

Universal Basic Income: An Attempt to 'Rebalance' in Western Countries

The reason why Universal Basic Income (UBI) has been prevailing

A Universal Basic Income is a periodic cash payment unconditionally delivered to all in a country on an individual basis not family, without means test or work requirement. This policy opinion provides institution security for 'an unearned income'. On June 5th of 2016, it was the first time that UBI was moved from an academic idea onto a realistic system—a referendum for offering citizens basic income in Switzerland, which evoked widespread discussion about UBI worldwide, even was vetoed and considered as a ridiculous news by media.

The concept of UBI came from the book—'Utopia'

The financial crisis burst in 2008 revealed the malady of western developed countries' institution. Feeling of helplessness and indignation caused by Weakness in economic development, enlargement of wealth discrepancy and class rigidity in society put the trigger of prevalence of populism thoughts and force. How to reform and improve the relevant system to restore the potential of social inclusiveness and economic growth has become the focus of current western political and academic circles. In this context, the utopian system of national basic income tries to return to the "policy toolbox" of western countries, and many countries and regions have taken the lead in launching pilot projects.

The policy implementations of UBI

Finland has conducted a two-year universal basic income pilot since January 2017. About 2000 Finnish citizens aged 25-58 years old are drawn from the people who have received unemployment benefits and low insurance benefits. For 24 months, they can obtain the basic income of 560 euros per month provided unconditionally by the state, meanwhile they will no longer be able to get unemployment benefits or other low-income assistance for two years.

In Italy, starting from April in 2019, citizens whose monthly income is below 780 euros can receive matching citizen basic income so their income will be topped up to 780 euros. The Italy's universal basic income is not the full meaning of UBI because of its means test, work requirement and other requirements. But it is much closer to UBI.

Since 2017, the Netherlands has conducted a two-year national basic income test in several cities such as Utrecht. Stockton, California. Stockton is also conducting a basic income pilot, providing about 100 Stockton residents with \$500 monthly in cash unconditionally over an 18-month period. Participants must live in a community with middle income or lower than the median urban income, but there is no restriction on their personal or family income.

The Contemplation Initiated by UBI

It can be seen that western countries are switching from focusing on economic efficiency to social balance.

1. Put equality in the priority of values. Regarding ‘an unearned income’ under the universal basic income system as the necessary security and means.
2. Modify the ideology of contradiction between fairness and efficiency. The Ideology of UBI emphasizes sustainable economic growth originated from the desire for a fairer society.
3. Putting social solidarity at the center of public policy. The main goal of UBI is to avert erosion of social cohesion caused by class stratification and solidification originating from inequality.

Summary by Chunzhuo Zhang