HAVING ONE’S CAKE AND EATING IT?
Emergency Basic Income and Universal Basic Income
as Pandemic Social Protection Instruments

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1. Basic income as a pandemic policy response
2. Pandemic policy responses in Maricá & Niterói
   a) Renda Básica de Cidadania (RBC)
   b) Programa de Amparo ao Trabalhador (PAT)
   c) Renda Básica Temporária (RBT)
3. The dynamics of a pandemic basic income
   a) Switch on/Switch off model
   b) Dial up/Dial down model
4. Pandemic lessons from Maricá & Niterói
BASIC INCOME AS A PANDEMIC POLICY RESPONSE
BI IN THE PANDEMIC CRISIS

• Is a pandemic basic income effective?
  • Three policy arguments: urgency, priority, solidarity
  • Question of adequacy? (Relative to other policies)
  • Question of implementation? (UBI and other policies)
• Is a pandemic basic income politically feasible?
  • COVID-19 correlated with increased BI support, but political economy barriers remain (constituency/coalition)
  • Pandemic crisis no general catalyst for structural change
• General problem: what type of basic income — EBI or UBI?
  • Policy effectiveness/political economy: EBI > UBI
EBI and its limitations

• Emergency Basic Income (EBI): shared characteristics with universal basic income (UBI) but temporary ("sunset clause")
• EBI is able to handle immediate pandemic support, but is less suitable to deal with two long-term aspects:
  • EBI provides only weak pandemic recovery:
    • EBI does not address poverty, inequality, social exclusion caused/exacerbated by COVID-19 in medium/long term
  • EBI provides weak pandemic preparedness:
    • EBI does not promote resilient support systems in anticipation of future pandemic events
    • Pandemic cycles as a new reality? Taking preparedness/resilience over time very serious (medium/long run)
• From EBI (temporary) to UBI (permanent)???
EXTERNAL POLICY COMPETITION: EBI VS UBI

• How do/should EBI and UBI interact in pandemic policy space?
  • EBI as competitor to UBI: EBI and UBI compete for same set of economic, organisational and political resources (“layering”)
  • EBI as stepping stone to UBI: EBI facilitates introduction to UBI by preparing pathway (“sequential”)
  • EBI and UBI as co-evolving and mutually reinforcing:
    • Simultaneous policy development (contra competing/sequential)
    • Effectiveness depends on seamless implementation and harmonious functioning
PANDEMIC POLICY RESPONSES IN BRAZIL: MARICÁ & NITERÓI
• Maricá: oil-rich small municipality (approx. 160000 inhabitants) in the Rio de Janeiro metropolitan region
2019: Renda Básica de Cidadania (RBC)
- Value of 130 R$ (family of four = 25% per capita gdp)
- Not universal, only registered in CadÚnico: approx. 20-25% coverage (42,000 people)
- Individually calculated but family card payment
- Payment in local currency (mumbuca): 1-1 parity with R$ and backed by the local community bank (Banco Mumbuca) and local business
- Permanent policy (not experiment)!
• March 2020: municipal gov’t declares public emergency/pandemic lockdown (national inaction —> municipal action)
• Municipal degree institutes “emergency basic income supplement”: temporary increase of RBC from 130 to 300 R$
  • 130% increase in a matter of days!
  • Reduction to 200 R$ in mid-2022 (partial reduction)
• Speed of implementation widely commented on as extraordinary — only required bank decision and municipal approval!
PAT: Maricá’s “Other” Pandemic Policy

- PAT: Programa de Amparo ao Trabalhador
  - Paid to informal workers, entrepreneurs, etc.
  - Generous program: 1,045 mumbuca/BRL per month (equivalent of the minimum monthly wage in 2020)
  - Sizeable coverage: approx. 20,000 workers (50% of RBC)
  - BUT: faced major implementation hurdles:
    - creating registry/database from scratch with heterogeneous benefit population not captured in other registries
    - publicise policy & how it would work
    - committee of officials to evaluate the registrations
  - Approx 15 days required for registration, with payment delays up to 3 months!
  - Gov’t officials devoted a significant amount of their time to PAT.
RBT: EMERGENCY CASH TRANSFER IN NITERÓI

- Niterói: April 2020-December 2021 sets up Renda Básica Temporária (RBT)
- RBT disbursed monthly payments of BRL 500 per family via a debit card restricted to markets and pharmacies located within the municipality
- Design simple (like RBC), but implementation more complicated due to lack of policy architecture, requiring …
  - create communication campaigns to inform potential eligible candidates
  - screen those who applied
  - cross-check information and documents provided with data coming from other municipal and federal databases
  - launch a public bid for the card provider
  - distribute the cards and campaign for businesses to accept payments through this means
  - physical presence for registration and card distribution during lockdown!
DYNAMICS OF PANDEMIC BASIC INCOME: LESSONS FROM MARICÁ
• **Switch on/Switch off Model (PAT, RBT)**
  - EBI = **standby —> activate** when pandemic events emerge
  - Institute a legislative/administrative framework that is switched on when a pandemic crisis hits, but fully switched off after
  - Complex interface of political/bureaucratic decision-making process may cause delay, error, fractured/unequal implementation

• **Dial up/Dial down Model (RBC)**
  - EBI/UBI combo = **activate —> upgrade** during pandemic event
  - System is already operational with only a budgetary decision to “dial up” the level to be made when the pandemic crisis hits
  - Economizes on political/bureaucratic decision-making: only key decision is releasing extra funding
Lessons from Maricá & Niterói

- Maricá’s RBC in COVID-19 = example of dial up/dial down!
  - EBI and UBI as co-evolving and mutually reinforcing policies
- Main benefits of the dial up/dial down approach
  - **Agile implementation**: joined up political/administrative decision-making avoids interface barriers and makes for fast and agile policy responses (RBC ←→ PAT/RBT)
  - **Policy learning**: continuous UBI in place avoids problem of institutional knowledge disappearing due to bureaucratic turnover and/or reassignment (especially during pandemic staff shortage)
  - **Upgrading admin capability**: avoids lack of investment in downtime periods in between crises (capacity drift) due to continuous pressure to maintain implementation capability
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