



## New Experimental Findings 2008–2013

**Abstract** This chapter discusses findings from two recent Universal Basic Income (UBI) experiments conducted in the late 2000s and early 2010s and from earlier experimental data that was released in the same period. This chapter shows how these findings had a more positive impact on public understanding of UBI and related policies than the release of data from the 1970s NIT experiments.

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

Experimental results continued to trickle out and were debated in academic journals in the early 1990s. No new experimental findings came out until the late 2000s when interest in BIG experiments gradually resumed.

Canada's Mincome experiment was cancelled before most of its findings were assessed. As many as 1800 boxes of file folders were left unexamined until 2009, when a researcher named Evelyn Forget got a grant to begin reexamining them. Perhaps she did a better job of explaining the findings in a way that people understood, or perhaps the political situation at the time made for a more receptive audience. But whatever the reason, the newly released Mincome findings had a much more positive impact on the UBI

debate than the NIT experimental findings released in the 1970s. Forget dubbed Mincome's saturation site (Dauphin, Manitoba) "the Town with No Poverty" and the media picked up on it. Media reports stressed the effects (rather than the side effects) of Mincome. These effects included reductions in hospitalizations, especially for mental health and accidents. Forget estimated the national savings that would occur if the decline in hospital visits was replicated nationally.<sup>1</sup> Media reports discussing the labor-market impact did so in context, even discussing how the lack of pressure to find another job helped people land the right job. Whether labor-market findings were better received because of how they were reported or because of the tenor of the times is difficult to determine, but undoubtedly Forget, drawing on previous experience, was more aware of the need to put those findings in a context that laypeople could understand.

The first UBI experiments of the twenty-first century were conducted in Namibia (2008–2009) and India (2011–2013). They differed from the 1970s experiments in at least four important ways. First, they focused on UBI rather than NIT, reflecting the change in the discussion of BIG over the intervening 30 years. Second, they were funded primarily by private institutions rather than the government. Third, both of them took place at a time when BIG was not a major part of the political discussion in the countries where they were conducted. Fourth, they took place in very different political contexts, most strikingly that they took place in less wealthy countries with much deeper poverty. Different issues took primary importance. Poverty, education, and empowering women were the most important to researchers than work incentives and/or interactions with the existing welfare system.

The Namibian study found extremely promising results, including significant decreases in household poverty, child malnutrition, underweight children, household debt, crime, and so on. Results also included significant increases in economic activity, access to medication and healthcare, school attendance, and household savings. Predicted effects of increased alcohol consumption did not come true: people receiving the UBI drank the same as typical Namibians. This issue of whether people would spend the UBI on alcohol took on a prominent role in the UBI discussion in Namibia, much like the labor-effort response in the US and Canadian

<sup>1</sup>Evelyn L. Forget, "The Town with No Poverty: The Health Effects of a Canadian Guaranteed Annual Income Field Experiment," *Canadian Public Policy* 37, no. 3 (2011).

contexts. Probably the most striking difference between the Namibia project and the NIT experiments was that the labor-effort response was positive. That is, people receiving UBI worked more.<sup>2</sup> The expected explanation was that the depth of poverty and the level of unemployment in Namibia make it hard for people to work as much as they might want to. With more of their basic needs met and more economic activity in the area, people were able to work more.

The Indian project found similar promising results. Results included significant decreases in illness, child labor, household indebtedness, and so on. Women were found transitioning into different occupations. Some women who were already committed to a primary occupation added a second. Recipients also invested more in self-employment activities. Results also included significant improvements in food consumption, medical treatment, school attendance, school performance, household savings, and so on. Like the Namibian study, the Indian study found that people receiving UBI worked more than people in the control group and drank at the same rate as people in the control group.<sup>3</sup>

The twenty-first-century reports from Mincome and the reports from India and Namibia were well reported and better understood in the press. All three sets of findings were reported at a time when UBI was far out of the political mainstream and was receiving very little media attention in these countries and around most of the world. All three brought significant international media attention to UBI, which may have contributed to the gradual increase in support for the UBI movement that has gone on ever since.<sup>4</sup>

<sup>2</sup> Claudia Haarmann et al., *Making the Difference: The Big in Namibia: Basic Income Grant Pilot Project Assessment Report* (Windhoek: Basic Income Grant Coalition, 2009).

<sup>3</sup> Guy Standing, “Unconditional Basic Income: Two Pilots in Madhya Pradesh,” in *Conference on Unconditional Cash Transfers: Findings of two pilot studies* (New Delhi: Sewa, 2013).

<sup>4</sup> Widerquist, “Three Waves of Basic Income Support.”