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SCIENTIFIC CENTER OF LABOUR ECONOMICS

UNIVERSAL BASIC INCOME: IS IT A CHANCE FOR RUSSIA?

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Through the prism of Russian Foundation for Basic Research (RFBR) project named “Universal basic income as a regulator of improving the living standard and quality of life: theoretical and methodological justification, transitional forms and tools for testing in Russia”(№20-010-00271), performed at the Scientific Center for Labor Economics of the Plekhanov Russian University of Economics in 2020-2022, the phenomenon of universal basic income (UBI) is considered: theoretical and methodological determinants; the modern research achievements and pilot projects which were organized in different countries; assessment of Russia's readiness for the introduction of transitional forms of basic income (BI) according by Russian experts opinion and answers of respondents; profiles of foreground categories for the payment of the BI; setting up and modeling experiments of BI.

The monograph is addressed to experts, graduate students and students dealing with the problems of labor and employment, improvement of the level and quality of human life.

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SUMMARY

“UNIVERSAL BASIC INCOME: IS IT A CHANCE FOR RUSSIA?”

Goals of the study presented in the monograph are to develop theoretical provisions of the concept of an universal basic income (UBI); to summarize and systematize the results of the survey of the Russian experts and citizens about the potential UBI key principles and possibilities of its implementation in Russia; to identify primary foreground categories of the population for its testing; to assess the feasibility of expanding UBI tools, taking into account the development of its transitional forms (the definition of “basic income (BI)” is used below for them), especially during the COVID-19 pandemic; to model the pilot projects (experiments) on the UBI implementation for the most vulnerable groups of the population.

The monograph consists of 5 sections and 15 chapters. The first section (chapters 1-3) is devoted to the theoretical and methodological foundations of the UBI studies. The second section (Chapters 4-5) reviews the modern achievements in research and country pilot projects (experiments) on the UBI implementation. In the third section of the monograph (chapters 6-8) assessments of the Russian experts and citizens about UBI and transitional forms of the basic income (BI), Russia's readiness for UBI testing and foreground categories for pilot projects (experiments) are presented. The fourth section (chapters 9-12) is devoted to identifying the influence of the socio-demographic and socio-economic characteristics of the reviewed target categories of the population on their preferred schemes (designs) for the UBI implementation. The monograph is completed by setting up and modeling pilot projects (experiments) on the UBI implementation in Russia (chapters 13-15).

Chapter 1. “Essence, prerequisites for the formation and transitional forms of the UBI” reveals the theoretical prerequisites for development of forms of the social support for the population; the maturation of conditions for the transition from its targeting to the expansion of the universality and unconditionality of social payments is substantiated; it is argued that UBI is a category that is likely to gradually reveal its essence, undergoing transformation through transitional forms - basic income (BI) and guaranteed minimum income (GMI) due to the unpreparedness of economies and people's consciousness for the rapid transformation of existing political, economic and social development institutions.

In Chapter 2. “Problematic areas of the UBI implementation” a comparison of fundamentally different paradigms of the UBI implementation impact on the society transformation is carried out. Namely, if UBI is a tool that leads to the gradual overcoming of people's alienation from national wealth, then, in the long term, its implementation may lead to a complete rejection of the social system, based on the alienation. If, on the contrary, UBI is the basis for the distribution of the “minimum rent”, which will be given to people who are still dependent on the owner, then this is only a new tool for adapting the system of exploitation of labor by capital.

The reasons for the UBI implementation are considered; problems that will be solved by payment of the UBI are stated, new contradictions that arise in the society and the state, in the areas of labor and employment, the level and quality of life are shown. The economic sources and limitations of the UBI implementation are analyzed.

Chapter 3. “Challenges of the Russian labor market and the prospects of the UBI implementation” shows that two trajectories of transformation of the Russian labor market are possible: either it is the deepening of the population stratification by property, or it is UBI implementation, initially in its transitional forms of the basic income (BI) or guaranteed minimum income (GMI) in order to mitigate the existing problems on the labor market, especially for workers from precarious employment groups, because employment problems are of current interest in Russia.

Chapter 4. “Research on the content, forms, tools and mechanisms of the UBI” provides a review of the historical and contemporary foreign and Russian studies of UBI devoted to its political and ideological context; revealing the impact on employment and mitigation of technological unemployment; arguing mechanisms for the introduction of universal basic income.

Chapter 5. “UBI pilot projects (experiments),” analyzes the most comprehensive international BI payout pilot projects (experiments) up to date. The following grouping of experiments was carried out according to the sources of direct cash payments, their impact on the basic needs satisfaction, coverage of recipients and size of sample: 1. Negative income tax (NIT); 2. Government social dividends; 3. Guaranteed minimum income (GMI); 4. Support for vulnerable groups; 5. Cash payments during emergencies on the example of the COVID-19 pandemic.

Chapter 6. “Experts about the BI implementation opportunities” analyzes the results of an expert survey from different regions of Russia

(August-October 2020, N=52), representing the scientific and educational community, employers, as well as trade unions representatives and public authorities on: 1) UBI criteria; 2) Russia's readiness for UBI implementation; 3) urgent tasks for Russia (priority goals of UBI implementation, forms of implementation, sources of funding, way of implementation, pilot projects on UBI implementation); 4) risks and positive effects of the universal basic income implementation. 80% of experts supported the implementation of pilot projects for the introduction of a BI for the low-income families with children. They also determined such categories of the population as graduates of universities and secondary vocational schools in the transition from study to the first job (52%) and precariously employed workers who are forced to put up with the loss of part of the labor and social guarantees of standard employment (48%). Experts had mentioned the registered unemployed (40%) and citizens of pre-retirement age (40%) less often.

In Chapter 7. "Experts about the impact of the BI on the population employment" is summarized and systematized the impact of the universal basic income implementation on the population employment in the following areas: 1) the level of employment, motivation and incentives for it; 2) formal and informal employment transformation; 3) paid and unpaid work ratio; 4) working and free time ratio, the quality of leisure.

In Chapter 8. "Practical aspects of the BI implementation and its impact on the employment sector: assessments of experts and target categories of the population" (the survey was conducted among representatives of the target categories (a sample number=1210) in the summer of 2021 using a questionnaire through a specialized online platform)). The assessments on the possible BI implementation were compared. The following vulnerable groups were selected for the mass survey: 1) low-income families with children; 2) graduates of secondary vocational schools during the transition process from studies to the first place of work; 3) precariously employed with a wide range of precarious employment indicators, including platform workers and internal labor migrants. It was revealed that the palette of assessments of the target categories is close to the expert scenarios. However, it was found that experts tend to expect a negative impact of the BI implementation on the employment sector (decrease of the level of employment of the population, decrease of the motivation and incentives for labor), while the respondents consider the BI as an important tool in the context of the employment sector (the ability to work by their acquired profession, expanding of employment opportunities, regardless of the level of wages). The BI for representatives of the economically vulnerable

groups first of all is an "insurance" in the case of adverse circumstances, such as the loss of a source of income from employment. In general, as the results of the survey showed, the target categories of the population have rather modest "claims" regarding the size of the BI (within 1-2 regional subsistence minimums).

Chapter 9 "Graduates of the secondary specialized educational institutions" presents the results of revealing the socio-demographic and socio-economic profile influence of the economically active population on its preferred payment schemes for the BI. The majority of respondents believe that the main goals of the introduction of the BI are to mitigate / overcome the problem of poverty, to ensure a minimum standard of living. This is connected with the low-income level of the respondents' households.

Chapter 10 "Internal labor migrants" shows that the main goal of BI implementation for internal labor migrants is to overcome (mitigate) the problem of poverty. In addition, a significant proportion of migrants see BI as a form of support for economically disadvantaged regions, which, as a rule, are the donor regions of internal labor migrants.

Chapter 11 "Platform workers" reveals that almost 40% of the platform workers believe that it is advisable to implement a BI in Russia to mitigate/overcome the problem of poverty, to ensure a minimum living standard for economically vulnerable groups. Another quarter of the respondents believe that such goals are redistribution of income to citizens from the use of the country's natural resources, regulation of the labor market and employment, regulation of the work-life balance, as well as gaining freedom in choosing a life trajectory, self-development and self-improvement.

Chapter 12 "Poor families with children" states that the BI implementation to reduce poverty and ensure a minimum living standard corresponds to the very essence of the problems relevant to this economically vulnerable group, as well as the common position among the surveyed experts (93.5% of respondents) and low-income families with children (in general, as well as depending on gender, age, level of education and employment (more than 50-60%).

In the opinion of this group, the most acceptable form of BI implementation for them is the guaranteed minimum income (GMI). The GMI as a form of BI was supported both by the surveyed Russian experts (71% of respondents) and by the surveyed low-income families with children (52.1%). Another form of BI - help during the crisis period was also supported by the representatives of the target group of population (56.8%).

In Chapter 13 "About the BI testing in Russia", a brief description

of the possible tools for testing of BI implementation is given. The scheme of its establishment is described for the registered unemployed in conjunction with the support of their inclusion in the employment sphere; for graduates of educational institutions (comprehensive schools, vocational primary, secondary special and higher ones) in the transition from studies to the first place of work in order to reduce precarious employment; for other categories of persons with a high concentration of signs of precarious employment; for the most economically vulnerable groups of poor households for the purpose of their targeted social support.

Chapter 14 “Implementation of the BI principles as a response to the coronavirus challenges (2019-2020)” summarizes the forms of BI payments in Russia and foreign countries during the most dangerous phase of COVID-19 in order to support workers and households in difficult life situations. It is shown that this period revealed the advantage of the principle of unconditionality over the principle of targeted support. As it turned out, in such situations, the argument about the inevitability of inflation with an increase in the volume of social transfers to the population loses its significance; the need for preliminary testing of measures leading to a more consistent implementation of the inherent principles in UBI becomes unclear. All this brings the prospect of UBI introduction closer.

In Chapter 15 “Modeling of the BI payment to overcome absolute monetary poverty, to support unemployed citizens and families with children”, based on the domestic expert-simulation dynamic model, the macroeconomic consequences of the proposed list of measures for the introduction of basic income payments are analyzed to solve three interrelated tasks of improving the level and quality of life of the economically vulnerable groups and marginalized communities. The conclusion is made about the real opportunity of the "BI program" implementation in Russia. It is shown that the proposed programs will significantly accelerate the economic and social development of Russia.

In conclusion of the Monograph, the authors emphasized the need for the development of scientific research and socio-political discussion about the UBI implementation concept; summed up the results of the research project “*Universal basic income as a regulator of improving the living standard and quality of life: theoretical and methodological justification, transitional forms and tools for testing in Russia (№20-010-00271)*” performed at the Scientific Center for Labor Economics of the Russian Plekhanov Economic University in 2020-2022, the results of which formed the basis of the presented monograph; offered recommendations for the Russian state authorities and local self-governments.