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

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Alex Ureche

- Computer Science
- Economic Sustainability
- Executive MBA
- All three sectors (public, private, voluntary/third)
- 20+ years in Fortune100 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
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
Secondpoorest region of Romania
Few development opportunities
People forced to work abroad
Decrease by 4.63% of the population at regional level as compared to 1.7% decrease recorded at national level
“New orphans” - with parents

source: adroltenia, 2021
THE FOUR TYPES OF POVERTY

- 23.8% of Romanian population below poverty line

Poverty - “deprivation of basic capabilities” (Sen, 1999)

Change the paradigm: “poor” vs. “in need”
Countries with UBI in 2023 (source: www.WorldPopulationReview.com)
Periodic: distributed in regular payments
Cash payment: 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
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
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

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*source: Author’s, 2023*
5. CONCLUSIONS
GROWING THE SIX CAPITALS

- Intangible benefits - mental health, emotional stability, trust and confidence, strong goal-setting

- 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.
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, non-monetary 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
References:


Alatas, T., Maksimainen, J., Manyika, J., Singh, N. (2020) An experiment to inform universal basic income


Cuckston, T., 2022. Accounts of NGO performance as calculative spaces: Wild Animals, wildlife restoration and strategic agency, Critical Perspectives on Accounting, Volume 84, 2022, 102374, ISSN 1045-2354


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THANKS!

Any questions?
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