Universal Basic Income  
Informational Article by Chris Jeub



Universal Basic Income (UBI) is a concept born from the belief that everyone has a human right to a “living wage,” an allowance that is awarded to everyone in society. This is arguably the basis of Utopian theory where everyone receives a fixed distributed amount from which to manage their own affairs. This runs contrary to capitalism where individuals receive that which they work for.

According to the Basic Income Earth Network (BIEN), an organization that promotes debate and discussion surrounding UBI, a “basic income” is “a periodic cash payment unconditionally delivered to all on an individual basis, without means-test or work requirement.”[[1]](#footnote-1) There are five characteristics of this income system:

1. “Periodic”: Periodic payments are delivered to each individual.
2. “Cash”: Payments are distributed in cash (not vouchers).
3. “Individual”: Payments are made to each individual citizen.
4. “Universal”: All citizens must receive the payment.
5. “Unconditional”: Payments must be unconditional.

As debaters of this resolution, you should come up with cases advocating a living wage that incorporates these five positions. Monument will be releasing cases in the coming weeks for you to model in competitions. Likewise, you should know the negative responses to such social engineering.

This informational article will explore each of the five characteristics of Universal Basic Income.

# Periodic Payments

Imagine a world in which able-bodied adults receive periodic payments to supplement their living income. Everyone would be registered with their local social security office. Part of the income distribution system would distribute periodic payments — meaning, they deposit at the same time every day, week or month — into personal checking accounts.

PRO: Wouldn’t this be efficient? Rather than people begging for money for low-income needs and getting on welfare, people would count it their diplomatic duty to pay into the system and receive back their fair share of that system. Everyone would be responsible for their rationed allowance.

CON: Wouldn’t it be nice? Well, not necessarily. UBI is supposed to solve for welfare distribution problems, but a system to handle payments to everyone would further complicate the system. Budgeting is usually a problem the poor have (the wealthy people, it is assumed, are better with their money). What is to stop a person from blowing all their money at once, leaving society still taking care of the destitute who spent their UBI.

# Cash Payments

“Cash” could come in many forms. The most obvious would be a “cashier’s” check, which could easily be “cashed” for real currency. Another form would be a direct deposit into a citizen’s bank account. The point about UBI being “cash” is that it is *not* a voucher or some other form of welfare distribution. In other words, the government would not be limited how citizens budgeted their UBI; they would let individual citizens be in control of this.

PRO: There is much to like about such a process, particularly in how many current welfare problems would be solved. First, fraudulent spending of welfare would be eliminated. If a citizen wanted to waste its payment on booze, which food stamps are unable to be used, that’s their choice. Second, monitoring which of society’s commodities are allowed is removed. A cash payment is straight-out cash; use as you see fit.

CON: Many of the same reasons our welfare state is what it is is because of the negative aspects of the UBI. First, what is currently fraudulent would be legal. Many of the poor would spend their UBI on elicit drugs and alcohol, defeating the purpose of the idea. Also consider that a black market of “cash” would most inevitably be created. These are the things that current welfare systems prevent.

# Individual Payments

Private welfare sometimes is distributed via groups and nonprofits. Several charities work on behalf of government distributions systems. The idea is that smaller groups closer to recipients of income distribution would be better able to distribute needed funds to solve for basic needs. This characteristic would eliminate the need for such distribution channels. Individuals would be the only method for payments. This has its advantages and disadvantages.

PRO: Middlemen would be eliminated, as well as possible corruption. When the recipients themselves receive their UBI payment, there is little chance for any kind of merit-restriction or other ways to obstruct payment.

CON: Only citizens (at least 18 years old) would receive payments, giving no advantage to parents of children. Any attempt to alleviate this problem will inevitably cause abuse of the system. Much like welfare parents who have multiple children to increase their welfare payments, a cash-only payout would likely exacerbate the problem.

# Universal Distribution

The wealthy would still carry the majority of the tax burden and have little to gain from their share, but they would not feel totally taken advantage of. They, too, would receive their UBI, even though they would not need it. Someone making $10,000 per week, for instance, would still get their $100 UBI payment.

PRO: A sense of unity would engulf the UBI society. No matter how much or how little someone actually earns, they would feel a part of the UBI community. This eliminates the need for any other kind of distribution from the government: no more welfare, food stamps, etc. Everyone would receive their UBI, and building on top of that is not the business of the government.

CON: Again, abuses will happen. If all 250,000,000 adult Americans were on the system, there would be no way for the government to manage such a system. Besides, consider the unfairness of such a system. A millionaire would receive their pittance just as much as a disabled poor homeless person. Is this fair and civilized?

# Unconditional Payments

“Unconditional” means the government would place no conditions on the distribution of the UBI. This perhaps bothers people the most, especially those who carry the tax burden of a UBI system. People will be able to spend their money on alcohol, cigarettes, and whatever else cash can buy.

PRO: Government would not be in the business of micromanaging where money goes. Individuals would be left responsible to manage their own “basic income,” reserving enough for their basic needs and hopefully budgeting enough to help cover everything. Advocates for UBI claim responsibility is more common than sceptics think.

CON: The sceptics are quite adamant that UBI would encourage an entitlement attitude and inevitably laziness. This isn’t too difficult to imagine with abuse quite common in current welfare distribution systems.

1. Basic Income Earth Network, “About Basic Income.” Accessed 2/1/18. <http://basicincome.org/basic-income/> [↑](#footnote-ref-1)