

BIEN CONGRESS 2023

PLENARY 7

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“The Case for a Revision of the Definition of BI Today”

by

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CONTEXT

The modern welfare state comprises:

(Cash-based) [SOCIAL INSURANCE
SOCIAL SECURITY—| [INCOME-TESTED BENEFITS
[SOCIAL ASSISTANCE —[[NON-INCOME-TESTED (BI)

SOCIAL SERVICES (HOUSING, HEALTH, EDUCATION, etc.)

Pre 2016 definition:

[A basic income is]

“an income unconditionally granted to all on an individual basis, without means test or work requirement”.

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Post 2016 definition:

[A basic income is]

“a periodic cash payment unconditionally delivered to all on an individual basis, without means test or work requirement”.

www.basicincome.org/about-basic-income

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That is, a basic income has the following **five characteristics**:

1. **Periodic**: it is paid at regular intervals (for example every month), not as a one-off grant.
2. **Cash payment**: it is paid in an appropriate medium of exchange, allowing those who receive it to decide what they spend it on. It is not, therefore, paid either in kind (such as food or services) or in vouchers dedicated to a specific use.
3. **Individual**: it is paid on an individual basis – and not, for instance, to households.
4. **Universal**: It is paid to all, without means test.
5. **Unconditional**: It is paid without a requirement to work or to demonstrate willingness to work.

Query:

why change the definition from 'granted' to 'delivered'?

"Unconditionally delivered" implies that only the delivery was unconditional.

"delivered to all on an individual basis" could imply that only the delivery was on an individual basis.

Suggested edit for clarification:

Re-instate 'granted'

"a periodic, cash payment unconditionally ~~delivered~~ *granted* to all..."

Look at the characteristics in turn:

1. **Periodic:** it is paid at regular intervals (for example every month), not as a one-off grant – OK.
2. **Cash payment:** it is paid in an appropriate medium of exchange, allowing those who receive it to decide what they spend it on. It is not, therefore, paid either in kind (such as food or services) or in vouchers dedicated to a specific use – OK.

3. **Individual**: it is paid on an individual basis
– and not, for instance to households.

- Note:
- ‘not to households’ implies that people in households would not receive a BI;
- Also, the couple is a common benefit unit – and ‘couple’ is different from ‘household’;
- Suggested edit for clarification:
- 3. **Individual**: it is paid on an individual basis – and not, for instance, *on the basis of a couple or ~~to~~ households*.

4. **Universal**: It is paid to all, without means test.

Some people interpret 'universal' to mean 'uniform'.
But, 'universal' indicates only **who** is eligible.

Other people ask whether 'everyone' includes children?

Children's BIs will be administered on their behalf by the main care-giving parent or guardian.

Suggested edit for clarification:

4. **Universal**: *indicates who is eligible*. It is paid to all, *including children*, without means test.

'Universal' is an *ex ante* characteristic,
ie. eligibility is not based on *existing* categories or circumstances.

5. **Unconditional:** It is paid without a requirement to work or to demonstrate willingness to work.

- Note:
- This work requirement is a very male pre-occupation;
- It really means ‘work for pay’.
- Non-conditionality is an *ex post* characteristic, not imposing *new* conditions
- There are many other types of behavioural requirements that could be imposed.

- Suggested edit:
- 5. **Unconditional:** It is paid without *any behavioural* requirements, *for instance*, to work *for pay* or to demonstrate willingness to work *for pay, to undertake volunteer work or to behave according to traditional gender roles. In other words, it is obligation-free.*
- This characteristic could probably be shortened.
- It will require a change to the definitive statement.

New characteristic: Uniform

- ‘**Universal**’ indicates who is eligible.
- It does not indicate anything about the level of the BI.
- Different types of prejudice exist around the world, based on misogyny, homophobia, race and creed, among other things.
- BIEN would have to endorse any programme which met the current BI definition, as a genuine BI programme, even if it were prejudicial.
- The ‘individual basis’ would not prevent discrimination against co-habiting partners, stopping them from enjoying household economies of scale already being enjoyed by two non-cohabiting individuals sharing accommodation.

Uniform continued...

BI's characteristics are all about freedom from oppression, and discrimination, So, if we think that 'Uniform' could reduce the threat of discrimination, then we should adopt it, sooner rather than later, without waiting for jurisdictions to violate it before doing something about it.

Discrimination is more likely to be introduced in a social assistance programme than in social insurance. The legislative details of major reforms are often introduced by civil servants, who could subconsciously be tacit opponents of BI.

Having to *make the case* for differentiation should help to prevent casual prejudice.

Uniform continued...

- It is not assumed that a BI would be identical worldwide, or frozen over time.
- Uniformity would apply to a given jurisdiction at a given time, and the BI payments could be indexed over time.
- But, might a generous uniform BI for children and adults encourage larger families?

Uniform continued...

'Uniform' rejects variations based on *ex ante* (*existing*) categories or circumstances.

It has close associations with both 'Universal' and 'Unconditional', and should be positioned between them as the new characteristic no. 5.

Suggested edit:

*5. **Uniform**: the amount of a basic income is the same/equal for everyone within a given jurisdiction at a given time and does not vary according to pre-existing categories or circumstances.*

Suggested revised definitive statement:

[A basic income is]”

a periodic, *uniform*, cash payment

unconditionally *granted* to all on an individual basis,
without means test or *behavioural* requirement.”

Cases for differentiated benefits:

An obvious case for differentiation is for tax-exempt, individual-based, unconditional, cash **disability** benefits, to be paid in addition.

Differentiation of cash benefits according to regional price variations, including housing costs, often merely exacerbates the situation, and might be better dealt with by policies to reduce inequalities via taxation.

However, a separate system for meeting widely-varying **housing costs** may have to be retained or devised in the meantime.

Sometimes a case for differentiation could be met more effectively via **public welfare services**, which are not substitutes for cash benefits, but are complementary to them.

The case for differentiation of cash benefits to achieve an adequate standard of living.

The level of cash benefits that will be needed for an adequate standard of living will depend on circumstances, including the jurisdiction's provision of welfare services in kind.

All three main methods of estimating adequacy levels, (focus groups, statistical analysis, and the OECD poverty benchmark), acknowledge that 'adequacy varies with age', with adults requiring greater cash benefits than children.

This can be met by delivering individual-based, age-related, unconditional 'adequacy top-up cash payments' in addition to the BI payments.

A BI will not replace all other cash benefits

- Cash benefits could include:
 - The BI payments;
 - Adequacy top-up payments;
 - Other differentiation benefits, eg for disability;
 - Retained means-tested benefits;
 - Retained social insurance benefits;
 - Benefits for which a BI is not a good substitute, for instance, a welfare fund for emergencies, such as fire or flood.

The different cash benefits do not have to be delivered separately.

They can be aggregated, if their frequencies and benefit units are co-incidental.

Their different component types, (BI, adequacy top-up payments, disability, etc.), should always be made clear.

Should BI's definition include an adequacy threshold?

A BI programme is an instrument, that leads to anticipated outcomes.
A BI programme is not a policy objective, and is independent of policy objectives.

An adequacy threshold would convert a BI into a policy objective, which would conflate the two concepts and cause confusion.

A BI is a transformative, foundational **instrument which could be part of a strategy** to eliminate material poverty and enable the social and cultural participation of every individual.

So, should the definition of a BI include an adequacy threshold? NO!

Is a BI a human right?

A BI should be a human right, but is not one yet.
Nor does including it in the definition of BI make it so.
It is a legal matter, in the gift of the United Nations.
A decision would be based on BI's anticipated, simultaneous, beneficial outcomes, not on its definition.

Similarly, other legal safeguards, such as 'non-foreclosure', and 'inalienability' (protection from debt protection procedures) are legal matters, not determined by the definition of BI.

Suggested revised definition:

[A basic income is] “a periodic, *uniform*, cash payment unconditionally *granted* to all on an individual basis, without means test or *behavioural* requirement”.

• That is, a basic income has the following *six characteristics*:

1. Periodic: it is paid at regular intervals (for example every month), not as a one-off grant.
2. Cash payment: it is paid in an appropriate medium of exchange, allowing those who receive it to decide what they spend it on. It is not, therefore, paid either in kind (such as food or services) or in vouchers dedicated to a specific use.
3. Individual: it is paid on an individual basis – and not, for instance, *on the basis of a couple or* household.
4. Universal: *indicates who is eligible*. It is paid to all, *including children*, without means test.
5. *Uniform: the amount of a basic income is the same/equal for everyone within a given jurisdiction at a given time and does not vary according to pre-existing categories or circumstances.*
6. Unconditional: It is paid without *any behavioural* requirements. *It is obligation-free.*

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THANK YOU.