BASIC INCOME, HEALTH CONSTITUTION AND GOVERNANCE COHERENCE FOR HUMAN DEVELOPMENT

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(slide content drawn from Haagh, L. and Rohregger, 2019, Universal Basic Income Policies and their Potential for Addressing Health Inequities, WHO
& Louise Haagh, The Case for Universal Basic Income, Cambridge: Polity, July 2019)

September 2019

Today

The case for basic income as health constitution and governance coherence

The Evidence

The political and institutional challenges

Political economy systems for health and well-being

1. WHO as AUDITOR of good and bad policy designs

And advocate for improving designs of other polices

2. Effect of individual policies depends on good design *and* coverage

3. Therefore good design and sustainable fiscal systems are co-determining factors for inclusive health systems

BASIC INCOME – what is it?

- **"A basic income is a periodic cash payment unconditionally delivered to all on an individual basis, without means test or work requirement." BIEN (Basic Income Earth Network - http://basicincome.org/)**
- **Life-long, permanent basic security structure**
- **At stake reach & terms of income security**

HOW SHALL WE THINK ABOUT IT?

*** An alternative architecture of income security to the one we have**

1. **From periodic intervention to constitutive stability in health and social policy**
2. **Address persistent old and new design flaws in the welfare state**
3. **Providing a basis for policy coherence for human development**

Part of a case for humanist justice and governance, based on evidence we have that permanent basic income security is a constituent but not only part of a stable institutional architecture of human development

Characteristics

Universal……it is given to all people in society

Permanent……on a long-term basis

Periodic……regular transfer

Unconditional……without any strings attached

Individual……money is given on an individual basis

Levels of Health Impact of basic income

Individual Level:

Mental health, Supporting Intrinsic motivation, sense of Security/control, empowerment

Systemic Society Level:

Generating a foundation for comprehensive economic security system, senses of belonging, security in society, inclusion and social participation, and accountability, build/rebuild universal welfare state

Policy Level:

Lowering public sector costs linked with poverty/insecurity to the health sector, supporting preventative health interventions, impact more direct but not confined to the lower part of the gradient only (proportional and universal effect)

Limitations: These effects are conditional on other change in the policy environment (fiscal capability/political preferences, economic policy)

Alternative UBI Models

SIMPLIFIED OR LIBERTARIAN

UBI dominates relative to needs-based provision

NEGATIVE INCOME TAX (NIT)

Replaces lost earnings, usually without behavior conditions (automatic transfer system), **is not a UBI because it is not universal**, rather is **targeted at the poor**,

FOUNDATIONAL UBI

Part of built-up economic security system, avoids exclusionary properties of the first two models. UBI achieves the same outcome as NIT via using taxation as a leveler, avoiding that basic transfers are viewed as social class/ poverty-targeted, avoids potential for administrative complications (Haagh and Rohrgger, 2019/WHO; Haagh Polity 2019)

DESIGN FLAWS – OLD AND NEW

PROPOSITION – Welfare state design contributed to health inequity

In more built-up systems reveal the risks

Means and needs –testing S.A: disability grants

Behaviour conditions: Sanctions

Modern welfare states which aimed to insure society and development through universal services failed to do the same in the area of subsistence security

- Left individuals permanently exposed
- Generated permanent social stratifications
- Created poverty traps and work disincentives

NEW TRENDS (Employment precarity, Austerity) reveal and compound these inbuilt problems

OLD DESIGN ABSORBS and regenerate market insecurities

REASONS – Old and New – from Inclusion to Health

POST-WAR welfare state dysfunctional

- means-test > excluded status, poverty traps, individualization of risks
- Conditionalities generate principal-agent bias
- Problems only partially addressed by working-tax credits a.s.

POST-WELFARE REFORM / 2008 CRISIS / AUSTERITY

- Time-delimited anti-poverty interventions flawed (ECLAC 2012)
- Idea poverty can be eradicated by changing the individual is questioned, families shown to be often 'worse off' after intervention ends
- Growing evidence of negative health impacts of existing post-welfare reform benefit models

CONTEXTUAL FACTORS and policy windows

UBI HAS BEEN PART OF WELFARE GOVERNANCE DEBATES for a long time – the evidence and health governance case reflects that

- **1970s/80s debates (NIT US/Europe – sabbatical grants)** ***Early UBI-like experiments*** ***(stage of welfare state expansion – pre-austerity – attempts to repair post-war flaws)***
- **1990erne/00s – Poverty** ***Surveys in multi-variate sources of well-being*** ***(actors responding to structural adjustment – in poor countries targeting households for the first time) systematic attempts at coverage***
- **2000s – Precarious labour (and new technology)** **new risks**
- **2010s – Rise and reversal of punitive state** ***Present-day UBI ..ike experiments – trying motivation in place of control – reveal health impacts indirectly*** ***(UK – 1/3 leave sanctions system to 'unknown destinations'***

PROPOSITION: We already have the evidence – interpretation is the key

CANADA 1970s: Guaranteed Annual Income Field Experiment: **Youth fertility rates**

Lower youth fertility rates for women growing up with economic security

Table 4 of 4

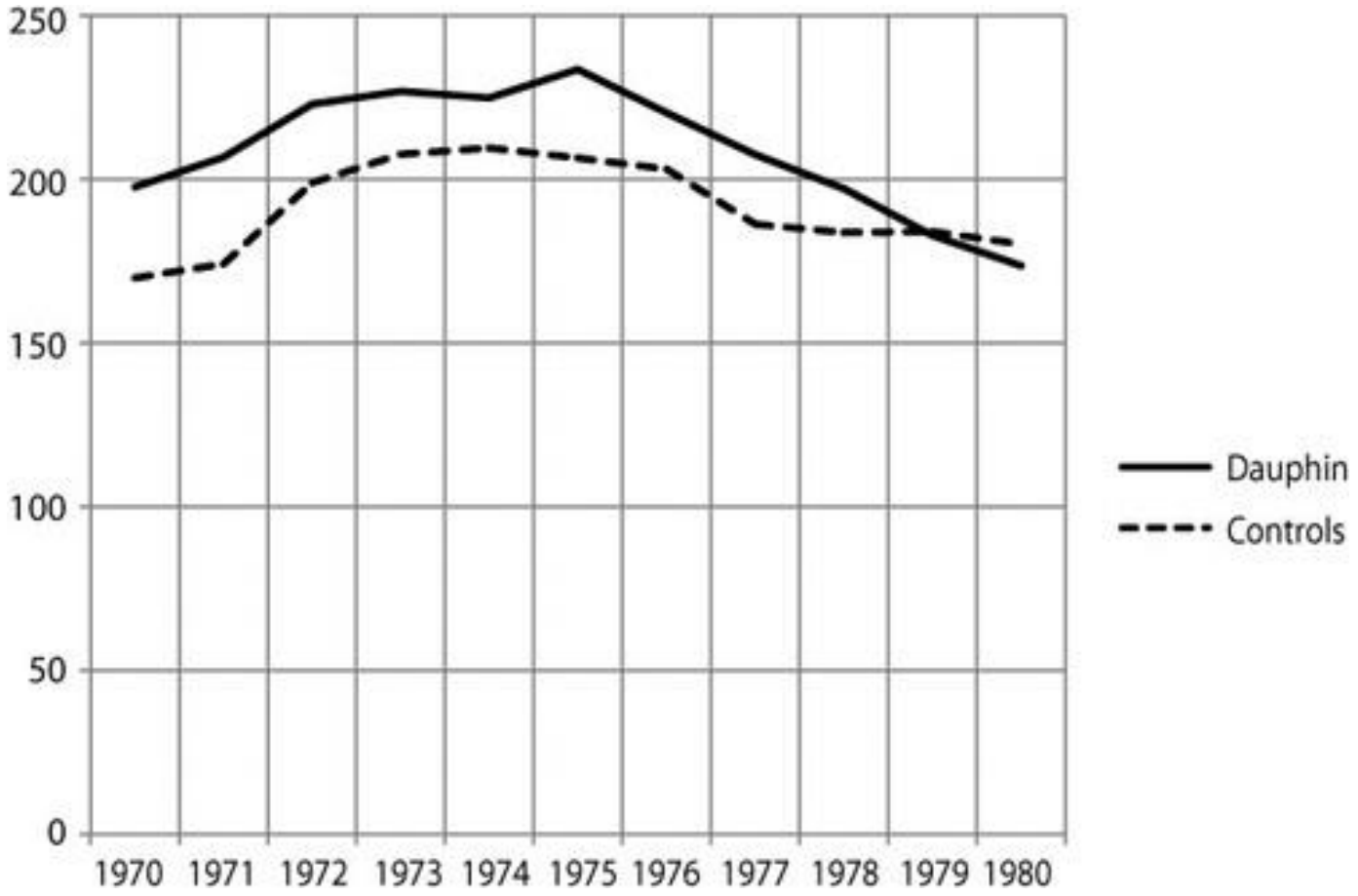
Table 4 Mean Number of Children before Age 25 by Mother's Birth Cohort

Source: Compilation by Evelyn Forget.

Birth Cohort	Dauphin Subjects	Comparison Group
1946–52	1.20227	1.24295
1953–59	0.91181	0.93780
1960–66	0.66667	0.65969
1967–74	**0.65723**	**0.81944**

Source: The Town with No Poverty: The Health Effects of a Canadian Guaranteed Annual Income Field Experiment, Evelyn L. Forget, Canadian Public Policy – vol. xxxvii, no. 3 2011

CANADA 1970s:
Guaranteed Annual Income
Field Experiment:
Hospitalization rate, 8.5 % decline between 1974-1978, mental health a major component

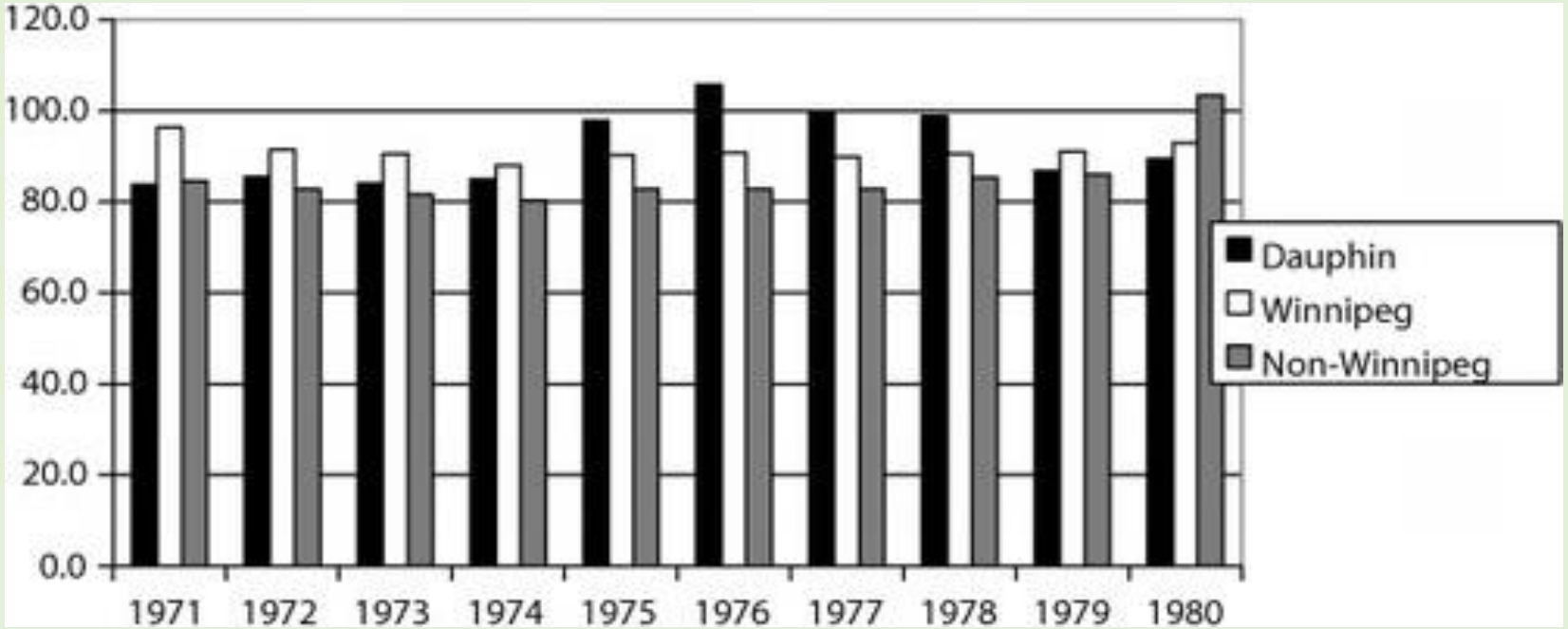


Source: The Town with No Poverty: The Health Effects of a Canadian Guaranteed Annual Income Field Experiment, Evelyn L. Forget, Canadian Public Policy – vol. xxxvii, no. 3 2011

CANADA 1970s: Guaranteed Annual Income Field Experiment: **School enrolment,**

Reduction in labour supply by youth of about 10 % explained by ↑ school enrolment

Figure 1 Grade 12 Enrolment as a Percentage of Previous Year Grade 11 Enrolment



Source: The Town with No Poverty: The Health Effects of a Canadian Guaranteed Annual Income Field Experiment, Evelyn L. Forget, Canadian Public Policy – vol. xxxvii, no. 3 2011

OTHER EVIDENCE: US – NIT-like experiments showed no labour market disincentives. Widerquist (2005)

KEY QUESTION: What created positive effects in Canada? Community effects – long-term and unconditional security effects.

1990s-2000s NEW MICRO-MODLES – testing well-being effects of institutional sources of economic security confirm that institutional design is key

NEW METHODS AND RESEARCH FOCI

- Economic security – health constitution
- Motivation as a measure of revealed health
- Grounding subjective measures – in welfare state structures

MOTIVATION – INSTITUTIONAL SOURCES

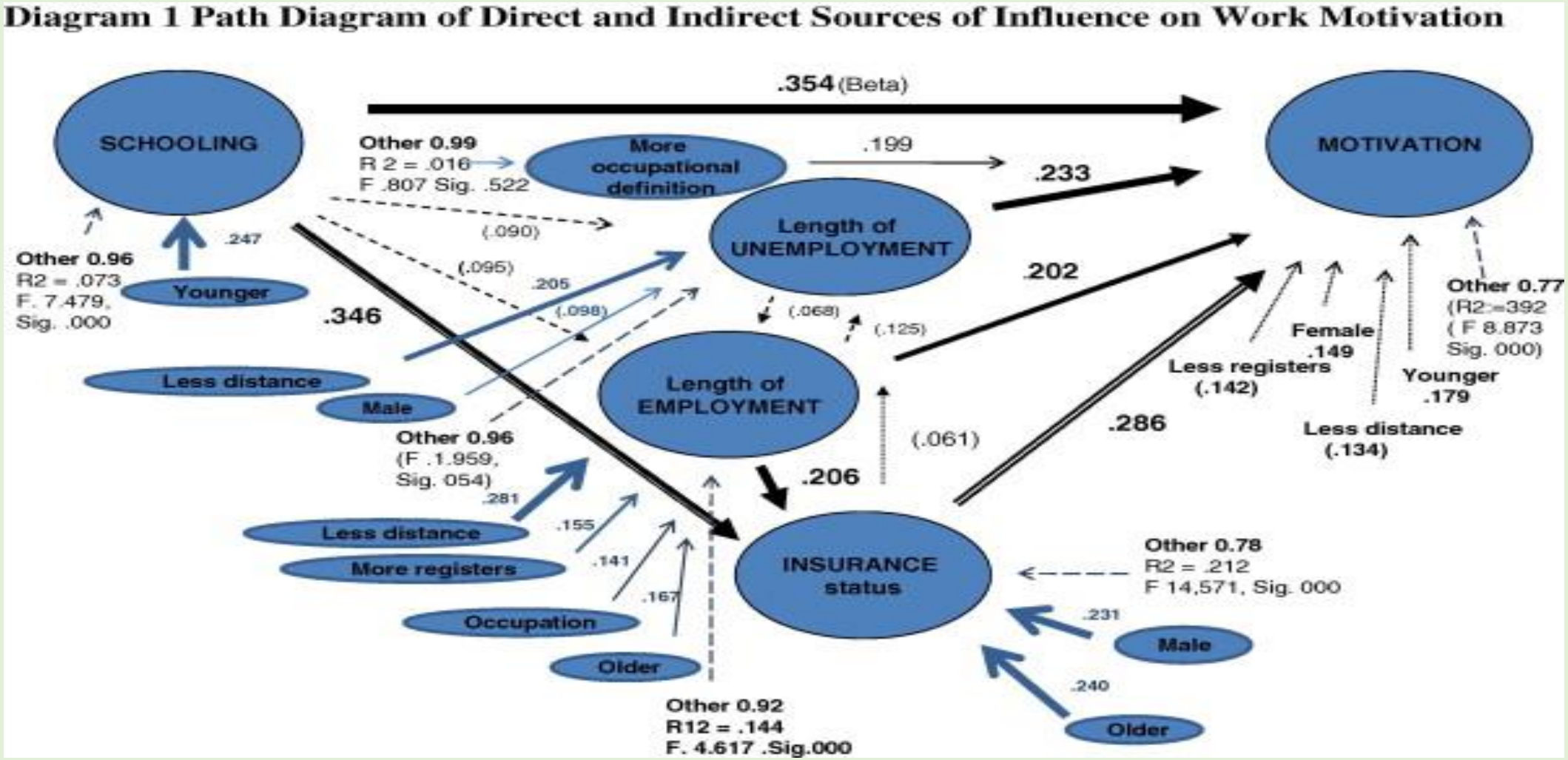
EVIDENCE from research on existing LM institutions

Tatsiramos 2003,2009, Haagh forthcoming: Longer UI → better job search, longer employment (Germany and USA)

Sharif 2003: Long work hours of the world's poor a result of economic distress. Reduction in work hours in response to security is rational behaviour (Global South)

Haagh 2001 (World Development): Multi-variate developmental sources of education and stability generate more intrinsic motivation to work (São Paulo, city and slum)

Multivariate developmental sources of intrinsic work motivation, São Paulo



Source: L. HAAGH, World Development: Working-Life, Well-Being and Welfare Reform, 2011, Volume 39, Issue 3, March 2011, Pages 450-473.

PROPOSITION: Modern states need to ***mimic*** the multivariate security structure that currently only those best able to compete through schooling and labour market systems are able to attain.

Stability of learning and work motivates, insecure work demotivates

Table 9. City: what is fulfilment in working life? By schooling, unemployment length and insurance status, %

	Low schooling				High schooling			
	Short unemployment		Long Unemployment		Short unemployment		Long unemployment	
	Insured	Uninsured	Insured	Uninsured	Insured	Uninsured	Insured	Uninsured
# of observations	30	32	37	27	73	42	81	26
1. Job stability	27	56	27	**56**	10	19	15	35
2. Personal development	**43**	25	27	**18**	**64**	55	57	**54**
3 Occupational identity	30	19	46	26	26	26	28	11
Total (%)	100	100	100	100	100	100	100	100
Pearson Chi Squares (Sig.) Insurance as predictor of personal development or occupation	5.565	Sig. .017	5.337	Sig. .020	2.103	Sig. .123	4.892	Sig. .031

Shows People's state of mind heavily affected by sources of economic security
Shows intersections between institutions of economic security and social policy

Source: Louise Haagh, World Development: Working Life, Well-Being and Welfare Reform, 2011, op.cit.

Effect of grants on motivation interacts with other institutional sources of stability

	City men				City Women				Slum Women			
S	**Insured**		**Uninsured**		**Insured**		**Uninsured**		**Grants**		**No grants**	
L = Long: 16 months <. S = Short: >15 months	L	S	L	S	L	S	L	S	L	S	L	S
# of observations	(73)	(59)	(14)	(25)	(45)	(40)	(27)	(55)	(111)	(92)	(71)	(75)
That it gets more interesting/challenging	**71**	34	**71**	48	**64**	40	**59**	**34**	**41**	33	44	35
High income, stable income or close to home	29	66	29	52	**36**	**60**	**41**	**66**	**59**	67	56	65
Total 100%	100	100	100	100	100	100	100	100	100	100	100	100
Pearson Chi Squares (Sig.) Employment length as predictor of work as interesting/challenging	18.344 .000		2.003	.157	5.079	.024	4.521	.033	1.676	.244	1.240	.265

Source: Louise Haagh, World Development, 2011, op.cit.

Persons without economic security prioritize it as a goal

EMERGING WELFARE STATES

The Madhya Pradesh Unconditional Cash Transfers Project India

2010-12 (20/8 villages), $3.65 pm (200 rupees – mothers 100 per child). 18 months

(20/30 per cent lower incomes, at or just above poverty line) National Electronics Funds Transfer (NEFT) system

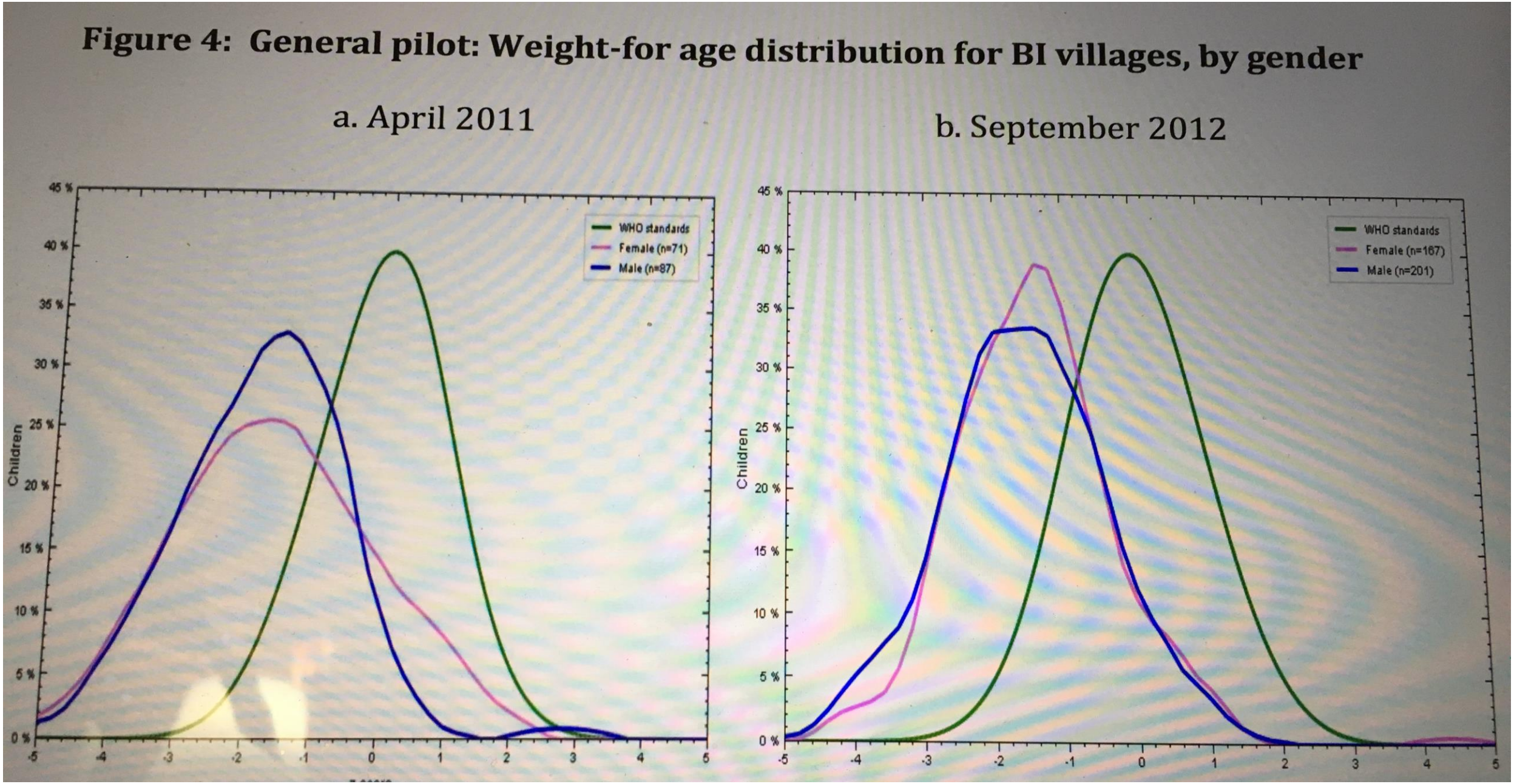
RESULTS

- Recipients spent more on nutritious food, health care (medicines) and borrowed less (SEWA/UNICEF 2014)
- Children's schooling improved in 68 % of families, greater inclusion of the disabled
- Lifting conditionalities is thought to erode corruption – only 27 % of income assistance in targeted schemes reach beneficiaries ("Eleventh Five-Year Plan 2007-2012", Planning Commission, Government of India, New Delhi, 2009.)
- Beneficiaries invest in basic personal infrastructure (bicycles, scooters, sanitary household installations)

CHALLENGE – FOR REFORM TO BE A PUBLIC - NOT PARALLEL AID – OBEJCTIVE

A public health focus could help achieve that

Figure 4: General pilot: Weight-for age distribution for BI villages, by gender



Source: http://unicef.in/Uploads/Publications/Resources/pub_doc83.pdf

RESULTS OF FINNISH BASIC INCOME EXPERIMENT●

EXPERIMENT 2017-2018, Results from first year (2017), Experiment group = 2000, Control = 173,000, People surveyed (treatment 1,869; control 5,161), Received 560 Euros Tax free every month, Amounts to about 2.3 of total benefits, including housing

●KELA Ministry of Social Affairs and Health, Helsinki, Finland, 2019

1. Strongly agree 2. Somewhat agree	Experiment grp. 1 2 % %	Control grp. 1 2 % %	TOTALS Ex Control % %
With a basic income would make more sense financially to accept a job offer	**68** 21	**42** 34	89 76
With a UBI would be easier to start your own business	**51** 22	**39** 24	73 63
1. Very good 2. Good	1 2		
Self assessment of own state of health	15 41	10 36	56 46
1. Not at all. 2. Only small extent			
Perceived level of stress	22 33	20 26	55 46
1 Poor. 2 Rather poor			
Ability to influence social matters	16 19	25 23	**35** **48**
1. YES			
If work part-time would rather work full-time Believes will find employment w. next 12 ms.	69 56	58 45	

Confirms findings of previous economic security studies – Sense of exclusion went down, and sense of opportunity went up.

Other considerations re contemporary experiments

- **Europe: not what they wanted to but could and did measure that matters in results.**
- Finnish study found no effects on employment levels (neither positive or negative)
- **Instrumental variable removal of direct control, more than incentives to earn – ALL the positive results are essentially motivational and health-related.**
- The Finland results underestimates effects because housing benefit remains means-tested, which could affect employment incentives
- Small-scale municipal-led experiments which – as in Finland – *lifted behaviour conditions* in Denmark 2016-2017 found

- Significant employment effects in some municipalities
- Changed attitudes of social worker staff to citizens
- *Small-step motivational impacts* (reported in Haagh 2019a,b) *similar to Indian pilot*

Rural village pilots in low or middle-income countries with higher gender inequality, find significant gender social and health effects, e.g. girls' nutrition, stature and schooling (Standing et al), extends known effects of CCTs, which have shown mixed results, e.g. damaging economic and social-psychological effects when security *ends* *(ECLAC 2012, as quoted in* Haagh, L. and Rohregger, 2019, Universal Basic Income Policies and their Potential for Addressing Health Inequities, WHO*)*

CURRENT CHALLENGES understanding *DESIGN*

Post 2008 Crisis under austerity even core welfare states' governments ABSORBED labor market insecurity within rapid institutional changes to benefit systems, EXTENDING institutionally mediated forms of insecurity within and control over the most vulnerable strata of society

EVIDENCE of health constitutive effects of stable security has been largely ignored by governments

Policies motivated by SHORT-TERM SAVINGS focus on increasingly targeted interventions over institutional redesign, flying in the face of evidence of what works for sustained anti-poverty and health impacts

- 2010s saw rapid intensification of punitive welfare measures (1/4 claimants affected DK/UK)
- Recognition of failure motive current UBI experiments
- But governments mainly focus on failure in labour markets rather than the negative health impacts
- CHALLENGE is therefore to help motivate a reconceptualization of the health constitutive effects of stable security

2010s - GAUGING THE CHANGE IN POLICY PRIORITIES AFTER AUSTERITY – *PRE-AUSTERITY*

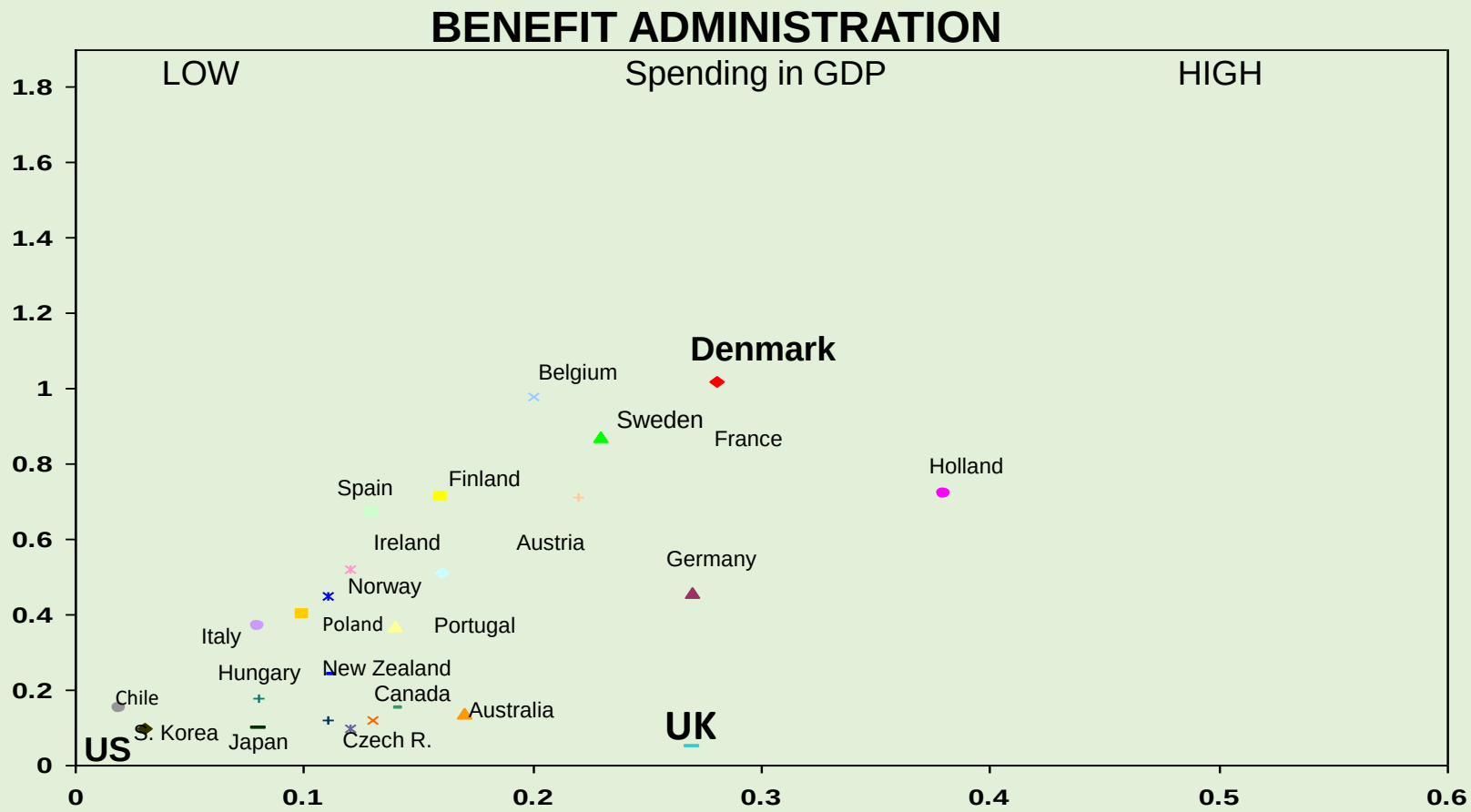
2007

HIGH

TRAINING and other active measures

Spending in GDP

LOW



Elaborated from OECD 2011

x. Percentage of GDP spent on public benefit administration and placement services, 2007.
Y. Training, employment incentives, supported employment and rehabilitation, direct job creation, start-up incentives, spending in GDP 2007.

Source: Haagh, L. 2019 The Developmental Social Contract and Basic Income in Denmark, Social Policy and Society, Cambridge University Press, 18, (2), pp. 301-317.

2010s - GAUGING THE CHANGE IN POLICY PRIORITIES AFTER AUSTERITY – *POST-CRISIS*

2009

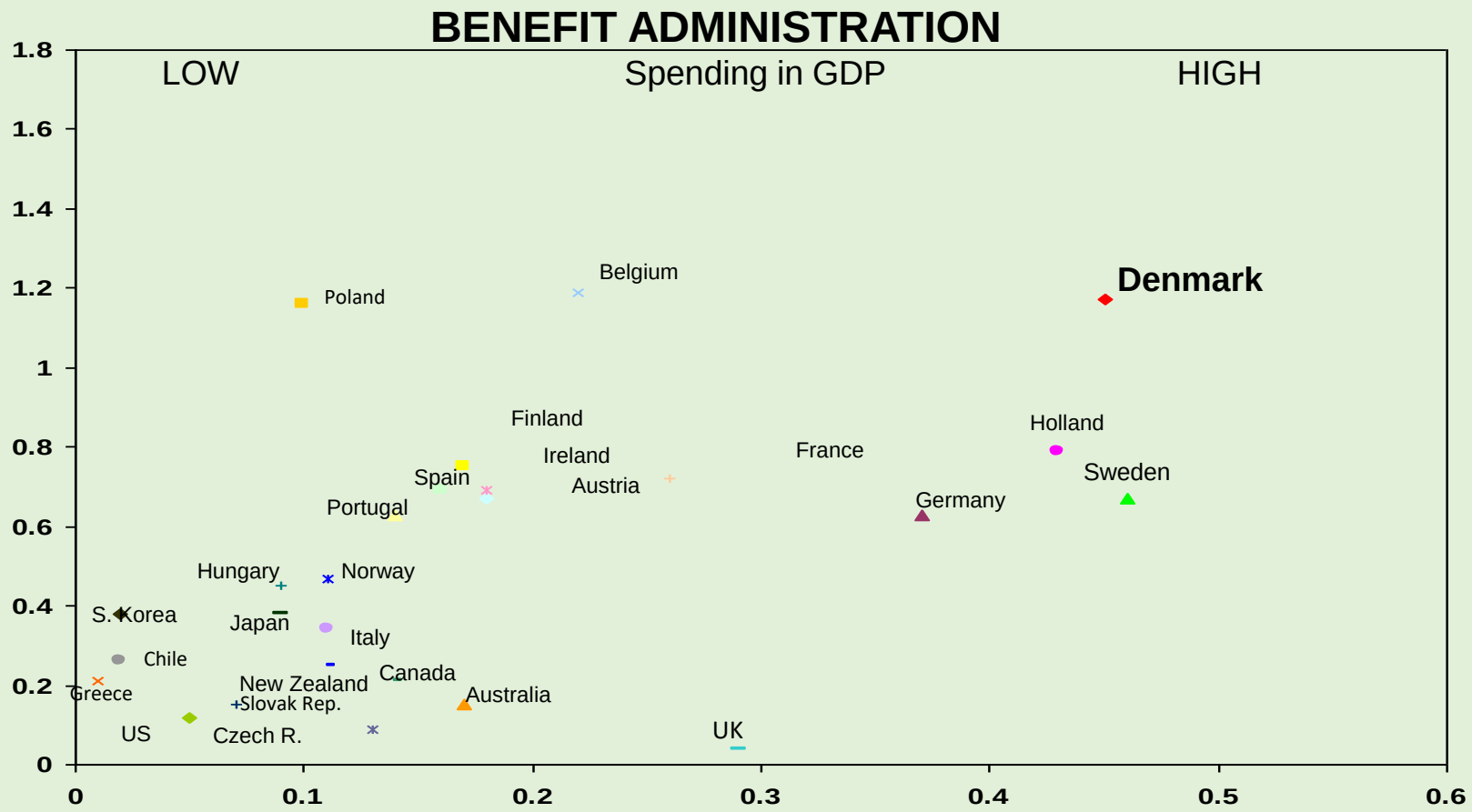
HIGH

TRAINING and other active measures

Spending in GDP

LOW

Elaborated from OECD 2011



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2010s - GAUGING THE CHANGE IN POLICY PRIORITIES AFTER AUSTERITY – *AUSTERITY*

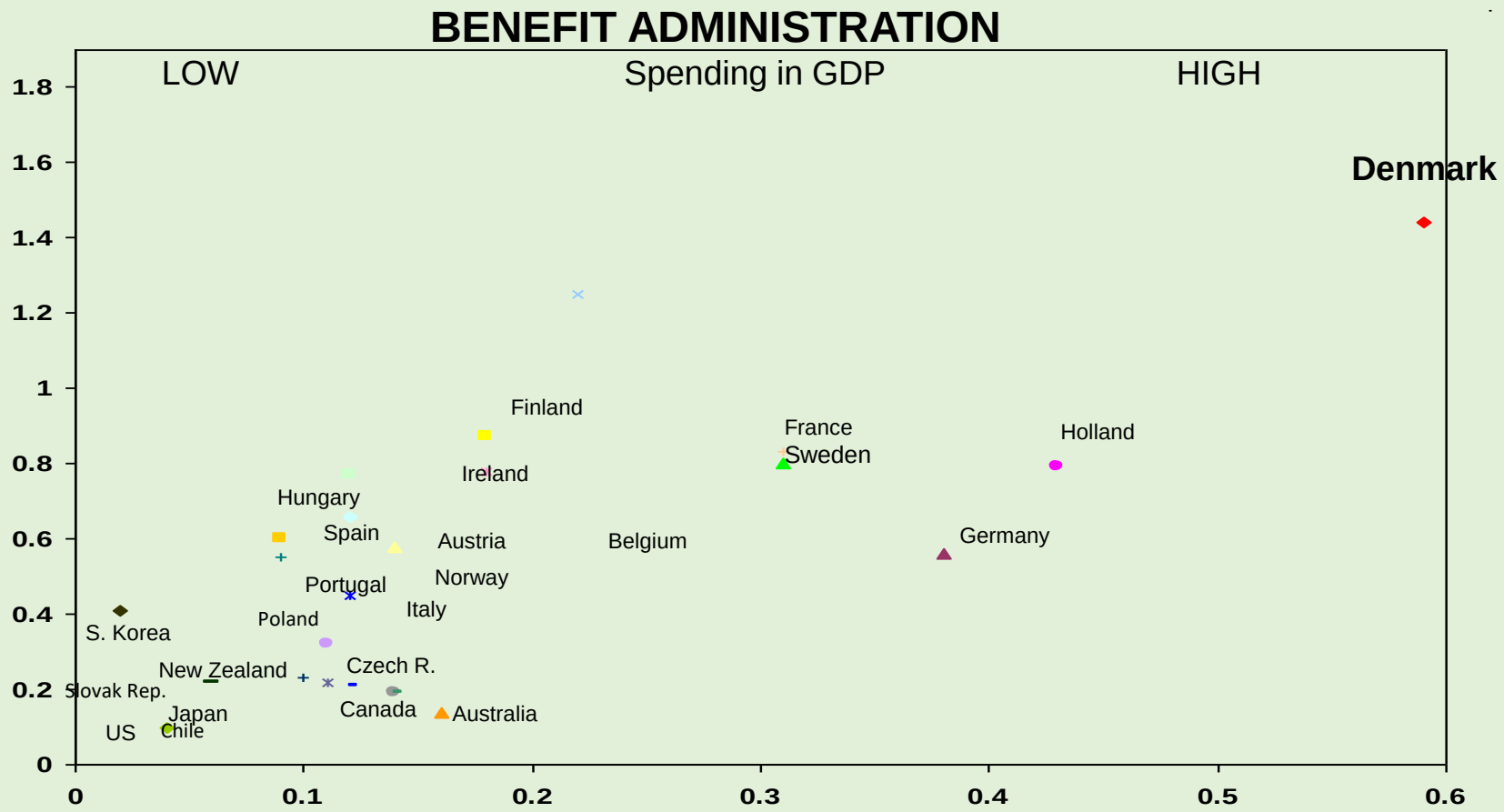
2010

HIGH

TRAINING and other active measures

Spending in GDP

LOW



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Source: Haagh, L. 2019 The Developmental Social Contract and Basic Income in Denmark, Social Policy and Society, Cambridge University Press, 18, (2), pp. 301-317.

2010s - GAUGING THE CHANGE IN POLICY PRIORITIES AFTER AUSTERITY – *ADJUSTMENT*

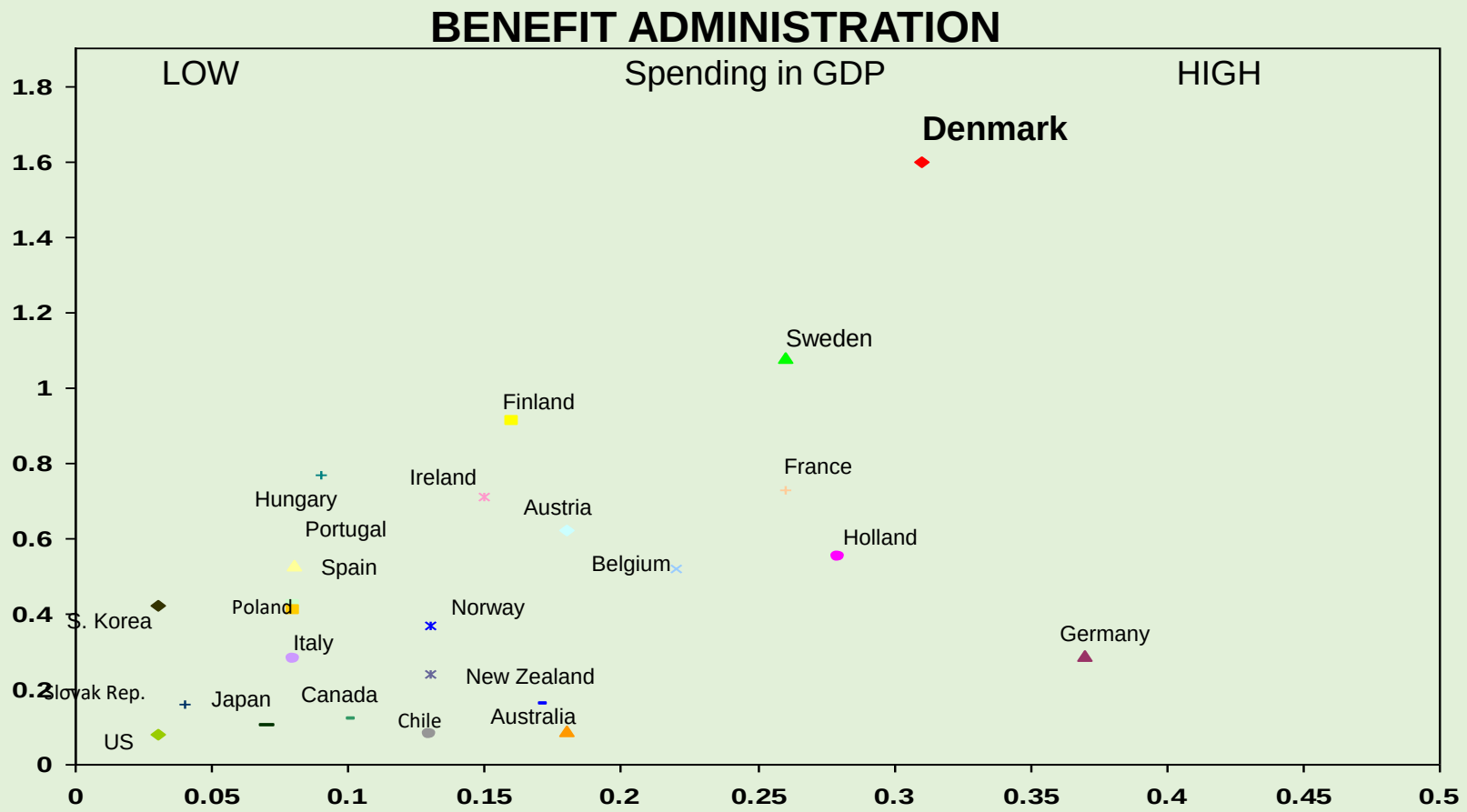
2014

HIGH

TRAINING and other active measures

Spending in GDP

LOW



Elaborated from OECD 2016

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Y. Training, employment incentives, supported employment and rehabilitation, direct job creation, start-up incentives, spending in GDP 2014.

Source: Haagh, L. 2019 The Developmental Social Contract and Basic Income in Denmark, Social Policy and Society, Cambridge University Press, 18, (2), pp. 301-317.

Negative health impacts of punitive income security design

Reinforced or 'solved' Poverty traps at health cost – linked with the status insecurity of current systems

Deepened moral hazard – as medical services become involved in assessment of income security need

Extended informalisation – as those dependent on support leave the system without jobs (non-coverage 1/3 – 2/3 UK)

Worsened mental health crises – as sanctions policies are linked with severe mental health impacts in some countries
246 % ^ sanctions and disqualitications in the UK since 2001 (Adler 2016/Haagh 2019)

Indirect /direct health constitutive impacts of UBI designs*

LEGAL SECURITY – avoiding criminalisation

SOCIAL JUSTICE - Promoting justice prevailing in working life and care

HEALTH STATES – Efficacy of social and health interventions – can build on motivation effects

COST SAVINGS and COHERENCE – as mental health crises and cost fall and efficacy of other policies grows

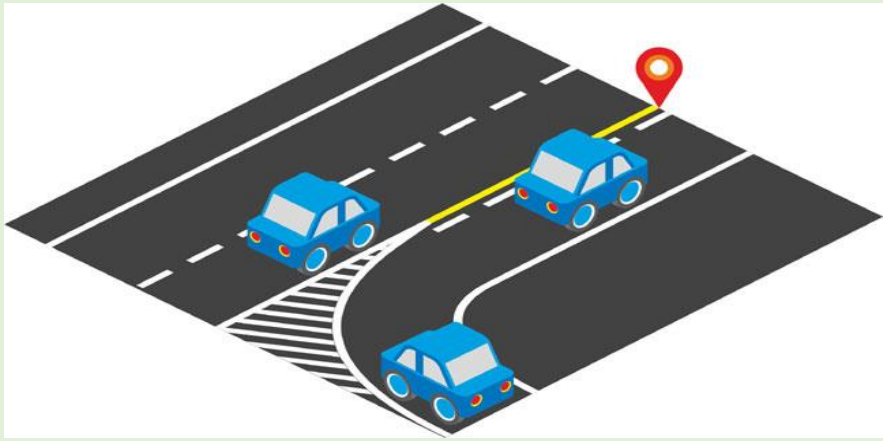
* For examples, see sources quoted on slide 1.

We have taken the foundations for health equity for granted

Unstable security

Coerced security

Falling out of society



Health Equity – UBI: Haagh, L. and Rohregger, B., 2019, 'UBI policies and their potential for addressing health inequities', WHO Policy Paper Series - Transformative Approaches to have a Prosperous Life 1, WHO Venice Office for Investments for Health and Development

Social Leakage: Haagh, L. 2019, The Case for Universal Basic Income, Cambridge: Polity

FOUNDATION MODEL of UBI

(Haagh & Rohregger/WHO 2019; Haagh 2019a,b)

CHALLENGE – HOW TO FIT TO/SUPPORT WELFARE STATE

- SOCIAL SERVICES (needs-based or universal)
- SOCIAL SECURITY / INSURANCE (contributory)
- EMPLOYMENT SYSTEMS
- FINANCE
- DESIGN (Universal versus Negative Income Tax)

FOUNDATION model aims for architectural coherence and integration, where relevant replacement, but not displacement

Three-Tier Model

UBI – Shared foundation

Needs-based provision (universal services, top-up means-tested transfers, transfers by disability status, a.o.)

Contributory social security/insurance (to encourage societal saving, hybrid institutions)

Supportive conditions (inclusive development/ Stable employment and occupational policies)

Avoids pitfalls of overly simplified UBI models (Haagh 2019)

Political Economy of UBI and Health

Debates on health inequalities and UBI at country level completely disengaged

Health indicators to measure conditionality (mental health)

Strategic & political role of local level:

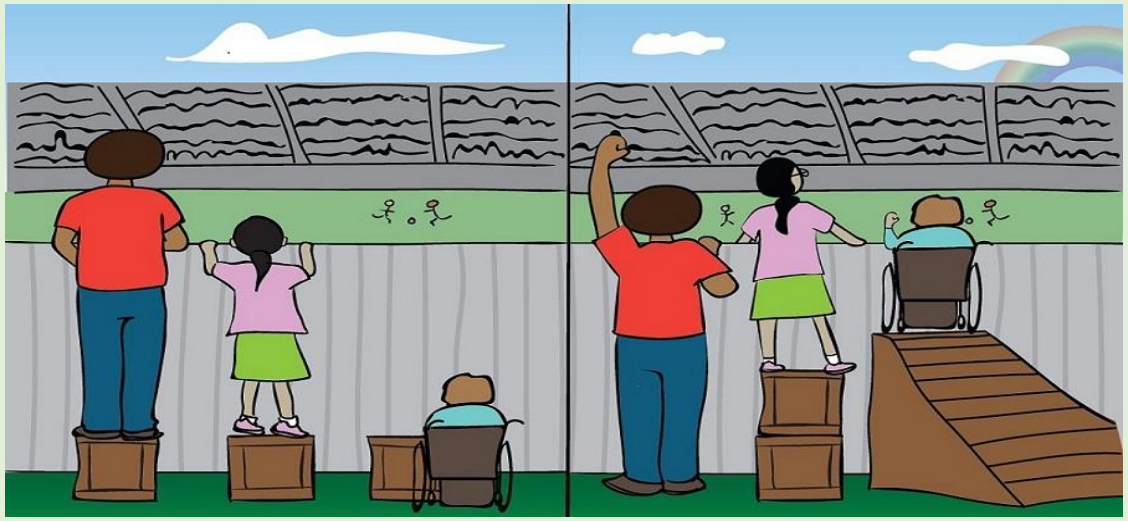
UBI as a policy option usually emanates from the local context, where inequalities in health are faster discernible, also in terms of costs;

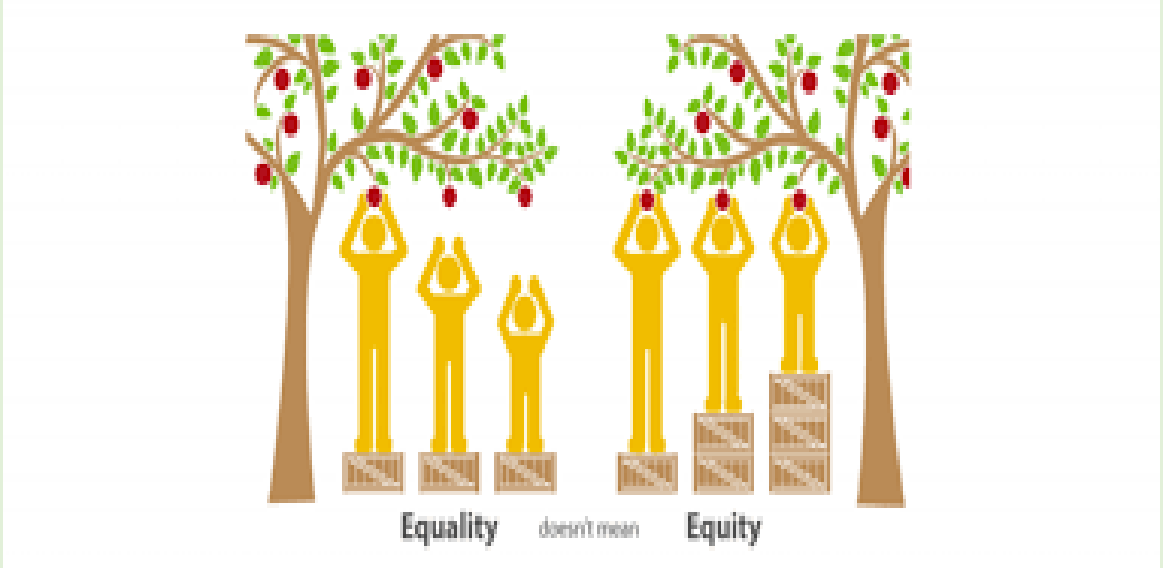
BUT: they are squeezed financially – centre must raise and equalise resources

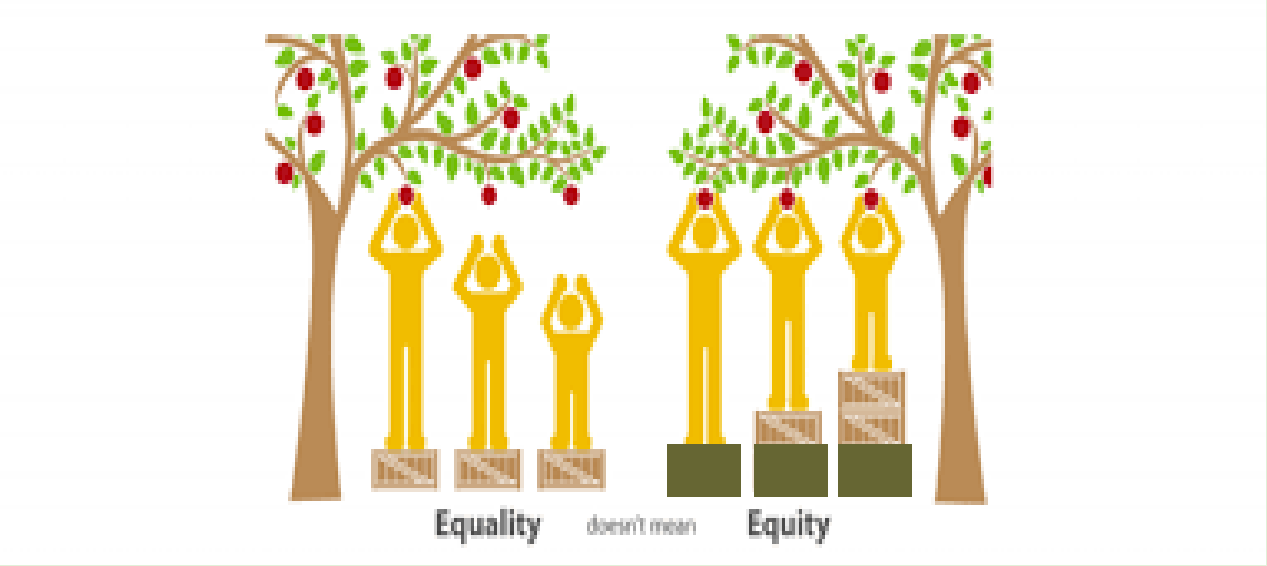
RECOMMENDATIONS: income security & health equity

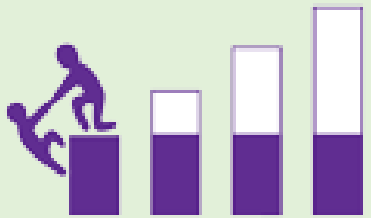
- Income security measures play a key role in addressing health inequities
- Within a basket of a universal policies and services, universal basic income (UBI) is a promising mechanism to strengthen health equity and well-being across society in the long-run
- UBI is a strategic vehicle instrument for achieving universal income security & foundation for policy coherence for health equity
- UBI talks to Health in All Policies approach - Income security is an element of health policy

THE FOUNDATION MODEL AND SOCIAL SECURITY/SERVICES
Basic Income, Equality and Health Equity: A 'Problem' ?

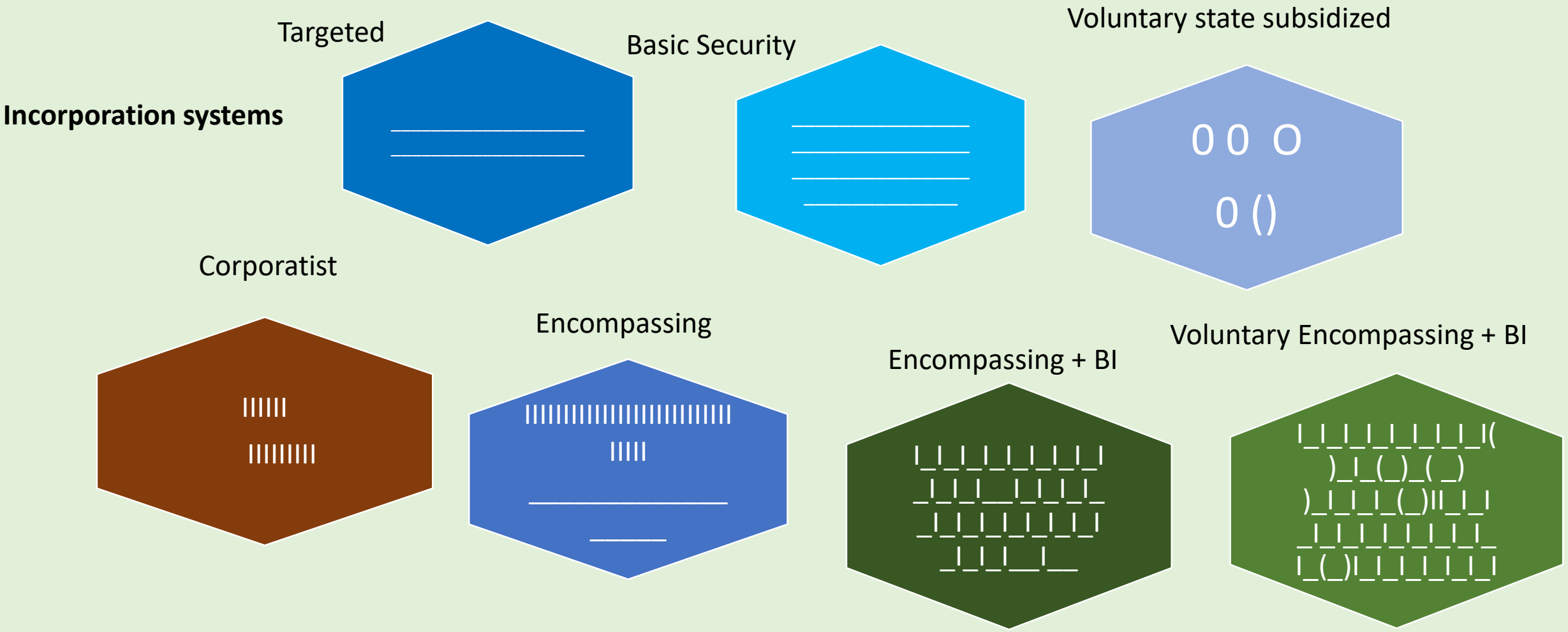








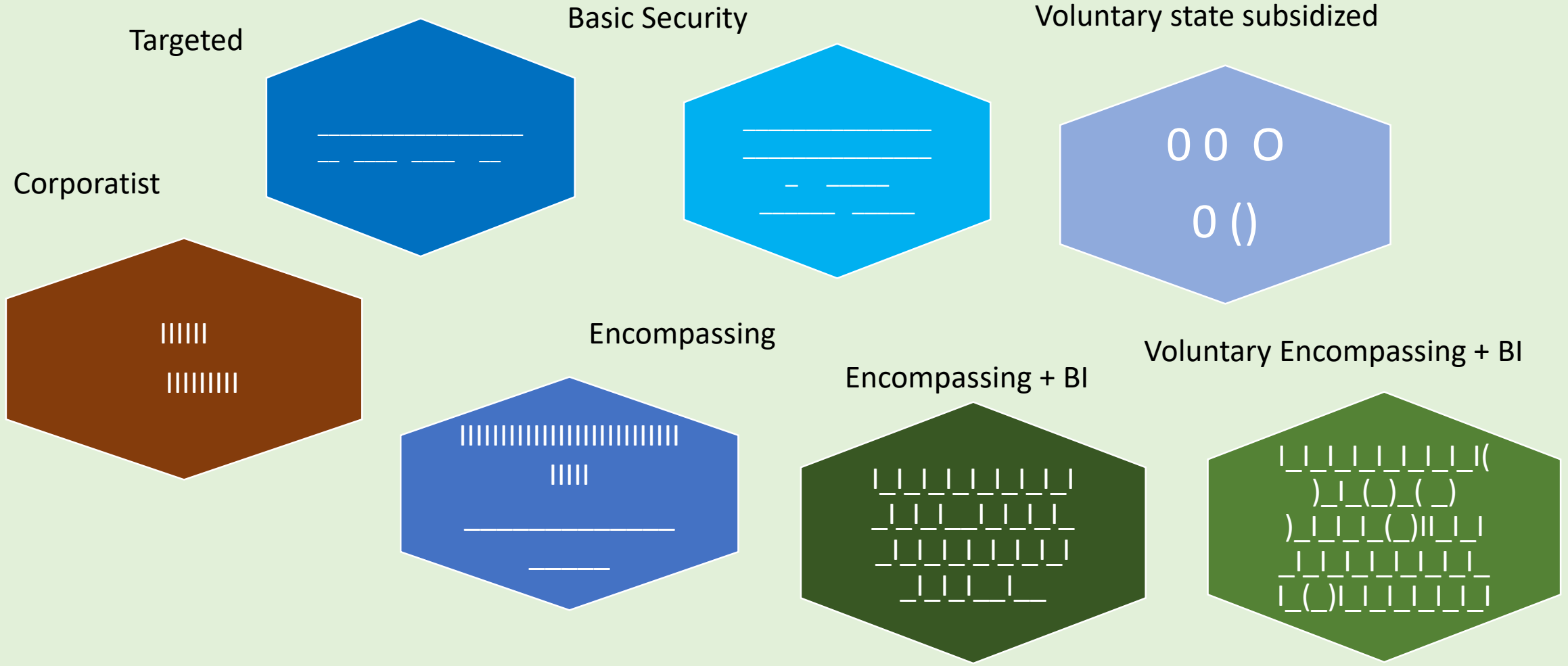
THE FOUNDATION MODEL & OCCUPATION/SOCIAL INSURANCE



The two green diamonds add to Korpi and Palme, 1998 – The Paradox of Redistribution, American Sociological Review, 1998), p.667

Source: Haagh, L. 2019 , 'The Developmental Social Contract and Basic Income in Denmark, Special Issue - "Basic Income and the Reconfiguration of the European Welfare State", Louise Haagh and Jurgen de Wispelaere (Eds.) Social Policy and Society, Cambridge University Press, 18, (2), pp. 301-317.

Targeted and basic security models unsustainable



PROPOSITION: If spending across policy areas is necessary for policy coherence then levels of public finance in GDP matter. Levels of spend and good design are mutually constitute. BOTH spending and design are a challenge in the coming years

Source: Haagh, L. , 2019, Public Ownership within Varieties of Capitalism: Regulatory Foundations for Welfare and Freedom, International Journal of Public Policy: Special Issue on Public Ownership in the Twentieth Century, Angela Cummine and Stuart White (Eds.), Vol. 15, Nos. 1/2, pp.153-186

PUBLIC FINANCE FOR HUMAN DEVELOPMENT

Public revenue level and integration, 2000

Sources and calculations:

Tables A.1 and A.2

in Appendix.

PUBLIC REVENUE (COOPERATIVE PUBLIC FINANCE☺ Index of 1.Total tax revenue in GDP 2000 and trend, 2.Top marginal tax rate and multiple at which sets in, 2000, and trend. 3. Levels of corporate income tax on distributed profits, 2000. 4. Net statutory tax rates on dividend income (shareholder level), 2000. 5. Overall personal income tax and corporate income tax rates on dividend income, 2000. 6 Statutory corporate income tax rate, 2000. 7. Corporate tax revenue as % of GDP, 2000 and trend 1982-2000.

PUBLIC SPENDING ON HUMAN DEVELOPMENT: Index of 1. Public expenditure in GDP, 2000, and trend. 2. Public social expenditure in GDP, 2000, and trend. 3. Public expenditure on education in GDP, 1995, and trend. 4. Public expenditure on education in social expenditure, 2000, and trend. 5. Public spending on training, job creation and supported employment 2000 and trend. 6. Public spending on child-care in GDP, 1998, and trend.

PUBLIC FINANCE FOR HUMAN DEVELOPMENT

Public revenue level and integration, mid-2010s

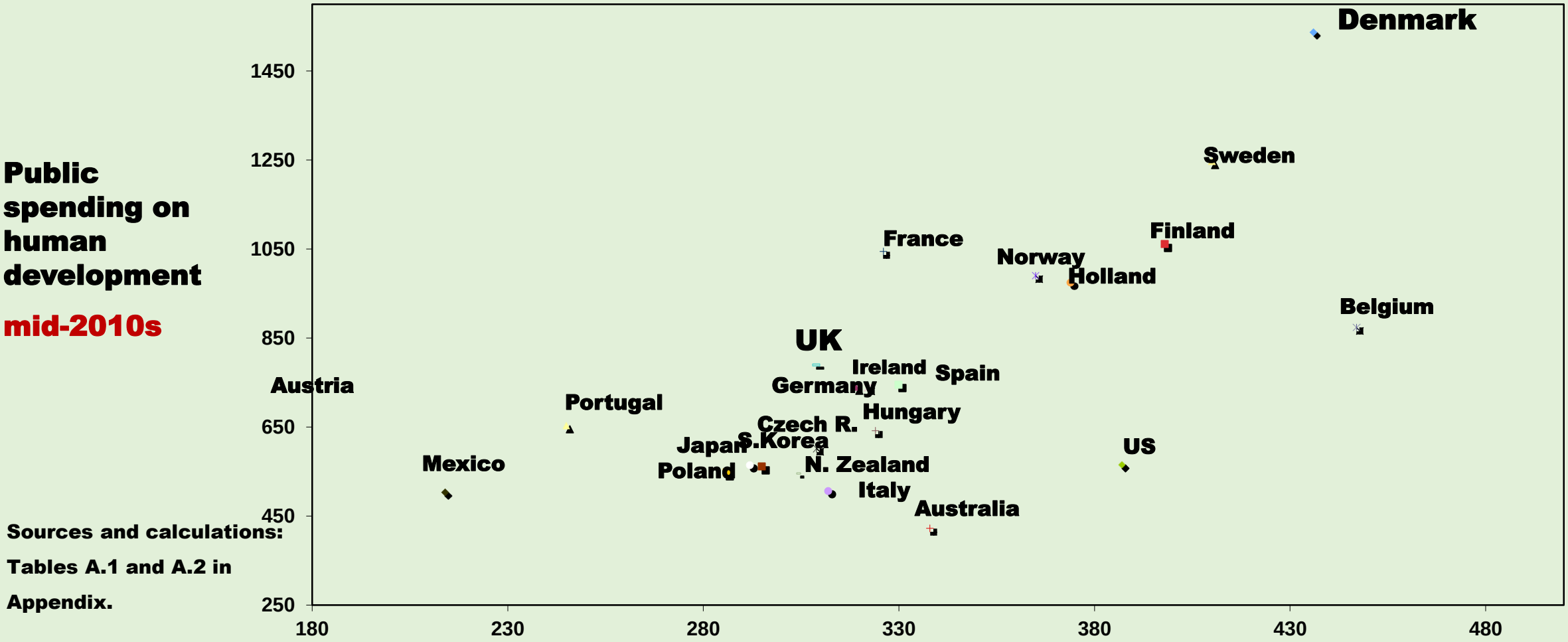


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Table 1 - AN ILLUSTRATIVE CITIZEN'S BASIC INCOME SCHEME UK

An evaluation of a Citizen's Basic Income (CBI) scheme with the working age adult CBI set at £60 per week	
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Young adult CBI p.w. (for individuals aged 20-24)	**£50**
Education age CBI p.w. (16-19 year olds not in full-time education)	**£40**
(Child Benefit is increased by £20 p.w.	**(£20)**
Income Tac rate increase required	**3 %**
Income Tax, basic rate (om 0£ - £43,000)	**23 %**
Income Tax higher rate (on £43 – 150,000	**43 %**
Income Tax, top rate (on £150,000 -)	**48 %**
Share of households in lowest income quintile suffering losses of over 10 % at implementation	**1.62 %**
Share of households in lowest income quintile experiencing losses of over 5 % at implementation	**2.67 %**
Share of all households experiencing losses of over 10 % at implementation	**1.9 %**
Share of all households experiencing losses of over 5 % at implementation	**9.88 %**
Net cost of scheme per annum	**£ 2 billion**

N.B. Figures are for the fiscal year 2017/18

Effects		**Tax/ benefits scheme 2017/18**	**Illustrative CBI scheme**
Inequality	**Disposable income Gini coefficient**	**0.30**	**0.27**
Poverty *	**Children**	**12 %**	**8 %**
	Working age adults in poverty	**12 %**	**9 %**
	Economically active working Age adults in poverty	**4 %**	**2 %**
	Elderly	**11 %**	**9 %**

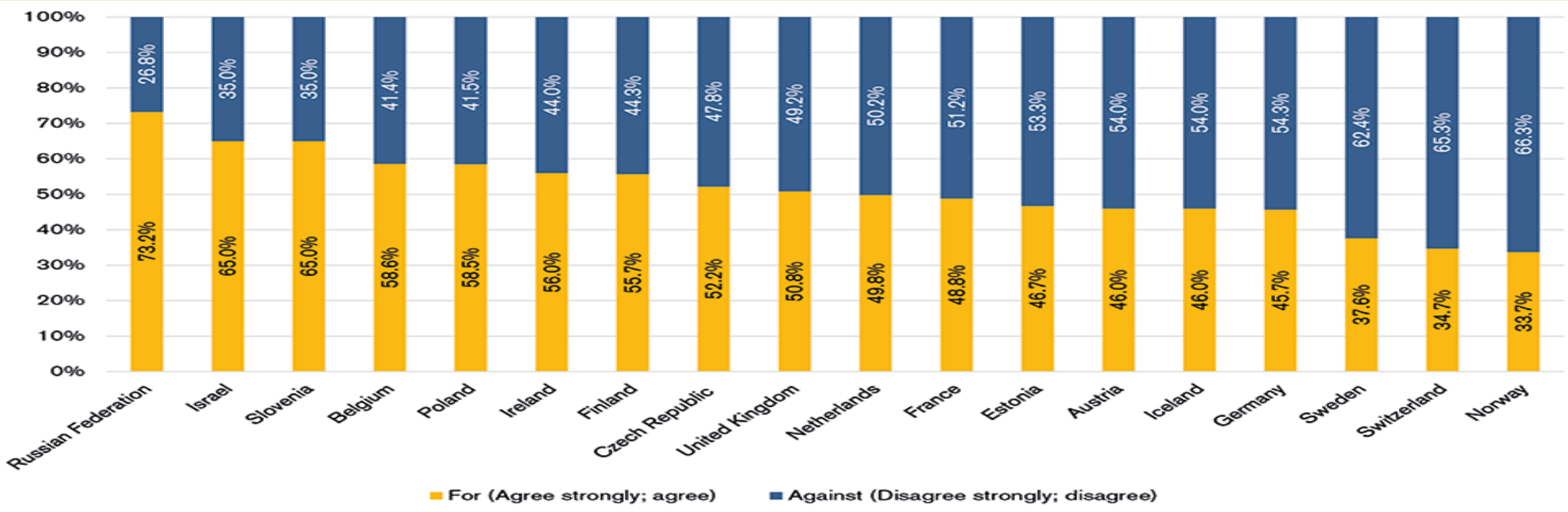
Poverty is defined as the number in households with incomes below 60 % of median equivalised household disposable income, and the Gini is calculated on a similar basis, based on Euro mod (Paola De Agostini, Euromod Country Report: https://www euromod.ac.uk/ sites/default/files/country-reports/year8/Y8_CR_UK_Final. pdf, p.70).

Source: Citizens' Basic Income Trust: Citizen's Basic Income – a Brief Introduction

WHY NOW?

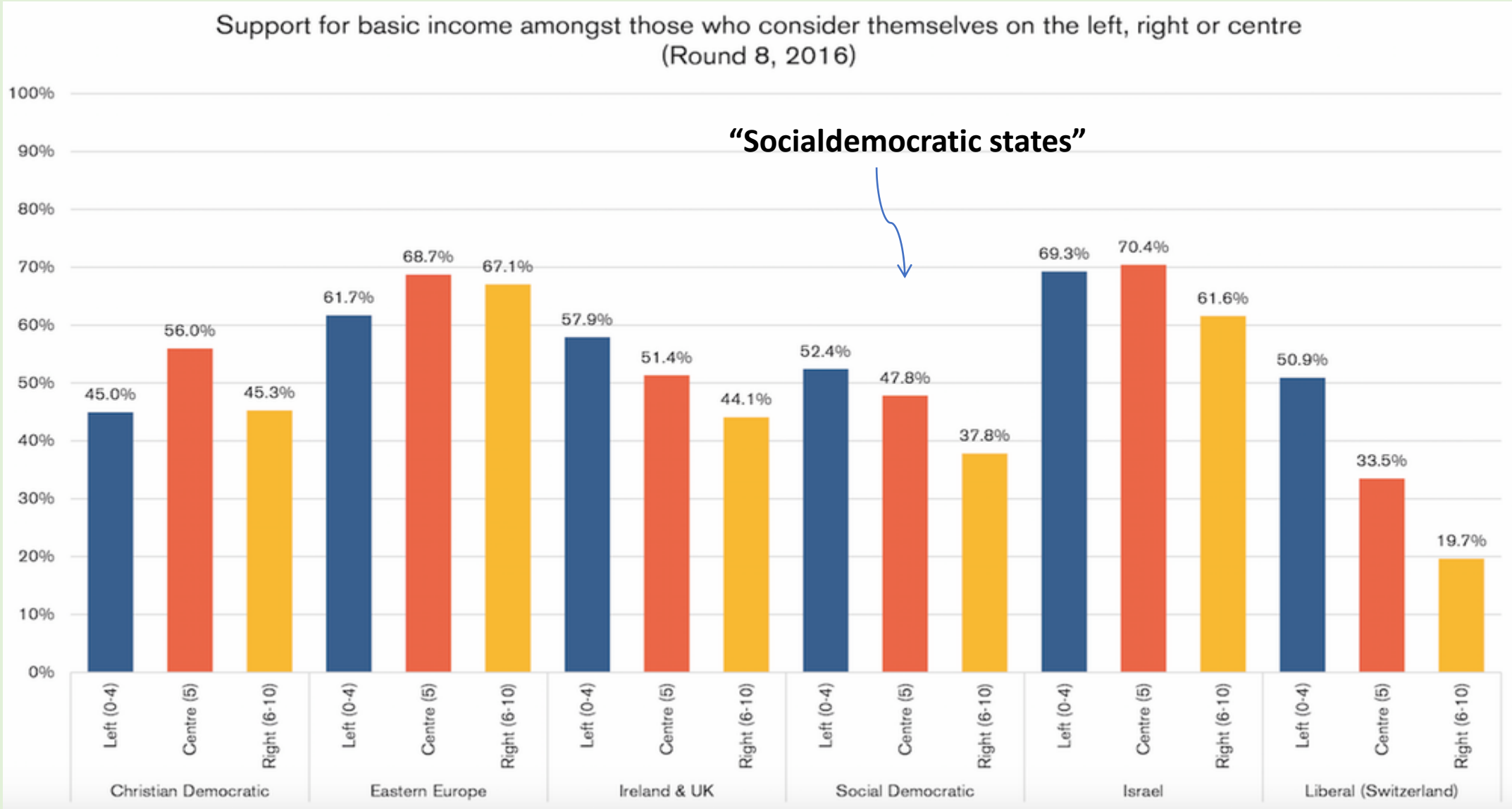
1. Labour markets have changed
2. Existing Income security design is inadequate
3. Advocacy and research gained momentum – 2016 Swiss Referendum only the surface

Support for Basic Income in Europe (European Social Survey – round 8 2016)



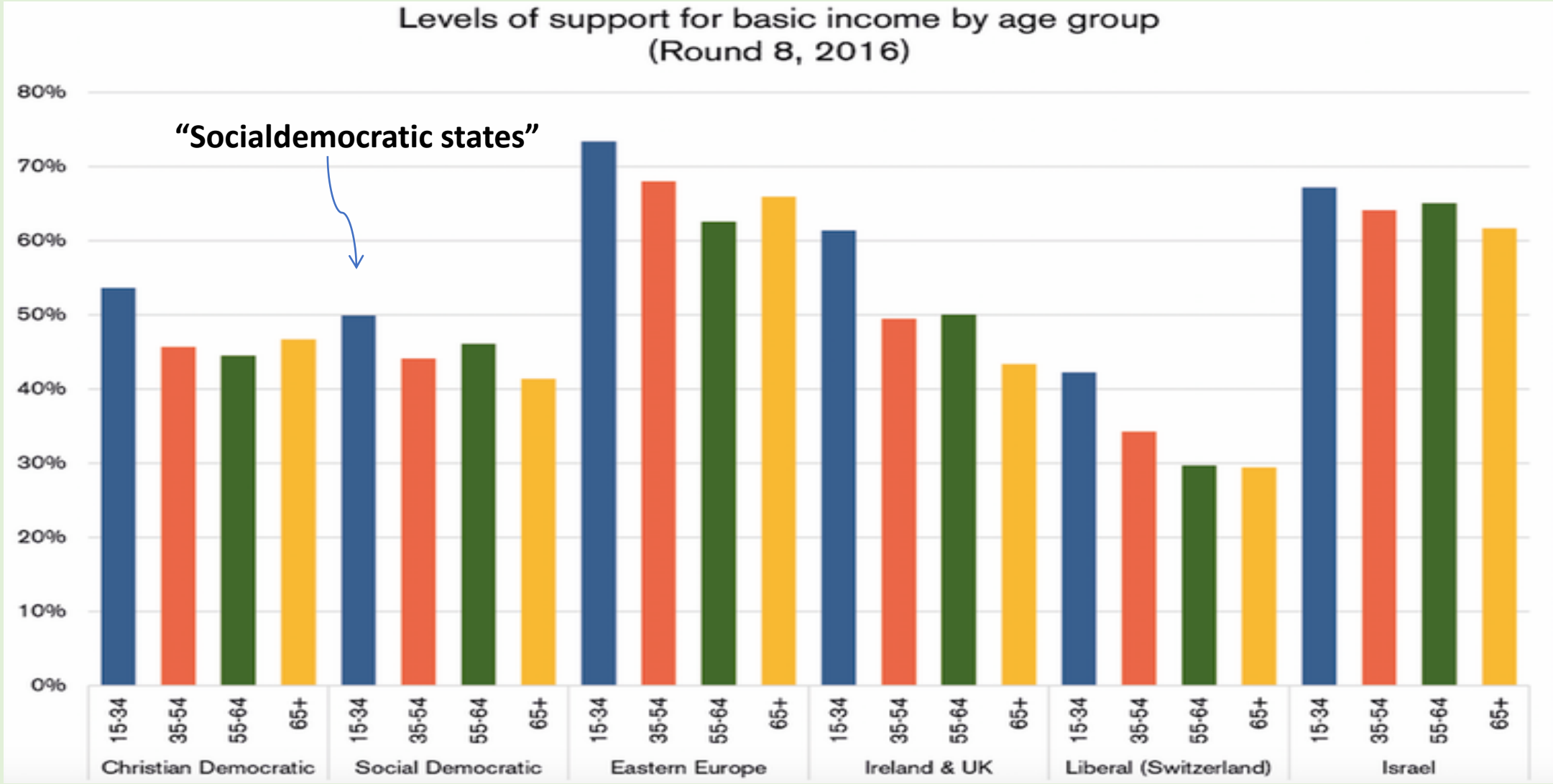
UBI described as " a monthly income to cover essential living costs that replaced many other social benefits." Purpose is "to guarantee everyone a minimum standard of living, that everyone receives the same amount regardless of whether or not they are working and that people also keep the money they earn from work or other sources. The scheme itself is paid for by taxes."

Ideological differences



European Social Survey Round 8, 2016

Age differences



European Social Survey 2016

Reasons for support for basic income in Britain, Populous survey

To what extent do you agree or disagree with the following statements: AGREE

A basic income would……	Total	M/F	18-24 / 25-34 / 55-64	AB C1 C2 DE
Would do better than current system at providing basic security	45	47 44	50 51 41	46 50 44 41
The current system is working in the main, so no need for alternatives	19 √	21 18	18 18 23	20 17 19 21
Would give freedom to make the right decisions to a greater extent t. current sys.	47	49 45	53 52 44	50 49 45 42
Would generate disincentives to work, a too great risk compared w. current system	42	42 42	41 36 44	47 40 42 39
Would provide more of an incentive as people can keep the cash when working	56	56 55	57 54 56	57 56 55 54
Would decrease crime	33	35 31	46 39 25	34 35 32 30
Increase educational attainment	24	26 22	38 31 17	27 25 22 21
Improve mental and physical health	37	39 35	47 35 30	40 38 36 33
Reduce stigma	49	42 56	52 52 47	54 50 47 44
Unaffordable	38	40 36	36 29 43	43 36 39 34
Targeting the poorest is better	45	45 44	53 41 47	47 45 42 44
Services in kind better than cash	43	40 47	52 47 41	44 48 45 36

The young more like to see the benefits in terms of lower crime and opportunities for education

The poor least likely to think a UBI generates disincentives, and more likely to prefer cash than kind

KEY MESSAGES

POLITICAL SUPPORT – mature welfare states

UK Example: **Very few people think current income security systems work well**

POLICY WINDOW

Contemporary design undermines effectiveness of health interventions (such as they are)

The relationship between health providers and individuals ('patients') is compromised

A stable economic security architecture can abate stresses of the economy which compromise health

Two effects need to be thought about in combination – not isolation

1. Building systems that can *integrate* and sustain different risks – targeting as a model for security is not credible
2. Building systems that can *support effective public policies*

CHALLENGES FOR THE WHO

Health benefits of economic security not well understood by governments or society

Health sector is not present in the economic security reform debate debate or experiments– but could be

The economic system needs a safety valve – people who are stressed cannot invest in health

The long-term, broad institutional focus of the UBI-UBS debate a chance to build inclusion infrastructure ground up

Full benefits of stable unconditional economic security depends on other active policies

Building effective economic security systems is an opportunity to reinvent health policy

KEY HEALTH CONSTITUTION OBJECTIVES OF UBI and UBS

1. **Addressing insecurity about provision** - making basic income security permanent – an architecture
2. **Enabling motivation** by removing punitive controls/conditionalities
3. **Removing disincentives** to work (poverty and security traps)

PROBLEMS 2 and 3 less visible in low and middle income countries – addressing 1 is urgent. EVIDENCE ECLAC

PROBLEMS 1,2,3 interact dynamically in mature welfare states

EVIDENCE SANCTIONS

BOTH spending and design are a challenge in the coming years

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Source: Citizens' Basic Income Trust: Citizen's Basic Income – a Brief Introduction

PUBLIC FINANCE FOR HUMAN DEVELOPMENT

Public revenue level and integration, 2000

Sources and calculations:

Tables A.1 and A.2

in Appendix.

PUBLIC REVENUE (COOPERATIVE PUBLIC FINANCE☺ Index of 1.Total tax revenue in GDP 2000 and trend, 2.Top marginal tax rate and multiple at which sets in, 2000, and trend. 3. Levels of corporate income tax on distributed profits, 2000. 4. Net statutory tax rates on dividend income (shareholder level), 2000. 5. Overall personal income tax and corporate income tax rates on dividend income, 2000. 6 Statutory corporate income tax rate, 2000. 7. Corporate tax revenue as % of GDP, 2000 and trend 1982-2000.

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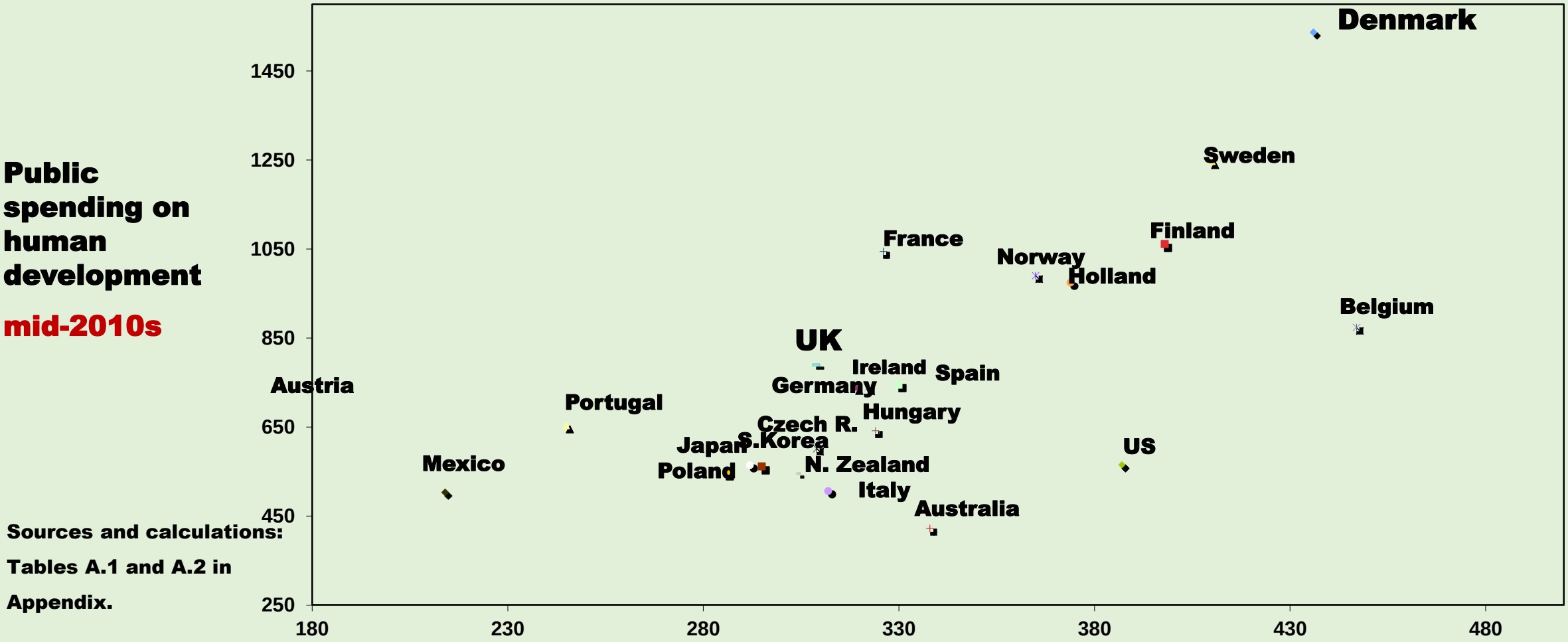
PUBLIC FINANCE FOR HUMAN DEVELOPMENT

Public revenue level and integration, mid-2010s



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Effect of grants on motivation interacts with other institutional sources of stability

	City men				City Women				Slum Women			
S	**Insured**		**Uninsured**		**Insured**		**Uninsured**		**Grants**		**No grants**	
L = Long: 16 months <. S = Short: >15 months	L	S	L	S	L	S	L	S	L	S	L	S
# of observations	(73)	(59)	(14)	(25)	(45)	(40)	(27)	(55)	(111)	(92)	(71)	(75)
That it gets more interesting/challenging	**71**	34	**71**	48	**64**	40	**59**	**34**	**41**	33	44	35
High income, stable income or close to home	29	66	29	52	**36**	**60**	**41**	**66**	**59**	67	56	65
Total 100%	100	100	100	100	100	100	100	100	100	100	100	100
Pearson Chi Squares (Sig.) Employment length as predictor of work as interesting/challenging	18.344 .000		2.003	.157	5.079	.024	4.521	.033	1.676	.244	1.240	.265

Source: Louise Haagh, World Development, 2011, op.cit.

Persons without economic security prioritize it as a goal

GOVERNANCE dysfunction

THE SANCTIONS REGIME

Failure to regulate and govern through a humanist logic

Latest phase workfare

Haagh, World Development, 2011, Haagh IJPP, forthcoming

The state motivating work through financial hardship, 24 % of case load UK/Denmark, 246 % ^ sanctions and disqualitications in the UK since 2001

In-work conditionality (Adler 2016)

↓ **occupational incentives** (Dk 29/3 % sanctions rate)

SANCTIONS – arbitrariness in administration

- **“evidence suggests the dept’s use of sanctions is linked as much to management priorities and local staff discretion as it is to claimants behaviour” NAO, 2016**
- **A high failure rate, over 40 % of appealed cases in the UK and Denmark**
- **A growing reliance on technical processes, weak information**
- **”the Department for Work and Pensions has not used its own data to evaluate the impact of sanctions in the UK..and has rejected calls for a wider review”, ibid.**

Source: Louise Haagh, ‘Public Ownership within Varieties of Capitalism: Regulatory Foundations for Welfare and Freedom’, in International Journal of Public Policy, 2018, forthcoming.

SANCTIONS- Negative impacts

- **Employment effect short-term (JRT)**
- **Informalisation (Non-wage non-dependence)** selvforsørgelse uden indtægt**).**
- **UK Non-claiming: 69 % 2000 – 34 % 2016 (Money charity)**
- **Risk to carers and children – compartmentalisation**
- **Scientific basis thin, case load – "Sanction can be fixed in length up to 3 years.. And can lead to hardship, hunger and depression", independent UK auditor (NAO)**

Source: Louise Haagh, 'Public Ownership within Varieties of Capitalism: Regulatory Foundations for Welfare and Freedom', in International Journal of Public Policy, 2018, forthcoming.