

International Public Policy Forum
Written Debates – Round of 32

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Negative Constructive on the topic:
Resolved: Governments should provide a universal basic income.

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On our honor, we pledge that we have received no unauthorized assistance on this work.

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INTRODUCTION

Government assistance programs have a crucial role to play in eliminating economic inequality worldwide. However, a UBI is not the solution. Instead of resolving poverty, its high costs would result in inflationary pressures on fragile economies and nullify the value of the cash it provides. Moreover, a UBI would come at the expense of other crucial social assistance programs that insulate people from poverty and provide additional care. To the extent that reforms are needed, effective policies must be tailored and focused. Thus, the negative proposes a means-tested basic income (BI) as an alternative solution. Instead of relying on a one-size-fits-all approach, a BI would not be universal and would be implemented to maximize benefits. A BI would be much cheaper, avoid excessive inflation, and prevent unnecessary trade-offs with other welfare programs. A basic income is the important solution to current challenges whereas the high costs of universality would exacerbate these issues instead of resolving them.

DEFINITIONS & BURDENS

We agree with the definitions provided in the affirmative constructive, specifically that a UBI requires unconditional cash payments to *every* adult citizen. We'd also like to echo some of the "implications" they highlighted, namely the concern with the "misdirection of aid towards wealthier households," and the tendency to "neglect the most vulnerable populations" (AC 2). The *universality* of the affirmative proposal is not progressive, still directs aid to the wealthy, and ignores the unique conditions of extreme poverty. In this way, the negative better addresses the problems outlined by our topic.

We commend the affirmative for stressing the importance of detailed proposals and focusing on implementation. That is why the negative is proposing an alternative program that is more fiscally adaptable and cost-effective while preserving the benefits of many effective social

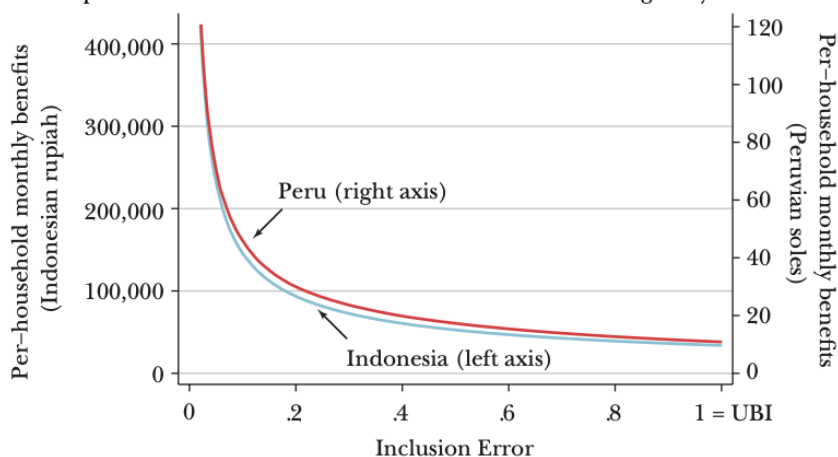
assistance programs and minimizing inflation's effects. However, the negative should also win this debate if we disprove the affirmative. Effective public policy is about evaluating the full cost-benefit analysis of a proposal and choosing, when necessary, to not change the status quo. The negative will prove that the costs of implementing a UBI don't outweigh the theoretical benefits. A UBI will cause rampant inflation, the payment will not be enough to survive, and the cost of eliminating existing programs will hurt the most vulnerable.

A MORE EFFECTIVE PROPOSAL

Overview of a BI

The negative agrees that a basic income can be an ideal solution to inequality. However, we contend that a *means-tested* basic income would be far more effective. Rather than giving everyone the same amount of cash, a means-tested BI provides money according to the income of its recipients, meaning that those in more extreme poverty receive larger amounts of money, while the middle and upper classes receive less or none at all (Strawczynski and Tirosh). Various comparative studies demonstrate the benefits of this approach at resolving issues of inequality. Rema Hanna and Benjamin Olken conducted a statistical analysis of welfare programs in Peru and Indonesia and concluded that "targeting methods in developing countries, while imperfect, appear to deliver *substantial* improvements in welfare compared to universal programs, because they can transfer much more on a per-beneficiary basis to the poor as compared with universal programs" (224). To illustrate this dramatic effect, Hanna and Olken created a variety of graphs, like Figure 4B, which tracks the decrease in benefits received per household as more recipients are included (214).

B: Benefits per Household versus Inclusion Error for Different Eligibility Cutoffs



The data shows that universalized benefits yielded a dramatic decrease in total benefit value per household as opposed to gradual levels of means-tested benefits. These examples are notable because they can be extrapolated to apply to all developing countries, the communities with the most need for poverty reduction.

Furthermore, a means-tested BI—by nature of giving less money to the rich—costs less, avoiding funding tradeoffs with all other welfare benefits that the affirmative concedes its proposal would require. University College London explains that non-universal basic income, by targeting specific services like childcare and transport, can address economic inequality at just 10% of the cost of a typical UBI. It is important to note that the affirmative’s own evidence from Richard Caputo concludes that a means-tested BI is *more* effective, stating that “instead of giving priority to awarding everyone in the economy an unconditional income, I recommend...giving poverty reduction priority and maintaining the basic structure of the welfare state” (514). Caputo argues that the goal of basic income schemes should be to “lift as many individuals and families as possible... Money leftover should be directed to those in the next highest tier of income earners and their families, and so on” (516). These programs are more effective at combating the root of poverty than the one-size-fits-all UBI.

Resolving Equity & Ethics

The affirmative has framed its argument around the UBI's ability to create an equitable society and therefore achieve just social reform (AC 3). At best, a UBI is an *equal* solution, not an *equitable* one; it provides the same amount of money to everyone, regardless of whether they need it or not. As a result, it does not close the massive wealth disparities that inhibit an equitable society. Only a means-tested BI—which places more money in the hands of those who need it the most—can resolve the issues of justice. The affirmative also introduces the concept of “the Protestant work ethic” but fails to show how a UBI would achieve that value (AC 3). With an extra UBI, affluent people will be *discouraged* from working more because they would not need to pursue more meaningful employment. Finally, a means-tested BI would resolve the paternalism of the existing welfare state more effectively because it transfers more money to those who need it most, enabling them to gain even more “financial freedom” and security than they could through the affirmative proposal (Grant 20).

Resolving Automation & Workplace Potential

Automation should not be used as a rationale for a UBI. Data reveals a strong correlation between automation and increased productivity, rebuking notions of sluggish productivity growth (Surowiecki). In industries already facing labor shortages, automation emerges as a solution by efficiently handling routine tasks, enabling human workers to focus on more intricate aspects and advanced opportunities. Additionally, a 17-nation study highlights the positive relationship between the introduction of robots and wage boosts, disproving the notion that automation leads to diminished income (Surowiecki). Thus, it's unlikely that automation of the workplace will require the widespread implementation of a UBI.

BI programs still provide a “safety net” against job loss across career stages because it still provides a cash transfer to those who cannot afford to switch professions, thereby giving them opportunities to professionally further themselves. Similarly, the BI would also deconstruct the “psychological contract” the affirmative describes in employee-employer relationships by providing unconditional cash to those who would otherwise not be able leave their current jobs, thus providing economic freedom to all recipients, while maintaining the incentive for work and productive contributions.

DISADVANTAGES TO UBI

Tradeoff

Our opponents specifically declare that the “current welfare systems would likely be defunded and reallocated towards financing the UBI” (AC 3). This means the affirmative would eliminate all social security and assistance programs today—including food stamps, Medicaid, disability checks, and other types of grants given to disadvantaged demographics, devastating individuals living in poverty (Greenstein). The most glaring example of how the affirmative’s proposal is net worse is their condition that the basic income is only given to those above the “age of majority” (AC 3). Unlike current welfare programs that account for families with children such as the United States TANF and Child Care and Development programs, the affirmative’s UBI would only provide income to household adults, disproportionately providing less for families with childcare costs.

Furthermore, the elimination of welfare policies would leave people in poverty with no institutionalized programs or the benefits of having organizational expertise in specialized programs. If programs such as food stamps, housing vouchers, scholarships for education, foster care and mental health services, and childcare assistance were removed, “millions of poor people

would likely end up worse off” (Greenstein 3). Current means-tested programs are more effective than blanket cash transfers because they target individuals who need it most.

Even if the affirmative’s small payment is monetarily sufficient to replace existing programs, individuals would still lose access to the *services* provided by those programs. UBI proposals become harmful to the most vulnerable populations because they divert funding dedicated toward them and instead give it to the general population (Sawhill). For example, for a single parent with three children living in the United States, a \$12,000 annual UBI would be worth far less than current benefits such as Medicaid and food stamps (Piper). Rachel Minogue corroborates this measurement and adds that even under proposals that leaves most of the safety net intact, some families could still lose “up to \$19,000 in annual benefits.” This impacts the lower classes by worsening their access to social services.

For disabled people, the consequences of UBI are compounded further (Holyrood). For instance, by cutting spending for the Social Security Disability Insurance Program, wealth is funneled toward the people without consideration of ability, leaving less overall assistance for the disabled. This matters because people with disabilities don’t just need basic living assistance, they need expensive medical and infrastructural help as well. A UBI might mean cash for those people, but it would come at the cost of losing specialized support and healthcare coverage for their disability. Therefore, Holyrood concludes that a UBI would harm people with disabilities more than it would help.

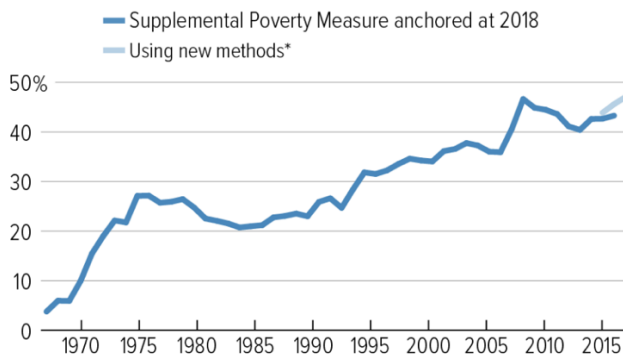
The affirmative has pessimistically condemned current welfare efforts, but it’s not worth risking their elimination. Around the world, countries have invested in economically viable, culturally specific, and politically practical programs that reduce poverty. In the US, welfare is statistically supported; a 2019 economic study finds that U.S. welfare programs were able to

reduce overall poverty rates and child poverty rates by nearly half in 2018 (Trisi & Saenz). Additionally, welfare programs are becoming more effective over time. In 1967, welfare programs lifted just 4% of people out of poverty, but that figure has increased to 43% in 2017 (Trisi & Saenz 4). To illustrate this point, Trisi & Saenz used a series of graphs prepared by the Center on Budget and Policy Priorities, like Figure 2 included below (4).

FIGURE 2

Economic Security Programs Have Grown More Effective at Reducing Poverty

Percent of otherwise-poor persons lifted above the poverty line by benefits



This positive trend matters when evaluating the efficacy of welfare. The affirmative's argument about the failure of welfare relies on evidence from Bell and Bushe, which is not included in their Work Cited page, but was found to be an article from 1975, predating the rampant growth in welfare efficacy in recent decades (AC 5). These trends not only demonstrate that welfare is an increasingly effective tool to mitigate poverty but also prove that the affirmative's poverty reduction and "cliff effect" issues are unfounded. The trade-off between these services and a program of universal transfers is simply too detrimental to implement.

Inflation

A separate disadvantage to providing a UBI is the downstream effects of inflation. Giving extra cash to already affluent citizens would increase their purchasing power and increase demand for consumer goods. The surplus cash recipients would spend on essentials and goods

means companies are forced to pass the cost along to consumers, as the rising prices rapidly outpace buyer's ability to afford goods (Fitzpatrick). By conventional macroeconomic theories of supply and demand (a Keynesian model of economics the affirmative has agreed with), profit-seeking corporations will only continue to increase prices to rein in the excess demand generated by a UBI (Boyce). By the same token, a UBI disincentivizes workers to pursue employment and full-time positions, decreasing the supply generated (Calder). Economic consensus suggests individuals with higher incomes are more likely to substitute working hours for leisure time and reduced working hours (Dolan). The resulting inflation would disproportionately affect low-income households and populations as these earners spend a greater portion of their budget on essentials like food and transportation.

UBI IN CONTEXT

While we commend the affirmative for completing mathematical calculations to showcase the fiscal impacts of the UBI in context, they have no evidence that concludes a UBI would be possible or beneficial. Their examples are descriptive, not proscriptive, and don't demonstrate a UBI's effectiveness.

Funding Concerns

The affirmative admits that many past attempts at funding the proposal (ex. income taxes) have failed and "proportionately disadvantage the vulnerable populations" (AC 6). They do list a half-dozen other funding ideas, but do not cite data or empirical support for them. Remember, the affirmative initially argued that stating the "program outline" and "funding sources" is "recommended to consider such a reformation plausible" (AC 2). It is not beyond the scope of these papers to discuss the feasibility of a UBI and all its consequences. While governments do their best to act in their interests (as the affirmative has stated), political and financial barriers

often get in the way. Governments have failed, economies have recessed, and mistakes have been made, so it is insufficient simply say, “governments can figure it out.” Moreover, the affirmative has not proven that all governments, especially countries with emerging economies, have the administrative and institutional enforcement power to hold the wealthy accountable for a redistributive regime. Especially for countries that lack wealthy populations who can entirely fund the BI, there is no mechanism for a feasible wealth tax.

Addressing wealth taxes, this redistribution ultimately fails to generate enough revenue. In the US, a UBI would require raising taxes by at least 74% (Henderson). The affirmative analysis doesn't account for the outsized effects of gathering sufficient revenue. For example, in response to stiff taxes, corporations would simply move overseas or outsource their production, meaning governments would have to reset the tax rate even higher (Henderson). This escalating taxation is fiscally irresponsible and unfeasible. Targeting their UN proposal, it's politically unlikely that wealthy countries would donate to support a global redistribution scheme. These proposals are speculative and not realistic.

In the U.S.

A UBI in the U.S. would be too expensive and end all current welfare programs like food stamps, welfare, and tax credits. The affirmative concedes a UBI would cost “\$1.5 trillion,” which is 26% greater than the “\$1.19 trillion” the government currently spends on welfare programs (AC 7). This is a conservative estimate as many project the true cost of a UBI to be closer to \$3 trillion (Greenstein). The affirmative calculates the cost of a UBI assuming an annual payment of \$5,760 per citizen, well below the poverty line and would not be enough to survive (Greenstein). Furthermore, the average cost of living in the U.S. continues to rise. In 2023, mortgage rates hit “a 23-year high,” “health insurance premium[s] jumped to almost

\$24,000,” and a four-person household spends an average of \$315.22 on groceries weekly (Pickert and Haque). The UBI program advocated by the affirmative is too small and cannot address rampant inequality in today’s society.

South Korea

The affirmative concedes a UBI in South Korea would cost “\$209.7 billion” which is 4 times greater than Korea’s current welfare expenditure of “\$49.7 billion” (AC 8). The affirmative then contends that this expense “could be supported by many funding sources” but does not provide any evidence to support this finding (AC 8). Gallo and Lee, quoting an economics professor at Seoul’s Myongji University, states how funding for public services will “collapse if UBI is adopted” and “delinking employment and income is far too drastic.” Additionally, the average cost of living in South Korea is \$1,040.3 per month, which cannot be covered through the affirmative’s proposal (Numbeo). In South Korea, the programs were created to address youth unemployment and the pandemic, not “a living wage” for all citizens (Gallo and Lee). This proves that South Korea would suffer economic disruptions if they attempted to implement a full UBI.

Kenya

A UBI program in Kenya is too expensive. The affirmative admits it would cost \$10.4 billion, which is 43 times the government’s entire budget of \$237 million (AC 9). Regardless of how much wealth the top 1% in Kenya holds, they cannot generate enough to fund a UBI. Additionally, the basic income experiment in Kenya was funded by UNICEF and Give Directly, who gave the payments to select low-income villages (Coote). However, this experiment only demonstrated the infeasibility of “longer-term viability, or how they could be scaled up to serve whole populations” (Coote). The negative has provided multiple studies that confirm developing

countries, like Kenya, would be better served with a targeted BI. In the case of Kenya, the negative's proposal would be more affordable and scalable.

Other Examples

There have been many other attempted UBI programs in different contexts around the world. The affirmative may cherry-pick examples proving UBI viability, but it is important to clarify that these were pilot programs (not nationwide or universal), and the majority of them have been suspended. In 2017, Finland tested a UBI experiment, which failed because it did not produce any effects on employment, as unemployment rates remained largely unchanged and incentivized individuals to work fewer hours (VATT Institute for Economic Research). Ontario, Canada also implemented a UBI in 2017 but was quickly canceled due to its immensely high cost and politically divisive nature. In the U.S., current basic income programs are only funded by "private donations" and only target specific racial groups (Beam). Again, at best, these examples are consistent with the negative's proposal: cash transfers are beneficial only when means-tested and limited.

CONCLUSION

Ultimately, a universal basic income is too radical, expensive, and dangerous. Implementing this system would directly trade-off with the current assistance programs in places that are proven to be more cost-efficient at reducing poverty and helping the most disadvantaged. A UBI would cause unnecessary inflation and economic disruptions because even the affluent will receive additional disposable income. Instead, to best address the needs of the most vulnerable, governments must expand their targeted programs and implement a means-tested basic income. Instead of resting on the simplicity of universality, governments must be aggressive in fighting poverty by focusing on those who need it most.

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