

# Doing Bitcoin the Basic Income Way

for those who dare to dream

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Twenty-first century has inaugurated a tumultuous world. A world racked with income insecurity and uncertainty. We are yet to comprehend the mechanics of this civilizational shift. Is this a bridge to the ultimate human thriving? Or is this shift a foreboding of a collapse? It seems that we will understand this moment only in retrospect, decades later.

We are staring at a world wherein out of the eight odd billion population, one percent is extremely wealthy and more than half the population poor, precarious and income vulnerable<sup>1</sup>. Both the numbers are unprecedented. As the number of stable jobs disappear rapidly across the world, we are entering a gig economy where nobody can hope to find a stable and a permanent job as one could in the past. This also means that the relatively stable middle class of today would eventually join the ranks of the precariat – the emerging class of people living a precarious life.

In a bleak scenario like this, there are on the horizon two radical ideas that have the potential to create synergy which can revolutionise the way we are currently addressing the income vulnerability and different forms of deprivation in the world today. The two ideas are **Bitcoin** and **Universal Basic Income**: that is, providing a basic income to every human being on the planet by means of Bitcoin. What is common between these two ideas is that they are based on certain foundation human values: individual freedom and autonomy, human dignity and equity.

<sup>1</sup> <https://elements.visualcapitalist.com/the-worlds-growing-middle-class-2020-2030/>

## What is Bitcoin?

Bitcoin is designed to be a version of electronic cash that allows online payments to be sent directly from one party to another without going through a financial institution. The bitcoin-protocol uses peer-to-peer technology to operate with no central authority or banks or other custodial 'services'; managing transactions and the issuing of bitcoins is carried out collectively by the network. Bitcoin is open-source; its design is public, nobody owns or controls Bitcoin and everyone can take part. Bitcoin is about individual financial freedom and is designed to prevent double spending, such as fractional reserved banking. If stored properly, access to your bitcoin can not be taken away from you. Furthermore, no government, financial institution or anyone else can prevent you from spending it on the goods and services of your choice<sup>2</sup>.

The core values of individual financial freedom and absolute control over your money (in deciding whether to spend or save and what to spend it on) overlap the core values behind basic income.

## What is the Basic Income Way?

A Basic income is cash paid to every woman, man and child individually, unconditionally, and every month in any given country context. It has five core elements that distinguish it from the conventional modes of targeted welfarism. Here are the characteristics:

1. *cash* as opposed to in-kind transfers
2. paid to *individual* as opposed to head of the household
3. *monthly* as opposed to one-time grants
4. *universal* as opposed to targeted
5. *unconditional* as opposed to conditional

It is a simple idea, but indeed a radical new paradigm. While the first four elements are more common, the most radical element in the basic income paradigm is 'unconditional'. It is an entitlement and a right. One need not provide evidence that one is deserving or qualified to receive a basic income; nor is one asked to demonstrate certain

<sup>2</sup> <https://bitcoin.org/bitcoin.pdf>

outcomes in order to continue receiving it. It is as unconditional as the air we breathe and rain we receive.

Basic Income is not a simple cash transfer. It is much more than that. Giving cash to people in the basic income way means ensuring that all the five characteristics adhered to. It is that which makes basic income transformative. In the last two decades, several pilot studies conducted across the world have demonstrated repeatedly that giving a basic income to people transforms their lives and has a strong emancipatory effect.

It is important to note here that a number of initiatives call themselves Universal Basic Income without actually adhering to these five principles. Such initiatives are not Basic Income. They are simply cash transfers that are implemented by some commercial entities that see it as an investment to build a future market for their own products. A company giving out freebies as part of its marketing strategy is understandable, but a company calling it a UBI without actually meaning it is plain unethical.

### The Hope of Synergy and Convergence

While these two ideas mentioned earlier have different origins, when they work together they have the potential to wipe away every tear, and radically transform the lives of billions of people on this planet. Given that Bitcoin transcends national borders, it has the power to quench thirst and wipe out hunger and different forms of deprivation experienced by every last human in every last mile.

A community driven, bitcoin-based basic income scheme has great potential in our view and could facilitate freedom, self-organised innovation and transformation to the outskirts of our societies. Let us open the conversation.

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