

# Guaranteed basic income

## The case for a Greater Manchester pilot



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## Executive summary

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- Universal Basic Income (UBI) is an umbrella term for an unconditional, non-withdrawable payment to every citizen. In practice, although non-conditionality is a central feature, basic income schemes often put some form of restriction on universality such as linked to a high-income threshold cut off and so can be considered more as a 'guaranteed basic income'.
- In the unprecedented context of the Covid-19 pandemic, the social inequalities it has laid bare and debates concerning government policy responses to the cost of living crises, issues of economic insecurity are more pressing today than for generations. There is an opportunity to explore new forms of policy innovation to align more to the realities of a post pandemic world and build back a fairer and more economically secure society.
- It is within this setting that Manchester Metro Mayor Andy Burnham has pledged to conduct some form of evaluation pilot of an income guarantee or 'basic income.' More broadly within the context of Covid-19, a guaranteed basic income has been considered as both a temporary emergency payment system, recovery stimulus measure or as a more permanent welfare reform goal.
- Long-standing international interest in evaluating the potential of basic income systems has grown in response to concerns about the broader adequacy of social security and welfare programmes, income stagnation and the growth of in-work poverty, the proliferation of insecure and often poorly paid 'gig economy' jobs and the perceived threat to future employment posed by automation and digitalisation.
- At the same time whether a guaranteed basic income would help or exacerbate issues of low paid and precarious work remains debated. Much of these criticisms however remain general. The actual effects of a basic income policy will likely be shaped by its specific design features and the broader regulatory context shaping broader employment practices.
- In terms of economic stimulus or recovery policies more evidence is required about the inequality effects of other policies such as quantitative easing compared to alternatives such as direct household payment through a (temporary) basic income, both in terms of disparities between households and localities, but also how broader inflationary effects are felt. One line of argument is that quantitative easing, although stimulating employment, may favour capital-rich areas and households compared to direct household financing such as through guaranteed income payments, thereby exacerbating inequalities.
- There are numerous reasons why GM would be particularly suited to host a guaranteed income study. High levels of in-work poverty and economic insecurity highlighted during the pandemic and cost of living crises urge new forms of policy innovation. From the perspective of the 'levelling up' agenda, given the potential spatial inequality effects of current monetary policy, alternative or complementary policy options such as direct payments require greater consideration in the context of future recessions.
- Large scale evaluation studies however are expensive. International examples nonetheless show how smaller 'micro-pilots' can still provide considerable insights into behavioural effects and can impact on public awareness and policy debate.

## The case for a basic income micro-pilot in Greater Manchester?

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### Introduction

Universal Basic Income (UBI)<sup>1</sup> is ‘an umbrella term for an unconditional, non-withdrawable payment to every citizen’<sup>2</sup>. In practice, although non-conditionality is a central feature, often proposals place some form of restriction on universality, such as linked to a high-income cut off threshold. In the unprecedented context of the Covid-19 pandemic, the social inequalities it has laid bare and debates concerning government policy responses to the cost of living crises, issues of economic security are more pressing today than for generations. Beyond the tragedy of Covid-19, there is an opportunity to explore new forms of policy innovation to align more to the realities of a post-pandemic world and build back a fairer and more economically secure society.

It is within this setting that Manchester Metro Mayor Andy Burnham has pledged to conduct some form of evaluation pilot of an income guarantee or ‘basic income’<sup>3</sup>. More broadly within the context of Covid-19, a guaranteed basic income has been debated as a temporary emergency payment, a recovery stimulus measure, or as a more permanent welfare reform goal. Such debates mirror international developments. In 2021 in the US alone at least 11 cities planned some form of unconditional cash payment scheme pilot while another 20 mayors say they may launch a pilot in the future<sup>4</sup>. Direct household payments have also formed part of welfare/ stimulus measures in the US.

Although the possibility of a basic income has been debated closer to home, to date no UK-based evaluation has been conducted. Taking this on board, this report examines the feasibility of such a pilot in the UK. We consider what the options are for structuring such a payment system, what its evaluation might look like, and why Greater Manchester (GM) could be the right place to conduct such a pilot. This is undertaken by drawing insights based on past and existing international evaluations as well as prospectively focussed UK research.

The report is structured as follows. In the remainder of Chapter 1, within the context of UK welfare debates, arguments for and against a basic income as a long-term welfare policy but also a temporary support or recovery measure are explored. Why Greater Manchester could be a suitable context for a pilot study is considered. Chapter 2 goes on to examine existing proposals for a UK-based basic income system to investigate

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<sup>1</sup> Other terms for UBI include a ‘guaranteed (basic) income’ or ‘citizen’s income’.

<sup>2</sup> Sloman, 2018: 625.

<sup>3</sup> See: <https://www.ubilabnetwork.org/mayoral-pledge>

<sup>4</sup> Bloomberg, 2021; Painter & Thoung, 2015; Lansley & Reid, 2019; Harrop & Tait, 2017. In the UK the plan for the Welsh Government to trial a basic income has features of a UBI but is restricted to care leavers.

design options. Finally, Chapter 3 examines international evaluation pilots in terms of their methods to understand some of the basics of the process of designing and implementing an evaluation. Appendices A-E provide a more detailed technical account of existing proposals and evaluations underpinning the main chapter discussions.

### What is universal (or guaranteed) basic income?

Universal Basic Income is best considered on a continuum rather than as a discrete or unique form of cash welfare benefit. On one end are highly conditional non-universal benefits, such as an unemployment benefit that requires work-related activity, is means-tested and restricted to a specific group (i.e., the unemployed), whereas UBI is universally paid and unconditional, sitting at the other end of the spectrum. The notion of universal eligibility is also not specific to UBI. Principles of universality in welfare are central for example to the NHS. Given most existing 'UBI' schemes or evaluations involve some form of eligibility criteria, often they can more precisely be considered as 'guaranteed basic income' systems rather than universal basic incomes.

In terms of welfare policy, through successive governments the introduction of more restrictive eligibility criteria, greater means testing, and the strengthening of active labour market requirements over several decades means that the UK benefits system if anything has moved towards a less universal and more conditional form of welfare. Some, in contrast, might view the more recent introduction of Universal Credit that rolls various pre-existing benefits for people both within and outside employment into one payment system as creating a more 'universal' benefit in terms of its population or 'client group' coverage. At the same time, Universal Credit remains means tested and conditional with work-related requirements and powers of sanction.

### Arguments for and against a UK basic income

In this section we consider some of the arguments for and against a basic income in the UK. Recent debates surrounding basic income in the UK can be grouped into those that consider it as a longer-term welfare reform objective and those that view it as a potential temporary emergency payment or stimulus measure such as in the context of the pandemic or current cost of living crises. Despite high visibility within the media and high profile backing, there is an ongoing lack of public understanding of 'UBI' or guaranteed basic income systems. A basic Income micro-pilot in GM could bring the issue to life for policymakers and wider public debate, allowing people to evaluate its effects.

#### **Basic income as a welfare reform policy**

Long-standing international interest in evaluating the potential of UBI has grown in response to concerns about the broader adequacy of social security and welfare programmes, income stagnation, inflationary pressures and the growth of in-work poverty, the proliferation of insecure and often poorly paid 'gig economy' jobs, and the

perceived threat to future employment posed by automation and digitalisation<sup>5</sup>. More UK-specific arguments surrounding basic income further centre on whether it can provide a solution to some of the problems of the UK's conditional welfare model<sup>6</sup>. A purported objective of conditionality is to allocate welfare efficiently based upon an assessment of need, although often this may spill over into judgements regarding 'deservingness'. Non-universal or 'residual' welfare systems although seeking efficient resource allocation and cost containment can pose several problems, many of which Covid-19 has brought into focus<sup>7</sup>:

- The current welfare system is not sufficiently adapted to the realities of household economic insecurity. Modern welfare needs to be adaptive to changing personal circumstances. Even prior to Covid-19, economic insecurity and income shocks, such as from changes to jobs, working hours, relationship dissolution, illness or caring responsibilities and the 'cycling' in and out of poverty were a longstanding experience for many low-income households in GM and in the UK more broadly.
- Beyond insecure and low-paid employment, part of the problem rests in the bureaucratic complexity and administrative costs of means-tested benefits such as Universal Credit. A five-week first payment wait or processing delays surrounding changes in circumstances has contributed to increased foodbank use, the risk of debt, rental arrears, and homelessness<sup>8 9</sup>.
- Non-universality through the eligibility requirements of the current Universal Credit benefit can see some groups fall through gaps in the system such as some self-employed people and second earners<sup>10</sup>. Self-employment risks regarding benefit receipt could also disincentivise entrepreneurship.
- Compared to more universal models, residual and means-tested welfare systems can face problems of political support or claimant social stigma.

The Covid-19 pandemic for one highlighted the considerable demand and delays experienced in terms of processing new Universal Credit claims following lockdown. The bureaucratic nature of such systems makes them inelastic and slow to respond to crisis or shocks, meaning broader emergency measures such as the furlough scheme were required during the Covid-19 pandemic to plug gaps in the welfare system. A micro trial of Basic Income would help policymakers explore not only the potential impact on inequality, poverty, and work but also the intersections between financial and personal health and wellbeing. As other trials around the world have demonstrated, the impact of a Basic Income potentially can spread beyond its economic or financial implications for the recipient.

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<sup>5</sup> Painter & Thoung, 2015; Lansley & Reid, 2019; Harrop & Tait, 2017.

<sup>6</sup> Painter et. al., 2018.

<sup>7</sup> Lansley, 2020: 4.

<sup>8</sup> See Klair, 2020; Shelter, 2020; The Insolvency Service, 2020; Monthly Insolvency Statistics, Dec 2020.

<sup>9</sup> DWP, 2020.

<sup>10</sup> Money Advice Trust, 2020.

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At the same time, there are many outstanding questions regarding UBI policies that a micro-pilot could contribute towards answering. Objections to UBI require careful consideration. These include that UBI could support the dismantling of other employment protection or welfare leading to a net loss for low-income households or could promote work casualisation. Policy evaluation beyond a pilot therefore also needs to consider how a UBI policy would sit in a broader welfare system and the labour market regulatory context required to mitigate potential risks. Related issues that could be explored more directly in a pilot include effects on household budgeting and expenditure, time usage, and the division of paid and unpaid work within coupled households, and whether such policies have a positive, negative, or neutral effect on gender equality<sup>11</sup>.

Other arguments against basic income have focussed on how it could affect the nature of work itself and behaviour of employers. Some suggest basic incomes act as a wage subsidy supporting poor employment practices. By providing an income floor and economic security, such payments could lead employers to pay lower or statutory minimal wages or use more precarious employment practices to achieve workforce flexibility, with the societal risks being underwritten by the state of such a system<sup>12</sup>.

These arguments however are often general and need to engage with specifics. Firstly, in-work benefit transfers through tax credits and UC are not something particularly new; nor is the 'wage subsidy' argument regarding such transfers. The labour market impacts of a basic income would most likely reflect a range of factors including whether payments are set at a level that supports subsistence and a reservation wage that affords the ability for people to refuse poor working conditions or as a more minimal top up payment. Furthermore, basic income is not a 'silver bullet' or 'cure all' single policy. The broader labour market and employment regulatory context within which such policies operate would further likely encourage or constrain specific employer behaviours<sup>13</sup>. Pay floor setting through effective minimum wage policy in addition to basic income is therefore likely important to prevent a race to the bottom.

In terms of arguments against basic income, cost has been a central focus. As discussed further in Chapter 2, this may vary considerably based on the generosity and coverage of payments, as can the costs of a pilot depending on the size of the evaluation. Sensible discussions of basic income therefore need to consider how both such systems and pilots can realistically be financed.

A further issue raised with basic income concerns potential 'deadweight' effects. These might occur where payments are made to people who do not require additional financial support or where there is no tangible social or economic benefit, at the

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<sup>11</sup> McKay, 2007.

<sup>12</sup> Gray, A., 2017. Behavioural Effects of a Citizen's Income on wages, job security and labour supply. Citizen's Income Trust. <http://citizensincome.org/research-analysis/behavioural-effects-of-a-citizens-income-on-wages-job-security-and-labour-supply/>

<sup>13</sup> Groot, L. (2002). "Compensatory Justice and Basic Income." *Journal of Social Philosophy*, 33(1):144-161.

expense of targeting money towards those with the greatest need. At the same time, the risk of future economic shocks and technological disruption raises the possibility that an increasingly large proportion of the population will face interaction with government welfare at some point in their life or 'cycle' in and out of work. However, a less differentiated, more uniform type of benefit system as presented by a basic income still risks overlooking the additional needs and costs of some households such as disabled people or long-term carers. How a basic income fits within the broader model of welfare provision, therefore, needs to be considered and is discussed further in Chapter 2.

### **Basic income as a Covid-19 support policy**

Basic income has specifically been discussed within the context of Covid-19 and the current cost of living crises. Whereas some suggest Covid-19 raises the need for a more root and branch reform of welfare policy, UBI has also been considered as a potential temporary measure, additive to existing welfare policy. In practice, designing and legislating deep welfare reform that substitutes for existing welfare rather than additional payments in the timeframe of the initial pandemic response would likely have been very challenging – although the furlough scheme showed that swift action involving additional direct cash payments can be taken if the impetus is there. Some form of temporary additional Basic Income payment was therefore certainly more than achievable. Furthermore, the prospect of future economic shocks, inflationary pressures and the prospect of future economic downturns means there is a need to consider longer-term welfare resilience and adaptability in a post-Covid-19 world.

By providing a stable source of money across periods of employment, non-employment, or periods of income disruption, a basic income can help reduce economic insecurity. Future potential pandemic risks such as where Covid-19 is endemic and a feature of everyday life<sup>14</sup> could require a more fundamental recasting of welfare debates, whereas geopolitical risks and automatization trends may further exacerbate economic insecurities. A fuller consideration of a guaranteed basic income model, both in terms of the potential merits but also potential disadvantages compared to alternative social security approaches, is important to this debate. Covid-19 and lockdown measures have also presented considerable mental health challenges<sup>15</sup>. What albeit limited international evidence exists suggests the greater sense of economic stability within people's lives that UBI affords has positive effects on mental wellbeing<sup>16</sup>, which in turn can support the economy and other aspects of societal life.

The Covid-19 crisis has highlighted the specific challenges of Greater Manchester's economy. A high proportion of Greater Manchester neighbourhoods (23%) are among the most deprived 10 per cent of neighbourhoods in England<sup>17</sup>, and 60% of working

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<sup>14</sup> Braithwaite, T. (2021) "Forget the 'beginning of the end', Covid is a permawar," Financial Times. 22/1/2.

<sup>15</sup> [Mind](#) warns of 'second pandemic' as it reveals more people in mental health crisis than ever recorded and helpline calls soar.

<sup>16</sup> See Kela, 2020; Hadsel, 2020; McDowell, 2020.

<sup>17</sup> Macdougall, 2019.

age households in poverty contain somebody who is in paid work<sup>18</sup>. High levels of employment in low-paid lockdown sectors such as retail and hospitality made GM particularly exposed to the challenges and economic uncertainty posed by COVID-19. Inadequate sickness protection, precarious work and low pay have meant that, for many GM workers, it became a choice to either self-isolate and not have enough money to break even, or to go out to work and risk infection and disease transmission. This created a vicious circle, in which worsening economic conditions arguably exacerbated the health crisis. Indeed, a recent report has highlighted that mortality rates from COVID-19 were 25% higher in Greater Manchester than for England as a whole, in part because of socioeconomic inequalities<sup>19</sup>. The mayor's 'Time Out to Help Out' campaign, which argued that self-isolation was a duty that must be facilitated by government support, was a stark reminder of the deep interconnection of economic and physical wellbeing.

Issues of household financial resilience highlighted by the pandemic will likely be further exacerbated by the current cost of living crisis. The pandemic has also allowed us to view Basic Income, not only through a lens of security, but also one of care: looking after loved ones, parenting and home-schooling children, or volunteering in mutual aid groups. A Basic Income helps us to reimagine what 'work' and 'contribution' means in society and reward the more than trillion pounds<sup>20</sup> worth of unpaid care work in the UK. Arguments concerning basic income have consequently also focussed on how it may help people undertake broader non-market activities that are of social value or contribute to civic life. Basic income disincentive effects on employment furthermore appear small or insignificant, particularly given the decision to not enter employment can be related to other valuable activities such as childrearing or training<sup>21</sup>.

### **Guaranteed basic income as an economic stimulus**

Beyond being a welfare policy there are also reasons why Greater Manchester might benefit from a guaranteed basic income as an economic stimulus measure, providing direct cash to individuals within households, when compared to other policies such as quantitative easing. Beyond immediate inflationary concerns, an important question concerns the nature of economic support and stimulus policies required going forwards in response to future recessions or economic crises<sup>22</sup>. One issue concerns the relative merits of direct cash financing to households<sup>23</sup> ('helicopter payments'), whether through one-off 'stimulus checks', as have been implemented in the US<sup>24</sup> or intermittent

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<sup>18</sup> Hughes, 2019.

<sup>19</sup> Marmot, Allen, Boyce, Goldblatt, & Morrison, 2021.

<sup>20</sup> ONS, 2018.

<sup>21</sup> Hasdell, 2020.

<sup>22</sup> Recently 110 MPs and Peers called upon the Chancellor to introduce a 'recovery UBI'.

<sup>23</sup> See Harrison and Thomas (2019) for Bank of England work on monetary financing.

<sup>24</sup> Smialek, 2021.

payments through a (temporary) Basic Income, and how these compare to alternative or complementary measures such as quantitative easing (QE)<sup>25</sup>.

QE through central bank government bond purchases lowers interest rates thereby stimulating economic growth. Effects on economic inequality however currently remain under-researched<sup>26</sup>. There are likely some potential redistributive effects through QE stimulating employment leading to a tighter labour market and wage growth. At the same time, the benefits of quantitative easing are unlikely uniform across households. QE holds up asset values including house prices that may underpin economic confidence. This though may also perpetuate an insider/outsider economy between capital-rich and capital-poor households, such as between homeowners and private renters struggling to get on the housing ladder, as well as younger and older generations<sup>27</sup>.

One reason Bank of England analysts have expressed a preference for QE over direct monetary transfers is that the latter could hold bigger inflationary effects. These effects are not restricted to such stimulus measures<sup>28</sup> and likely reflect whether broader welfare changes are made affecting household income and distributions, and how choices surrounding potential fiscal measures such as taxation or government borrowing to fund a basic income scheme influence monetary supply and currency valuations affecting inflation, as compared to current welfare and fiscal models. Furthermore, for some people, such as first-time buyers, house price increases helped by a flow of cheap money are effectively already experienced as a form of inflation, eroding disposable income, whereas house price growth also feeds through to higher prices in the private rental sector. Although broader inflationary push from economic stimulus may have more dispersed effects, macro-level inflation figures can therefore conceal how such effects are differentially stratified socio-economically across the population. Beyond traditional macro-economic concerns, inclusive growth should be an objective and policy evaluation criteria for monetary policy and understanding inflation heterogeneity in effects and not just macro-level trends. In the context of monetary tightening and rising interest rates to offset inflation, there is also a question of how the negative impacts of such policies can be offset for the most vulnerable. At the same time, one question is whether basic income would provide a sufficiently targeted set of tools or whether universality would unnecessarily extend inflationary pressures. Potential inflationary arguments therefore require fuller evaluation.

There are also potential spatial or regional inequalities in the impact of policies such as quantitative easing and not enough is known regarding such effects. Some evidence suggests QE could favour already capital-rich areas compared to less capital-rich ones<sup>29</sup>. In the absence of regional banks, capital financial centres may further benefit

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<sup>26</sup> See Bank of England, 2021.

<sup>27</sup> For a summary of UK and international studies on QE inequality effects see IMF, 2019: 37.

<sup>28</sup> Bernanke, 2016.

<sup>29</sup> See Hauptmeier et al, 2020; <https://blogs.lse.ac.uk/politicsandpolicy/cash-transfers-boe-covid19/>.

more from financial sector-driven booms and employment growth within the sector. Consequently, there may be reasons why QE favours London and the South compared to other regions.

Within Greater Manchester, similar arguments can be made for how the effects of quantitative easing might differ spatially between areas. For example, whereas the city centre and other growth hotspots have benefited the most from 'cheap money' and a property boom since the 2008 crisis, other areas such as those concentrated in the north of GM have profited less from QE fuelled economic growth<sup>30</sup>. QE may also result in private wealth accumulation through investment in foreign markets, so, as a stimulus measure when evaluated spatially at a national level, 'spill over' or 'leakage' effects may partly benefit other countries' economies rather than the UK<sup>31</sup>.

Consequently, there are several reasons why even a temporary guarantee basic income 'helicopter payment' system could be attractive from a GM perspective as a stimulus measure. Such a system could support the 'levelling up' agenda, or at least not further exacerbate inequalities between regions and localities by putting money into the real economy through people's pockets locally. Despite being the 'go to' policy, QE remains poorly evaluated vis-à-vis such alternative measures as do the relative potential inflationary effects of these different policies<sup>32</sup>. Although a local pilot project may not provide a full evaluation in terms of understanding macro-economic effects, knowledge on how basic income affects issues such as consumption patterns, debts and savings could still provide important insights into the likely economic effects of a basic income.

## Conclusions

- The current welfare system is not sufficiently adapted to the realities of household economic insecurity and levels of economic instability created by the pandemic and cost of living crises have exacerbated this issue. Even prior to Covid-19 the 'cycling' in and out of poverty was a longstanding experience for many low-income households in Greater Manchester and the UK more broadly. High levels of in-work poverty and a reliance on a low-paid retail and service economy for many parts of the GM workforce nonetheless raise specific vulnerabilities.
- To date no evaluation of a 'full' basic income system has been undertaken in the United Kingdom and there may be questions regarding the full generalisability of international findings to the specific social, economic, and institutional context of the UK. A micro-pilot evaluation in GM could help explore some of the benefits but also limitations of a basic income system whilst

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<sup>30</sup> See McNroy and Lloyd-Goodwin, 2020.

<sup>31</sup> Fratzcher et. al., 2018.

<sup>32</sup> See Bank of England, 2021.

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stimulating policy and public debate on broader issues regarding the adequacy of current welfare policy.

- Although a local pilot project may not provide a full evaluation in terms of understanding broader macro-economic effects, knowledge of how basic income affects issues such as consumption patterns, debts and savings could still provide important insights into the likely economic effects of a guaranteed basic income.
- This could feed into broader discussions regarding economic support and stimulus measures such as quantitative easing compared to 'helicopter payments' in relation to policy responses to economic shocks. There may be arguments why 'basic income style' direct payments compared to QE are fairer from a regional 'levelling up' and socio-economic equality perspective that require further exploration.

## Exploring existing UK basic Income proposals

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### Introduction

Across the world, a wide range of basic income evaluation studies have been undertaken spanning back to at least the mid-1970s. Examples can be found in the US (Stockton, Chicago, Newark), Spain (Barcelona), Finland, Brazil (Marica), South Korea (Gyeonggi province), Germany (Berlin), the Netherlands (Deventer, Groningen, Nijmegen, Tilburg, Utrecht, Wageningen), Canada (two sites in Manitoba, three in Ontario), Kenya, India (Madhya Pradesh), Namibia and Uganda<sup>33</sup>. However, to date, no pilot has been undertaken in the UK. Although important lessons can be learnt from international studies, there is a need to evaluate basic income within the UK's social and welfare system context to understand the potential advantages or disadvantages of such a system. As discussed in Chapter 1, what potential such a system could hold within the specific context of Greater Manchester further requires consideration.

In this chapter, we discuss existing UK research to consider some of the key design considerations for creating a basic income system designed for the UK context. To date, several proposals have been made. Notably, these include proposals by:

- The Scottish Feasibility Study
- The RSA
- The Sheffield UBI Lab (UBI Lab Network)
- Compass
- The New Economic Foundation
- Progressive Economy Forum
- The Welsh government pilot of a guaranteed income for care leavers in Wales

Table 2.1 summarises these proposals whereas further technical details are provided in Appendix A1. In designing a basic income numerous design features require consideration. These include deciding who is eligible for the benefit and how universal it is, whether there is any conditionality attached to receipt, how payments are made such as to the individual or household, the generosity and frequency of payments, and how payments interact with broader welfare entitlements and the tax system. Relatedly, an important issue concerns the purpose or objectives of a UBI system. For example, is the aim to strengthen a current social transfer system or replace it? Partly because of the question of objectives, different proposals to date for a UK or Scotland specific basic income vary markedly meaning overall there is a general lack of consensus about what a basic income might look like in the UK. It is therefore necessary to understand different potential options.

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<sup>33</sup> Standing, 2018; Citizens' Basic Income Steering Group Feasibility Study, 2020.

## Designing a guaranteed basic income: Key design criteria

### Eligibility/universality

Eligibility concerns the criteria for entitlement to a basic income and links to issues of universality. For example, in terms of universality some UK proposals include additional payments for children to account for differences in household composition whereas others do not. Whereas some systems focus more on the working age population, others include transfers for pensioners. Beyond age criteria, a further consideration is whether there is a high-income threshold beyond which people are not eligible.

### Conditionality

Conditionality relates to aspects of a welfare system where a recipient may confer certain rights but in return, certain behaviours are expected by the state. Where a cash transfer is conditional this conditionality may vary in strength. For example, the mandated requirement to seek paid employment to receive a cash transfer enforced by powers of sanction would represent a strong form of conditionality whereas having to attend employment or training focussed meetings with no further mandated activation or sanction risks would represent a weaker form. Strong forms of conditionality arguably would undermine the very principle of an unconditional basic income although a basic income could be linked to weak or voluntary requirements to participate in employment focussed reviews, training or other forms of coaching. The question of conditionality is also important to understanding and evaluating potential policy effects. For example, the introduction of a basic income can involve a variety of policy changes such as an increase in household income but also changes to conditionality. One evaluation question here becomes to what extent are these different aspects of the policy change responsible for any outcome observed? In practice, this may be difficult to discern although qualitative information may help understand individual experiences.

### Recipient unit

In terms of recipient unit, basic income proposals in the UK typically focus on the individual rather than household unit although how child-related payments are administered to the 'primary carers' in households requires consideration. Part of the justification for an individual focus is to try to ensure that payments to households with dependent children have the most benefit for children within a household. There are also potential issues of gender and financial autonomy that are supported by individual payments compared to household payments such as related to family budgeting or providing support in the context of relationship separation for secondary earners.

### Generosity

UK-based proposals for a basic income vary dramatically in terms of the suggested generosity of payments although this partly reflects the extent to which basic income is constructed as a replacement or additive system to current welfare benefits. A common principle of basic income is that payments should cover basic needs, although the interpretation of what this means varies considerably. Some schemes set a relatively

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low floor, below the poverty line, on the expectation that incomes will be topped up by other forms of benefits or paid work. Conversely, others see basic income as a primary source of non-labour market subsistence. Various approaches to establishing levels of generosity have been considered in the UK including:

- Setting at the level implied by the personal income tax allowance (PITA) where UBI substitutes this allowance<sup>34</sup>.
- Benchmarking against the total package of existing social transfers in the benefit system where a basic income payment substitutes these core benefits.
- The use of a low-income threshold such as based upon a definition of poverty, a hardship threshold, or the Real Living Wage.

The Sheffield UBI Working group (UBI Lab Network) for example suggests three options for a UK based UBI scheme covering both a 'full' and 'partial' UBI model. The first, referred to as 'the tweak,' focusses on removing conditionality for people claiming employment related illness and disability benefits such as Employment Support Allowance (ESA) or as implemented in UC. The second option, 'the top up', refers to an adult payment of £130 per month (£1,560 per year) paid in addition to any other income received which is taxable but paid on top of any means-tested benefits. Finally, 'the replacement' refers to a 'full' UBI system involving a payment of around £6000 per year to all working adults, with other payments for children and pensioners. One of the most recent developments akin to a guaranteed basic income can be found in Wales in a pilot where a payment of £1600 per month will be given although this scheme is restricted to a small target group of care leavers.

In terms of low-income thresholds, the Citizens' Basic Income Feasibility Study Steering Group (2020) in Scotland<sup>35</sup> proposed an evaluation of two levels of payment: 1) a 'lower level' roughly aligned to the level of current benefits received by young people, the working age population and pensioners and 2) A 'higher level' payment based on the Joseph Rowntree Foundation's Minimum Income Standard received by a smaller group of participants within the evaluation<sup>36</sup>. Within this model the 'Citizen's Basic Income' (CBI) would replace most benefits<sup>37</sup>.

Citizens Advice estimated that in 2020 the average single household required £960 per month to avoid getting into financial difficulty whereas the average coupled household with children required £1700.<sup>38</sup> Many of the basic income schemes proposed in the UK taken alone therefore do not fulfil this objective of fulfilling basic subsistence and can be considered more as 'micro-payments' or 'top-ups'. With rising inflation this is even more likely the case. Different approaches to setting the eligibility and generosity of UBI

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<sup>34</sup> Martinelli, et al 2017a, 2017b.

<sup>35</sup> Fraser of Allander Institute, 2020.

<sup>36</sup> Citizens' Basic Income Feasibility Study Steering Group, 2020.

<sup>37</sup> Barclay, McLachlan & Paterson, 2019; Goodman & Danson, 2019.

<sup>38</sup> CAB (2020) Financial support during the Covid-19 pandemic.

also hold distributional consequences, meaning there are likely different winners and losers compared to the existing benefit and tax system depending on the structure of eligibility criteria, generosity, and how access to other benefits and taxation rules are altered<sup>39</sup>. Although a micro pilot study could occur in the absence of broader changes to welfare and taxation, there may still be implications for participating in a pilot regarding access to means-tested welfare such as benefit receipt levels, access to free school meals, public transport, or prescriptions where a basic income payment increases household income and benefits are subject to means testing.<sup>40</sup> In terms of generosity, within a pilot, the level of funding obtained will be the main constraining factor on what options are feasible and a clear financial model of how a proposed benefit and its evaluation will be funded are required.

### Benefit system and tax integration

Two broad models of basic income can be identified in UK proposals. The first views basic income as a **replacement benefit** where other core means-tested benefits such as Universal Credit are rolled up and replaced by an unconditional payment. The evaluation of such a benefit could provide a deep exploration of the potential effects of a basic income through removing aspects of welfare conditionality and means testing. One of the most developed feasibility studies, the Scottish Basic Income Feasibility Study, was a two-year project funded by the Scottish Government, the final report of which was published in June 2020. A principle governing the proposed pilot (which has not been conducted) was that it should replicate on a small scale what a national policy would look like. Payments would be made by direct transfer to existing accounts and would be taxable, whereas eligibility to some other benefits was to be retained alongside these payments. Claimants would be allowed to retain housing, disability, work capability and child benefits but the basic income would replace:

- Income Support (Personal Allowance)
- Income-based JSA (Personal Allowance)
- Income-related Employment and Support Allowance (Personal allowance)
- Child Tax Credit
- State Pension
- Carer's Allowance (Basic and Scottish Supplement)
- Universal Credit: Standard allowance for Single person
- Universal Credit: First child / subsequent child payments

In terms of feasibility within the context of a small micro-pilot in Greater Manchester, such an approach is likely to be constrained without central government backing. The Scottish Feasibility Study highlights how a high level of political, institutional, and regulatory consent through central government support and inter-departmental coordination would be required for a pilot of this nature such as to remove participants

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<sup>39</sup> See Shaw & Paterson, 2019; Torry, 2014; Martinelli et al, 2017a, 2017b 2017c.

<sup>40</sup> Young, 2020.

from aspects of current welfare provision<sup>41</sup>. Consequently, an alternative and arguably more practical approach for a GM study would be to evaluate a Basic Income ‘top up’ additional payment that is given to participants in addition to their current benefit entitlements. Although not removing all aspects of welfare conditionality, this could still provide detailed insights into behavioural effects and outcomes. The advantage of such an approach is that it would require less reconfiguration of welfare receipt or taxation although impacts on other means tested benefits would still need to be accounted for to constitute additional income.

### Periodicity

Within current UK proposals, monthly payments represent the most common payment period although Compass proposals (Reeds & Lansley, 2016) consider weekly payments and the Scottish Citizen’s Income Study considered weekly, fortnightly, or monthly payments. Part of the objective of a basic income would be to provide support for disruptions or fluctuations in income, meaning less frequent but bigger ‘helicopter payments’ may not necessarily achieve this goal of income smoothing. In some international studies discussed in Appendix D more intermittent and larger windfall payments have also been linked to negative outcomes.

### Payment type

The question of payment type mainly concerns whether a benefit is paid in cash, vouchers, or in kind. In the UK the problems regarding the use of school dinner food parcels or vouchers compared to monetary payments were raised during the pandemic. Part of the logic of basic income is to increase the autonomy and discretion of claimants. In this sense payments in kind and vouchers are less aligned to this objective in that they constrain choices regarding how a person uses any additional income.

## Conclusions

- Basic income proposals in the UK vary in their design across several dimensions. These include eligibility criteria, recipient unit, conditionality, generosity, and frequency of payment. Proposals also differ in terms of how they interact with the current benefit and tax system and the extent to which a guaranteed basic income is viewed as a replacement income or additional top-up to current welfare.
- Overall, there is a lack of agreement in terms of the detail of what such a payment system should look like and how generous it should be. Some points of consensus are that a guaranteed basic income should be a cash transfer and many proposals suggest this could be paid monthly to individuals rather than households.

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<sup>41</sup> See the feasibility considerations of the Scottish Basic Income Feasibility Study: <https://basicincome.scot/>.

## Guaranteed basic income: the case for a Greater Manchester pilot

- Eligibility and levels of generosity however vary between proposals. In terms of generosity, within a pilot, the level of funding obtained will be the main constraining factor on what options are feasible and a clear financial model of how a proposed benefit and its evaluation will be funded are required.
- Many of the basic income schemes proposed in the UK to date taken alone are arguably not set at a level that affords economic self-sufficiency in the absence of broader welfare or labour market income. Rising inflation and the cost of living crises will likely make this even more the case.
- A top up additional micro-payment to current welfare is likely more feasible in the context of a micro-pilot in Greater Manchester than a 'replacement' system for current welfare given the level of central government and institutional support required for a more extensive policy. The advantage of such an approach is that it would require less reconfiguration of welfare receipt or taxation and so regulatory and stakeholder coordination. Other means-tested benefits however may still be affected where this payment is taken as additional income meaning there may still be implementation issues surrounding a top up payment in the absence of government and inter-agency coordination.

**Table 1: Example Basic Income proposals in the UK**

Proposal	Benefit level (expressed as approx. £/head/month)	No. of recipients	Estimated cost /yr.	Relation to existing benefits
<p><b>Scottish Feasibility study</b> Proposal to test a 'high'- and a 'low' level Citizen's Basic Income (CBI) in two saturation sites.</p>	<p><b>High CBI.</b> Age 0-15: £516; 16 to pension age: £915; Pension age: £840 <b>Low CBI.</b> Age 0-15: £362; 16-19: £362; 20-24: £248; 25 to pension age: £313; Pension age: £723</p>	17,100 (2,500 on Low CBI; 14,600 on High CBI)	£62.1million (£186.4m over 3 years)	Disability, work capability, housing, and childcare benefits to continue alongside to avoid payment gap with current benefits levels.
<p><b>RSA proposals</b> Four 'scenarios' proposed as different approaches to piloting a UBI in the UK: A saturation site model, targeting particular cohorts, a smaller 'micro-site' saturation model, and an approach that combines different interventions.</p>	<p>Where applicable: Age 0-4 (first child): £367 0-4 (additional children): £291 5-15: £252 16-24: £252 25-64: £318 64+: £676</p>	Ranging from 250-1,000	Ranging from around £1,100,00 to £4,400,000	Participants asked to forgo Universal Credit and Child Benefit (or JSA, Tax Credits etc. if they were in a non-UC area).
<p><b>Sheffield UBI Lab</b> Three approaches proposed on increasing scale: 1) 'The Tweak' – removing conditionality around existing benefits; 2) 'The Top-up' – a non-means-tested payment to everyone within a saturation area site; 3) 'The Replacement' – reorganisation of the tax and benefits system.</p>	<p>Where applicable: £130 - £500</p>	4,000	£6 million – £20 million (incl. data collection, research, and evaluation)	Either tweaking the existing benefits system, topping up existing payments, or replacing the entire system.
<p><b>Compass (Reed &amp; Lansley, 2016)</b> Two options proposed – a higher payment or a lower payment – both of which combine existing benefits with a new basic income payment.</p>	<p>Children (under 18): £217 or £261 Adults (18-25): £226 or £270 Adults (25-pension age): £270 or £314 Pensioners: £182 or £226 Income tax rates set to 23 or 25% (basic); 43 or 45% (higher); 48 or 50% (top)</p>	Whole of UK	£0.7 billion for lower scheme; £8.2 billion for higher scheme (net costs)	All existing benefits kept; UBI taken into account for means-testing. Child benefit replaced; state pension paid additionally. Personal tax allowance abolished.
<p><b>New Economic Foundation: Weekly National Allowance</b> Abolishing personal tax allowance to reroute £107 billion/yr. into a weekly payment to all adults earning under £125k/yr.</p>	<p>England, Wales, and NI: £208 Scotland: £198</p>	Whole of UK	£126.8bn (covered through redistribution of allowance)	In addition to current benefit system. Child benefit levels to be restored to real terms 2010/11 value (before benefit was frozen in 2010).
<p><b>Progressive Economy Forum (Standing, 2018)</b> Five models proposed: A) Payment replaces all means-tested benefits (except housing benefit); B) Payment alongside existing benefits taken into account for means testing; C) Payment supplements existing benefits, but not counted in means-testing; D) Conditionality removed from existing benefits; E) Cash payment to homeless people.</p>	<p>Where applicable: Adult payment range from £221 to £443 Child payment range from £89 to £221</p>	<p><b>Models A-C:</b> Whole saturation site  <b>Models D &amp; E:</b> Unspecified</p>	<p><b>Models A-D:</b> Up to £5 million (duration or cost not fully specified)  <b>Model E:</b> Unspecified</p>	A range of approaches: replacing current means-tested system; running alongside current system (and either taking into account for existing benefits or not); or removing conditionality of existing payments.

## What might a GM basic income evaluation look like?

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### Introduction

International basic income pilot evaluations range both in terms of their size and scope of objectives. Several common implementation issues nonetheless can be identified. In this chapter, drawing on prior international evaluations, we discuss some of the main considerations for developing an evaluation in Greater Manchester. Although larger scale studies, such as randomised controls trials that seek to statistically estimate policy effects are an option, given the costs of such evaluations, without central government financial support a smaller more qualitatively focussed 'micro-pilot' study is likely more feasible. Such an evaluation using a relatively smaller number of participants could still provide valuable insights into behavioural effects as well as raise public debate.

### Key methodological considerations for an evaluation study

From existing evaluation studies several methodological issues were identified:

- What are the research aims of the study?
- What outcomes are of interest?
- What is the evaluation methodology?
- How many participants are required and what is the sample selection frame?
- How long should an evaluation last?
- What is the cost and funding source of the evaluation study?
- What research ethics issues require considering?

These are discussed below whereas further details of issues raised in specific evaluation studies can be found in the technical appendices (Appendix D).

#### **What are the research aims and objectives?**

Evaluations ideally need to begin with clear objectives and research questions. These focus on the policy change(s) in question and expected effects on behaviour or broader relevant outcomes. The evaluation objectives of the study should therefore shape the research questions, although there may be both primary and secondary questions. Considering prior evaluations and literatures on basic income, the following provides examples of research questions:

- Does a guaranteed basic income affect employment and broader labour outcomes?

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- What are the effects of relieving conditionality from welfare transfers?<sup>42</sup>
- Does a guaranteed basic income affect adult participation in education, training, or broader developmental activities?
- Are there any effects related to stress, wellbeing and/or mental health?
- Does a guaranteed basic income influence household financial management, savings, and debt?
- Can a basic income relieve housing insecurity and homelessness?
- Does a basic income affect parenting and outcomes and retention in education for children and/or young people?
- In what ways could a basic income help the elderly?
- Are there any effects on social and community participation?

There is a temptation when designing a pilot to investigate as many outcomes as possible. However, several previous pilots were noted for having research designs that were overly complex. Such complexity should be less of an issue for smaller pilots working with narrative-led qualitative data. At the same time, parsimony in terms of focus and design should still be a consideration. Evaluations can also benefit from being flexible enough to capture unexpected findings emerging from respondents' experiences.

### What outcomes are of interest?

The most common outcomes considered in prior pilots tend to be labour market effects or health (physical or mental) although a range of other outcomes have been assessed<sup>43</sup>. Appendix C1 gives a comprehensive list drawn from international pilot studies. These include:

- Employment and household finances: Labour market participation; working hours; income per capita; income stability; personal business activity (entrepreneurship).
- Health: Mortality; physical health; child BMI; alcohol or other drug use; access to medicines.
- Subjective wellbeing: stress; mental health; cognitive functioning; self-efficacy.
- Inequalities: Income inequality; women's empowerment; poverty; energy poverty.
- Housing: Housing (in)security<sup>44</sup>; home improvement/repair.
- Education and training: Participation/retention in education and training; attainment.

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<sup>42</sup> See for example the Hartzplus Guaranteed Income Trial in Germany: <https://hartz-plus.de/hpenglish> .

<sup>43</sup> See Gibson et al., 2018, op cit.

<sup>44</sup> Ontario Ministry of Children, Community and Social Services, 2017.

- Social cohesion and family: Social trust; civic participation<sup>45</sup>; recipient stigma; marital dissolution; volunteering parenting quality.

## Evaluation methodology

In terms of efforts to establish causality randomised control trials (RCTs) or 'demonstration projects' typically represent the gold standard<sup>46</sup> where participants are allocated randomly to one or more 'treatment' groups that receive a new policy intervention or to a control group that continues to receive the current policy. Based on several methodological assumptions being met,<sup>47</sup> where such randomisation occurs, outcome differences between the treatment and control group over time can be identified as caused by the policy change.

A further approach to forming treatment and control groups is to match at the geographical level. In such 'saturation studies,' for example in Dauphin (Manitoba) and Lindsay (Ontario), locations were chosen in which all residents who qualified for the scheme were recipients whereas the control group was drawn from other areas with similar characteristics. Whereas local evaluations consider individual or household level outcomes, saturation studies may consider community-level effects (for example, effects on local economy)<sup>48</sup>. Confidence in the extent to which saturation studies identify policy effects depends on the extent to which matched areas can be identified so that between area outcome differences are not a result of other confounding differences.

There further can be issues of inflow or leakage where participants leave the area or new people enter. For example, whereas the former may change the composition and comparability of treatment and control areas, the latter may lead to an underestimation of policy effects where people who have benefited from a policy leave an area. For example, this may occur where additional income aids residential mobility out of a neighbourhood linked to upward social mobility. Within a longitudinal design framework, sufficient efforts to track participants across residential moves may therefore be required to avoid attrition and selection bias. A further issue is where spill over effects of a policy occur such as to neighbouring areas that are not considered in a study.

In practice large scale RCTs and saturation studies are relatively expensive in that adequate sample sizes are required to have the statistical power to detect significant policy effects. Smaller qualitatively focussed studies may therefore be

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<sup>45</sup> Hasdell, R., 2020.

<sup>46</sup> Cf. Rubin causal framework,

<sup>47</sup> One important assumption is that other economic or policy changes beyond the treatment over time affect the treatment and control groups identically.

<sup>48</sup> Congreve et. al., 2020. World Bank, 2020.

more financially viable. Qualitative narrative reporting can still be important to understanding how a policy change has affected outcomes of interest from the perspective of participants to illuminate policy mechanisms.

Interested groups are recognising the importance of raising prior interest and awareness in basic income in public discussion<sup>49</sup> as a key step to securing larger budgets from institutions in the future for testing with more robust statistical approaches. A qualitative study could unpack the lived experiences of GM residents before and after receiving a guarantee of a basic income and could be a powerful means of generating further interest in studying the idea.

### Number of participants and sampling frame

The sample sizes used in basic income evaluation pilots typically range from just over one hundred participants to several thousand. Oversampling may also be used to achieve a target number of participants<sup>50</sup>. Several of the UK proposals examined in Chapter 2 consider samples of more than 1000 participants which could be considered mid-sized by international comparison. International examples of smaller scale studies nonetheless can be found, several of which still adopt the overall methodological principles of an RCT to create comparison groups, although such methods can also focus more on qualitative evaluation given smaller sample sizes. Examples of smaller pilots include:

- SEED (Stockton California): 125 households
- Utrecht Basic Income Experiment: 250 individuals
- German Basic Income Pilot (DIW): 120 people
- B-MINCOME (Barcelona): 450 households

A smaller pilot could be conducted with between 30-150 participants. Although this would restrict the extent of quantitative evaluation it would still provide qualitative insights and serve the purpose of moving forward the debate. Studies such as SEED although being comparatively small still highlight how such pilots can generate considerable national and international interest. One methodological question concerns how participants are identified. For example, whereas some international studies utilise government benefit or tax records, others used postal addresses or self-selection criteria<sup>51</sup>. Some studies focus on existing benefit eligibility such as people in receipt of unemployment benefit (e.g., Finnish Evaluation Study). However, where eligibility is confined to the unemployed this does not constitute a 'universal' basic income evaluation. Other studies consider

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<sup>49</sup> See: <https://www.basicincomeconversation.org/>

<sup>50</sup> Response rates Finish study 30% for BI recipients and 21% for the control group.

<sup>51</sup> See B-MINCOME project in Barcelona (2017-19), Ajuntament de Barcelona (2019).

people below a low-income threshold<sup>52</sup>. Although still not fully 'universal', this allows for the inclusion of people in paid work and therefore a broader examination of financial security or poverty alleviation effects<sup>53</sup>.

Given levels of in-work poverty in the UK and Greater Manchester, a basic income study arguably should not be limited to the unemployed or those not in the labour force but instead also include employed participants. This for example could include employed people below a given individual low wage or household income threshold level. Exclusion criteria also need to be considered. These may relate to issues of research ethics where there is a perceived risk of harm of involvement such as for people deemed as vulnerable. A sufficient enrolment period is also required to recruit the sample meaning a set up period needs to be factored into project management. In some cases of larger studies, this may involve a year prior to the study of preparation and pilot testing.

### **How long should an evaluation last?**

One limitation of temporary basic income pilots is that possible longer-run benefits are rarely observed. With longer duration comes more opportunity for fundamental shifts around health, society, and economy to be observed, simulating more closely what would result from a more permanent policy change. For example, evidence from the Gary and Seattle/Denver negative income tax experiments suggests that whilst primary household earners reduced their working hours during the experiment, this may have been due to seeking out more suitable employment – a benefit to both them and the economy not captured during the experiment's timeframe. Similarly, labour market participation remained unchanged in the Madhya Pradesh pilot in India, but there was evidence to suggest that many participants moved out of exploitative work to start up new productive business activities of their own.

In the case of the North Carolina Casino Dividend, Akee et al. (2010) compared outcomes for children receiving either two or six years of the dividend. Longer exposure to increased income was associated with a lower probability of being arrested at ages 16/17, less chance of drug dealing offenses by 21, and increased school retention and attendance. The authors put this down to reduced financial stress and improved parent-child interactions. Such changes may carry potential benefits for the rest of the life course, well beyond the duration of a typical pilot study.

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<sup>52</sup> The Toronto Basic Income Experiment for example used a low-income threshold.

<sup>53</sup> McDowell, T, and Ferdosi, M., 2020.

In terms of examples of UK proposals, the Scottish Feasibility Study suggested a three-year study with a one-year preparatory period. The RSA proposes ‘at least two years if not longer’ whereas the Sheffield UBI Lab propose a three-year experiment. Consequently, there is some broad consensus that a duration of at least 2-3 years is likely required to demonstrate meaningful impacts, with lead-in time also required to design and set up an evaluation.

### **The cost and funding of the evaluation**

Factors affecting the costs of a pilot evaluation include:

- The generosity of the proposed payment (considered in Chapter 2)
- The size of the recipient group receiving the payment
- The duration of the study
- Related project costs; for example, surrounding the recruitment of participants, administration of the evaluation and communications strategy

Estimates of the cost of a UK evaluation vary considerably depending on the size and scope of a study. The UBI Lab Sheffield for example suggested an evaluation based on 4000 recipient participants (and 4000 control group members, total n=8000) could cost in the region of £18 to £60 million depending on whether the scheme is a partial UBI restricted to benefit sub-populations (‘the tweak’) or a ‘full-UBI’ (‘the replacement’) paid to all working age adults, with smaller payments for children and larger amounts for people over working age<sup>54</sup>.

In terms of funding sources, although the Sheffield UBI Lab suggest the partial scheme could be funded from windfall payments or philanthropic donation, a ‘full’ UBI evaluation scheme would likely require funding from taxation and potentially legislative change, although any costs need to be offset against direct and indirect savings from parts of the benefit system replaced by UBI. One question raised by the Sheffield UBI Lab here is whether such revenue is generated through general taxation or a bespoke ‘Basic Income Taxation’.

Most international basic income experiments have been funded from government budgets (some combination of taxation and borrowing) although a minority are financed privately via NGOs (for example, the case of schemes in low-income countries) or corporate philanthropy (in some US cases). In the absence of central government financial support, and within the context of a lack of fiscal powers

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<sup>54</sup> For costings see Appendix 2 of UBI Lab Sheffield, 2019.

under current devolution, there may be a need to consider innovative ways of crowd or benefactor support to fund a pilot.

### Implementation and research ethics issues

Implementation and ethical issues raised by prior international pilot studies are summarised in Appendix D. These include difficulties setting up the programme alongside existing benefits and legislative issues, negative media coverage or misrepresentation, public mistrust, political opposition, or a lack of sustained political support. Maintaining key stakeholder relationships and a robust communication strategy is therefore important to avoid such pitfalls. For example, in addition to government and legislative support, a more comprehensive basic income study may require strong coordination with government bodies such as HRMC and the DWP to implement.

In terms of potential ethical issues, although there may be a desire to publicise an evaluation this needs to be carefully balanced against whether the right to privacy of participants<sup>55</sup> is a requirement. The Scottish Feasibility study highlights several ethical principles such as the principle of detriment and the fairness of inclusion in treatment and control groups. Some form of ethical approval process should be implemented prior to implementation. To anticipate and avoid the challenges presented in Appendix D, it can be useful to build in a preparatory testing phase period on a smaller group of participants in which possible challenges can be identified and mitigated<sup>56</sup>.

## Conclusions

- Although permitting the strongest claims regarding policy effects, large scale RCT projects or saturation studies are expensive and logistically intense undertakings. A smaller scale qualitatively focussed study or 'micro-pilot' may be more financially viable in GM but still suited to moving forward the UK's basic income debate.
- In terms of sampling frame, given levels of in-work poverty in Greater Manchester, a basic income study arguably should not be limited to the unemployed or those not in the labour force but also include employed participants. This for example could include employed people below a given individual low wage or household income threshold level.
- The most considered outcomes in prior evaluations tend to be labour market effects or health (physical or mental) although a range of other consequences have been assessed in past studies.

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<sup>55</sup> Gibson et al., 2018, op cit.

<sup>56</sup> See Ghaffar zadegan, Lyneis, & Richardson, 2011.

## Guaranteed basic income: the case for a Greater Manchester pilot

- The cost of an evaluation may reflect several factors such as the generosity of the basic income, number of participants, and length of the study. UK-based proposals to date typically suggest a period of 2-3 years although examples of shorter and longer studies can be found internationally.
- Most UK proposals to date focus on mid to large size evaluations. A smaller pilot could be conducted with between 30-150 participants. Although this would restrict the extent of quantitative evaluation it could still provide qualitative insights and serve the purpose of moving forward the debate.
- In the absence of central government financial support, and within the context of a lack of fiscal powers under current devolution, there may be a need to consider innovative ways of crowd or benefactor support to fund a pilot.
- Potential implementation and research ethics issues require consideration, and some form of ethical approval process should be undertaken prior to implementation.

## Appendix A: Basic Income proposals in the UK in further detail

### Scottish Citizen's Income Feasibility Study – Steering Group's preferred testing model

<b>Details</b> The feasibility study gives a preference for a model testing two levels of a Citizen's Basic Income (CBI), in two separate saturation area sites:  <b>High level CBI</b> (approx. per head/month): 0-15 years: £516 (£120.48/week) 16 years to pension age: £915 (£213.59/week) Pension age: £840 (£195.90/week)  <b>Low level CBI</b> (approx. per head/month): 0-15 years: £362 (£84.54/week) 16-19 years: £362 (£84.54/week) 20-24 years: £248 (£57.90/week) 25 years to pension age: £313 (£73.10/week) Pension age+: £723 (£168.60/week)			<b>Eligibility/Universality</b> - Universal within saturation sites  <b>Conditionality</b> - Unconditional  <b>Payment type</b> - Direct bank transfer or equivalent  <b>Recipient</b> - Individual (parent/guardian receive benefit for child or adults without capacity to receive)  <b>Periodicity</b> - Regular payment (preference for weekly, fortnightly, or monthly payments)
<b>Pilot duration</b> Three years with a one-year preparatory period	<b>No. of recipients</b> 17,100 (2,500 on Low CBI; 14,600 on High CBI)	<b>Estimated total cost /yr.</b> £62.1million (£186.4m over 3 years)	<b>Relation to existing benefits system</b> Disability, work capability, housing, and childcare benefits to continue alongside to avoid payment gap with current benefits levels.
<b>Pros</b> – Has been designed to adhere to the design principles of a 'pure' UBI. A preparatory year is proposed to mitigate delays and apprehend other difficulties. Saturation site allows for study of community effects.			
<b>Cons</b> – The ambitious size of the pilot means it would be relatively expensive.			
<b>Links:</b> <a href="#">CBI Feasibility – Main Report</a> <a href="#">CBI Feasibility - Appendices</a>			

### RSA proposal – Scenario 1 of 4: Mid-scale saturation site evaluation

<b>Details</b> "All residents in a given area, like a council ward, receive basic income payments."  Suggested benefit by age (approx. per head/month): 0-4 (first child): £367 0-4 (additional children): £291 5-15: £252 16-24: £252 25-64: £318 64+: £676			<b>Eligibility/Universality</b> - Everybody in saturation site eligible  <b>Conditionality</b> - Unconditional  <b>Payment type</b> - Direct bank transfer  <b>Recipient</b> - Individual (child component to parent/carer)  <b>Periodicity</b> - Paid monthly
<b>Pilot duration</b> At least two years, if not longer	<b>No. of recipients</b> 1000	<b>Estimated total cost /yr.</b> £4,404,555	<b>Relation to existing benefits system</b> Participants forgo Universal Credit & Child Benefit (or JSA, Tax Credits etc. if in non-UC area).
<b>Pros</b> – Saturation site approach is close in character to a national scheme; therefore 'social multiplier' and community effects can be studied.			
<b>Cons</b> – Saturation studies are an expensive option.			
<b>Link:</b> <a href="#">RSA (2018): Realising basic income experiments in the UK</a>			

## RSA proposal – Scenario 2 of 4: Targeted cohort

### Details

"A cohort with a particular shared characteristic, such as age, employment status, welfare receipt, or income level, receives basic income payments."

As an example for this scenario, the RSA make their calculations focusing on two cohorts: young people (aged 18-30), and older working age people (aged 55-64).

Approx. benefit per head/month):

Young people (18 to 24): £252

Young people (25 to 31): £318

Older working age (55-64): £318

### Eligibility/Universality

- Only selected cohorts

### Conditionality

- Unconditional

### Payment type

- Direct bank transfer

### Recipient

- Individual (no child component in example)

### Periodicity

- Paid monthly

### Pilot duration

At least two years, if not longer

### No. of recipients

1000

### Estimated total cost

/yr.  
£3,613,750

### Relation to existing benefits system

Participants forgo Universal Credit & Child Benefit (or JSA, Tax Credits etc. if in non-UC area).

**Pros** – Able to study the unique challenges faced by certain cohorts along the lines of a particular social or economic characteristic, and so can target those who most need support.

**Cons** – Not 'universal'. As eligibility is determined by narrow characteristics, there is no possibility to observe valuable 'social multiplier' effects.

Link: [RSA \(2018\): Realising basic income experiments in the UK](#)

## RSA proposal – Scenario 3 of 4: Micro-site

### Details

"A small group of individuals are universally provided with basic income payments to test its impact on particular outcomes, eg, employability in a housing estate with high numbers of JSA and ESA recipients."

Suggested benefit by age (approx. per head/month):

0-4 (first child): £367

0-4 (additional children): £291

5-15: £252

16-24: £252

25-64: £318

64+: £676

Benefit would be topped up if 'payment gap' exists between existing benefit payment and basic income payment level. Suggestions are made for adjustments that would ensure all participants are better off than before.

Total cost is a quarter of RSA Scenario 1, owing to the smaller number of participants. The RSA suggest several micro-sites could be carried out in different communities.

### Eligibility/Universality

- Universal in micro-site location all sample selection selective to housing estate

### Conditionality

- Unconditional

### Payment type

- Direct bank transfer

### Recipient

- Individual (child component to parent/carer)

### Periodicity

- Paid monthly

### Pilot duration

At least two years, if not longer

### No. of recipients

250

### Estimated total cost

/yr.  
£1,100,565

### Relation to existing benefits system

Participants forgo Universal Credit & Child Benefit (or JSA, Tax Credits etc. if in non-UC area).

**Pros** – 'Social multiplier' effects especially strong given geographical closeness and closer community connections.

**Cons** – Administration costs and complexity need to be taken into account to address 'payment gaps' between basic income payment and existing benefit payment.

Link: [RSA \(2018\): Realising basic income experiments in the UK](#)

## RSA proposal – Scenario 4 of 4: Combined interventions

### Details

"A version of one of the above [proposals] but supplemented with a range of other interventions such as training and skills opportunities, new models of worker support and help with housing payments."

Level of benefit paid depends on who is eligible. Authors suggest calculating this based on costings in other scenarios.

### Eligibility/Universality

- Everybody (based on assumption of an offer to everyone in a saturation site)

### Conditionality

- Depends on intervention design whether participation voluntary or not.

### Payment type

- Not specified

### Recipient

- Potentially different offers to different people depending on design of intervention

### Periodicity

- 'Regular payment'

### Pilot duration

At least two years, if not longer

### No. of recipients

Depends on scale on intervention

### Estimated total cost /yr.

Depends on scale and eligibility criteria

### Relation to existing benefits system

Participants forgo Universal Credit & Child Benefit (or JSA, Tax Credits etc. if in non-UC area).

**Pros** – Can test the effects of a basic income in conjunction with other programmes of support and activities.

**Cons** – Cannot test the effects of a basic income payment alone due to other programmes as confounding variables.

Link: [RSA \(2018\): Realising basic income experiments in the UK](#)

## Sheffield UBI Lab – Option 1 of 3: 'The Tweak'

### Details

"Taking conditionality out of illness and disability benefits."

This proposal is a test of removing conditionality from receipt of benefits for claimants with a specific demographic (similar to RSA Scenario 2); namely, removing means-testing and conditionality associated with sickness and disability benefits.

Instead of a requirement to work under the Work Capability Assessment, claimants will be put into a Support Group with no requirement to work, receiving the maximum benefit level corresponding to their disability or illness.

For the RCT component, 8,000 recipients will be selected from around 24,000 current recipients, with 4,000 receiving treatment. As a qualitative evaluation arm, 20-50 participants will take part in interviews and keep diaries.

### Eligibility/Universality

- Those on sickness and disability benefits

### Conditionality

- Unconditional receipt of existing benefits

### Payment type

- Assumed to be the usual streams

### Recipient

- Individual (no child component)

### Periodicity

- Monthly?

### Pilot duration

Three years

### No. of recipients

4,000

### Estimated total cost /yr.

£6 million<sup>1</sup>  
(£18 million for three years)

### Relation to existing benefits system

As the name suggests, this proposal is not a new system, but a tweak on existing conditionality around disability and sickness benefits.

**Pros** – Authors state that focussing on a single benefit reduces administrative complications of focusing on several as causal pathways are more easily defined.

**Cons** – Taking a narrow selection of recipients means that community effects associated with universality aren't being tested or captured.

Link: [UBI Lab Network website – Resources](#)

<sup>1</sup> This cost includes those associated with data collection, research, and pilot evaluation activities.

## Sheffield UBI Lab – Option 2 of 3: ‘The Top-up’

### Details

“A non-means-tested payment to everyone”

All adults in a saturation site (eg, a community, block of flats, small housing estate, or group of streets) receive a flat rate payment of £130 per month, on top of any income they earn. This would be taxable and considered when calculating other means-tested benefits

Funded as a social dividend (eg, through a sovereign wealth fund or carbon taxes).

A quantitative component will compare those receiving the top up with a control group of similar demographic characteristics, and outcomes will be assessed with a survey, administrative data, and other external sources. Interviews with 20-50 people will be conducted, as well as some participants keeping study diaries.

### Eligibility/Universality

- All adults in saturation site

### Conditionality

- Unconditional

### Payment type

- Fixed payment, mode of payment not specified (bank transfer?)

### Recipient

- Individual (no child component)

### Periodicity

- Monthly

### Pilot duration

Three years

### No. of recipients

4,000

### Estimated total cost /yr.

£7.7 million<sup>1</sup>  
(£23 million for three years)

### Relation to existing benefits system

Runs alongside existing benefits system.

**Pros** – Use of saturation site means that community effects can be observed.

**Cons** – No child component.

Link: [UBI Lab Network website – Resources](#)

<sup>1</sup> This cost includes those associated with data collection, research, and pilot evaluation activities.

## Sheffield UBI Lab – Option 3 of 3: ‘The Replacement’

### Details

“Re-organising the tax and benefits system.”

All working age adults receive around £6,000 per year (£500 per month), with smaller amounts to children and larger amounts to pensioners. The payment replaces income tax allowance and all benefits except housing-related benefits and additional payments for disability.

Funded through additions to income tax – a ‘Basic Income Taxation’. Payments vary according to the level of income tax paid – as income rises, payments fall. Those earning over £25,000 experience a net loss, and those under a net gain.

### Eligibility/Universality

- Everybody within a community

### Conditionality

- Unconditional

### Payment type

- Variable payment

### Recipient

- Individuals (child component to parent/guardian?)

### Periodicity

- Unclear whether weekly, monthly or yearly payment?

### Pilot duration

Three years

### No. of recipients

4,000

### Estimated total cost /yr.

£20 million<sup>1</sup>  
(£60 million for three years)

### Relation to existing benefits system

Replace all except housing-related and disability-related payments

**Pros** – Fully universal, can study community effects.

**Cons** – Payment varying with earnings introduces a basis for stigmatising those receiving larger payments.

Link: [UBI Lab Network website – Resources](#)

<sup>1</sup> This cost includes those associated with data collection, research, and pilot evaluation activities.

## Compass Basic Income Proposals (Reed & Lansley, 2016) – Scheme 1 and 2

### Details

This proposal is for the entire UK. The authors simulated three 'full UBI' schemes, replacing most benefits, but find challenges in this approach (high cost and the proportion of 'losers' in low-income groups). Instead, they propose two, smaller-scale 'hybrid' schemes under current circumstances, combining the existing benefits system with a new, taxable basic income-like payment.

### Scheme 1

Approx. benefit per head/month):

Children (under 18): £217

Adults (18-25): £226

Adults (25-pension age): £270

Pensioners: £182

Income tax rates are set to 23% (basic), 43% (higher), and 48% (top).

### Scheme 2

Approx. benefit per head/month):

Children (under 18): £261

Adults (18-25): £270

Adults (25-pension age): £314

Pensioners: £226

Income tax rates are set to 25% (basic), 45% (higher), and 50% (top).

### Eligibility/Universality

- Everybody/Universal

### Conditionality

- Unconditional

### Payment type

- Mode of transfer not specified, permanent

### Recipient

- Individual (child component to parent/guardian?)

### Periodicity

- Fixed weekly payment

Pilot duration	No. of recipients	Estimated total cost /yr.	Relation to existing benefits system
Proposed as a permanent scheme, not a pilot	Whole of UK	Scheme 1: £0.7 billion Scheme 2: £8.2 billion (net costs – accounts for reduction in other benefits and tax credits, and increased income tax and NICs)	All existing means-tested and non-means tested benefits kept in place. UBI payment accounted for in means-testing. Child benefit replaced and state pension paid separately to UBI payment. Personal allowance for income tax abolished.

**Pros** – Universal and unconditional. Proposed following exploration of benefits and drawbacks of more generous schemes.

**Cons** – Keeps complex means testing system. Potential for stigma towards those on additional benefits.

Link: [Compass report \(2016\): Universal Basic Income: An idea whose time has come?](#)

## New Economics Foundation – Weekly National Allowance

### Details

Following its criticism of current income tax allowance system, this proposal seeks to abolish allowance and reroute the £107 billion per year saved into a weekly payment to everybody.

Approx. benefit per head/month):

In England, Wales, and Northern Ireland: £208 (£48.08/wk.)

In Scotland: £198 (£45.68/wk.)

Child benefit levels to be restored to real terms 2010/11 value (before the benefit was frozen in 2010).

### Eligibility/Universality

- All adults benefiting from the personal tax allowance

### Conditionality

- Unconditional

### Payment type

- Mode of transfer not specified, permanent

### Recipient

- Individuals (no child component)

### Periodicity

- Weekly

Pilot duration	No. of recipients	Estimated total cost /yr.	Relation to existing benefits system
Proposed as a permanent scheme	Whole of UK	£126.8bn (covered through redistribution of allowance)	In addition to current benefit system

## New Economics Foundation – Weekly National Allowance

**Pros** – Redistributive effect, fiscally neutral (due to redirecting money lost through the tax allowance)

**Cons**- Large scale legislative reform required to implement

**Link:** [NEF \(2019\): Nothing Personal: Replacing the Personal Tax Allowance with a Weekly National Allowance](#)

## Guy Standing for Progressive Economy Forum: Models A – E

### Details

Benefit amount is an approximate figure per month for comparison purposes:

**Model A:** Saturation site drawn at random from low-income communities. Every adult receives £443 (£100/wk.), every child £221 (£50/wk.). Additional benefits for those with disabilities. Benefits on health, stress, work, and crime to be tested through this model.

**Model B:** Sample of people from an identifiable locality, but preferably whole community. Adults receive £310 (£70/wk.), and children £89 (£20/wk.) on top of child benefit.

**Model C:** Sample of people from an identifiable locality, but preferably whole community, are provided a basic income as a supplement to existing benefits. Adults receive a tax-free £221 (£50/wk.).

**Model D:** Sample of adult welfare recipients have conditionality around existing benefits removed. Minimal net cost, and similar to pilots in the Netherlands and Finland.

**Model E:** A repeat of a scheme in the City of London but in other localities/cities, in which homeless people are given a cash grant instead of various other measures in place, and outcomes monitored (eg, if finding more permanent accommodation). To be undertaken in four randomly selected localities. No benefit level specified.

### Eligibility/Universality

- Models A, B and C: Everybody within a community/Universal
- Model D: Sample of existing welfare recipients
- Model E: Homeless people

### Conditionality

- All models unconditional

### Payment type

- Mode of transfer not specified, fixed payment for during of pilot

### Recipient

- Individual (Models A and B: child component to mother)

### Periodicity

- Weekly

### Pilot duration

All to be at least one year, but optimally for two years.

### No. of recipients

Models A-C: Preferably whole population of a randomly sampled locality.

Models D and E: Not specified.

### Estimated total cost /yr.

Up to £5 million for Models A-D – but not specified how long a period this would cover.

Not specified for Model E.

### Relation to existing benefits system

- A: Replaces means-tested benefits, except housing benefits.
- B: Means-tested benefits kept in place, with basic income taken into account for eligibility for these.
- C: Basic income supplements existing benefits, but not taken into account for benefit eligibility.
- D: Conditionality removed from existing benefits.
- E: Not specified.

**Pros** – All proposed models give a test of an unconditionality in different forms.

**Link:** [Standing \(2019\): Basic Income as common dividends: Piloting a transformative policy](#)

## Appendix B: Example international interventions and evaluation studies

Pilot	Date & duration	Benefit type	Eligibility/ Universality	Conditionality	Payment type	Recipient	Periodicity	Subsistence covered fully? (incl. other forms of welfare)	Relation to existing welfare system	Funding source	Approx. benefit per head (/mth)*	Number of benefit recipients
-	-	Pure Universal Basic Income	Everybody/ Universal	Unconditional	Fixed cash payment	Individual (adults and children <sup>1</sup> )	Regular payments, permanent	Yes	-	-	-	-
<b>LARGE-SCALE PILOTS &amp; INTERVENTIONS</b>												
<i>Iran Subsidy Reform Plan</i>	2010-present (11 years)	Universal Basic Income	Everybody/ Universal	Unconditional	Fixed cash payment	Head of household, adjusted for household size	Paid monthly, ongoing	Yes initially <sup>1</sup>	Replacement	State funded	£65 (\$90)	Entire population of country
<i>Kenya Universal Basic Income Study (GiveDirectly)</i>	2017-29 (12 years)	Universal Basic Income	Everybody/ Universal	Unconditional	Fixed cash transfer (mobile money service)	Individual (adults only?)	Three intervention arms – per day for 12 yrs; per day for 2 yrs; or one-off lump sum	Yes	Additional to existing social programmes	Crowd funding	£17/month (long- and short-term group); £364 (lump sum group)	All residents of 190 villages (21,000 people)
<i>Alaska Permanent Fund</i>	1982-present (39 years)	Partial basic income	Everybody/ Universal (although must be a resident for >1 year)	Unconditional	Cash payment, fluctuates but fairly stable	Individual (child benefit paid to representative parent)	Paid yearly, ongoing	No	Partial replacement	Dividends from state oil wealth	£121 (\$167) <sup>2</sup>	Entire population of state
<i>US Negative Income Tax Experiments</i> <sup>3</sup>	1968-80 (3-5 years)	Negative Income Tax	Low-income households	Unconditional, but payments withdrawn once earning	Not specified	Household	Not specified	Mixed (depending on guarantee level)	Additional to existing benefits	US federal funding	Guarantee levels at 50%-150% of the poverty line	Between approx. 800-4800 households
<i>Eastern Cherokee Nation Casino Dividend, N. Carolina</i>	1996-present (25 years)	Social wealth fund	Tribe members	Unconditional	Variable transfer	Individuals (child component put in trust fund, staggered accessed at	Pair twice yearly, ongoing	No	Additional to existing social programmes	Profits from local casino	£242 (\$333, or \$4,000/yr)	All members of the Eastern Cherokee tribe

Pilot	Date & duration	Benefit type	Eligibility/ Universality	Conditionality	Payment type	Recipient	Periodicity	Subsistence covered fully? (incl. other forms of welfare)	Relation to existing welfare system	Funding source	Approx. benefit per head (/mth)*	Number of benefit recipients
						age 18, 21 & 25)						
<i>Finland Basic Income Experiment</i>	2017-18 (2 years)	Partial basic income	Unemployed aged 25-58	Unconditional	Fixed cash payment	Individual (only eligible adults)	Paid monthly, temporary	No	Partial replacement	State funded	£477 (€560)	2000 individuals
<i>Ontario Basic Income Pilot</i>	2018-19 (1 year, stopped early <sup>6</sup> )	Negative Income Tax	Low-income adults aged 18-64, resident in testing area for > 1 year	Unconditional, but payments withdrawn once earning	Cash payment	Individual (only eligible adults)	Paid monthly, temporary	Yes	Replacement	State funded	£820 (\$1,416) <sup>8</sup>	4,000 individuals
<i>Madhya Pradesh Basic Income Experiment (India)</i>	2011-12 (1 year)	Partial basic income	Every person within eight treatment villages	Unconditional	Bank transfer or 'doorstep banking'	Individual (child benefit to mother or guardian)	Paid monthly, temporary	No	Additional to existing social programmes	Funded by UNICEF	200 rupees for adults and 100 for children <sup>8</sup>	Population of eight treatment villages (6000 people)
<b>SMALLER-SCALE EXPERIMENTS &amp; PILOTS</b>												
<i>SEED (Stockton, CA)</i>	2019-21 (2 years)	Guaranteed Basic Income	Stockton residents aged 18+, in household with income below city's median	Unconditional	Fixed cash payment (to bespoke debit card)	Individual (only eligible adults)	Paid monthly, temporary	Yes	Additional to existing benefits	Individual and foundation philanthropy	£363 (\$500)	125 individuals
<i>Utrecht Basic Income Experiment<sup>5</sup></i>	2018-19 (16 mths)	Partial basic income	Working-age adults already claiming social assistance	Unconditional, but payments withdrawn once earning	Not specified	Individual (only eligible adults)	Paid monthly, temporary	Yes	Replacement	State funded	£830 (€960)	250 individuals

Pilot	Date & duration	Benefit type	Eligibility/ Universality	Conditionality	Payment type	Recipient	Periodicity	Subsistence covered fully? (incl. other forms of welfare)	Relation to existing welfare system	Funding source	Approx. benefit per head (/mth)*	Number of benefit recipients
<i>B-MINCOME (Barcelona)</i> <sup>5</sup>	2017-19 (2 years)	Guaranteed Basic Income	Low-income adults aged 21-40, resident in Besos, BCN since 2015	Unconditional	75% cash payment, 25% new local currency	Household (number of children taken into account)	Paid monthly, temporary	Yes	Additional to existing benefits	City council and grant money	£86 – 1,450 (€100 – 1,676) <sup>6</sup>	450 households
<i>Manitoba Basic Annual Income Experiment</i>	1974-78 (3 years)	Negative Income Tax	Low-income hhlds. w/ able-bodied heads aged <58, incl. single people w/o children	Unconditional, but payments withdrawn once earning	Cheque payment	Household	Paid monthly, temporary	Yes	Replacement	Funded by federal (75%) and provincial (25%) govts.	£733 – 1,120 (\$1,267 – 1,933) <sup>7</sup>	1,300 households
<i>German Basic Income Pilot Project (DIW)</i>	2020-23 (3 years)	Partial Basic Income	Permanent residents of Germany aged 18+	Unconditional	Fixed cash payment	Individual (only eligible adults)	Paid monthly, temporary	Yes	Replacement	Crowd funded since 2014 (approx. 140,000 donors)	£1,040 (€1,200)	120 individuals
<i>Y Combinator Basic Income Pilot (Two US states)</i>	Yet to start – two arms: 3 yrs. & 5 yrs.	Partial Basic Income	Aged 21-40 with hhld income below median for county of residence	Unconditional	Deposit to 'GoBank' debit card account	Individual (only eligible adults)	Paid monthly, temporary	Yes	Additional to existing benefits <sup>9</sup>	Private through Y Combinator	£725 (\$1,000; \$50 for control)	1,000 individuals
<i>Eight Basic Income Pilot (Busibi village, Uganda)</i>	2017-18 (2 years)	Universal Basic Income	Everybody/ Universal	Unconditional	Mobile phone transfer	Individual (child component paid to mother)	Paid monthly, temporary	Yes	Additional to existing social programmes	Donations made to non-profit organisation <i>Eight</i>	Equivalent of £14 per adult, £7 per child	Whole village (56 adults, 88 children)
<i>Basic Income Grant (BIG) – Otjivero-Omitara, Namibia</i>	2007-08 (2 years)	Partial Basic Income	Everyone aged 18-60	Unconditional	Designated pay-out points, and later direct bank transfers	Individual (only eligible adults)	Paid monthly, temporary	Yes	Additional to existing social programmes, incl. universal old age pension	Donations from individuals, churches, and other orgs.	£5 (N\$100)	930 individuals

Note. \* Expressed in actual prices, unadjusted for inflation, and converted to pounds using exchange rates in April 2021. Figures do not reflect purchasing power parity.

<sup>1</sup> Payment was initially above the monthly expenditures of 2.8mill Iranians nationwide (Salehi-Isfahani, 2014); but inflation soared in the years after implementation due to a decline in the value of oil and international sanctions which, by 2017, cut the real value of the payment in half according to some (Enami & Lustig, 2018), and by two thirds reported by others (Gibson, Hearty & Craig, 2018).

<sup>2</sup> Calculated from a figure of \$2000 per head per year (see Jones & Marinescu, 2018).

<sup>3</sup> Four Negative Income Tax (NIT) experiments took place in the US throughout the 1970s, in New Jersey, Iowa/North Carolina, Seattle/Denver, and Gary, Indiana. All ran for three years except Seattle/Denver which ran for five. We attempt to combine details on the characteristics of the studies and their findings into one entry in these appendices, for succinctness.

<sup>4</sup> This is equivalent to £2 and £1, respectively; 30% of average income for extremely poor people. This rose to 300 and 150 rupees after 5 months.

<sup>5</sup> For the Utrecht experiment and B-MINCOME, where possible, we report only on the effects for treatment group most closely aligned with basic income (in Utrecht's case, the 'Autonomy in action' group; for B-MINCOME, the 'Unconditional' group).

<sup>6</sup> Payments were made to households within this range, based on household composition and financial situation.

<sup>7</sup> Figure depended on family size and location. Calculated assuming an average household size of three persons.

<sup>8</sup> Figure represents payment to an individual – couple payments were lower than for two individuals. Those with disabilities received a top-up of up to \$500 per month (£290).

<sup>9</sup> Researchers are seeking waivers/exemptions so that participants continue to receive their existing benefits.

## USEFUL LINKS and INFORMATION:

Iran Subsidy Reform Plan  
Lustig (2018).

Kenya Universal Basic Income Study (GiveDirectly)

Alaska Permanent Fund

US Negative Income Tax Experiments

Eastern Cherokee Nation Casino Dividend, N. Carolina

Finland Basic Income Experiment

Ontario Basic Income Pilot

Madhya Pradesh Basic Income Experiment (India)

SEED (Stockton, CA)

Utrecht Basic Income Experiment

B-MINCOME (Barcelona)

Manitoba Annual Basic Income Experiment

German Basic Income Pilot Project (DIW)

Y Combinator Basic Income Pilot (Two US states)

Eight Basic Income Pilot (Busibi village, Uganda)

Basic Income Grant (BIG) - Otjivero-Omitara, Namibia

- No official report. For evaluation papers, see: Salehi-Isfahani (2014); Salehi-Isfahani & Mostafavi-Dehzoeei (2018); Enami &

- <https://www.givedirectly.org/ubi-study/>

- No official report. For evaluation papers, see: Kozminski & Baek (2017); Jones & Marinescu (2018).

- No official report. For evaluation paper, see: Wilderquist (2002).

- No official report. For evaluation papers, see: Akee et al. (2010); Bruckner et al. (2011); Costello et al. (2010).

- Official report of preliminary findings found [here](#) – overview in English, pp. 187-190.

- <https://ontario.ca/page/ontario-basic-income-pilot>; Also see: Ferdosi et al. (2020).

- See: <http://globaldialogue.isa-sociology.org/indias-great-experiment-the-transformative-potential-of-basic-income-grants/>

- <https://www.stocktondemonstration.org/>

- A summary in English can be found here: <https://www.uu.nl/en/publication/final-report-what-works-weten-wat-werkt>

- Main report and executive summary found [here](#); Report on preliminary results found [here](#).

- No official report. For overview [here](#); See also: Hum & Simpson (1993).

- Project magazine found [here](#).

- For project overview, see [here](#).

- <https://www.eight.world/uganda>

- [http://www.bignam.org/Publications/BIG\\_Assessment\\_report\\_08b.pdf](http://www.bignam.org/Publications/BIG_Assessment_report_08b.pdf)

## Appendix C: Basic income pilot programme design and evaluation

Pilot	Study design	Sampling method	Participation mandatory or voluntary <sup>1</sup>	Data sources <sup>2</sup>	Outcome measure types (individual-, household-, community-level)	Use of pre-pilot and other planning
<b>LARGE-SCALE PILOTS &amp; INTERVENTIONS</b>						
<i>Kenya Universal Basic Income Study (GiveDirectly)</i>	RCT	Random allocation of villages to study conditions	Mandatory?	Primary survey data	Individual- and community-level	Small pre-pilot to refine study methods and approaches to payment
<i>US Negative Income Tax Experiments</i>	RCT	Random sampling of households	Voluntary	Survey data?	Household-level only	-
<i>Finland Basic Income Experiment</i>	RCT and qualitative	Random amongst individuals eligible	Mandatory	Mostly secondary administrative data; also, survey/ interviews	Individual-level only	Report produced on suitability of UBI model options in Finnish context
<i>Ontario Basic Income Pilot</i>	RCT	Randomly selected within saturation sites	Voluntary	Primary survey data; administrative data	Individual- and community-level (planned)	Followed from the Manitoba Annual Basic Income Experiment
<i>Madhya Pradesh Basic Income Experiment (India)</i>	RCT and qualitative	Eight villages as saturation sites	Voluntary	Primary survey and interview data	Individual-level only	-
<i>Iran Subsidy Reform Plan</i>	<i>Intervention implemented without a planned evaluation. Outcomes studied after the fact, shown in Appendix C1</i>					
<i>Alaska Permanent Fund</i>	<i>Intervention implemented without a planned evaluation. Outcomes studied after the fact, shown in Appendix C1</i>					
<i>Eastern Cherokee Nation Casino Dividend, N. Carolina</i>	<i>Intervention implemented without a planned evaluation. Outcomes studied after the fact, shown in Appendix C1</i>					
<b>SMALLER-SCALE EXPERIMENTS &amp; PILOTS</b>						
<i>SEED (Stockton, CA)</i>	RCT and qualitative	Random sample of eligible household applicants	Voluntary	Primary survey data	Individual-level only	-
<i>Utrecht Basic Income Experiment</i>	RCT and qualitative	Random amongst individuals eligible	Voluntary	Administrative data; primary survey data	Individual-level only	-
<i>B-MINCOME (Barcelona)</i>	RCT and qualitative	Random amongst self-selecting applicants	Voluntary	Primary interviews, some longitudinal	Unclear as to individual or household	-
<i>Manitoba Annual Basic Income Experiment</i>	RCT	Random sample (Winnipeg RCT) and saturation (Dauphin)	Voluntary	Primary data on labour market participation and survey data	Individual-level only	-
<i>German Basic Income Pilot Project (DIW)</i>	RCT and qualitative	Random dispersed sample	Voluntary	Primary survey and interview data	Not stated	-

Pilot	Study design	Sampling method	Participation mandatory or voluntary <sup>1</sup>	Data sources <sup>2</sup>	Outcome measure types (individual-, household-, community-level)	Use of pre-pilot and other planning
<i>Y Combinator Basic Income Pilot (Two US states)</i>	RCT	Random sample of Census tracts, then random sample of households within these	Voluntary	Surveys (via text/email), administrative data, interviews	Individual-level only	Initial feasibility study in 2016 to refine logistics of payments & study retention
<i>Eight Basic Income Pilot (Busibi village, Uganda)</i>	Before-after comparison (no control)	Population of whole village	Mandatory?	Primary data	Individual-level only	-
<i>Basic Income Grant (BIG) – Otjivero-Omitara, Namibia</i>	Before-after comparison (no control)	All adults in village	Mandatory?	Baseline and panel surveys, interviews with individuals as case studies	Individual-level only	-

<sup>1</sup>Participation is sometimes made mandatory to avoid selection bias although this raises research ethics issues.

<sup>2</sup>Administrative data is sometimes used to avoid observer bias.

## Appendix D: Stylised overview of evaluation outcome measures & findings

- ↑ and ↓ indicate increases or decreases on outcome measure. ≈ indicates no substantial change.
- A RAG system shows whether outcomes were generally positive (green), negative (red) or neutral (yellow).
- ? indicates a disputed outcome.
- Footnote numbers (eg <sup>10</sup>) indicate explanatory footnote.

Domain	Outcome	Finland	Alaska (USA)	Stockton (USA)	Iran	Utrecht (NL)	Barcelona (ES)	Manitoba (Canada)	Ontario <sup>9</sup> (Canada)	M. Pradesh (India)	US NIT experiment	N. Carolina (US)	Kenya <sup>19</sup>	Busibi village	BIG (Namibia)
ECONOMY, EMPLOYMENT & INCOME	Employment rate (FT)	≈	-	↑	-	-	-	-	-	-	-	-	-	-	-
	Employment rate (PT)	-	↑ <sup>1</sup>	-	-	-	-	-	-	-	-	-	-	-	-
	Labour market participation/ Labour supply	-	≈	-	≈ <sup>4</sup>	↑ <sup>5</sup>	≈	↓ <sup>7</sup>	-	≈ <sup>10</sup>	-	≈	-	-	↑
	Income volatility/ difficulties	-	-	↓	-	≈	≈ <sup>6</sup>	-	-	-	-	-	-	-	-
	Number of hours worked	-	-	-	↑ <sup>4</sup>	-	-	↓ <sup>7</sup>	-	-	↓ <sup>2,1</sup> <sub>3</sub>	-	-	-	-
	Entrepreneurialism/Personal business activity	-	-	-	-	-	-	-	-	↑	↑	-	-	↑	↑
	Savings	-	-	-	-	-	-	-	-	-	-	-	-	↑	↑
	Per capita income	-	-	-	-	-	-	-	-	-	-	-	-	-	↓ <sup>20</sup>
HOUSING	Housing insecurity	-	-	-	-	-	≈	-	↓ <sup>9</sup>	-	-	-	-	-	-
	House repairs/ improvements	-	-	-	-	-	-	-	-	-	-	-	-	↑	-
INEQUALITIES	Income inequality	-	↑ <sup>2</sup>	-	-	-	-	-	-	-	-	-	-	-	-
	Women's empowerment	-	-	↑	-	-	-	-	-	-	-	-	-	↑	↑
	Poverty	-	-	-	-	-	↓	-	-	-	-	↓	-	-	↓
	Energy poverty	-	-	-	-	-	≈	-	-	-	-	-	-	-	-
HEALTH	Incidence of low birthweight	-	↓	-	-	-	-	≈	-	-	↓	-	-	-	-
	Child BMI	-	-	-	-	-	-	-	-	-	-	↑	-	-	-
	Mortality	-	↑ <sup>3</sup>	-	-	-	-	-	-	-	-	↑ <sup>16</sup>	-	-	-
	General health and wellbeing	-	-	-	-	≈	-	-	-	-	-	-	-	-	-
	Physical health	-	-	-	-	-	≈	-	↑ <sup>9</sup>	↑ <sup>11</sup>	≈	-	↑	-	-
	Hospital admissions/ Doctor visits	-	-	-	-	-	-	↓	-	-	≈	-	-	-	-
	Nutrition/ Food security	-	-	-	-	-	-	-	-	↑	↑	↑	↑	↑	↑
	Drug or alcohol use	-	-	-	-	-	-	-	-	↓	-	? <sup>17</sup>	-	-	-

Domain	Outcome	Finland	Alaska (USA)	Stockton (USA)	Iran	Utrecht (NL)	Barcelona (ES)	Manitoba (Canada)	Ontario <sup>9</sup> (Canada)	M. Pradesh (India)	US NIT experiment	N. Carolina (US)	Kenya <sup>19</sup>	Busibi village	BIG (Namibia)
	Access to medicines	-	-	-	-	-	-	-	-	-	-	-	-	-	↑
SUBJECTIVE WELLBEING	Stress	↓	-	-	-	-	-	-	↓ <sup>9</sup>	-	-	-	-	-	-
	Depression	↓	-	↓	-	-	-	-	-	-	-	-	↓	-	-
	Anxiety	-	-	↓	-	-	-	-	↓ <sup>9</sup>	-	-	-	-	-	-
	General mental health	-	-	-	-	-	-	-	-	-	? <sup>14</sup>	↑	↑	↑	-
	Cognitive functioning	↑	-	-	-	-	-	-	-	-	-	-	-	-	-
	Financial wellbeing	↑	-	-	-	-	↑	-	-	-	-	-	-	-	-
	Self-efficacy/ Agency/Autonomy	↑	-	↑	-	↑	↑	↑	↑ <sup>9</sup>	-	-	-	-	↑	-
Recipient satisfaction	-	-	-	-	≈	-	-	-	-	-	-	-	-	-	
EDUCATION & TRAINING	Participation/ Retention in education/training	-	-	-	-	-	-	↑	↑ <sup>9</sup>	↑	↑	↑ <sup>18</sup>	-	↑	↑
	Attainment/ Performance	-	-	-	-	-	-	-	-	↑ <sup>12</sup>	↑	↑ <sup>18</sup>	-	-	-
SOCIAL COHESION & FAMILY	Trust in others	↑	-	-	-	-	-	-	-	-	-	-	-	-	-
	Trust in social institutions	↑	-	-	-	-	-	-	-	-	-	-	-	-	-
	Stigma towards recipients	-	-	-	-	-	-	↓ <sup>8</sup>	-	-	-	-	-	-	-
	Social participation	-	-	-	-	≈	↑	-	-	-	-	-	-	-	-
	Volunteering	-	-	-	-	-	↑	-	-	-	-	-	-	-	-
	Marital dissolution	-	-	-	-	-	-	≈	-	-	≈ <sup>5,1</sup>	≈	-	-	-
	Crime	-	-	-	-	-	-	-	-	-	↓	↓ <sup>18</sup>	-	-	↓
	Parenting quality	-	-	-	-	-	-	-	-	-	-	↑ <sup>18</sup>	-	-	-
Community empowerment	-	-	-	-	-	-	-	-	-	-	-	-	-	↑ <sup>21</sup>	
INDIRECT EFFECTS	Consumption	-	↑	-	-	-	-	-	-	-	-	-	-	-	-
	Non-recipient economic advantages	-	-	-	-	-	-	-	-	-	-	↑	-	-	-

Note. The DIW pilot in Germany and the Y Combinator pilot in the US have no published outcomes to date, and so do not feature in this table.

<sup>1</sup> This effect was stronger for women than men.

<sup>2</sup> An explanation for this outcome is that the wealthy could use the dividend for investment, whereas those on lower incomes may have used it for more immediate needs (see Kozminski & Baek, 2017).

<sup>3</sup> Mortality increased in the week after annual payment and decreased in the four weeks that followed – but not enough to fully offset the initial increase. The authors attribute increased deaths to increased substance abuse, activity, and consumption, but note increases following similar large lump payments (for example, tax rebates), suggesting that lump sum payments may produce such behaviours (Evans & Moore, 2011).

<sup>4</sup> Labour market participation did not change whilst benefit covered subsistence, except a small increase for self-employed people and women in poorer households. Number of hours worked increased for women, the self-employed and service workers, but

decreased for youth, mostly due to enrolling in higher education (Gentilini et al., 2019; Salehi-Isfahani & Mostafavi-Dehzoeei, 2018).

<sup>5</sup> A marginal increase that was not statistically significant; but a high probability that labour market participation did not decline. It is suggested that more affirmative effects could have resulted if the pilot had continued.

<sup>6</sup> Some recipients of B-MINCOME reported continued income precarity due to irregular wages from employment, fluctuations in the minimum income payment or difficulties accessing the benefit.

<sup>7</sup> Modest and not statistically significant reduction in number of hours worked (one per cent for men, three per cent for wives, and five per cent for unmarried women; Hum & Simpson, 1993).

<sup>8</sup> A larger reduction in labour market participation the saturation sample than the dispersed RCT sample suggests increased acceptability in receiving the benefit among the community. Calnitsky (2016) suggests that payments came to be seen "through a pragmatic lens, rather than the moralistic lens through which welfare is viewed".

<sup>9</sup> Drawing concrete conclusions is a challenge due to early termination of the Ontario pilot. However, researchers at the University of McMaster University captured data post-termination with 217 recipients, and around 40 interviews were conducted (see Ferdosi et al., 2020). As no control group was used, outcomes are only indications and must be interpreted with caution.

<sup>10</sup> Whilst labour market participation remained unchanged, there was evidence to show that recipients could use the benefit to move out of exploitative work to start their own productive business activities.

<sup>11</sup> Illnesses short of hospitalisation decreased in intervention villages but did not change for more serious illness or injury. It was suggested that greater effects on physical health may have been seen had the pilot been longer.

<sup>12</sup> Enrolment in school increased for 14–18-year-olds for both genders but particularly for young women.

<sup>13</sup> In general, reductions in labour supply were found in treatment conditions compared to control (at levels below statistical significance likely due to too small a sample size). Interpretations of effect sizes vary between commentators, with some describing a reduction of 9% as 'very small' and other claiming this as substantial and problematic. Effects are weaker for dual household primary earners than for single parent-households and dual households second earners. Evidence from the Gary and Seattle/Denver experiments suggest reduced working hours amongst dual household primary earners was due to more time spent between jobs than reducing hours in a currently held position, indicating that more time was taken finding more suitable employment and potentially improved job search.

<sup>14</sup> There are mixed results across the US NIT experiments on general mental health, with some authors claiming increased psychological distress in treatment conditions, some mild positive effects, and some no effects.

<sup>15</sup> Results on marital dissolution were hotly contested, with some studies identifying increased chances of marital dissolution in treatment conditions and others finding no differences. In their review of the literature on this, Gibson, Heaty and Craig (2018) state that the most robust analyses on this outcome suggest no notable effects occurred (see p.38).

<sup>16</sup> Accidental deaths increased directly after twice-yearly payments. As is suggested for yearly payments in Iran, this is thought to be due to a lump sum effect (see Evans & Moore, 2011). In the case of the casino dividend, this has been linked to the purchasing of vehicles and possible the increased chances of intoxication (see Bruckner et al., 2011).

<sup>17</sup> Differences exist among studies on alcohol and drug use. Costello et al. (2010) suggest that lower probabilities of psychiatric disorders among Indian young adults was down to reductions in cannabis and alcohol consumption. However, Bruckner et al. (2011) discuss increased drug use as a possible cause of increased mortality among Cherokee youth following bi-yearly payments. These differences may relate to the point at which/period of when this outcome is studied (proximity to lump-sum payment).

<sup>18</sup> Akee et al. (2010) compared outcomes for children exposed to either two or six years of the dividend. Longer exposure to increased income was associated with a lower probability of being arrested at ages 16/17, less chance of dealing drugs by 21, and increased school retention and attendance. The authors put this down to reduced financial stress and improved parent-child interactions.

<sup>19</sup> Preliminary findings are available from one paper that examines the impacts of UBI in Kenya during the coronavirus pandemic; see Banerjee et al. (2020). Authors suggest that although incomes from personal, non-agricultural businesses set up pre-pandemic were lost, a UBI helped mitigate its most harmful consequences – 'treatment' villages receiving UBI suffered smaller increases in hunger than comparator villages.

<sup>20</sup> The introduction of the BIG scheme brought significant migration towards Otjivero-Omitara, even though new arrivals did not receive the benefit. The authors suggest this points to the need to introduce the scheme as a universal grant across the whole nation, to avoid migration to particular regions (Namibia NGO Forum, 2009).

<sup>21</sup> An 18-member committee was established to mobilise the community and advise on how the BIG benefit could be best spent, indicating an empowering and mobilising impact on the community.

## Appendix E: Primary focus of pilot outcome studies

Pilot	Primary focus
<i>Kenya Universal Basic Income Study (GiveDirectly)</i>	Economic, social, and macroeconomic well-being, health, and financial/business behaviour
<i>US Negative Income Tax Experiments</i>	Work disincentive/Labour supply effects, a range of other outcomes
<i>Finland Basic Income Experiment</i>	Employment and income.
<i>Madhya Pradesh Basic Income Experiment (India)</i>	Labour market activity, emancipatory value of benefit, health, and education.
<i>SEED (Stockton, CA)</i>	Income volatility, psychological distress, and physical functioning.
<i>Utrecht Basic Income Experiment</i>	Labour market participation and other social participation.
<i>B-MINCOME (Barcelona)</i>	Effects of different welfare approach on a range of outcomes (esp. poverty & wellbeing).
<i>Manitoba Basic Annual Income Experiment</i>	Stigma, labour market effects and health.
<i>Ontario Basic Income Pilot</i>	Meeting basic needs. Improving education, housing, employment, and health.
<i>German Basic Income Pilot Project (DIW)</i>	Employment, time use, consumer behaviour, values, and health.
<i>Y Combinator Basic Income Pilot (Two US states)</i>	Time use, subjective wellbeing and health, financial health, time and risk preferences, political/social behaviours and attitudes, crime, effects on children, spill-over effects
<i>Eight Basic Income Pilot (Busibi village, Uganda)</i>	Educational participation (particularly for girls/women), access to health care, political engagement, local economic development.
<i>Basic Income Grant (BIG) – Otjivero-Omitara, Namibia</i>	Poverty, economic activity, health, and education.

*Note.* As interventions whose effects have been studied in several different report after implementation, the Alaska Permanent Fund, Iran Subsidy Reform Plan, and Cherokee Nation Casino Dividend have been omitted from this table.

## Appendix F: Pilot implementation issues

The following table considers a range of implementation issues and considerations reported for previous pilots and interventions. This is not meant as an exhaustive list and may not capture all that was encountered.

	Finland	Alaska (USA)	Stockton (USA)	Iran	Utrecht (NL)	Barcelona (ES)	Manitoba (Canada)	Ontario (Canada)	US NIT experiments	N. Carolina (US)	Kenya	Y Combinator	Busibi (Uganda)	BIG (Namibia)
<b>IMPLEMENTATION ISSUES</b>														
Negative media coverage, or media interference/misinformation/misrepresentation <sup>1</sup>	X		X						X					
Mistrust of public and/or private institutions affecting aspects of intervention <sup>2</sup>			X	X										
Political opposition to/Lack of sustained cooperation with intervention <sup>3</sup>				X	X			X	X					X
Other contextual factors changing the running/nature of the scheme <sup>4</sup>				X			X							
Complicated recruitment process						X								
Difficulties setting up programme alongside existing benefits system												X		
<b>ETHICAL ISSUES</b>														
Participation made mandatory <sup>5</sup>	X													
Some regressive outcomes of intervention <sup>6</sup>		X												
Funded through unsustainable/harmful means		X												
Privacy: eg, ad hoc interview excerpts posted to Twitter during pilot, with photographs of interviewees											X			
<b>METHODOLOGICAL CONSIDERATIONS</b>														
Too many intervention aims and/or too small a sample size, restricting ability to draw conclusions about effects	X				X	X			X	X				
No control/Issues with control group population <sup>7</sup>	X												X	X
High attrition rates in intervention and/or evaluation				X					X					
Underreporting/Reporting unclear						X			X					

	Finland	Alaska (USA)	Stockton (USA)	Iran	Utrecht (NL)	Barcelona (ES)	Manitoba (Canada)	Ontario (Canada)	US NIT experiments	N. Carolina (US)	Kenya	Y Combinator	Busibi (Uganda)	BIG (Namibia)
Design was complex, focusing on many questions						X								

*Note.* No reported issues or considerations flagged for interventions in India (Madhya Pradesh) or Germany (DIW – yet to start).

<sup>1</sup> Media reported Finland experiment to have ended early when it had not, and premature claims of disincentivising work caused controversy, potentially leading to previously proposed follow-up studies being pulled.

<sup>2</sup> In the case of Iran, a public opinion poll revealed that only 38% of Iranian citizens believed transfers would be permanent, which could have influenced labour supply response to the scheme (see Gibson, Hearty & Craig, 2018; p. 45).

<sup>3</sup> Opposition in Iran related to anticipated work disincentive effect. The Utrecht experiment came up against resistance from government and a long period of negotiation over including an unconditional treatment group. The Ontario Basic Income Pilot was terminated after a change of government. The New Jersey NIT experiment experienced a lack of cooperation from state level authorities.

<sup>4</sup> In Iran, marked inflation (due to international sanctions and declining oil prices) meant the benefit no longer covered subsistence. In the Manitoba experiments the government deemed the scheme unviable after oil price shocks led to inflation and increasing levels of unemployment.

<sup>5</sup> See Gibson, Hearty and Craig (2018) for suggestion on managing this issue (p. 94).

<sup>6</sup> The Alaska Permanent Fund “was implemented in conjunction with the abolition of state level income taxes, meaning that transfers are not recovered from wealthier people via the tax system, and the overall effect of the programme is regressive” (p.47; Gibson, Hearty & Craig, 2018).

<sup>7</sup> The Finland experiment used the rest of the unemployed population as a control which is not a random sample.

## Appendix G: Basic income design characteristics

Pilot design characteristic	Possible options	Notes
<b>CORE CONSIDERATIONS OF A BASIC INCOME PAYMENT</b>		
<b>Eligibility/Universality</b>	Everyone in a given area (ie, a saturation site); Randomly dispersed sample across multiple areas; A targeted cohort (eg, young people, low-income households).	Pure UBI is universal, which could be important for community 'spill over' effects, reducing stigma, etc. Pilot design incorporating saturation sites get us closer to this ideal but tend to be more expensive. Some proposed schemes have cut-off thresholds (eg, New Economics Foundation)
<b>Conditionality</b>	Unconditional; Conditional on certain factors (eg, seeking paid work).	Payments are given without conditions under a pure UBI. This is a common design feature of pilots and interventions.
<b>Payment type</b>	Fixed amount; variable. Cash payment via bank transfer; mobile money service; special debit card, etc.	A fixed cash payment characterised a pure UBI model.
<b>Recipient</b>	Individual; Household. If child payment, who would this be paid to?	Pure UBI paid to individuals based on gender empowerment argument. Child payment often paid to mother/caregiver.
<b>Periodicity</b>	Weekly; Monthly; Yearly. For temporary period or permanent?	Payments under a pure UBI model are regular (ie, more frequent than yearly) and instated permanently. Participant behaviour may be different under temporary payment conditions than having the assurance of a permanent basic income. Larger yearly payments linked to increased mortality (see Appendix C1; and Evans & Moore, 2011)
<b>Enough to cover subsistence</b>	Yes or no.	Payments under a 'pure' UBI cover subsistence fully. However, most pilots and schemes mix a basic income payment with existing benefits kept in place, covering subsistence in combination with welfare or labour market income.
<b>Generosity</b>	Varies.	In UK-based proposals (see Appendix A1), this ranges between £130 to £915 for adults, and £89 to £516 for children (per month).
<b>Relation to existing benefits system</b>	Total replacement; Partial replacement; 'Top-up' payment; Existing benefits 'tweaked'.	Proposals for total replacement are more radical, having the potential to increase efficiency and eliminate means-testing systems (although there are potential issues with this - see Compass proposals, Appendix A1). Tweaks to existing benefits systems are used to test the effects of smaller changes (eg, removing conditionality) on participant behaviour.
<b>OTHER PILOT DESIGN CONSIDERATIONS</b>		
<b>Number of recipients</b>	Varies.	Greater numbers are more expensive but offer greater statistical power to uncover the effects of a basic income should they exist. A pre-pilot power analysis should be carried out before pilots that seek to evaluate using quantitative methods, factoring in possible attrition.
<b>Pilot duration</b>	Varies.	It is recommended that pilots run for at least one and three years to allow effects of a basic income payment to emerge. Longer durations simulate a permanent UBI more closely, should it be introduced. See note for 'Periodicity' for comment on participant behaviour.
<b>Funding source</b>	Government funds; Crowd funding; Dividends from local organisations/resource (eg,	-

Pilot design characteristic	Possible options	Notes
	Alaska, Cherokee Nation casino); Charities, etc.	
Use of pre-pilot	Yes or no.	Can be useful to refine pilot logistics and design (used in, eg, Kenya, Ontario, Y Combinator). In addition, the Scottish Feasibility Study proposes a one-year preparatory period.
<b>DATA COLLECTION &amp; EVALUATION</b>		
Data collection method	Text surveys; Postal surveys; Interviews, etc.	-
Type(s) of data collected	Quantitative; Qualitative.	Several pilots opt to combine survey and administrative data with qualitative data from interviews with recipients.
Outcome measures	A wide range of outcomes across several domains - see Appendix C1.	Whilst there are many outcomes that could be investigated, some authors recommend restricting the scope of pilots to a few outcomes, following from well-designed research questions. This could have a number of benefits, including: a simpler pilot design and evaluation task, reserving statistical power for a few key research arms, and shorter surveys for participants to fill in.
Outcome measure types	Individual-level; Household-level; Community-level.	Most outcome measures in pilots so far have been at the level of the individual. Less is known about the household effects of a basic income, and very little is known about community effects.

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