

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)???

- 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



BRAZIL: MARICÁ & NITERÓI



- Maricá: oil-rich small municipality (approx. 160000 inhabitants) in the Rio de Janeiro metropolitan region

MARICÁ: SOLIDARITY ECONOMY EXEMPLIFIED

- 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)!

RBC: PANDEMIC CASH TRANSFERS IN MARICÁ

- 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 heterogenous 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



TWO MODELS: SWITCH ON/OFF VS DIAL UP/DOWN

- **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 \longleftrightarrow 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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