



## IN THIS ISSUE

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### Basic income and the social safety net

Noah Zon

---

### Universal consensus on unconditional basic income?

Mapping the discourse in Germany

Katharina Bilaine

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### Universal basic income:

GiveDirectly is testing a big idea

Joanna Macrae

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# Universal Basic Income:

## Why Now - Some Basics

A need to know for philanthropists, social investors and professional wealth advisers

Cartier boss with \$7.5bn fortune says prospect of the poor rising up 'keeps him awake at night'

**T**he multi-billionaire owner of luxury jewellery company Cartier has revealed his greatest fear – robots replacing workers and the poor rising up to bring down the rich.<sup>1</sup>

One of the answers being put forward to solve poverty and the rise in automation (including artificial intelligence, robotics and the blockchain effect) is universal basic income (UBI).

UBI, at its simplest, is a stipend sufficient for subsistence given by a government to all of its citizens regardless of income or work status.

And if so, what are the implications for philanthropists and social investors, and their professional wealth advisers? And if UBI does manage to eliminate poverty, how would this impact on philanthropic giving and social investment and their service models especially as it relates to poverty reduction?

*continued on next page*

The purpose of this edition of the Philanthropy Impact mini-magazine is to outline some of the UBI activity to date. It is not intended to be a comprehensive analysis of the pros and cons of UBI, just an initial understanding of the concept and what is happening in some countries. The implications, therefore, should be understood for society in general, as well as for philanthropists and social investors.

The first article in this edition is written by Benjamin Soskis and starts with quotes from Mark Zuckerberg:

When Facebook founder Mark Zuckerberg returned to his alma mater, Harvard University, to deliver the commencement address to this year's graduates, he urged the students to commit themselves to building a society in which all have opportunities to pursue meaning and purpose. "Now it's time for our generation to define a new social contract," he declared. "We should explore ideas like universal basic income to give everyone a cushion to try new things."

His article goes on to discuss the role of philanthropy in UBI – for example, supporting research into the scheme and convening and mediating between the different stakeholders involved in UBI.

The next two articles focus on the experiences of UBI in Canada and Germany. The province of Ontario in Canada has recently started a pilot trial and Germany is currently debating the political and ideological aspects of UBI. The last article outlines the initial findings of a trial of UBI in Kenya.

For more background information, see the links below.

## Links

1. [http://www.philanthropy-impact.org/sites/default/files/downloads/ubi\\_article\\_1.pdf](http://www.philanthropy-impact.org/sites/default/files/downloads/ubi_article_1.pdf)
2. <http://www.philanthropy-impact.org/report/would-universal-basic-income-reduce-poverty>
3. <http://www.philanthropy-impact.org/report/basic-income-or-bait-and-switch>
4. [https://en.wikipedia.org/wiki/Guaranteed\\_minimum\\_income](https://en.wikipedia.org/wiki/Guaranteed_minimum_income)
5. <http://www.basicincome.org.uk/reasons-support-basic-income>
6. <https://www.theguardian.com/commentisfree/2017/jun/23/universal-basic-income-ubi-welfare-state>
7. <http://www.independent.co.uk/news/business/news/finland-universal-basic-income-lower-stress-better-motivation-work-wages-salary-a7800741.html>
8. <https://www.compassonline.org.uk/wp-content/uploads/2016/05/UniversalBasicIncomeByCompass-Spreads.pdf>
9. <http://www.oecd.org/els/soc/Basic-Income-Policy-Option-2017-Brackground-Technical-Note.pdf>
10. <http://www.publicfinanceinternational.org/news/2017/05/universal-basic-income-would-not-reduce-poverty-oecd-concludes>
11. <https://www.opendemocracy.net/transformation/conrad-shaw/getting-to-heart-of-universal-basic-income>
12. <https://www.bloomberg.com/view/articles/2017-06-04/universal-basic-income-is-neither-universal-nor-basic>
13. <http://www.barrons.com/articles/a-universal-basic-income-for-when-the-robots-come-1499776152>
14. <https://www.theguardian.com/business/2017/jun/15/universal-basic-income-could-greatly-improve-workers-lives-report-argues>

<sup>1</sup> *The Independent* 9 June 2015

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# Philanthropy and universal basic income

**Benjamin Soskis**

<http://www.urban.org/author/benjamin-soskis>

<https://histphil.org/?s=benjamin+soskis+&submit=Search>

When Facebook founder Mark Zuckerberg returned to his alma mater, Harvard University, to deliver the commencement address to this year's graduates, he urged the students to commit themselves to building a society in which everyone has opportunities to pursue meaning and purpose. "Now it's time for our generation to define a new social contract," he declared. "We should explore ideas like universal basic income to give everyone a cushion to try new things."



*Benjamin Soskis*

It's not surprising that Zuckerberg would highlight universal basic income (UBI) as an idea worthy of exploration. In recent years, UBI schemes have become some of the most buzzed about ideas in circulation. In its purest form, a universal basic income is a long-term guaranteed cash payment made to every member of society without strings, age limits or work conditions, set to secure a minimum standard of living.

UBI focused more on the developing world and on reforming international aid. In this respect, UBI programmes can be regarded as particularly robust instances of unconditional, direct cash transfers, which have recently captured the attention of the humanitarian sector.

## **Why is there a rise in interest in universal basic income?**

Variants of the idea have bubbled up for centuries and in recent decades, several localities have implemented versions of UBI: in the 1970s, for instance, Alaska initiated a Permanent Fund to share oil wealth. But the pace of experimentation has picked up dramatically of late. Early this year, Finland began a trial programme directed towards the unemployed, while in June, Hawaii became the first American state to commit to evaluating the idea. 2017 also marked the start of a massive basic income trial in Kenya, run by the charity GiveDirectly (see page 9), as well as a smaller, privately funded programme in Oakland.

A number of ideological tributaries have fuelled this surge of interest. Most prominently in the US and other developed nations, the spread of automation has stoked fears of a 'post-work' future – a basic income could be necessary to support the rising ranks of the permanently un- and under-employed. Some radicals have linked it to a less labour-focused vision of socialism; conservatives and libertarians have endorsed UBI as a more simple and transparent replacement for the welfare state, while progressives have proved sympathetic to it as an instrument of redistribution. Finally, there are supporters of

## **What is private philanthropy's position on UBI?**

Most of the media attention devoted to the issue focuses on the endorsements of Silicon Valley entrepreneurs like Mark Zuckerberg, whose interest in UBI has often been portrayed as a sort of social insurance policy to try to keep the pitchforks at bay. This is perhaps an uncharitable explanation for technology's engagement with UBI; it is certainly not a fair representation of the full range of UBI's philanthropic support. Indeed, there are plenty of funders – though they are rarely the most vocal ones – who are attracted to UBI, not necessarily from alarm caused by the rise of robots but more from concern with eliminating extreme poverty in the developing world. For instance, although GiveDirectly is most often associated with its high-profile technology supporters, such as several of the founders of Facebook, a significant number of its major donors are not associated with high-tech industries.

It's not surprising that philanthropy should take an interest in the promotion of UBI. Unlike a traditional charitable ethic which was premised on the belief that the 'poor you will always have with you', from the end of the 18th century onwards, philanthropy has been fuelled by faith in the possibility of a world without poverty. UBI holds out this promise: poverty could be eliminated by simply giving people money who now have little of it.

Yet in another respect, UBI runs against the grain of the long history of philanthropy. Philanthropists often defined themselves by rejecting charity's 'indiscriminate' nature, i.e. its reluctance to make distinctions between deserving and undeserving recipients. In fact, the scientific ethos that informed philanthropy insisted upon such categorisation. In many respects, UBI represents a rehabilitation of charity's unconditionality. But it is rooted in technocratic and not sentimental considerations, i.e. the belief that putting money in the hands of the poor and letting them do what they will with it is an effective, empirically-backed policy. It is this striking combination of ambition and restraint that defines philanthropic engagement with UBI.

Of course, if UBI schemes are truly to close the 'global poverty gap', they would likely require funds well beyond the scope of private philanthropy. With limited resources, philanthropy can at least take a leading role in bolstering the initial research base of UBI. For instance, we know little about the long-term effects of basic income schemes. GiveDirectly is hoping to fill this knowledge gap with a study that one commentator has termed an 'epochal social scientific event'. Starting this year and continuing over a 12-year period, GiveDirectly will supply 6,000 adults in a random assignment of 40 villages in Kenya with a basic income (set at the Kenya poverty line of around \$22 a month). Another group of around 20,000 individuals will receive short-term aid. Twelve years is a long time, but there is an open opportunity for a funder to support a true, decade-long lifetime UBI experiment as well.

Philanthropy also has the capacity to convene and to mediate between different stakeholders in relation to UBI. Much has been made of the ways in which different ideological poles converge around UBI – in Finland, for instance, conservative-libertarians, a party of the far-left, and the Green party have all united around the UBI trial, and more recently, Zuckerberg celebrated UBI for being a 'bipartisan idea'. But that convergence obscures considerable discord. Significantly, most free-market supporters of UBI do so as a wholesale replacement of the existing welfare state – Zuckerberg underscored that Alaska's Permanent Fund was rooted in "conservative principles of smaller government, rather than progressive principles of a larger safety net" – whereas progressive advocates push for a UBI on top of existing programmes. Philanthropy is a sucker for bipartisan solutions but, while it can help to bring representatives of these divergent views into conversation, it should not fool itself into thinking that forging a working consensus will be easy.

### Politics and UBI

In fact, the politics of UBI, especially within the developed world, promise to be quite messy. Recent research has confirmed what should be obvious: implementing a UBI scheme is likely to create winners and losers – and many of the latter are

politically powerful. Philanthropy can help to map out and analyse the trade-offs between contending social groups, but private donors should not mask or minimise them.

More generally, progressive funders should keep in mind that UBI is not a panacea – nor a substitute for a well-funded public sector. Indeed, they should appreciate that UBI could distract from maintaining the current, fraying safety net. As political commentator Matthew Yglesias has recently warned, in reference to Silicon Valley advocacy for UBI, "Focus on UBI as a potential fix for science fiction labour market scenarios serves to distract political attention from both actual political struggles over the labour market and actual political struggles over the social safety net." Instead, he calls on tech leaders to "embrace regular boring politics".

Should philanthropy leaders take this counsel to heart as well? The question requires philanthropy to grapple with the nature of its distinctive, and legitimising, social contribution. On the one hand, due to its lack of accountability, one of philanthropy's virtues is its freedom from 'actual political struggles', which allows it to experiment, to push views without majority support and adopt long time-horizons. It can afford to take seriously policies that could be dismissed as 'science fiction'. On the other hand, there are serious risks involved in untethering funding from the demands of contemporary politics, and funders will have different thresholds of tolerance for conjectural and experimental ideas. The possibility of support for UBI is likely to hinge on those considerations.

Or perhaps not. For, as UBI-boosters Philippe van Parijs and Yannick Vanderborght argue in a recent book, if UBI is ever established in national or supra-national form, it is likely to arrive incrementally, with partial, conditional variants emerging first. For instance, it could be provided at per capita levels, not high enough to fully sustain recipients, with the universalisation of child benefits, or with the introduction of subsidies to voluntary unemployment.

### Conclusion

Supporting research and advocacy related to these policies is one way for philanthropy to bridge the world of actual political struggles and a future in which a basic, sustaining income is guaranteed for all.

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# Basic income and the social safety net

**Noah Zon**

[www.maytree.com](http://www.maytree.com)

On 24 April 2017, the provincial government in Ontario, Canada, announced the details of a basic income pilot to begin in the late spring of this year.

The project will study the impacts of a basic income guarantee for people with low incomes over three years, measuring health, housing, education and other outcomes for participants. With the launch of the pilot, Ontario will join Finland, Kenya and the Netherlands in experiments that have become the focus of attention around the world.

The idea of implementing a basic income programme has recently re-entered popular discourse. Versions of the programme are being pitched by individuals from across the political spectrum, to respond to a wide range of public problems – particularly poverty. However, the causes and experiences of poverty are complex and cannot easily be solved by a single approach. For this reason we should be cautious about emphasising basic income as a one-size-fits-all solution.



**Noah Zon**

## What is basic income?

When people talk about basic income, they may be referring to a wide range of policies. Some programmes would send cheques to all individuals in a society (or all adults) regardless of circumstances, while others operate like a ‘negative income tax’, topping up funds for people with lower incomes. They also vary significantly in the amount of income being guaranteed, and how they would fit into a broader safety net.

While some of the pilot programmes in the developing world are new, unconditional cash transfers, the pilots in Europe and North America are for the most part evolution, not a revolution, in income security. They seek to replace one segment of a diverse social safety net with a combination of greater income support, expanded eligibility and simpler rules.

In Canada, the social safety net includes national, subnational and local-level policies and programmes, with differences in approaches between the ten provinces and three territories. The province of Ontario currently provides a set of income assistance programmes geared towards people with very low incomes, sitting alongside employment insurance, pension and child benefit programmes governed by the federal government with broader coverage.

Each federal and provincial programme has different eligibility requirements that work to provide temporary or ongoing financial support to individuals identified as in need.

Ontario's approach to basic income focuses on replacing one part of this suite of programmes – social assistance (what many would call 'welfare'). The basic income will differ from social assistance in three main ways:

- By providing more money (a maximum of nearly CAD\$17,000 compared to just over CAD\$8,000 for a single adult)
- By removing requirements that recipients demonstrate they are seeking work
- By making the benefits available to a wider range of people with low income.

### Why basic income?

Basic income policies have appeal because they respond to some real, complex challenges that are prompting people to seek more transformative solutions. In Canada (as with many other countries), one of the primary motivations is persistent poverty. Cash benefit programmes for seniors and for children have driven major reductions in poverty for those groups in Canada, but working age adults have largely been left behind.

Another concern driving interest in basic income is the rise in precarious employment. A research study issued by the United Way of Toronto and York Region and McMaster University found that precarious employment within Ontario's economic hub had increased by 50% in the last 20 years. It also found that these individuals are less likely to be unionised, work infrequent hours and earn significantly less than those with stable employment. Precarious employment trends have not only contributed to increased working poverty, but have also widened gaps in the social safety net. As employers pull back from providing benefits to employees (such as insurance for prescription drugs or dental services), those employees often remain ineligible for public programmes, leaving them without coverage altogether.

For some, the driving interest in basic income is rooted less in today's challenges than in those beginning to emerge. With increasing automation and advances in artificial intelligence, labour markets could be completely transformed. In a world where economic activity does not produce the same quantity or quality of job opportunities, basic income policies could provide a minimum standard of living.

### A treatment that does not fit the diagnosis

Although these are important problems, we will fall short if we focus on universal basic income (UBI) as the solution. There are a number of risks that come with having one income programme to deal with patchy safety nets. One single programme can be an easier target for cuts (especially one as expensive as UBI would be). Even a relatively generous basic income might not be an adequate response to other market failures and shortcomings of safety nets. For instance, it fails to address the lack of prescription drug coverage and affordable childcare options, which when paid out of pocket, can take up a large portion of someone's income.

When it comes to longer-term concerns about the future of work driven by the automation of the workforce, we should aspire to do better than basic income. When past changes in technology (such as the mechanisation of agriculture) eliminated major sources of employment, economies created new opportunities while raising the overall standard of living. If this time it is different and technology does eliminate a large share of jobs, a modest basic income is a poor replacement. It risks creating an alienated group in society that has enough to subsist but not much more. Inclusive economic growth should consider other measures – such as a job guarantee, if we want to be bold – that focus on creating opportunity, not only preventing poverty. Where that falls short, we might look for other ways to actively value how people contribute to the better functioning of our society, communities and/or neighbourhoods even when the market doesn't.

### Conclusion

Even if we are hesitant about basic income, we can learn from the experiments happening across the world. They can show different ways of designing a social safety net and can tell us about the impact of the changes on people's lives. They also offer an opportunity to reinforce a commitment to the right to live free of poverty, renewing our ambition in public policy, philanthropy and business to building systems that ensure access to not only a decent income but to other elements needed to live free of poverty including affordable housing, access to childcare, education and healthcare. That is a focus that we can't afford to let lapse when the current wave of pilot projects comes to a close.

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# Universal consensus on unconditional basic income?

## Mapping the discourse in Germany

**Katharina Bilaine**

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Universal basic income (UBI) has recently made the headlines in Germany, certainly fuelled by the basic income referendum in Switzerland in 2016 and the ongoing UBI experiment in Finland.

The unconditional payment has been defended by a surprisingly diverse coalition of people, including politicians from right as well as left parties, CEOs of multinationals and philanthropists. There is already a crowd-funding initiative, called “My basic income”, which finances a basic income lottery distributing year-long payments of 1000 € per month<sup>1</sup>. However, opponents can be found among trade unions and the same parties that defend the UBI.



**Katharina Bilaine**

At first view, the concept of an unconditional income is as simple as its name suggests: every member of society receives a guaranteed income independent of their employment, family or other social conditions, and no equivalent is asked in return. Despite the cross-partisan support for the concept, does a real pro-UBI coalition exist in Germany? It is an unlikely concept, given the diverse ideological backgrounds of its proponents and the different concepts that are encompassed under the same label.

### Support for UBI

UBI is hailed by its supporters as a solution for many of Germany’s current social challenges, such as:

- Increasing digitalisation and automation linked to the fear that the economy will not create adequate and sufficient employment for those made redundant by machines.
- The perception by a large part of the population that social inequality has increased or is too high.
- A dissatisfaction by parts of the political left with the social assistance system put in place under social-democrat leadership, known as Hartz IV. Its combination of work-incentives and sanctions is criticised as not preventing poverty among certain groups e.g. long-term unemployed and children, and as impeding meaningful social participation.

### Criticisms of UBI

There are numerous controversies surrounding UBI, however. For example, will a UBI only compensate those who lose out to technological change or will it enable other people? Will it re-distribute wealth and

income or not? Will people continue working? What impact will it have on the low-wage sector? How will it be financed and what impact will it have on inflation and wages? Which social security payments can it replace? Is it fair to pay an income without asking anything in return? Can it be reconciled with labour mobility in the EU?

### Models of UBI

Not even the supporters of UBI agree on all these issues. There is no common understanding on the objectives, the ultimate design and the social model behind UBI. Broadly speaking, three schools of thought can be distinguished in the German debate<sup>2</sup>.

The first, which is sometimes called 'humanistic UBI' supports the idea of a UBI as it liberates people from paid work. This allows them to pursue activities of their choice and releases much creative and entrepreneurial potential, while guaranteeing the basic right for social participation and dignity. Re-distribution is not an explicit aim in this reasoning<sup>3</sup> and the financing would come from a consumer tax. A long-standing advocate of such a concept is Götz Werner, founder of one of Germany's largest drugstore chains.

The second variant of UBI and furthest to the left of the political spectrum aims at redistribution and advocates a monthly payment of more than 1000 €, additional to those existing welfare payments which are financed by employer and employee contributions. The UBI is seen as a lever for a radical transformation of society and would be accompanied by major social and economic reforms. The preferred model of the German left is a UBI as a direct payment to individuals. But financing a UBI in the form of a negative income tax – where individuals with higher incomes would see their UBI-payments gradually decrease to zero – is also considered. In both cases, the necessary additional funds for a UBI would come from income and capital taxes, as well as other public funds.

The third, liberal variant, proposed recently by Thomas Straubhaar<sup>5</sup>, is designed as a direct cash payment replacing all other social payments, except health insurance. It would be financed by a tax on production activities.

Other basic income concepts advanced by liberal thinkers take the form of negative income taxes or citizen-money<sup>6</sup>. Sometimes these may be means-tested and thus not unconditional, but mostly they would replace all existing social transfers and always be cost-neutral for public finances.

### Political and popular support for the introduction of UBI

The leftmost party represented in parliament, Die Linke, is divided over the UBI. Only fringe parties such as the Pirate Party and a recently founded mono-thematic party called the UBI Alliance have included the UBI in their manifestos, often without specifying the design. In 2013, the federal parliament declined a petition to debate the introduction of UBI<sup>7</sup>. However, its scientific research service has confirmed that the introduction of UBI would be compatible with the German constitution, which contains no obligation for citizens to work. But it might require an amendment to the constitution in order to grant the relevant competences to the federal level<sup>8</sup>.

Surveys undertaken in Germany on the eve of the Swiss referendum in spring 2016 showed a majority of respondents in favour of UBI – the share of supporters having increased in comparison to the same question asked in 2015<sup>9</sup>. This increasing support might be explained by a desire for alternative social policies rectifying the above-mentioned ills. But it might also be explained by the still-existing vagueness of the concept and an insufficient knowledge about its implications. An informed public debate allowing for the understanding of different objectives, designs and implications of UBI is therefore necessary to help people form a reliable opinion.

Andrea Nahles, social-democrat minister of labour and social affairs, does not believe that there is any need for a fundamental change of the welfare system and advocates a personal activity account as an alternative to any UBI<sup>10</sup>.

### Conclusion

Even some of UBI's proponents are sceptical as to whether it will ever be implemented in Germany, but they see it as a useful concept to push the debate forwards on in-depth reforms of the welfare state. Currently, however, UBI looks unlikely to become a prominent topic in the campaign for the parliamentary elections in September 2017.

**Katharina Bilaine** works as a project manager at Bertelsmann Stiftung, a private operating foundation in Germany. She is responsible for the project Vision Europe. Previously she worked at the University of Mannheim and Prognos AG.

<sup>1</sup> <https://www.mein-grundeinkommen.de/> (last accessed on 19. April 2017)

<sup>2</sup> Note that even within these schools of thought disagreements on the ultimate design of the UBI exist.

<sup>3</sup> <http://www.unternimm-die-zukunft.de/de/zum-grundeinkommen/> (last accessed on 19. April 2017)

<sup>4</sup> [http://www.die-linke-grundeinkommen.de/fileadmin/lcmsbaggrundeinkommen/PDF/BAG\\_Brosch2016.pdf](http://www.die-linke-grundeinkommen.de/fileadmin/lcmsbaggrundeinkommen/PDF/BAG_Brosch2016.pdf) (last accessed on 19. April 2017)

<sup>5</sup> Straubhaar, Thomas 2017: *Radikal ger€cht. Wie das bedingungslose Grundeinkommen den Sozialstaat revolutioniert*. Edition Körber-Stiftung, Hamburg.

<sup>6</sup> <http://www.solidarisches-buergergeld.de/> (last accessed on 19 May 2017)

<sup>7</sup> [https://epetitionen.bundestag.de/petitionen/\\_2008/\\_12/\\_10/Petition\\_1422.nc.html](https://epetitionen.bundestag.de/petitionen/_2008/_12/_10/Petition_1422.nc.html) (last accessed on 19 April 2017)

<sup>8</sup> <https://www.bundestag.de/blob/485786/617093ae998b8ff2868436ce1929cf81/wd-3-262-16-pdf-data.pdf> (last accessed on 19. April 2017)

<sup>9</sup> <http://www.spiegel.de/wirtschaft/soziales/grundeinkommen-zwei-von-drei-eu-buergern-wuerden-dafuer-stimmen-a-1093136.html> (last accessed on 18. April 2017), <https://yougov.de/news/2016/02/11/mehrheit-halt-bedingungsloses-grundeinkommen-grund/> (last accessed on 18. April 2017), <http://www.mdr.de/nachrichten/politik/inland/keine-mehrheit-in-deutschland-fuer-grundeinkommen-100.html> (last accessed on 18. April 2017).

<sup>10</sup> <http://www.bmas.de/DE/Service/Medien/Publikationen/a883-weissbuch.html> (last accessed on 19 May 2017)..

# Universal basic income: GiveDirectly is testing a big idea

Joanna Macrae

[www.givedirectly.org](http://www.givedirectly.org)



Joanna Macrae

Last October I was privileged enough to be a little part of history. A long, sometimes dusty drive through the cool African morning had brought me and others from the GiveDirectly team to a small village in Western Kenya.

The village was visibly poor and drought-stricken: the houses were largely thatched and were surrounded by parched fields, the water and sanitation infrastructure was poor and people were inadequately clothed. But as we walked through the village, the welcome was warm and rich. Nearly 100 people had gathered for a baraza – a village meeting. They didn't yet know that their village was set to become the launch-pad for the first true test of an idea that is gaining increasing interest around the world: universal basic income (UBI).

A universal basic income is a recurring, long-term, unconditional cash transfer paid to all members of a society and sized to meet basic needs. It is an old idea – with bipartisan advocates throughout history ranging from Martin Luther King, Jr. to Milton Friedman – but it has never been implemented, or evaluated, at meaningful scale. Yet interest is now surging, with basic income up for referendum last year in Switzerland; pilots being planned in Finland, the Netherlands, and Canada; and active debate in other countries ranging from the UK and Germany to India and Namibia.

Proponents view basic income as a potential solution to major social ills, from extreme poverty in emerging markets, to structural unemployment due to technological advances, to inefficiencies in government social programmes. Opponents worry about its impact on work and view it as unnecessarily expensive. The debate matters: trillions of dollars are spent on social safety nets each year. But a true, long-term basic income has never been implemented, much less rigorously evaluated. Most similar projects have run for only a few years, targeted select individuals rather than a comprehensive group, or provided payments insufficient to cover basic needs.

## The study

On that October morning, it was announced that every adult in the village would receive the equivalent of a month's income (about £18) every month for the next 12 years. They would be part of a randomised control trial covering 200 villages to find out whether people receiving a minimum income that covers their basic human needs allows them to break the cycle of poverty. People's reaction to that news was humbling. Amidst the singing and dancing, people started to discuss what they would do with the money when it came.

The first payments were made in late October, and have been paid monthly since. The money is delivered through a digital payment

system, M-PESA. Credit is loaded on to mobile phones, which people can then withdraw through a growing network of local agents, much as we might use an ATM. The system is cheap to use and secure.

## Initial findings

Although the preliminary results from the trial won't be known until 2019, surveys and focus group discussions have provided some initial feedback. Recipients who were asked to describe whether and how the money they received had affected their lives described using the money in different ways. The flexibility and mobility of cash (as opposed to goods or services) allows recipients to decide how to invest the aid they receive in a way that addresses their specific needs.

For one person the biggest difference was being able to eat three meals a day. For another it was being able to expand their business. Some are buying more livestock, others fishing equipment while 80% of people said that they planned to save some of the funds to use later. Of those saving, most plan to use something called 'table banking', creating a group with other recipients where members will contribute a portion of their regular transfer and one member will receive the full sum each month. Focus group respondents estimated that residents have started three of these groups so far.

## Conclusion

We don't yet know what the overall impact of UBI will be, but this trial is already delivering some tangible changes in the lives of recipients. It is also serving to build the evidence that will help to answer one of the hottest public policy questions of the day.

**Joanna Macrae** is the director of European Partnerships at GiveDirectly, a US-based NGO that aims to transform international aid by scaling up the use of cash-based programming. She is also a visiting fellow at the Center for Global Development. Joanna is recognised internationally for her expertise in humanitarian policy, research and innovation management. At the Department for International Development (DFID), she led the UK's contribution to the World Humanitarian Summit, with a focus on humanitarian financing and new approaches to addressing protracted crises. She also established an award-winning programme to accelerate humanitarian innovation and to promote more evidence-based policy and practice. Prior to joining DFID, she headed the Humanitarian Policy Group at the Overseas Development Institute.

# Join us in our vision to increase philanthropy and social investment across borders, sectors and causes

## Why join us

*'I believe Philanthropy Impact has a key contribution to make as a forum to encourage more – and more effective – philanthropy and social investment through the exchange of ideas, spreading knowledge and improving the professional advice available. This is more important than ever.'*

LORD JANVRIN Deputy Chairman  
HSBC Private Bank (UK) Ltd

*Participants find events 'essential', 'highly educational' and 'inspiring'*

Philanthropy Impact exists for the benefit of its members. We welcome any suggestions or contributions at [editor@philanthropy-impact.org](mailto:editor@philanthropy-impact.org)

To find out more about member benefits including free event registration, partnership opportunities and free resources please visit our website

[www.philanthropy-impact.org](http://www.philanthropy-impact.org)  
or call our team on 0207 430 0601

 @PhilanImpact

Since 1998 Philanthropy Impact has been delivering services to professional advisers and other key stakeholders including philanthropists, trusts, foundations, and charities. Our vision, as a charity, is to increase philanthropy and social investment across borders, sectors and causes.

We provide resources and learning opportunities to professional advisers and other sector stakeholders in order to enhance their expertise, awareness and influence in increasing the level of philanthropy and social investment. Philanthropy Impact's 2014 – 2017 strategy as a centre of competence and impact encompasses growth by:

- Supporting advisers, ensuring they are equipped with best-practice philanthropic and social investment knowledge for discussion with their clients
- Organising learning events seminars for members and interested parties
- Creating networking opportunities to enhance understanding amongst advisers, philanthropists, social investors, trusts, foundations and charities
- Providing know-how, reports and analysis on philanthropy and social investment
- Disseminating information that raises awareness about best-practice amongst advisers
- Collaborating with third parties to support the development of philanthropic and social investment practices relevant to advisers and their clients
- Advocating for philanthropy and social investment internationally

### FOR PROFESSIONAL ADVISERS

We produce a range of resources to support advisers, donors and their families:

- Opportunities to meet and network with professional advisers, philanthropists, trusts, foundations and charities
- News and updates on philanthropy, social investment and corporate giving
- Support to help fulfil CSR mandates and improve employee engagement in philanthropy
- Bespoke initiatives and advocacy activities to promote philanthropy and social investment
- Tailored professional development programmes

### FOR NON-PROFIT ORGANISATIONS AND PHILANTHROPISTS

We offer a range of resources to help non-profits improve their social impact:

- Free access to our network through roundtable discussions with expert speaker panels and topical subjects.
- Opportunities to engage with members and increase influence through publications, events and advocacy initiatives
- News and resources on charity governance, giving trends and social investment.

# Membership *benefits*

## STANDARD MEMBERSHIP LEVEL

For-profit Organisation: £1,375  
For-profit Organisation  
(regional and international): £990  
Non-profit Organisation: £325  
Non-profit Organisation  
(regional and international): £215

## PREMIUM MEMBERSHIP LEVEL

Membership Level  
For-profit Organisation: £1,650  
For-profit Organisation  
(regional and international): £1,170  
Non-profit Organisation: £395  
Non-profit Organisation  
(regional and international): £300

### STANDARD MEMBER BENEFITS

- Priority registration and free attendance for events, all of which can be used for self-certified CPD
- Access to Member-only roundtable discussion groups
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- Access to a range of resources and publications available on the Philanthropy Impact website
- Programming, speaking and hosting opportunities for events
- Opportunities to join advocacy activities with influential stakeholders on tax planning, legal structuring, new giving initiatives and innovation in service delivery

### PREMIUM MEMBER BENEFITS

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- Marketing support and thought leadership opportunities through publications, events and advocacy
- Exclusive access to high-level invitation-only events on social investment and philanthropy topics
- Full access to resources and publications available on the Philanthropy Impact website

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