Briefing - Basic Income

Introduction:

The concept of a basic income frequently gets a lot of attention. The question, therefore, is to understand what does it mean? Simply put, a basic income is a guaranteed income given to every citizen. Attaining such an income involves no further requirements. Moreover, there are no work requirements. The benefit derived from a basic income is not reduced as one’s earned income rises.

Having an understanding on the fundamentals of what a basic income is, allow me to describe what the advantages and disadvantages are for implementing a basic income policy.

Advantages:

• Simple

One of the big advantages of implementing a basic income policy, is that often there are low administration costs. In addition to this a basic income policy is transparent, given that it is just a direct flow of money on a monthly basis. This can easily be done by having a reliable and updated register, making sure that people don't receive more than one basic income.

• More education

This advantage is specific to the working class. Within the working class, there will be an increase of the young demographic pushing for greater educational opportunities. With the money there will be an opportunity to explore the world, whereby they will enrich their lives. Generally speaking, however, people outside the young demographic will also be at an advantage. This is because they will stay in school for longer, because they will have a greater capacity to afford it.

• Less poverty

There is a definite universal consensus on the idea that no-one likes to live in poverty. A basic income, therefore, would be an ideal mechanism which could help alleviate the suffering endured by those that live in poverty. In theory, the income could quite easily be set so that no individual would have live in poverty.

• Reduces inequality

Inequality is an ongoing issue in many countries. Implementing a basic income would certainly help narrow the inequality gap. This is because a basic income is also a method for sharing out the wealth produced by a society, thereby everyone has access to a fair share.

• Reduces negative impacts from innovation

Due to constant innovation in technology and productive capacities, unfortunately the world of work is ever-changing. Although innovation is often a measurement of positive development, it also destroys people’s industries and/or careers. This, consequently, creates anxiety and fear for the people. A basic income, fortunately, can act as a safety net for those that lose/potentially lose their jobs technologic advancements.
• Natural inheritance
This is the idea that everyone feel that they are on par with everyone else. Furthermore, it will ensure that no one feels excluded. In today’s world, unfortunately, some people start off richer than others. With having everyone on a basic income policy, there will be a sense of equality and inclusion within the country.

• Increase in birth rates
Offering a sense of financial security will be greatly appreciated by potential parents. This is because it will encourage them to have more children without being worried about having sufficient funds to support them.

• Reduce shame for the poor
When people find themselves going through a tough time, shame is a frequent emotion evoked. Those poor, unfortunately, are familiar with expressing such an emotion. A basic income policy will moderate this, especially the type that makes people feel bad about themselves. With everyone getting a basic income, people would be less likely to spiral into an economic struggle as they will have more income at their disposal. Besides this, those that need it the most will receive the money without being embarrassed, as will everyone else.

Disadvantages:
• Cost
Despite being simple, the initial cost will be high and will require higher taxes in order to fund it.

• How much should be given?
Apart from the how such a policy should be funded, there is an ongoing debate about how much should be given. Given it is meant to be a basic income, it is important to note what is meant by ‘basic’. So upon implementing such a policy, ensure that the income is ‘basic’.

Conclusion:
There are more advantages and disadvantages but the above mentioned are the key ones.