

Summary

Based on the global research regarding universal basic income experiments since 2014, this article reorganizes the theoretical framework applicable to UBI analysis, reviews the economic effects of the experiment on a global scale, and illustrates its feasibility in China and its impact on China's social welfare system as well as the meaning of reform.

There are three reasons for the recent discussion of UBI:

1. The development of economy and the upgrade of human civilization
2. The emerging of populist movements
3. The new technological revolution which is represented by artificial intelligence is ruinous on workers, generating enormous anxiety regarding their livelihood in the future.

The universal basic income pilot projects mentioned in this article can be roughly summarized into two categories: 1. The first type of experiment will basically cover all people in the country or region, but the unconditional transfer payments it provides are not enough to meet people's basic living needs; 2. The second type of universal basic income experiment abandons the coverage of the entire population, and instead targets a limited number of target populations, and distributes transfer income sufficient to guarantee their basic living needs.

The social value of universal basic income:

1. Give individuals more choices, upgrade their skills quickly and stimulate creativity
2. Protect the rights and interests of disadvantaged groups and improve their status in the family and society.
3. Promote social integration and ensure class mobility.
4. Meet residents' demands and promote social stability.

The universal basic income has been piloted in the United States, Finland and India, which represents the situation of universal basic income in high-income countries, high-welfare countries and low-income countries. In general, the three pilot programs of universal basic income have shown positive results. From the global experience, we could know that at present, universal basic income has been proven to be an effective tool to promote social equity. It can effectively increase the income and welfare of the poor, reduce the incidence of poverty, and narrow society's income gap.

China does not implement a social welfare policy in the name of universal basic income. However, due to various reasons such as decentralized policy implementation and difficulty in targeting, China's subsistence allowance system (Dibao system) has many similarities with the foundation of universal basic income. China's current Dibao system can in fact be regarded as a partial universal basic income policy, and there is no significant difference between the two in terms of fairness, efficiency and finance (Ravalion & Chen, 2015; Han Hua, Gao Qin, 2017). Therefore, in order to avoid duplication of construction, it is not necessary for China to continue to introduce partial universal basic income policies that target low-income groups in a short period of time, so there is

no need to squeeze financial resources for other public policies, for the fiscal restriction has always been the core element of the basic income initiative.

Summary by Xianwen Huang