and Health*, 2019. <http://urn.fi/URN:ISBN:978-952-00-4035-2>.

**Table 12. Self-perceived financial wellbeing of household at current level of household income**

	Current level of household income (%)	
	Test	Control
Living comfortably	11.9	7.4
Doing OK	48.1	43.5
Difficulty making ends meet	26.1	31.8
Barely getting by	12.5	16.8
Cannot say	1.4	0.6
$\chi^2$	.0002	

**Appendix 11: Self-perceived financial well-being in KBIE**

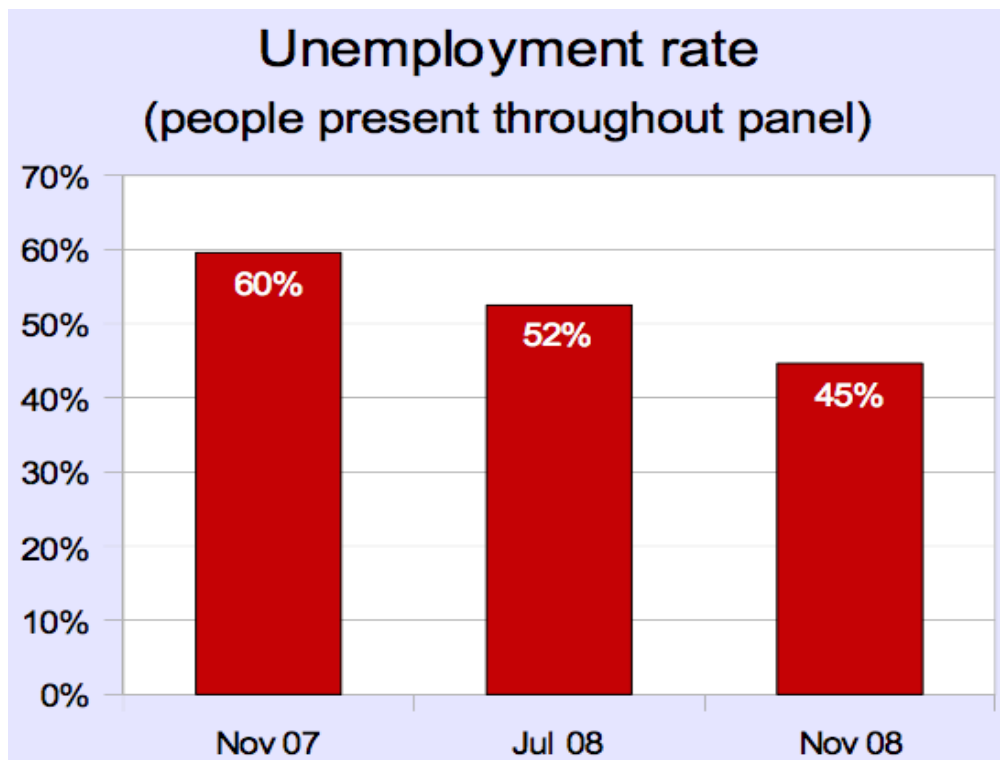
Kangas, Olli, Signe Jauhiainen, Miska Simanainen and Minna Ylikännö. “The Basic Income Experiment 2017–2018 in Finland: Preliminary Results.” 24. *Reports and Memorandums of the Finnish Ministry of Social Affairs and Health*, 2019. <http://urn.fi/URN:ISBN:978-952-00-4035-2>.

**Sources of Household Income**

Mean household income by source excluding BIG (panel)	Nov 07	Nov 08	Increase / Decrease in %
<b>Wages</b>	N\$ 581	N\$ 692	19%
<b>Self-employment</b>	N\$ 170	N\$ 681	301%
<b>Farming</b>	N\$ 42	N\$ 57	36%
<b>Remittances</b>	N\$ 103	N\$ 82	-21%
<b>Government grants</b>	N\$ 199	N\$ 285	44%

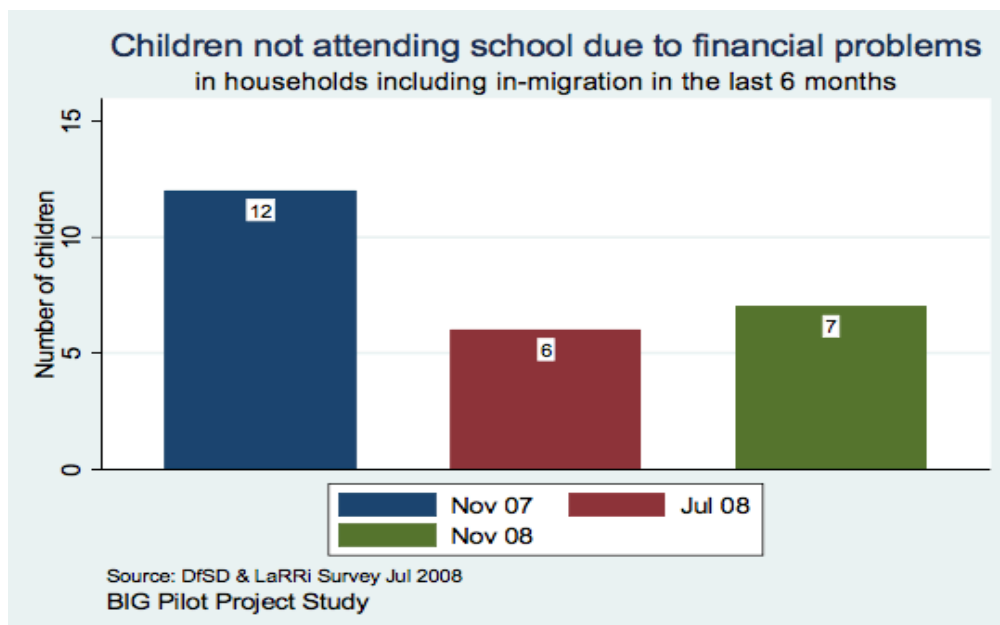
**Appendix 12: Sources of Household Income in Otjivero, Namibia**

Haarmann, Claudia, Dirk Haarmann, Herbert Jauch, Hilma Shindondola-Mote, Nicoli Nattrass, Ingrid van Niekerk, and Michael Samson. “Assessment Report.” *Basic Income Grant Coalition Namibia*. 73. Friedrich Ebert Foundation, 2009.



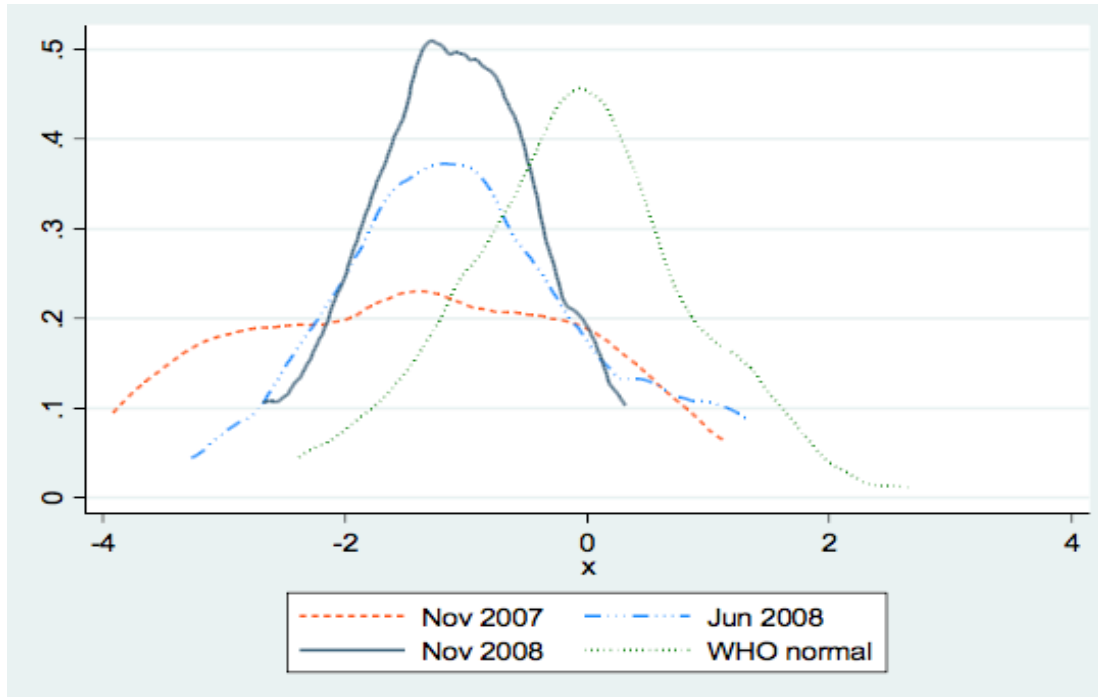
#### Appendix 13: Unemployment rate in Otjivero, Namibia

Haarmann, Claudia, Dirk Haarmann, Herbert Jauch, Hilma Shindondola-Mote, Nicoli Nattrass, Ingrid van Niekerk, and Michael Samson. "Assessment Report." *Basic Income Grant Coalition Namibia*. 71. Friedrich Ebert Foundation, 2009.



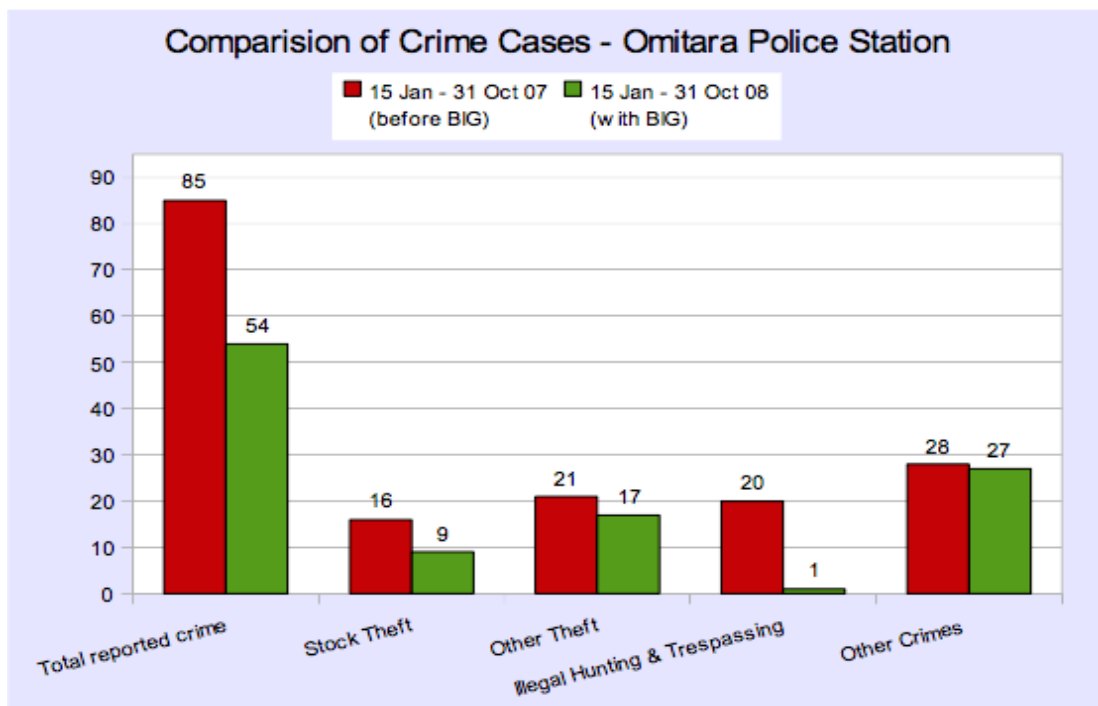
#### Appendix 14: Lack of Child School Attendance in Otjivero, Namibia

Haarmann, Claudia, Dirk Haarmann, Herbert Jauch, Hilma Shindondola-Mote, Nicoli Nattrass, Ingrid van Niekerk, and Michael Samson. "Assessment Report." *Basic Income Grant Coalition Namibia*. 67. Friedrich Ebert Foundation, 2009.



### Appendix 15: Hunger and Child Malnutrition in Otjivero, Namibia

Haarmann, Claudia, Dirk Haarmann, Herbert Jauch, Hilma Shindondola-Mote, Nicoli Natrass, Ingrid van Niekerk, and Michael Samson. "Assessment Report." *Basic Income Grant Coalition Namibia*. 55. Friedrich Ebert Foundation, 2009.

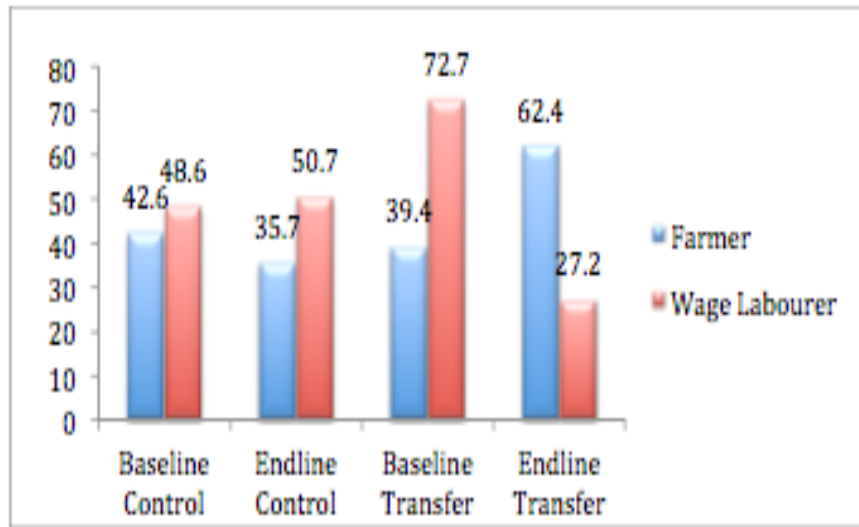


### Appendix 16: Reported Crime Cases in Otjivero, Namibia

Haarmann, Claudia, Dirk Haarmann, Herbert Jauch, Hilma Shindondola-Mote, Nicoli Natrass, Ingrid van Niekerk, and Michael Samson. "Assessment Report." *Basic Income Grant Coalition Namibia*. 46. Friedrich Ebert Foundation, 2009.



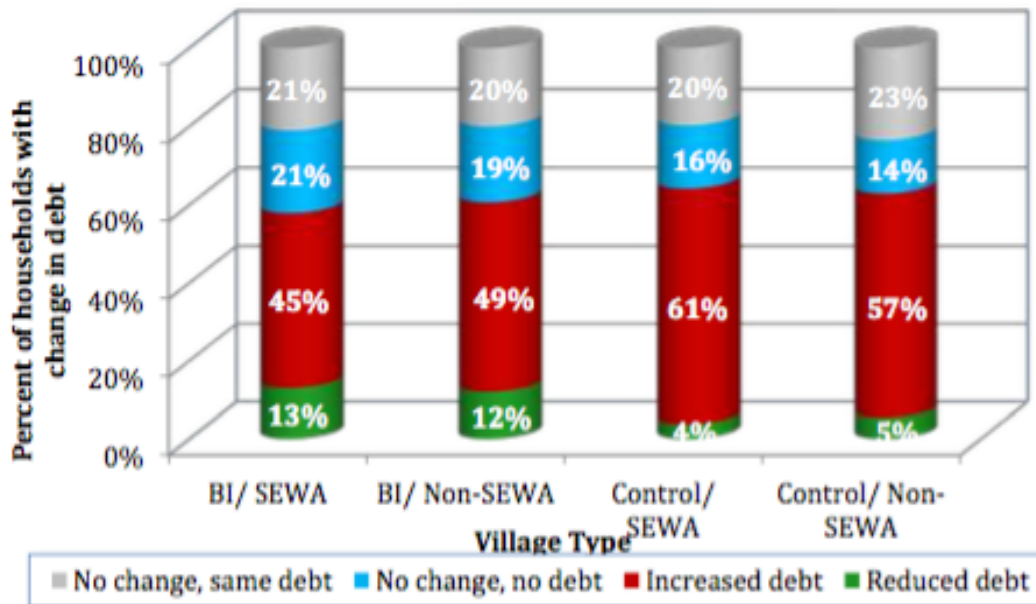
**Figure 6: Tribal pilot: Shift in proportion of time spent on own farm vs as wage labourer**



**Appendix 17: Wage vs. Farm Labor in the MPBI, India**

“Executive Summary” Madhya Pradesh Unconditional Cash Transfer Project. 13. SEWA Bharat India, 2015. <http://sewabharat.org/wpcontent/uploads/2015/07/Executive-summary.pdf>.

**Figure 9.3.4: Households with change in debt, by village type, in General Villages**

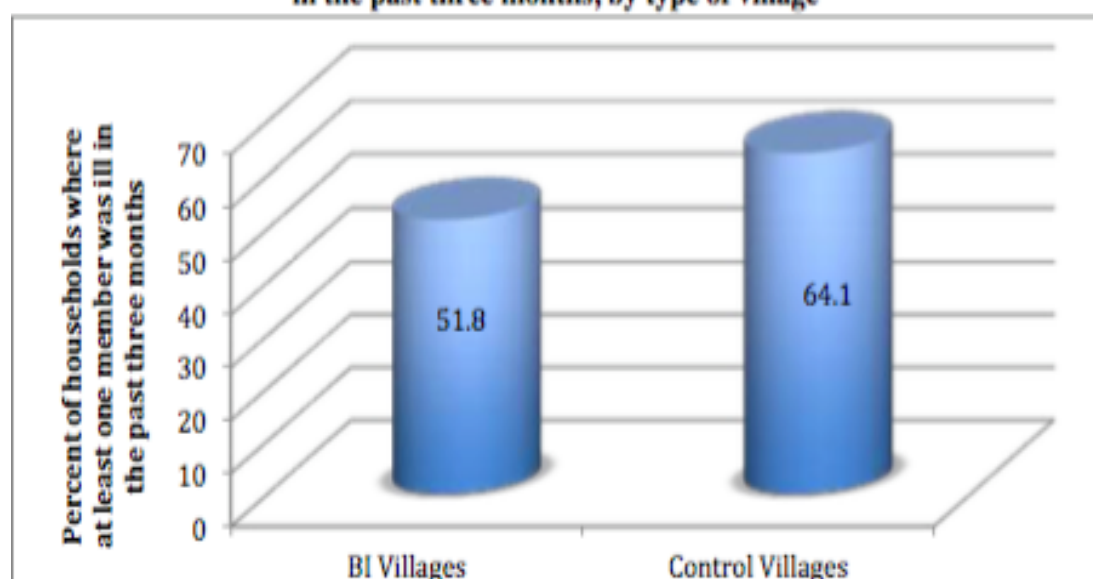


**Appendix 18: Household Change in Debt in the MPBI, India**

Akhilesh Arya et al. *A Little More, How Much It Is... Piloting Basic Income Transfers in Madhya Pradesh, India*. 348. UNICEF & SEWA Bharat, 2004. [http://unicef.in/uploads/publications/resources/pub\\_doc83.pdf](http://unicef.in/uploads/publications/resources/pub_doc83.pdf).



**Figure 6.3.1: General Villages: Percent of households where at least one member was ill in the past three months, by type of village**



#### **Appendix 19: Illness in the MPBI, India**

Akhilesh Arya et al. *A Little More, How Much It Is... Piloting Basic Income Transfers in Madhya Pradesh, India*. 217. UNICEF & SEWA Bharat, 2004.

[http://unicef.in/uploads/publications/resources/pub\\_doc83.pdf](http://unicef.in/uploads/publications/resources/pub_doc83.pdf).

**Table 2: General Pilot: School Enrolment by type of village, age and gender**

Age (in years)	Male		Female		Total	
	BI Villages	Control Villages	BI Villages	Control Villages	BI Villages	Control Villages
<b>6-10</b>	98.0	93.5	97.3	94.3	97.6	93.9
<b>11-13</b>	94.8	96.7	96.5	83.6	95.7	90.1
<b>14-18</b>	84.4	65.6	65.0	36.1	76.0	51.3

#### **Appendix 20: Rates of School Enrollment in the MPBI, India**

“Executive Summary” Madhya Pradesh Unconditional Cash Transfer Project. 11. SEWA Bharat India, 2015. <http://sewabharat.org/wpcontent/uploads/2015/07/Executive-summary.pdf>.