



A UBI FOR HALF THE WORLD

Why four billion people need global funding to receive a sufficient basic income

Executive Summary

The Universal Basic Income (UBI) movement in the Global South is strong, with many governments now under significant pressure to introduce cash transfers for their people. However, global inequality remains intense and half of the world's population - four billion people - live in countries with national incomes of less than \$4,095 per person per year.¹ As a result, governments of these countries will be able to afford UBIs of only \$5 - \$18 per month on average. These amounts will still be transformative for many residents and should be implemented as a matter of urgency. However, the UBI movement should recognise the particular challenges facing UBI activists in lower income countries and we should together explore UBI funding options that reach beyond borders.

Asylum seekers and other migrants are also at risk of missing out on a sufficient UBI. When people are on the move and when they arrive in destination countries they may be excluded from work and from social protection schemes or offered only the barest minimum with which to survive. A UBI that is funded and provided at the global level may therefore be the only reliable way to support asylum seekers and migrants while they travel to- and establish themselves within new countries.

A worldwide basic income of \$30 per person per month, paid to every one of us as citizens of the world and provided by a global body such as the United Nations, could be our only way to ensure that we all receive a sufficient UBI. It would support asylum seekers and migrants no matter where they may be, and would underpin national UBIs in low and lower middle income countries. It would empower us all, safe in the knowledge that we will always have some money coming in, making us free to seek opportunities and create the lives that we want.



Image credits from left to right: UN; Massimo Sestini - Polaris; CCo Max Pixel

¹ <https://data.worldbank.org/indicator/SP.POP.TOTL> Accessed 27/07/2021

UBI in Low Income Countries

Twenty-seven countries are described by the World Bank as 'Low Income Countries', where the total national income (GNI) is less than \$1,045 per person per year.² Could these countries pay a sufficient UBI to their residents?

The first question to consider is how much of that national income could or should be redistributed by governments as UBI. The amount that governments collect in tax and then allocate to 'social protection' - cash benefits including pensions and welfare payments - varies across the world. The biggest spender, France, spends 23% of its GDP on cash benefits.³ However, lower income countries tend to collect less of their national income each year as tax, and consequently have lower rates of social spending. Latin America spends 9.7% of their GDP on cash benefits, the Asia and Pacific region spends 7.4% and African countries spend 5.9%.⁴

If we apply France's spending rate to the average low income country (whose GNI is \$811 per person⁵), they could afford a maximum UBI of \$16 per person per month. In Afghanistan, where GNI is \$500 per person, a maximum UBI of \$10 per person per month would be possible, while Burundi, with a GNI of \$270, could manage \$5 per month.⁶

These are already small UBIs, but in reality we cannot expect the world's lowest income countries to manage world-leading rates of taxation and social spending. If we instead apply the average spending rate for the relevant continent, we find that countries could afford the following levels of UBI:

- **A maximum of \$8 per person per month in the richest low income country**
- **Just over \$5 per person per month in an average low income country**
- **Just over \$3 per person per month in Afghanistan**
- **Just over \$1 per person per month in Burundi**

Finally, we should consider that countries may not wish to pay out all cash benefits as UBI, as they may want to set aside money for pensions or for additional benefits for people with disabilities, children or those on the lowest incomes. This would make the potential amounts of UBI even lower than the numbers given above.

It is clear from this analysis that most low income countries will be able to afford only very small UBIs for their people. These amounts of \$1 to \$8 per person per month would still be useful for many families, especially given that every household member including children would receive them. However, people would benefit much more - and global justice would be better served - if people received an additional basic income funded from outside their borders.

² <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups> Accessed 27/07/2021

³ https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_604882.pdf Accessed 16/07/2021

⁴ https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_604882.pdf Accessed on 16/07/2021

⁵ <https://data.worldbank.org/indicator/NY.GNP.PCAP.CD?locations=XM> Accessed 03/09/2021

⁶ <https://data.worldbank.org/indicator/NY.GNP.PCAP.CD> Accessed 16/07/2021



Image credit: CCO Max Pixel

UBI in Lower Middle Income Countries

A further 55 countries of the world are ‘lower middle income’ countries. They have a total national income (GNI) per person of between \$1,046 and \$4,095 a year,⁷ with the average GNI per person being \$2,201.⁸

We find that the average middle income country could pay a maximum UBI of just over \$42 if it spent as much on cash benefits as France. However if we apply the normal rates of cash spending in the regions where lower middle income countries exist, we find that the amounts available are:

- A maximum of \$33 per person per month in the richest lower middle income country⁹
- \$11 - \$18 per person per month in an average lower middle income country¹⁰
- \$26 per person per month in Bolivia¹¹
- \$15 per person per month in Morocco¹²
- \$12 per person per month in India¹³
- \$6 per person per month in Zambia¹⁴

Once again we should assume that not all of this money could in fact be spent on UBI, as countries often want to give larger amounts to pensioners and to other groups with specific needs.

This analysis implies that lower middle income countries can afford to pay small UBIs to their residents. However these amounts of between \$6 and \$33 are still low, and people would benefit substantially from an additional worldwide basic income of \$30 per person.

⁷ <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups> Accessed 27/07/2021

⁸ <https://data.worldbank.org/indicator/NY.GNP.PCAP.CD?view=chart> Accessed 27/07/2021

⁹ Assuming that the richest country has a GNI at the top of the bracket, i.e. \$4,095, and spends the highest proportion on social protection of any lower middle income region (i.e. Latin America’s rate, which is 9.7%)

¹⁰ Depending whether the low end (Africa) or high end (Latin America) social protection spending rate is applied

¹¹ GNI in Bolivia is \$3,200; the social protection spending rate in Latin America is 9.7%

¹² GNI in Morocco is \$2,980; the social protection spending rate in Africa is 5.9%

¹³ GNI in India is \$1,900; the social protection spending rate in Asia is 7.4%

¹⁴ GNI in Zambia is \$1,190; the social protection spending rate in Africa is 5.9%

Could countries just spend more on cash benefits?

Could lower income countries choose to spend more on cash benefits such as UBI, or are the low amounts described above unavoidable?

One way that a country could afford a higher UBI would be to increase their national income. This kind of economic development is the aim of most low and middle income countries, though they face many challenges and there are no guarantees of success. However it is important to note that this could be the route through which some countries become able to pay a sufficient UBI. The numbers above merely give a snapshot of the potential for national UBIs right now in 2021.

A second way that countries could pay a higher rate of UBI would be if they spent a larger proportion of their national income on cash benefits. To do this, governments would first need to collect a decent proportion of national income as tax. This has proven challenging in lower income countries. The World Bank explains: “The gap [between rates of tax collection in higher and lower income countries] is caused less by a choice of low tax rates and more by challenges associated with tax collection in developing countries: these include informality and misreporting, by both workers and firms.”¹⁵ This misreporting, also known as tax avoidance, deprives lower income countries of over \$100 billion a year.¹⁶ It is a global scandal that needs to be urgently addressed. Lower tax take obviously means that less money is available for social spending including for UBI.

Addressing tax avoidance and boosting economic development are two important ways in which countries could improve their potential to provide a sufficient UBI. The International Labour Organisation further recommends that countries consider options such as reallocating public funds or increasing deficit spending in order to pay for more social protection.¹⁷ Together these measures could make more money available. However, even a doubling or trebling of the potential UBIs described above (which would represent radical political-economic change in the countries concerned) would still leave people with fairly minimal basic incomes. If we want to ensure that people everywhere get a sufficient UBI, it makes sense to look beyond borders and explore the potential of additional global funding.



Image credits from left to right: Sandee Pachitan; Pxfuel; CCo Max Pixel

¹⁵ <https://blogs.worldbank.org/impac/evaluations/increasing-tax-revenue-developing-countries> Accessed 16/07/2021

¹⁶ <https://www.oxfam.org/en/inequality-and-poverty-hidden-costs-tax-dodging#:~:text=But%20the%20impact%20is%20even,babies%20and%20children%20a%20year> Accessed 03/08/2021

¹⁷ <https://www.oxfam.org/en/inequality-and-poverty-hidden-costs-tax-dodging#:~:text=But%20the%20impact%20is%20even,babies%20and%20children%20a%20year> p185-6 Accessed 03/08/2021

UBI for asylum seekers and others who migrate

Most people who migrate earn a living through paid work. However some people such as asylum seekers and undocumented migrants may be prevented from working or may be barred from receiving cash benefits in their destination countries. People can be even more vulnerable while on the move and may be without income for years at a time as they attempt to cross hostile borders.

Most people who propose UBI want all residents, including asylum seekers and other migrants, to receive payments. This is vital for justice but may be difficult to achieve in practice. Real or imagined political pressures in many countries have led to asylum seekers and migrants receiving lower levels of support than nationals.¹⁸ Refused asylum seekers, undocumented migrants and those classed as ‘no recourse to public funds’ face even greater challenges, as they may have no entitlement to support at all or may be obliged to live ‘under the radar’ so by definition cannot be reached by national UBI programmes.

Efforts to extend UBI and other social support to migrants should certainly continue. However, a worldwide basic income that is provided to each person directly by a global body could be uniquely useful for people who have left their country of origin. Worldwide basic income would not pass through national governments, but would instead come directly and confidentially to each individual who registers with the scheme. It would provide a small but reliable income to every person, wherever in the world they may be, which would accrue in their account and could be withdrawn anywhere in local currency. It would provide the ultimate safety net for people when they leave home, giving them security which they know can never be taken away.



Image credit: Sandor Csudai KNUM.org

¹⁸ <https://www.gov.uk/asylum-support/what-youll-get> Accessed 03/08/2021

Conclusion: The need for a worldwide basic income

The UBI movement is powering ahead in countries of all income levels; indeed some of the most exciting political progress has been achieved in lower income countries such as India, Kenya and Namibia.¹⁹ This fantastic work is probably the fastest way to bring about a UBI for many of the world's people. Any amount of UBI, no matter how small, will bring benefits to households and to local economies.

Nevertheless, global inequality remains extreme. This is likely to throw up very real challenges in lower income countries, as national incomes are simply too small to fund the level of basic income that residents need and deserve. The analysis above suggests that at least half of the world's people could miss out on a sufficient UBI, even if it were implemented by every government. Furthermore, as discussed above, asylum seekers and other migrants could miss out entirely on national UBIs. Therefore, while the UBI movement should continue pushing for basic income in every country, it should also look beyond national borders and consider a solution that we could create together at the whole-world level.

Worldwide basic income is a proposed UBI scheme that would pay a cash dividend to every adult and child worldwide, funded and administered at the global level by a body such as the United Nations. The money should come not from national governments but from a new set of rents and charges applied to corporations and others who make large-scale use of our shared global inheritance.²⁰ Initial calculations suggest that at least US\$30 per month could be made available for every person worldwide - an amount that should increase as more funding streams are set up. We should have worldwide basic income *as well as* (not instead of) national UBI. More details are available at <https://www.worldbasicincome.org.uk/>.

\$30 per person per month is a small UBI and certainly would not cover all living costs even in the world's least well-off countries. However, according to the analysis above, \$30 is:

- **Double** what an average lower middle income country could afford to pay
- **Six times** what an average low income country could afford to pay
- **More than twenty times** the UBI that could be provided in the lowest income country

Therefore, for half of the world's people, worldwide basic income represents a chance to get a very much better UBI than would otherwise be available. It would ensure that everyone in the world could buy food every day,²¹ keeping us all safe from hunger no matter what life throws at us. It would be the ultimate recognition of our human right to life, and would cement our status as global citizens.

It's time to make basic income truly universal. To find out more about the growing movement for worldwide basic income visit <https://www.worldbasicincome.org.uk/>

To donate to the campaign, please click [here](#) or scan the QR code below.



Published by World Basic Income, September 2021

¹⁹ <https://www.worldbasicincome.org.uk/national-basic-income-campaigns.html> Accessed 03/08/2021

²⁰ See <https://www.worldbasicincome.org.uk/funding-a-world-basic-income.html> for a tour of our shared inheritance and how it could generate money for a worldwide basic income.

²¹ <https://www.buzzfeed.com/spenceralthouse/one-dollar-foods-around-the-world> Accessed 03/08/2021