



Identifying Important Empirical Claims in the UBI Debate

Abstract This chapter proposes a list of important empirical claims made by supporters and opponents of Universal Basic Income (UBI) in an effort to identify what empirical questions UBI experiments should focus on and how researchers can relate experimental findings to the things people really want to know about UBI.

Keywords Basic income experiments • Negative Income Tax experiments • Social science experiments • Basic income • Universal Basic Income • Inequality • Poverty

This chapter presents two lists of claims that supporters and opponents have made about the effects of UBI. It gives each claim a name for reference, but these names do not reflect any standard definition. The list includes a definition for each claim, but little or no further discussion, such as how it is supposed to work. Later chapters give further explanations as needed.

I initially compiled this list by drawing on my own experience and then by using informal crowd sourcing, asking other people interested in UBI via social media whether they could contribute addition claims or rephrase some of the claims from my initial list. I have followed international news about UBI since 1999, and my contacts are largely international, but of course, my perspective still reflects my background. And so, the list reflects my biases.

I have tried roughly to group similar claims together, going from the more common or important groups of claims to the less common or less important groups of claims, but the order is not terribly important. My estimates of how best to group claims and of the frequency and importance of claims are cursory and subjective. And of course, the importance of any claim varies substantially over time and place.

I have tried to reduce overlap as much as possible, but some overlapping claims play important, separate roles in the debate. Many claims could be divided into a series of more-specific claims. The welfare claim and the cost-effectiveness claim are obvious examples. Only some of the more-specific claims are included separately on the list; again, the criterion for including them separately was whether they play important independent roles in the UBI discussion.

It would be possible to include pairs of opposing claims on the supporters' list and the opponents' list: almost any claim on one list could be paired with its negation on the other list. For example, supporters tend to say UBI is cost-effective and affordable, while opponents tend to say it is cost-ineffective and unaffordable. I have tried to avoid these sorts of duplications by attributing it to the side that focuses on it more. Therefore, the supporters' list gets a cost-effectiveness claim and the opponents list gets an (un)affordability claim.

Although the lists don't include direct negations, they do include some pairs of opposite claims. For example, the benefit-to-workers claims and the harm-to-workers claims are included on the two lists because they play important separate roles in common arguments for and against. Many supporters don't stop at defending UBI against the allegation that it harms workers; they go on to argue about the ways in which UBI is likely to help many workers, and these arguments play an important role in their overall case for UBI.

Not all supporters or all opponents agree with each of the claims on the respective lists. In fact, some claims within each list contradict each other. This is to be expected, given that diverse people, sometimes with little else in common, support or oppose UBI for many different reasons.

These lists are not meant to exhaust all reasons given for or against UBI. No list could be. Based on my experience, however, they capture a large portion of the common and influential claims in the UBI literature. I expect that all or most of the questions experiments examine are related to some of the claims on these lists.

I CLAIMS COMMONLY MADE BY SUPPORTERS

The following list provides names for common claims supporters of UBI tend to make about its effects.

- The welfare claim: UBI significantly raises the welfare of net recipients and some net contributors.
- The poverty claim: UBI (usually in combination with other policies) can eliminate poverty.
- The structural-disadvantage (or economic-and-social-mobility) claim: UBI increases economic and social mobility, and therefore reduces structural disadvantage by improving the health, security, and education of children, and by helping adults start businesses, get education or training, take the time to look for the right job, and in many other ways.
- The economic-equality claim: UBI increases economic equality both by direct redistribution to lower-income people and by indirect effects, such as creating more favorable labor-market conditions, improving health, and increasing education. (The taxes used to support it can also be formulated to increase equality.)
- The social-equality (or social-inclusion) claim: UBI increases social equality by reducing social isolation of low-income people, by reducing the stigmatization of people who benefit from redistributive programs, by reducing housing segregation, and by other means.
- The benefit-to-workers claim: UBI financially benefits many workers directly by acting as a wage subsidy for lower-income workers and indirectly by creating market conditions likely to increase wages.
- The better-working-conditions claim: UBI improves working conditions both by giving workers the flexibility to move to more attractive sectors and by creating market conditions likely to cause conditions to improve.
- The widespread-benefit claim: a large portion of the population will benefit (on average) from UBI at any one time, and a substantially larger portion will benefit at some point in their lives.
- The flexible-lifestyle claim: UBI enables people to work shorter hours, engage in job sharing, become full-time parents, and so on.
- The freedom claim: UBI gives people greater freedom in the sense of giving them more effective power over their own lives by reducing or eliminating their dependence on employers.

- The compensation claim: those who own resources owe a UBI to those who do not in compensation for the unequal division of the world's resources.
- The anti-exploitation claim: UBI reduces exploitation in employment by giving all workers (both inside and outside unions) the power to refuse exploitive working conditions.
- The cost-effectiveness claim: UBI is more cost-effective than traditional, conditional welfare policies (in achieving various goals).
- The reduced-social-costs claim: by reducing poverty and inequality, UBI reduces associated costs such as healthcare, policing, and so on.
- The reduced-capture-corruption-and-bureaucracy claim(s): UBI's benefits are less likely to be captured by others (such as employers, landlords, and bureaucrats) than conditional welfare state policies. And it is less vulnerable to corruption than conditional programs (because of its simplicity and transparency). These claims imply UBI reduces the overhead cost associated with income support.
- The efficient-transfer claim: UBI, being a lump-sum transfer, is economically efficient. The only social cost involved with it comes from increases in marginal tax rates associated with financing it, but not from the grant itself.
- The poverty-trap claim: UBI encourages people on benefits to reenter the labor force in greater numbers than a conditional system, by ensuring they are always better off earning more private income than earning less.
- The labor-productivity claim: UBI increases labor productivity by encouraging employers to substitute skilled for unskilled workers, by improving workers' ability to enhance their skills and search for higher-productivity jobs, and by improving childhood health and educational attainment.
- The increased-innovation-and-entrepreneurship claim: UBI increases entrepreneurial activity and innovation (because it increases the financial cushion for risk-takers and provides more time and more investment capital for visionaries to pursue ideas).
- The productive-nonlabor claim: UBI allows people to do more unpaid work (such as care work and volunteering), some of which is more productive (or socially valuable) than many forms of paid labor.
- The increased-support-for-redistribution claim: UBI, once in place, results in greater overall political support for redistribution.

- The politically-enabled-proletarian claim: UBI makes low-wage workers a greater force for progressive social change on other issues by freeing them from long hours and low pay.
- The economic-stimulus claim: UBI, in combination with the taxes that support it, helps improve economic growth and reduces unemployment by helping stimulate and stabilize aggregate demand.
- The “degrowth” claim: UBI helps economies move away from over-consumption and overexploitation of resources.
- The dynamic-efficiency claim: UBI increases the dynamic efficiency of the economy by increasing workers’ health, education, safety, entrepreneurialism, and so on.

2 CLAIMS COMMONLY MADE BY OPPONENTS

The following list provides names for common claims opponents of UBI tend to make about its effects.

- The reciprocity (or work ethic) claim: UBI makes it possible for non-wealthy people to share in the benefits of social production, which involves labor, without making a reciprocal labor contribution of their own—or without any meaningful social contribution at all. This observation is often labeled a violation of norms such as reciprocity and/or the work ethic.
- The exploitation claim: UBI requires taxing workers for the benefit of nonworkers.
- The harm-to-workers claim: a UBI system financially benefits nonworkers at the expense of many workers, all effects considered.
- The labor-effort claim: UBI causes an unacceptably large reduction in labor supply that is not easily counteracted by other policies.
- The (un)affordability claim: UBI at the proposed level is prohibitively expensive.
- The economic-impediment claim: UBI decreases economic growth by various means, including reducing labor-market participation, increasing labor costs, causing inflation, creating the need for increased taxes, which reduces investment and innovation, and so on.
- The self-destruction claim: UBI increases self-destructive behavior (possibly including laziness, drug dependency, lack of care for the future, watching too much television, playing too many video games, choosing meaningless activities over meaningful paid work, having “too many” children, etc.).

- The gender-role-reinforcement claim: UBI helps maintain traditional gender roles by making it easier for women to remain out of the paid labor force while performing unpaid care work and other traditional women's roles.
- The consumerism claim: UBI, being a cash grant in a monetary economy, encourages greater consumerism, leading to increased environmental destruction and other problems.
- The bought-off-proletarian claim: UBI—by providing a minimal level of contentment for workers—reduces their effectiveness as a force to challenge the deeper inequalities and other social inequities in society.
- The decreased-overall-redistribution claim: UBI at an economically or politically feasible level makes low-income people worse off overall than traditional, conditional social policies.
- The capture claim: many of the benefits of UBI go to someone other than the recipients (perhaps because employers reduce wages, the cost of housing in low-income areas increases, bureaucrats create overhead costs, etc.).
- The migration claim: UBI encourages immigration and/or migration into areas with UBI.
- The shut-door claim: UBI creates political pressure to restrict immigration.

3 CONCLUSION

It's worth repeating that these lists are not exhaustive. Many more claims (of various levels of relevance, certainty, and testability) are undoubtedly circulating in the academic and nonacademic literature on UBI. But I hope these claims capture a significant range of what is being said. The diversity of claims on these lists is enough to demonstrate the difficulty of designing and communicating the results of a UBI experiment in a way that successfully enlightens the public discussion. The next three chapters consider how much an experiment can say about these claims and what research questions are useful to people interested in these claims.