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# **Towards Equitable Progress: A White Paper on Youth Universal Basic Income**

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## **Abstract:**

This white paper discusses the concept of Youth Universal Basic Income (YBI), a proposed social welfare initiative aimed at addressing the challenges faced by young people aged 16 to 24. The YBI program draws upon various theoretical underpinnings, including the capability approach and the social investment perspective. The paper outlines a comprehensive implementation plan for the YBI, with funding sources ranging from donations to government contributions, and explores the distribution methods, impact evaluation, potential implications, and challenges associated with this groundbreaking initiative. The YBI program is anticipated to yield a myriad of positive implications for both individuals and society, including mitigating “involution” and promoting psychological well-being, enhancing financial security, fostering a more dynamic economy, improving social cohesion, and reducing income inequality. The paper concludes with recommendations for expanding the age range of beneficiaries, establishing a dedicated reserve fund, adopting a mixed-methods approach to impact evaluation, prioritizing skill development, and implementing a needs-based funding approach. Through diligent refinement and dedication to its core principles, the YBI program can become a transformative force in fostering a generation of resilient and fulfilled young individuals, contributing to a more inclusive and thriving society for all.

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# Introduction:

The rapid pace of modern society, characterized by intensified competition and societal pressures, has led to the phenomenon of “involution” among the youth. This trend encompasses a self-perpetuating cycle of overwork, heightened stress, and diminished life satisfaction. As the future pillars of society, young people require a supportive framework that addresses these challenges. The Youth Basic Income (YBI) program emerges as a plausible solution to alleviate the adverse effects of “involution” while empowering young individuals to adapt to societal demands effectively.

This white paper discusses the concept and implementation plan of the YBI, a proposed social welfare initiative that aims to provide a regular, unconditional cash transfer to individuals aged 16 to 24 years. The paper draws upon various theoretical underpinnings, such as the capability approach and the social investment perspective, to justify the rationale and objectives of the YBI. The paper also outlines the funding sources, payment mechanisms, impact evaluation, potential implications, and challenges associated with the YBI program. The paper concludes with recommendations for improving and sustaining the YBI program as a transformative force in fostering a generation of resilient and fulfilled young individuals, contributing to a more inclusive and thriving society for all.

The paper is organized as follows: Section 1 introduces the concept of universal basic income and its global development; Section 2 provides an overview of the existing issues faced by young people in China and other countries; Section 3 presents the results of a questionnaire analysis on the attitudes and perceptions of young people towards the YBI; Section 4 describes the specific plan content of the YBI program; Section 5 provides recommendations for enhancing the YBI program; and Section 6 concludes the paper.

# 1. The Concept of Universal Basic Income

Basic income, also known as universal basic income (UBI), is a social policy concept that proposes providing all individuals within a society with a regular, unconditional cash transfer, regardless of their employment status or income level. It is an idea that has gained considerable attention and debate in recent years due to its potential to address various socio-economic challenges.

According to the Basic Income Earth Network (BIEN), there are five crucial characteristics of UBI:

- **Periodic:** It is provided at consistent intervals, such as every month, instead of being a one-time grant.
- **Cash payment:** It is given in a form that can be used as a medium of exchange, allowing recipients to decide how they want to spend it. It is not provided in the form of goods or services, nor in vouchers restricted to a specific purpose.
- **Individual:** It is given to individuals directly, rather than being allocated to households or other groups.
- **Universal:** It is provided to everyone without requiring a means test or assessment of income. There are no eligibility restrictions based on financial circumstances.
- **Unconditional:** It is provided without any requirement for recipients to work or demonstrate a willingness to work.

The core principle behind basic income is to ensure a minimum level of economic security for every citizen. Proponents argue that it can alleviate poverty, reduce income inequality, and provide individuals with greater freedom and agency in pursuing their goals. The concept has historical roots and has been championed by renowned thinkers such as Martin Luther King Jr., and Milton Friedman.

Supporters of basic income argue that it can effectively replace the existing welfare

system, which often comes with complex bureaucracy and conditionalities. By providing a regular cash transfer, basic income aims to empower individuals to meet their basic needs, invest in education and skills development, start businesses, or engage in creative pursuits. It is considered a form of social protection that enables individuals to adapt to changing labor markets and technological advancements.

Critics of basic income raise concerns about its affordability, potential disincentives to work, and the impact on labor markets. However, several pilot programs and experiments conducted worldwide have shown promising results, suggesting that basic income can have positive effects on poverty reduction, health outcomes, and overall well-being. Notable examples include the ongoing experiments in Finland, Canada, and Kenya (Standing, 2017, pp. 98-105).

Young Basic Income (YBI) is a concept that shares fundamental similarities with basic income but specifically focuses on providing a guaranteed income to young individuals within a society. YBI can be seen as a targeted approach within the broader framework of basic income, addressing the unique challenges and opportunities faced by young people.

As societies continue to grapple with income inequality and changing economic landscapes, UBI and YBI remain a topic of academic interest and policy discussion.

## **2. Case Study Overview**

In recent years, UBI has gone from being a utopian proposal to an increasingly popular policy. UBI experiments have been conducted in countries as diverse as Kenya, Finland, Namibia, India, and Canada. Established UBI pilots have shown promising results. The earliest UBI program globally was the Oil Field Revenue Sharing Program

in Alaska, USA in the mid-1970s, and the common feature of more subsequent UBI pilots has been to improve the lives of low-income people. In developed regions such as Finland, the UBI pilot proposal adopted in October 2016 has only been tested on a small scale. In its 2020 report on the results of the Finnish pilot, McKinsey & Company noted that UBI significantly improved well-being on several metrics, that participants in the trial demonstrated higher levels of memory, learning, and ability to concentrate, and that UBI also made people feel more secure about their financial situation, even if their incomes weren't any higher than those in the control group. And in some developing regions, such as the UBI pilot that began in Kenya in 2016 (and runs until 2028), as well as the pilots conducted in Namibia in 2008~2009 and India in 2012-2013, the milestones and final results show that crime and indebtedness in the participating regions have declined, women have more control over their bodies (e.g., sexual freedom, marriage, and labor) have more control over their bodies (e.g., sexual freedom, marriage, labor), increased school attendance, and increased use of health clinics.

## 2.1 The United States

In the wake of the epidemic, the global political agenda for UBI has been pushed even further. In the wake of the epidemic, many countries have adopted "helicopter money" policies of massive cash assistance. For example, in the United States, the \$2 trillion CARES Act, the largest in modern history, was passed in March 2020, setting a precedent for large-scale direct cash handouts in the country's recent decades-long history, with up to 93.6 percent of taxpayers receiving assistance, according to estimates by the U.S. Tax Foundation. Massive cash assistance expands the coverage of existing welfare policies but is still subject to a review of the recipient's income status and is not a true UBI. the implementation of cash assistance policies did, however, greatly increase the social heat of the discussion of UBI programs, bringing them more quickly to the center of political debates in various countries. 2020 U.S. presidential

election candidate Anzel Young has proposed the implementation of a " Freedom Dividend Program", which would give \$1,000 per month to every U.S. citizen over the age of 18. Despite his withdrawal, the UBI program is gaining support in the U.S. Two U.S. polls on the UBI program conducted by Progress Data and Skynova in 2021 showed a six-fold increase in support for the program and a 3/4 decrease in opposition to it compared to 2011. 4.

## 2.2 South Korea

New UBI pilots continue to open in 2021 in areas such as Wales, UK, and Catalonia, Spain. And Lee Jae-Myung, South Korea's 2022 presidential candidate, has promised an annual basic income for young people and rural residents. This UBI political platform is not without merit; it began with South Korea's Gyeonggi Province (Lee Jae-myung was the former governor of Gyeonggi Province) 2019 Youth Basic Income Program, which provides about 175,000 young people, aged 24, with a basic income of about 1 million won (about \$900) per year to help young people under great pressure to find their way and find a job as soon as possible. Unfortunately, however, Lee Jae-Myung narrowly lost the election on March 10, just one step away from the practice of nationwide UBI in Korea. (Universal Basic Income Program: Can the Ideal Picture Become a Portrait of Reality - Liu Qichao, Xue Haotian, Zhang Yajie, Li Xinran)

## 2.3 Oilfield Revenue Sharing Program in Alaska, USA in the mid-1970s

Returns from the government's land holdings would be invested in a national endowment fund. The resources of this fund would be immediately distributed to all Americans through an Innovation Dividend distribution check, with each person receiving an equal number of dollars per year. This innovative dividend concept is



borrowed directly from one of the most successful redistribution programs in the United States, the Alaska Permanent Fund.

In Alaska, leases and royalties from oil exploration and the creation of the massive Trans-Alaska Pipeline system added up to nearly \$1 billion in the early 1970s. In 1976, Alaskans narrowly passed a constitutional amendment, by a 2-1 vote, to put at least 25 percent of oil revenues into a dedicated fund called the Alaska Permanent Fund. The Alaska Permanent Fund Corporation (APFC) is governed by a board of directors and currently manages about \$60 billion in assets. One of the key elements of its success is the annual dividend paid to adult men, women, and children living in Alaska, which residents must reapply for each year to prove their residency. Fraud is rare, with only 0.03% of applications deemed ineligible. The annual dividend is approximately 10% of the Alaska Permanent Fund Corporation's net income for the year. Since 1982, the fund has paid \$40,000 to every resident of the state. 2016 distributions were \$1,022; 2015 peaked at \$2,072. This payment provides a way to ensure that all Alaskans benefit equally from oil revenues, with the advantage of lifting state residents out of poverty. A 2016 study found that the annual dividend lifted 15,000 to 25,000 Alaskans out of poverty. Dividends may make Alaska the most equal state in terms of income distribution. (A Brief History of American Innovation - [US] Jonathan Gruber [US] Simon Johnson)

This Alaskan practice of giving the people a share of the oil tax is unique in the United States. Compared to other programs for the use of fund revenues, the direct dividend program for the Resource Permanent Fund has the following advantages: it allows all Alaska citizens to benefit from their resource wealth; it is only the citizens of the State of Alaska who have the right to benefit from it; it affects the poor, and the rich, equally; it ensures that taxpayers continue to pay their taxes, while also focusing their attention on the expansion of government; it does not reduce the shared federal and state tax revenues; and by using more money to fund local programs in Alaska, the impact of

the Permanent Fund of Resources on Alaska's economy will be optimized. Economists have compared the effects of Permanent Fund distributions to expenditures for funding and operating budgets and have concluded that the Permanent Fund distribution program is the most effective stimulus for economic activity in Alaska. The Fund's annual October dividend has a significant stimulative effect on the local economy. Particularly in Alaska's suburban counties, where unemployment is as high as 60 percent, the annual dividend is an important source of income.

In addition, concerning the operation of the Permanent Fund Corporation, the Permanent Fund Corporation is separate from the state taxing authority and is subject to the oversight of the Legislative Budget and Audit Committee. At the same time, the legislature has mandated that the trustees be responsible only for the investment of the fund, leaving the distribution of oil revenues and the promotion of economic growth to other agencies or in the form of earmarked funds. By limiting the responsibilities of the fund's trustees, their tasks will be simplified, their performance will be objectively evaluated through the marketplace, and they will no longer have to deal with heavy social and political pressures. Indeed, the Alaska State Resources Permanent Fund owes a great deal of its accomplishments and accolades to its independent financial operations. (Historical Examination of the Social Dividend System: The Alaska Experience, 2006)

## **3. Existing Issues**

### **3.1 Rising youth unemployment**

#### **3.1.1 Increased youth unemployment**

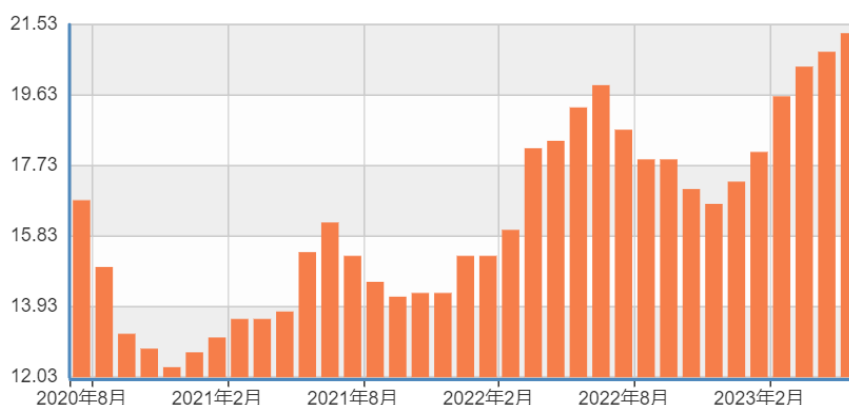
Employment is the largest and most basic livelihood, and the realization of full employment is one of the most important core objectives of macroeconomic policies

in countries around the world. Among the employment problems of various groups, youth employment is undoubtedly one of the most attention-grabbing issues. The International Labor Organization report shows that the global youth unemployment rate will be 14.9% in 2022, much higher than the overall global unemployment rate of 5.7%. 15-24-year-olds account for about 25% of the working population aged 15-64 years old, while the total number of unemployed youths accounts for as much as 36.5% of the total number of unemployed people. High youth unemployment is not only an economic and social problem but also a major cause of political unrest.

At present, our country is similarly faced with the problem of high youth unemployment. According to China's Labor Law, the minimum age for employment is 16 years old, so the youth unemployment rate in China is in the 16-24 age group. In China's labor market, about 1/4 of the job seekers belong to young people aged 16-24, and young people are undoubtedly an important group for employment. As a group of young people entering the labor market for the first time, they are more vulnerable to economic fluctuations. Data from the National Bureau of Statistics show that from 2012 to 2021, the average annual growth in the number of urban employment in China was about 13 million people, and the overall urban unemployment rate has been maintained at a low level of about 4%-5%. 2022, due to the impact of various international and domestic factors, coupled with the impact of epidemics, the growth rate of China's GDP fell to 3%, and in July of the same year, the unemployment rate of young people between the ages of 16-24 years old reached a peak of 19.9% since the beginning of China's history. records since the peak of 19.9%, since then it has fallen but has been hovering at a high level. Data from the Ministry of Human Resources and Social Security show that in 2022, China's total working-age population will decline steadily, reaching 876 million, with a newly growing labor force of about 16 million, of which college graduates will account for most of the total, reaching 10.76 million. And the Ministry of Education data show that for many years China's initial

employment rate of college graduates is only about 80%, college graduates are the main group of youth employment, and college graduates difficult to make the youth employment problem more intricate. According to the Ministry of Human Resources and Social Security estimates, the total number of the newly grown labor force in 2023 will reach 16.62 million, of which college graduates are as high as 11.58 million. However, according to past employment data, although the average number of new jobs in China has been maintained at about 13 million per year, the contradiction of labor supply exceeding demand is still very prominent, and the problem of difficult employment for youth groups will likely persist for a long time.

FIGURE 1 UNEMPLOYMENT RATE OF CHINA'S URBAN POPULATION AGED 16-24

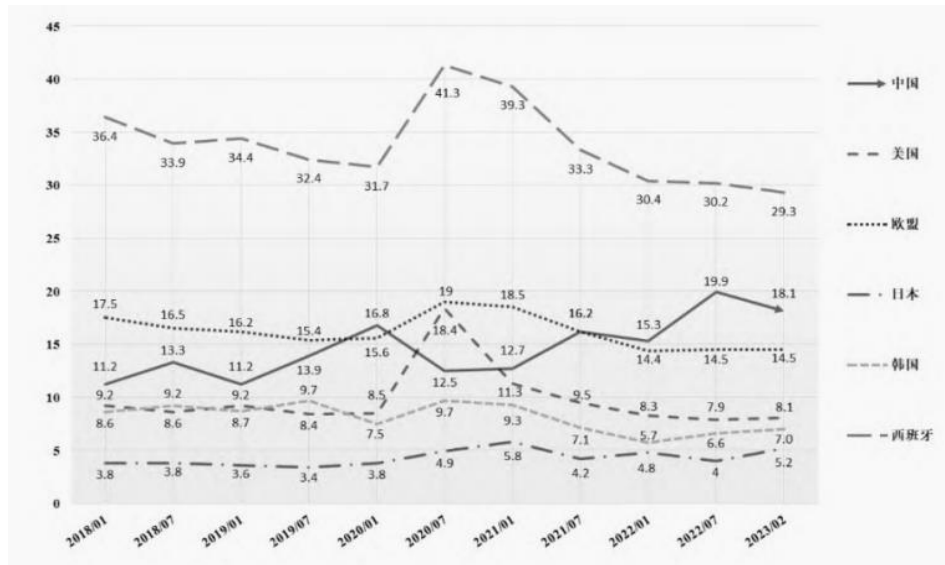


Source: China Statistics Bureau

The study released by the International Labor Organization (ILO) shows that the global youth employment problem is still serious, the negative impact of the new crown epidemic on the employment of young people aged 15-24 years old is more than any other age group, the total number of unemployed young people in the world in 2022 amounted to 73 million, the proportion of young people who are not in Education, Employment or Training (Not in Education, Employment or Training, or "NEET") rose to 23.3%, the highest in 15 years. Not in Education, Employment or Training ("NEET") rises to 23.3%, the highest in 15 years. Influenced by multiple factors such as the Russian-Ukrainian conflict and the rise of international trade protectionism, the world economy has shown a trend of declining growth and weak recovery. In its World

Economic Outlook Report released in January 2023, the International Monetary Fund projected that global economic growth would fall from 3.4% in 2022 to 2.9% in 2023 and then rebound to 3.1% in 2024, a projected growth rate significantly lower than the average level of 3.8% over the 2000-2019 period. Economic risks are increasing in all countries across the globe, and the employment situation in all countries shares some of the same characteristics, with layoffs and job cuts coexisting and trending unabated, accompanied by a worsening of youth unemployment globally (Figure 2). Not only that, the World Development Report 2020 released by the World Bank shows that from 1999-2019, the global youth labor force participation rate is gradually shrinking from 53.1% to 41.2%, and the total number of young people employed globally has dropped from 568 million to 497 million, while the total global youth population has risen from 1 billion to nearly 1.3 billion, making the overall situation of global youth employment worrying. In high-income countries versus low- and middle-income countries, youth unemployment is moderating, with the United States, the United Kingdom, Germany, and Switzerland roughly returning to pre-2019 levels by the end of 2022, while low- and middle-income countries will remain above pre-pandemic levels due to the Scarring Effect. The youth unemployment rate in the Asia-Pacific region Youth Unemployment in Asia-Pacific (14.9%) is on par with the world average, but with varying levels of income and development among Asian countries, there are also considerable differences in youth unemployment rates across countries. As of February 2023, Japan and South Korea have low youth unemployment rates, around 5-7 percent, and relatively stable levels of youth employment. China (18.1 percent) and India (25 percent) are experiencing higher youth unemployment rates, significantly higher than pre-pandemic levels.

FIGURE 2 COMPARISON OF TRENDS IN YOUTH UNEMPLOYMENT RATES ACROSS COUNTRIES



Source: International Labor Organization and related national statistics

### 3.1.2 Impact studies on youth unemployment

The employed stock of workers is less affected by economic shocks because of wage stickiness and labor controls that are not easily adjusted flexibly. In contrast, the youth group tends to belong to the new incremental employment and has the highest sensitivity to changes in the macro and micro economic environment. On the one hand, firms have a smaller opportunity cost to fire young employees than older employees during periods of economic slowdown (Tan, Y.S., 2016); on the other hand, firms tend to respond to economic shocks by flexibly adjusting newcomer hiring rather than laying off stock (Dai, Forge et al., 2013). Young individuals are not unemployed for a long period, but unemployment can lead to persistent impacts in terms of chronically low employment quality for young individuals. Empirical studies for several countries, including the United States, Canada, Japan, and South Korea, have shown that it takes anywhere from 6-25 years for the relative income gap of those employed during economic plateaus to gradually dissolve compared to those employed during economic shocks (Kahn, 2010; Oreopoulos et al. 2012; Hamasaki et al. 2013; Choi et al. 2020).

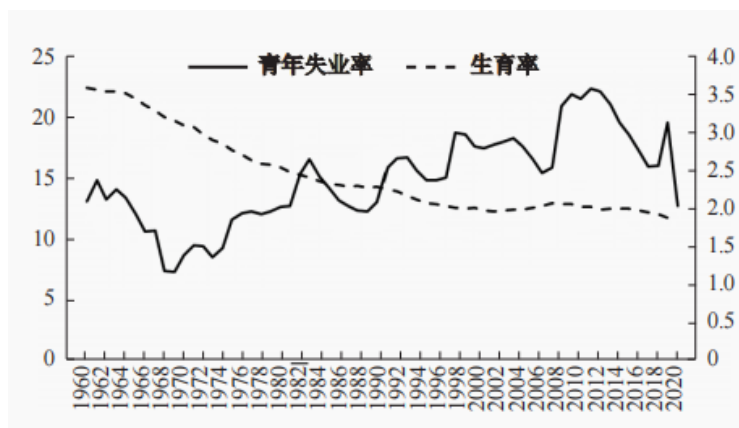
The longevity of youth employment impacts is due to multiple reasons: first, worse initial employment opportunities imply inefficient dedicated human capital accumulation, making it difficult for employed people to get good internal promotions and external job-hopping opportunities in the future (Oyer, 2006); second, initial employment releases signals about an individual's ability, as does academic education, and employers, to get the signals on the cheap, place extraordinary importance on hiring given by the previous employer opportunity of high or low quality to quickly judge that employee's ability to do the job (Genda et al., 2010). As a result, a "cohort effect" (Hamaaki et al., 2013) occurs between workers who are employed at different times, with significant disparities in employment outcomes ranging from the quality of the employer to the level of starting salary.

The path of youth employment impacts of economic shocks tends to be a transmission from high unemployment to low employment quality, with persistent negative impacts on a variety of aspects, including relative income levels, income stability, and working conditions. The decline in the quality of youth employment has created a working poor group, with a large number of first-time job holders in extreme poverty despite having a job, with the share of working poor youth in East Asia reaching 1.4 percent in 2019 (ILO, 2020). Elevated youth unemployment also creates precarious expectations of work, creating uncertainty among the employed that they could lose their jobs at any time and be forced to change jobs, and this uncertainty has a significant impact on women's timing choices for having their first child (Liepmann, 2018). At the same time, high youth unemployment also worsens the workplace environment and reduces job-related amenities that are not easy to measure directly, such as dignity, work-life balance, the provision of benefits and security, and other factors, resulting in increased work stress and lower subjective well-being among employees, who in turn may postpone or cancel their childbearing plans (Vignoli et al., 2020).

### 3.2 Reduced fertility intentions

Internationally, the downturn in the initial job market is not only a matter of high unemployment in terms of the number of jobs, but it also leads to a decline in the quality of jobs, triggering a lasting loss of income for young employed people, widening the income gap within and between employment cohorts, and thus affecting the marriage and childbearing decisions of the youth cohort (Choi et al., 2020). It is worth noting that China's fertility rate has also gradually declined in recent years. According to statistics from the China Statistical Yearbook, China's natural population growth rate has seen five consecutive declines since 2016, and will be only 0.34 per thousand by 2021. Since China lacks historical statistics on youth unemployment, we have tallied the trends of the average youth unemployment rate and fertility rate in countries around the world (see Figure 3). Figure 1 shows that the youth unemployment rate is generally rising in volatility, while the fertility rate is slowly declining, with a crisscrossing opposite trend between the two.

Figure 3 TRENDS IN YOUTH UNEMPLOYMENT AND FERTILITY RATES



Youth unemployment is the most prominent of the overall unemployment rates and is the highest unemployed age group globally, reaching, on average, 2.6 times the middle-aged unemployment rate and 3.5 times the old-age unemployment rate. In addition to delaying marriage and childbearing decisions, resulting in late marriages



and late childbearing (Wood and Neels, 2017), youth unemployment affects the quality of employment in several dimensions, which reduces individual fertility intentions (Vignoli et al., 2020). In particular, women, as the childbearing party, whose employment is more directly affected by childbearing behaviors and who are more likely to face many direct costs, such as unemployment, reduced earnings, and loss of promotion opportunities, are more sensitive and negatively impacted by their childbearing decisions on the labor market. Youth unemployment creates a prolonged period of low-quality employment, resulting in what is known in sociology as the "scarring effect" of youth employment (Oreopoulos et al., 2012), and the slower process of wealth accumulation and poorer income status also affects the marriage and childbearing decisions of the youth cohort, lowering the probability of marriage and childbearing ( Maclean et al. 2016; Choi et al. 2020), at which point the impact of fertility is no longer confined to a narrow age group, but has global and long-term implications for total fertility.

China's fertility rate continues to hover at a low level and has not improved significantly even after the liberalization of the "two-child" and "three-child" policy restrictions. Based on the historical panel data of 38 OECD countries from 1960 to 2020, we study whether there is a negative relationship between high youth unemployment and low fertility, and the results show that: youth unemployment significantly reduces fertility, and this effect has the characteristics of long-term and reversibility; the fertility suppression effect of youth unemployment varies among countries. The results show that the fertility suppression effect of youth unemployment is differentiated among countries; the higher the degree of aging and the longer the duration of unemployment, the more obvious the fertility suppression effect is, and the analysis finds that the increase in work pressure of the youth group plays a fully mediating effect under high unemployment. (Liu Jindong, Wang Jiahui, 2022)

Youth unemployment may affect fertility through several channels (see Figure 4). The first is the late marriage and childbearing effect. Unemployment prevents young people from becoming economically independent from their families of origin for a short period, in effect delaying the timing of marriage and childbearing. This effect also depends on the duration of unemployment, as youth unemployment is often a dynamic state of unemployment, generally characterized by "slow employment" (Jin et al., 2022), and its impact on fertility is likely to be short-term and limited when the waiting time for employment is relatively short. In contrast, the youth unemployment rate is more likely to indirectly affect the fertility intentions of the youth group by reducing the quality of employment in the labor market, i.e., the youth unemployment rate will be transmitted to the quality of employment, resulting in an overall decline in the quality of employment in different dimensions, such as the degree of income matching, the degree of income stability, and the pressure of work, etc., and this effect is sustainable in the long term. In terms of the marriage market, employed people who are hit by unemployment and have lower income quality have lower marital values, which results in lower fertility (Autor et al., 2019). In terms of their decision-making, unemployment rate shocks create income uncertainty, resulting in greater magnitude and probability of future income fluctuations, and this uncertainty is expected to reduce marital and fertility propensities as well (Chevalier and Marie, 2017; Xu Qiaoling, 2019). High unemployment also reduces the potential price of human capital, causing many problems such as contractual security and inadequate welfare benefits, and the increased pressure of the work environment also reduces the fertility intentions of employed people of the right age (Chik Ching Chu, 2015). The nature of the decline in the quality of employment under high unemployment affects fertility by making the employed more opportunity costly to have children and less likely to engage in healthy behaviors, thus negatively affecting fertility.

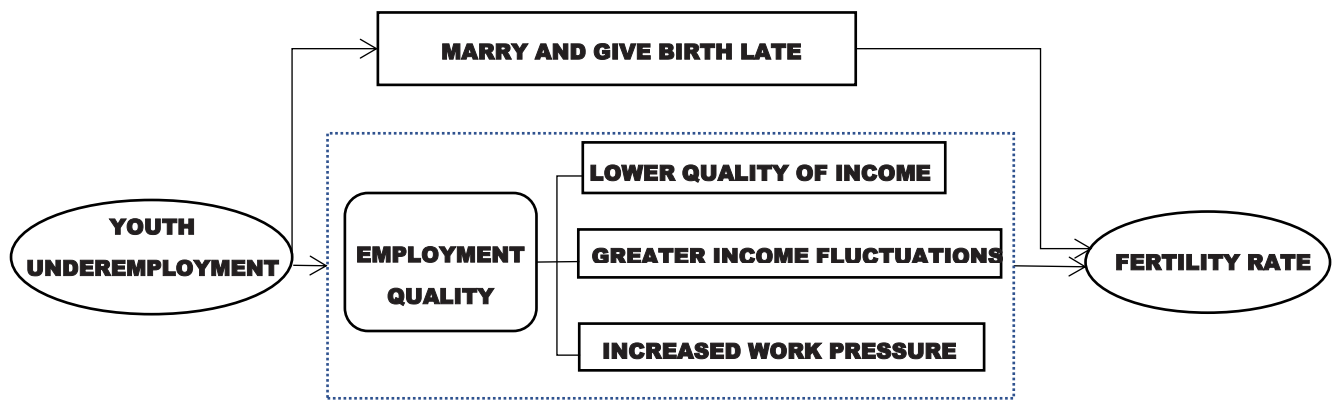


Figure 4 MECHANISMS BY WHICH YOUTH UNEMPLOYMENT

### 3.3 High housing costs and stress

The Youth Blue Book "China Youth Development Report (2014) No.2 - Secure Housing in the Age of Mobility", published in 2014, points out that the phenomenon of "youth housing difficulties" has gradually transformed into an important youth social issue affecting the country's economy and people's livelihoods (Lianshi et al. 2014). The youth group, with insufficient social experience and limited accumulation of their wealth, belongs to the sandwich layer of the housing security policy, and the high urban housing prices have put the youth group in the awkward situation of exceeding the scope of public rental housing security and having difficulty in saving up for the purchase of commercial housing. In addition, a series of social pressures, such as the inferiority of peers, the pressure of marriage and love, and the traditional concept that housing represents one's ability, have led to the accumulation of frustration among young people, which is not conducive to the healthy physical and mental development of young people. According to the survey results of "China Youth Development Report - Contemporary Value and Inheritance Development of May 4th Spirit", the proportion of post-90s youths renting rooms is the highest, and the proportion of renting rooms in first-tier cities is 55.18%, with "high housing prices and housing difficulties" being the most distressing problem for nearly 40% of youths in first-tier cities (Wei Wei, "The most distressing problem of youths in first-tier cities"). The most agonizing problem for youth (Wei Liqun et al., 2019)

Specific impacts are: housing prices and the increasingly high cost of living make housing consumption crowd out other consumption space, triggering a decline in the quality of life of individuals, leading to the emergence of economic pressure on housing; to save the cost of housing, some young people in cities choose to live in the urban fringe areas or urban villages, long hours of commuting, small human space, old environmental facilities so that individuals do not have an effective rest, leading to the housing conditions. The emergence of pressure; long-term disadvantaged housing state of young people, in the high intensity of the rhythm of life and work, it is easier to lose themselves, in the process of physical and mental fatigue and numbness, once the passion, confidence, and ideals disappeared, and the subjective pressure of housing is thus generated. And under the shadow of great psychological pressure and the sense of failure, the youth's willingness to struggle and the desire to learn and develop will limit the youth's salary level, which will further aggravate the youth's economic pressure on housing, and ultimately produce a vicious cumulative cycle of causal effects.

Housing is a key issue for youth development, and only by solving the youth housing problem can we better promote youth development and energize the development of society. Among them, housing economic pressure is an important source of housing pressure. When an individual's ability to pay for housing is limited or housing consumption crowds out other consumption space, the pressure of high economic payments will be transmitted into the pressure and anxiety of daily life, which will have a great impact on the individual's subjective emotions, future development, and mental health.

## 4. Questionnaire Analysis

In response to some of these problems, a basic income for youth can be seen as a response to these trends - transferring a portion of national income from capital owners to young workers (and non-workers) to reduce economic pressures, ease youth employment, improve the quality of life, and facilitate better development of the youth population later in life.

To understand the Chinese population's willingness to receive a basic income for youth and the direction of its use, the BIEN experimental team conducted a questionnaire survey to observe people's attitudes and reactions to the policy, especially among the 16-24 year-olds (89% of the respondents). The questionnaire is a hypothetical survey because it is not possible to give the respondents a real basic income regularly. It focuses on first-tier and new first-tier cities and is a questionnaire survey of youth in 13 provincial administrative regions in China (excluding Hong Kong, Macau, and Taiwan). The questionnaire design was completed based on several revisions, covering the basic information of the respondents, their understanding of the concept of basic income for youth and their attitudes towards the willingness to receive it, the reactions and perceptions of the youth group mainly towards the universal basic income, and the behavioral reactions of the youth group after receiving the universal basic income. A total of 112 valid questionnaires were distributed and collected by the research group.

Our first finding is that most people do not understand the concept of "basic income", which is reflected in the fact that 50% of the population does not know about it, 40% know about it only a little, and only 10% know about it very well. This suggests that the concept of "basic income" is not widespread in China and that there is not much research available. However, it was further found that even if they had no prior knowledge, the vast majority of respondents still showed a clear positive attitude

towards and preference for receiving a "basic income for youth". This is reflected in the fact that when asked "Do you think the establishment of a Youth Basic Income would be beneficial to young people?" When asked "Do you think the establishment of the Youth Basic Income has been beneficial to young people?", 97% of the group thinks it has been "beneficial", with more than half of them saying it has been "very beneficial", while 77% of the respondents also said they were "fully supportive" of it. "The introduction of a basic income for youth in China was supported somewhat by 18% of the respondents, while only 4.6% of the respondents indicated that they were "not sure" and "do not support" the introduction of a basic income for youth in China. In addition, more than 70% of the respondents expressed interest in participating in further discussions on topics or programs related to the Youth Basic Income.

The second finding, when addressing the reasons for and against, is that 91% of responses to the main reasons for supporting a basic income for youth were "to help young people reduce financial stress and focus on their studies or careers", 84.09% agreed that a basic income for youth could "provide basic security and reduce poverty and social inequality", and 66% agreed that it "promotes innovation and entrepreneurship". 84.09% agreed that a basic income for youth can "provide basic security and alleviate poverty and social inequality", and 66% believed that it "promotes innovation and entrepreneurship". Further questioning revealed that more than 70% of respondents believed that the introduction of a basic income for youth could bring benefits to individuals by helping them to improve their living conditions and enhance the quality of life of young people. Overall, the majority felt that it could have a positive impact. It is worth noting that 70% believe that a basic income for young people would have a limited effect on reducing social inequality.

The main reasons for opposition were most frequently questioned because they were seen as "likely to lead to dependency and reduced motivation", while nearly half of the respondents thought that they were "likely to lead to waste and misuse of resources"

and that they were "unsustainable sources of funding" and "under financial pressure". Unsustainable funding and financial pressure". That is, whether the introduction of a basic income for youth would cause strong negative labor incentives, the above issues are not to be feared just from our survey. It has been shown that the labor behavioral response to UBI is very small. Externally, respondents suggested that this is mainly because the "low amount of payment" is not enough to change their labor behavior. From the nature of the UBI welfare program, the UBI is intended to guarantee a basic living for the people, but it is only a minimum standard of living (otherwise the state would not be able to afford it), and the purpose of the program is to promote and stimulate people to obtain a better state of material and cultural life, and not to prevent people from continuing to participate in the market competitive production behavior, which is fundamentally different from egalitarianism. Further research into the problems that might exist after the implementation of the program led to the conclusion that it would not be sustainable due to a lack of funds and that it would be difficult to implement the policy. A small number of people also mentioned "the deepening of social prejudice against young people" and "the possibility of inflation that could jeopardize the well-being of the general public".

The third category of findings relates to how the basic income for youth is paid. Half of the respondents think that the standard of basic income for youth should be "set differently according to the region", while almost 40% think that it should be "set differently according to the individual's income" and the remaining 10% think that "the same standard amount should be paid to every young person". Nearly 40% of the respondents think that the standard should be "set differently according to individual income", while the remaining 10% think that "the same amount should be paid to every young person". This proves that most people believe that the city they live in has a greater influence on the amount of basic income paid to young people. In addition, 70% of the respondents said that the basic youth income should be combined with other benefits and subsidies, while the remaining 30% thought that it should be paid

separately. Regarding the source of funding for the basic income, 70% agree that it should come from "government taxes", while about 1/5 think that it should come from "corporate sponsorship", and only 2% think that it should come from "social donations". But of course, many people also said that a combination of these methods should be used to support the payment of basic income to the youth. More than 90% of the respondents believe that the basic income for youth should be paid by direct transfer to personal bank accounts, while only 10% are willing to receive basic income in kind or the form of vouchers. When asked, "How much do you think is appropriate for the monthly payment?", nearly 50 percent of the respondents would like to receive 1,000 yuan or more per person per month, followed by 10 percent who would like to receive about 500 yuan.

Overall, the survey found that in the context of Chinese culture and today's economic development, most people are optimistic and welcoming of the Youth Basic Income, believing that its impact can improve the current situation of the youth population to a certain extent, and even though it may bring about redistributive adjustments among the population using taxation, they still think it is worth a try. Of course, in terms of financial constraints, the lack of a stable source of funding is the current problem, which may become more difficult after the introduction of a basic income for young people, and requires further in-depth study and discussion.

## **5. The Youth Basic Income (YBI) Program**

### **5.1 Program Introduction:**

The rapid pace of modern society, characterized by intensified competition and societal pressures, has led to the phenomenon of "involution" among the youth. This trend encompasses a self-perpetuating cycle of overwork, heightened stress, and diminished life satisfaction. As the future pillars of society, young people require a



supportive framework that addresses these challenges. The Youth Basic Income (YBI) program emerges as a plausible solution to alleviate the adverse effects of "involution" while empowering young individuals to adapt to societal demands effectively.

The Youth Basic Income (YBI) is a proposed social welfare initiative to address the rising anxieties associated with "involution" among young people while fostering their psychological well-being, employability, and overall happiness. The YBI program targets individuals aged 16 to 24 years, with the potential for universal coverage depending on available funding. This paper outlines the comprehensive implementation plan for the YBI, with funding sources ranging from donations to government contributions, and explores the distribution methods, impact evaluation, potential implications, and challenges associated with this groundbreaking initiative.

## 5.2 Specific plan content:

### **5.2.1 Theoretical Framework:**

The YBI initiative draws upon various theoretical underpinnings. Firstly, it aligns with the capability approach, which posits that individuals should have the freedom to choose the lives they value. By providing a basic income, the YBI empowers young people with greater agency over their life choices, facilitating their pursuit of meaningful goals beyond mere survival. Secondly, it resonates with the social investment perspective, as investing in the well-being and development of young individuals today can yield long-term societal benefits in the form of improved human capital and increased productivity.

### **5.2.2 Target Beneficiaries:**

The YBI program will primarily target individuals aged 16 to 24 years, a crucial

transitional period characterized by higher education completion and entry into the workforce. This age cohort represents a critical juncture where societal pressures and uncertainties peak. Nonetheless, depending on the available budget and political will, the YBI program could be extended to encompass a broader age range, benefiting all members of society.

### **5.2.3 Funding Sources:**

To finance the YBI program, a multi-faceted approach will be adopted. Private-sector engagement will be encouraged through corporate social responsibility initiatives, fostering a sense of collective responsibility. Furthermore, public-private partnerships could be explored to leverage additional resources. Government contributions will play a central role, funded through progressive taxation or wealth redistribution strategies, ensuring a more equitable distribution of wealth.

### **5.2.4 Payment Mechanism:**

Efficient and secure payment mechanisms will be adopted for disbursing the YBI. Leveraging the advancements in financial technology, mobile payment platforms and electronic fund transfers will be employed. Collaboration with financial institutions will ensure easy access to funds for beneficiaries.

### **5.2.5 Impact Evaluation:**

The success of the YBI program will hinge on a comprehensive impact evaluation framework. Multidimensional indicators will be employed to assess its effectiveness in addressing "involution" and enhancing well-being. Key metrics will include improvements in mental health, decreased stress levels, enhanced life satisfaction,

increased employability, and reduced income inequality. Longitudinal studies will track the long-term effects on beneficiaries' trajectories, shedding light on the program's sustainability and societal implications.

### **5.2.6 Potential Implications:**

The YBI program is anticipated to yield a myriad of positive implications for both individuals and society. By mitigating "involution" and promoting psychological well-being, the initiative is expected to nurture a mentally resilient and productive workforce. Enhanced financial security will enable young people to pursue education, vocational training, and entrepreneurial ventures, fostering a more dynamic economy. Moreover, the YBI has the potential to improve social cohesion and foster a sense of community, reducing the strains of interpersonal competition.

### **5.2.7 Challenges and Mitigation Strategies:**

The implementation of the YBI program is not without challenges. Resistance from traditional welfare systems and political opposition may impede progress. Moreover, ensuring the adequacy and sustainability of funding sources requires careful consideration. Addressing these challenges demands political will, effective communication, and public support. Rigorous policy analysis, stakeholder consultations, and evidence-based advocacy will be employed to build a robust foundation for the YBI's success.

## **5.3 Recommendations:**

While the Youth Basic Income (YBI) program demonstrates immense potential in alleviating the adverse effects of "involution" and empowering young individuals, it

must acknowledge and address its limitations. By expanding the age range of beneficiaries, establishing a dedicated reserve fund, adopting a mixed-methods approach to impact evaluation, prioritizing skill development, and implementing a needs-based funding approach, the YBI program can evolve into a more robust and effective social welfare initiative. Maintaining a balance between innovation and adaptability, continuous stakeholder collaboration, and responsiveness to changing societal dynamics will be key to sustaining the YBI program's positive impact on the well-being and empowerment of the youth. Through diligent refinement and dedication to its core principles, the YBI program can become a transformative force in fostering a generation of resilient and fulfilled young individuals, contributing to a more inclusive and thriving society for all.

## 6. Conclusion

In conclusion, the Youth Basic Income (YBI) program presents a promising solution to the challenges faced by young people aged 16 to 24. By providing a basic income, the YBI empowers young individuals with greater agency over their life choices, facilitating their pursuit of meaningful goals beyond mere survival. The program is anticipated to yield a myriad of positive implications for both individuals and society, including mitigating “involution” and promoting psychological well-being, enhancing financial security, fostering a more dynamic economy, improving social cohesion, and reducing income inequality. However, the implementation of the YBI program is not without challenges. Ensuring the adequacy and sustainability of funding sources requires careful consideration. Addressing these challenges demands political will, effective communication, and public support. We call upon relevant departments and all sectors of society to pay attention to and support the exploration and practice of Youth Basic Income, and to contribute to the promotion of youth development and social progress.

Through diligent refinement and dedication to its core principles, the YBI program can become a transformative force in fostering a generation of resilient and fulfilled young individuals, contributing to a more inclusive and thriving society for all.

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