

Universal basic income (UBI)

introduction

Universal basic income (UBI) is a government program in which every adult citizen receives a set amount of money on a regular basis. The goals of a basic income system are to alleviate poverty and replace other need-based social programs that potentially require greater bureaucratic involvement.

The idea of universal basic income has gained momentum in the U.S. as automation increasingly replaces workers in manufacturing and other sectors of the economy.

The current social assistance systems are often a jungle where the most vulnerable are frequently excluded from certain benefits of which they should nevertheless be the first beneficiaries. Administrative simplification is admittedly more or less at work in many cases, but the Universal Allowance would have the merit of automatism and unconditionality.

-Benefits and disadvantages

Benefit:

The basic income would have many practical and societal advantages.

It is a way to reach all poor people at a lower cost. Subsistence would become a universal right,

Sudden unemployment would fall, with a part of the population deciding to withdraw partially or totally, temporarily or permanently, from the labor market. Thus the balance of bargaining power would tilt more towards employees and less towards companies.

At the same time, this new allowance would allow a reduction in the wages paid by companies for the creation of new jobs (via the reduction or elimination of the minimum wage), which would be beneficial for the competitiveness of employees and therefore of companies established in France. In addition, many would be the candidates for part-time chosen, which is in line with companies' needs for flexibility.

Thanks to this new income, unpaid rents should become scarce (because everyone would receive money each month to pay the rent for decent housing), which should encourage many owners to put their properties on the rental market. For the same reason, social housing would be practically no longer necessary, or in any case reserved for very specific family situations (and no longer extended to 20% of housing) and could be massively sold (to their occupants or to other buyers).

From a level ensuring the subsistence of individuals aged 18, the basic allowance would constitute a real scholarship for all students, far superior to the most important scholarships paid on social criteria, eliminating the need to work for poor students who could thus find

themselves. devote fully to the success of their studies. This would greatly promote equal opportunities

Moreover, the basic allowance would make it easier for everyone to interrupt professional activities in order to meet family obligations, acquire additional training

Disadvantage:

If many people withdraw from the labor market this would lead, beyond the drop in unemployment, to a drop in the supply of labor (provided by men and women to businesses) and therefore a reduction in GDP. Our overall standard of living could thus drop (in principle to the benefit of our way of life).

Immorality? Some consider it immoral to legitimize the idleness paid for by those who work. While it will encourage work for some (the difference between income with work and without work widening), the basic allowance could discourage it for others, considering this income sufficient to live.

This almost unconditional allowance could also encourage increased immigration to France. It will therefore be necessary to carefully control the criteria for attributing French nationality and this joint allocation.

Finally, this allowance could cost more than the allowances it would replace.

For all these reasons, care should therefore be taken not to set an amount that is too high to limit these effects ... while not setting an amount that is too low at the risk of not obtaining the benefits and that all this is in vain. Higher prices would soon make the basics unaffordable to those at the bottom of the income pyramid.

The stimulus point of view presents UBI as a large-scale economic tool rather than a form of charity. It is essentially an economic stimulus on the demand side. John Maynard Keynes humorously imagined the idea as if the Treasury, instead of funding public works programs, was filling bottles of silver and burying them in a mine shaft to be dug up again by the public. Such an analogy correctly illustrates the true mechanics of a stimulus: that is, its ultimate power. The objective is to strengthen the purchasing power of consumers.

The main difference between the subsistence view and the stimulus view is that the former is often discussed in the context of equality and wealth redistribution, while the latter inspires a discussion of economic efficiency, especially in terms of redistribution of wealth

According to Keynes, the state must intervene in the economy in times of crisis through monetary and fiscal policies.

Fiscal policy aims to boost domestic demand and create wealth which will then be reinvested in the economy to keep it running.

Keynes's main idea comes from the multiplier. According to him, when a salary (w) is paid, it is used either for consumption (c) or for savings (s). The disadvantaged classes have a marginal savings rate (mt), that is to say a propensity to save, lower than the more

advantaged, who spend little (low mt), but save a lot (mt). He therefore concludes that to stimulate demand, it is necessary to reduce the taxes of the spending categories of the population, and to give them subsidies so that they can spend it: increase in private spending => increase in demand => companies must hire to meet demand => gradual decrease in unemployment => more wages paid => increase in demand again.

The interesting thing about a citizen's income is that it gains support from both the left and right. From a personal view, I like it because I am a beneficiary among many other however I am sure that I should repay all this through taxes but despite this the allowances are beneficial somewhat for the state and for the citizen adding to that their ultimate goal which its aim to create an egalitarian society.