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To UBI or not [o] UBI? Universal Basic Income creating value in rural Romania

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- ❖ Computer Science
- ❖ Economic Sustainability
- ❖ Executive MBA
- ❖ All three sectors (public, private, voluntary/third)
- ❖ 20+ years in Fortune 100 U.S. Corporations
- ❖ IT & Project Management
- ❖ Building a social enterprise in rural Romania
- ❖ Managing one of the longest Universal Basic Income (UBI) programs in the world (15+ years)

Objective and research hypothesis

We aim to measure the impact of basic income programs on eradicating poverty, at societal and individual levels, with interventions in both monetary and nonmonetary areas, by considering ALL forms of wealth available to our disposal: financial, manufactured, intellectual, human, social and relationship, and natural, and growing them equally, through social investments...

...and to create a viable model to prove it.



Agenda

1. Introduction
2. Poverty and basic income programs
3. Methodology and framework
4. Measuring the impact
5. Case studies
6. Conclusions (and proposals for future research)



1.INTRODUCTION

RURAL ROMANIA



- ❖ Mix of education inadequacy, economic paucity, and hopelessness created an outflow of economic migration towards the richer (and farther) areas of Europe,
- ❖ A causal nexus for the further erosion of already scarce economic opportunities

MULTIDIMENSIONAL POVERTY



- ❖ Nonmonetary and monetary factors
- ❖ Nonmonetary - food, health, education, social security, housing quality, and housing services.
- ❖ Monetary- per capita income below \$2.15 a day
- ❖ Extreme multidimensional poverty if deprived of at least three social rights & per capita income
- ❖ 1.2 billion people are multidimensionally poor, with 593 million, children under 18 years of age



2. POVERTY AND BASIC INCOME PROGRAMS

FRAMEWORK



- ❖ Second poorest region of Romania
- ❖ Few development opportunities
- ❖ People forced to work abroad
- ❖ Decrease by 4.63% of the population at regional level as compared 1.7% decrease recorded at national level
- ❖ “New orphans”- with parents



THE FOUR TYPES OF POVERTY



- ❖ 23.8% of Romanian population below poverty line

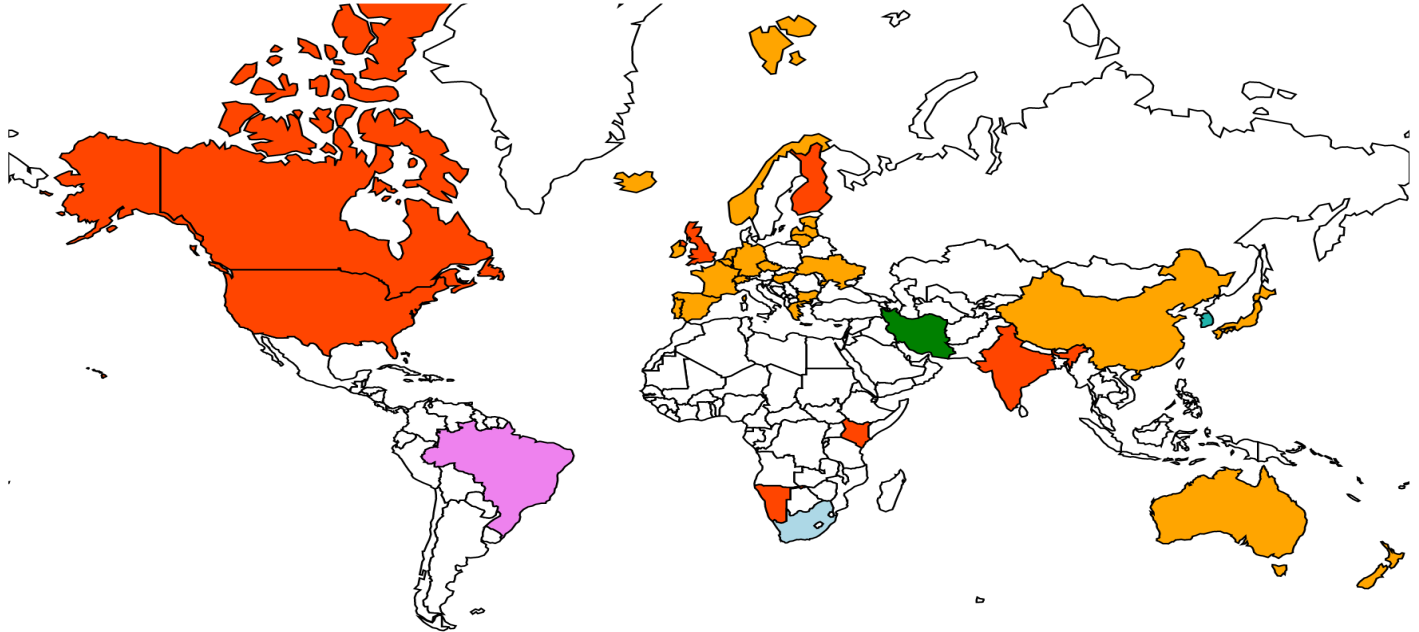
THE FOUR TYPES OF POVERTY



CONCERN
worldwide US

- ❖ Poverty - “deprivation of basic capabilities” (Sen, 1999)
- ❖ Change the paradigm: “poor” vs. “in need”

UNIVERSAL BASIC INCOME IN THE WORLD



Type

Discussed Welfare and Pilot Pilot Partial COVID-19 relief Full

Countries with UBI in 2023 (source: www.WorldPopulationReview.com)

BASIC INCOME EARTH NETWORK (BIEN)



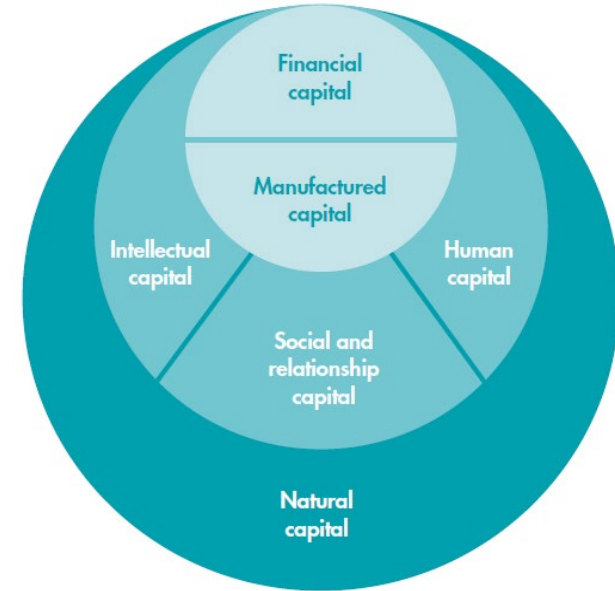
- ❖ **Periodic:** distributed in regular payments
- ❖ **Cashpayment:** distributed as funds, not vouchers
- ❖ **Individual:** paid to every adult citizen, not just every household
- ❖ **Universal:** it is paid to all citizens, regardless of their situation
- ❖ **Unconditional:** there are no requirements for employment status or any other criteria (BIEN, 2023)



3. METHODOLOGY AND FRAMEWORK

ECONOMIC PERSPECTIVES

- ❖ For profit vs. non profit?
- ❖ Oikonomiavs. Chrematisticke
- ❖ *Cuibono?* Profit & Purpose
- ❖ The Six Capitals theory
- ❖ Multiple capitals = multiple types of wealth
- ❖ Judicious allocation of ALL types of capital
- ❖ Certain capitals are increased through use



IIRC Representation of Six Capitals (source: IIRC, 2013)

INTERVENTIONIST RESEARCH (IVR)



- ❖ Collaboration between researchers and practitioners to solve real-world problems
- ❖ Theoretical and practice perspective (Knowledge + Action), with practical impact in the community
- ❖ *Physical, mental, emotional health, trust* (in oneself & external organizations), *goal setting* and *goal reaching, scholastic progress, extracurricular activities, personal achievements* and the overall *financial stability* of the recipients over time



**You cannot
understand a
system until
you try to
change it.**

- Kurt Lewin

METHODOLOGY



- ❖ **Need** - what are the needs to be fulfilled?
- ❖ **Fulfillment** - when is the need fulfilled?
- ❖ **Unknown unknowns** –aside from setting a contingency fund, what if there are needs that are not known to the researchers?
- ❖ **Assessing progress** –how fast the needs are met
- ❖ **Measure of success**- when are the needs completely met, and is it self-sustainable?



4. MEASURING THE IMPACT

IMPACT LEVELS



- ❖ Individual impact- the subjective effect(s) felt by the individual, describes the recipient's perception
- ❖ Third party impact- external perspective, shows the recipient's impact their peers, and family
- ❖ Societal impact- income taxes, passive income, disposable income, volunteering, charitable endeavors, higher levels of physical, emotional, and mental health, and increased trust levels



4. CASE STUDIES

CASE STUDIES



❖ Christian, Laurel, Gabriel

Name	Trust		Health		Goals		School / Work	Extracurricular	Financial	AVG
	in Oneself	in Others	Physical	Emotional	Setting	Achieving				
Christian	6.5	6	6	7	5	5	9	8	4	6.278
Laurel	9	6.5	9	7	5	5	8	7	4	6.722
Gabriel	6	5.5	7	7	6	6	9	6	3	6.167

Name	Trust		Health		Goals		School / Work	Extracurricular	Financial	AVG	# of years in the program
	in Oneself	in Others	Physical	Emotional	Setting	Achieving					
Christian	9	9	8	9	9	9	9	9	9	8.889	9
Laurel	9	9	10	10	9	9	9	10	9	9.333	9
Gabriel	8	8	8	8	9	9	9	7	8	8.222	10

source: Author's, 2023



5. CONCLUSIONS

GROWING THE SIX CAPITALS



- ❖ Intangible benefits - mental health, emotional stability, trust and confidence, strong goalsetting
- ❖ Tangible effects - improved physical health, school grades, goal reaching in general, financial stability, *building mutual trust, and confidence*, which in turn has built recipients' self-confidence
- ❖ Impalpable effects translate to the real world, properly monetized by the recipients.

REMOVING THE STYGMA ON POVERTY



- ❖ UBI programs are mostly considered “experiments”
- ❖ UBI needs to be considered a long term endeavor which addressed the needs of the people *until these needs are fulfilled*
- ❖ Recipients develop inner structures that allow them to *function autonomously* and independently, as well as they can *define their own measure of success* and “graduate” from the program, *w/o relying indefinitely on outside help*

REFRAMING THE UBI



- ❖ Different people = different needs
- ❖ Careful assessment, nonmonetary needs
- ❖ Growing / varying needs of individuals (illness, etc)
- ❖ The UBI concept could (and should) become altered to *include family structures, households, and implicitly all citizens, regardless of age, in necessary amounts, which can be altered as needed*
- ❖ Universal Wellbeing Income

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THANKS!

Any questions?

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