

# STEPS TOWARDS UNIVERSAL BASIC INCOME? The Effect of the Covid-19 Crisis on Welfare Policies and Support for UBI in the European Union

Summary Report  
September 2021

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The health and economic crisis caused by the Covid-19 pandemic has damaged the lives, jobs, educations, and futures of people worldwide. It has also thrown the importance of social security policy into sharp relief. As we slowly begin to emerge from the crisis, now is the time to re-examine and rethink our social security approaches, and to propose bold measures to make societies more resilient to change and crisis. Among these is the introduction of Universal Basic Income (UBI), guaranteeing a regular, unconditional income to all members of society. The idea is gaining increasing prominence, with an EU Citizens' Initiative launched in 2020 calling for the establishment of unconditional basic incomes throughout the bloc<sup>1</sup>, but governments seem reluctant to take serious steps in this direction.

<sup>1</sup> [https://europa.eu/citizens-initiative/initiatives/details/2020/000003\\_en](https://europa.eu/citizens-initiative/initiatives/details/2020/000003_en)

Amid lockdowns and quarantines, many countries responded to the Covid-19 crisis by (temporarily) broadening their social security policies. The key aim of this paper is to examine these social policy reactions and how they relate to the vision of Universal Basic Income. To what extent do they represent a step towards UBI, despite government hesitancy? And what do they say about the ability of our existing social security systems to deal with crises? A further aim is to investigate the popularity of UBI among Europe's citizens. To what extent was it the subject of public debate prior to the pandemic, and has interest increased due to the crisis?

This paper does not strive to be politically or ideologically neutral: we believe that access to sufficient funds or resources to live a fulfilling life should be a basic human right, and that UBI could be a useful tool to achieve this. The analysis focuses on the nine European countries

featured in the responses to a survey of GEF member organisations participating in a three-year project on basic income, conducted in spring/summer 2020. Additional research was done in early 2021 using Eurofound's Covid-19 PolicyWatch database, enabling the inclusion of Germany, Latvia, and the Netherlands.

We would be interested to expand our analysis to include additional countries. If you wish to submit a survey response, to provide details or resources on countries not featured in this analysis, or to send us your feedback, please contact:

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# 1. Universal Basic Income: What, why, and steps towards

## 1.1 What is Universal Basic Income (UBI)?

The most common definition of Universal Basic Income (UBI), formulated here by Belgian philosopher and UBI advocate Philippe Van Parijs, is “an income paid by a political community to all its members on an individual basis, without a means test or work requirement.”

The key defining features of UBI are its universality (vs targeted implementation), its unconditionality (vs conditionality), and its allocation of an equal sum to all recipients (vs means testing). UBI involves the payment of a regular financial grant to all members of a political community, most commonly a state/society, regardless of their employment status, their participation in activities deemed beneficial for society, or any other measure of “worthiness”. It also side-steps the bureaucracy of means testing: it is available to all, whether rich or poor, in full health or disabled. It guarantees a minimum income floor that no member of society is to fall below.

A distinction is often made between a **full basic income** and a **partial basic income**. A **full basic income would replace all or at least most other benefits available** within a welfare state and guarantee a meaningful level of sustenance and consumption for every member of society. A partial basic income, in contrast, would provide a lower minimum income floor and would replace a smaller percentage of existing social security support. Different types of partial basic incomes have been proposed. These are arguably more feasible to push through as they offer a somewhat less radical direction for social security reform.

Furthermore, some argue that a negative income tax (NIT) system, under which the direction of tax payments is reversed for incomes below a certain level, could offer the same benefits as UBI, even if it is paid according to rather different principles. For example, Lukas Korpelainen’s Basic Social Security 2030<sup>2</sup> states that NIT is practically equal to UBI with taxation changes regarding its income distribution. The report also offers a useful overview of the role that social security plays in Finland and in other countries.

## 1.2 Why UBI?

There are a number of reasons to support the introduction of Universal Basic Income. One of these is the role it could play in the reduction of poverty. It would also reduce red tape, and increase the likelihood of benefit recipients taking on at least a small amount of paid work, given that, contrary to many means-tested benefits, UBI tends not to disincentivise additional earnings.<sup>3</sup>

We should emphasise that we are not claiming that UBI would be the only viable solution to the problems our welfare systems are experiencing (see section 1.3). We do believe, however, that it represents a workable alternative to the systems of control and management that currently plague our welfare states.

With regard to the difference a UBI system would have made during the Covid-19 pandemic, philosopher and basic income activist Otto Lehto argues that a basic income floor would provide an automatic reaction to crises and thus increase the resilience of our societies.<sup>4</sup> We agree. Besides the support it would have provided to individuals and families, UBI would have acted as an “automatic stabiliser”, stimulating the economy without active decisions made by either EU member states or the European Central Bank.

GEF UBI network member Kim Evangelista (Ecolo/Etopia) shares this conviction on the usefulness of UBI and puts forward a clear and comprehensive argument on how he believes an existing UBI would have helped Belgium during the pandemic:

- ▶ **Guaranteed incomes for workers whose economic activity is affected by the crisis.** *1.2 million workers and more than 300,000 self-employed people have requested access to specific benefits because of Covid-19 in Belgium. Many companies’ turnovers have nose-dived, and they are no longer able to pay their employees’ wages. These individuals need a temporary income supplement to cushion the shocks and avoid an explosion of poverty, and not all of them have access to existing benefits (access conditions for unemployment benefit, self-employed or other specific status). If a basic income system had already existed, providing households with additional funds would have been far simpler from an administrative point of view. It would also have offered increased predictability and equity.*

2 Philippe Van Parijs (2004). “Basic Income: A Simple and Powerful Idea for the Twenty-First Century.” *Politics and Society*, Vol 32, Issue 1, pp. 7-39. Available at <https://journals.sagepub.com/doi/10.1177/0032329203261095>.

3 This said, many financially feasible basic income models include changes to taxation which also have their fair share of effects on incentives. See, for example, the Social Security Institution of Finland (Kela)’s calculations on different basic income models prior to the Finnish Experiment: <https://helda.helsinki.fi/bitstream/handle/10138/167728/WorkingPapers106.pdf>.

4 Otto Lehto (2020). “Universal Basic Income as a Crisis Response to the Novel Coronavirus”. *King’s College London*. 20 April 2020. Available at <https://csgs.kcl.ac.uk/universal-basic-income-as-a-crisis-response-to-the-novel-coronavirus/>.



- ▶ **Guaranteed incomes to maintain economic activity and the productive potential of the economy to sufficient levels.** *A guaranteed income would help individuals cope better with crises and even to avoid falling into poverty, but it would also allow them to maintain a certain level of consumption, helping to maintain demand for businesses and therefore economic activity (thus avoiding domino-effect bankruptcies and the collapse of the economic system).*
- ▶ **Automatic mechanisms to avoid non-recourse (non-take-up).** *For example, a third of the 300,000 self-employed Walloons whose economic activity has been reduced or has ceased entirely have no access to the Covid-19 grant offered by their regional government. In order to avoid bankruptcies and inequalities between companies, we must then widen access to ex-post bonuses, but often the damage has already been done. These freelancers sometimes have access to federal bridging rights but not to regional bonuses because the conditions are different (even if the impact on their activity is the same). The fall in income could open up certain rights (for example increased family allowance) without these being activated.*
- ▶ **Harmonisation of statuses, thresholds, amounts to avoid inequalities.** *The many workers who lost their jobs prior to the pandemic have benefited from less favourable conditions than the “new” temporary unemployed. This has created a welfare system in which two equivalent workers are treated differently and which depends on “timing” more than actual needs or statuses. This inequality gives rise to a whole series of questions. Why are some unemployment benefits decreasing and others not? Why is the concept of “head of household” not defined in the same way in all legislative acts? How can we expect applicants to obtain the necessary documentation and give proof of their status or circumstances when under lockdown?*
- ▶ **Simplification of the benefit system to avoid certain profiles falling between the cracks of social protection.** *People with a range of “atypical” profiles are at risk of not benefiting from the various emergency assistance schemes created, even if they are living under the poverty line and/or their economic activity has been affected by the pandemic, while people doing the same work but with a different status may well be eligible. These include students, those working flexi-jobs or within a “service voucher” scheme, part-time workers, people working in the creative industries, and the providers of occasional services on digital platforms.*
- ▶ **Simplification of the tax system to guarantee the rapid reception of sufficient income.** *People will see their income unnecessarily trimmed in the short term (the withholding tax on temporary unemployment benefit is 26 per cent against 10 per cent on ordinary unemployment ben-*

*efit). The timeframe for reimbursements due to overpayment is 18 to 24 months. In addition, the level of benefit received is often proportional to the number of hours worked and may prove insufficient for part-time workers.*

- ▶ **Individualisation of social transfers so as not to penalise cohabitants.** *There is a risk of legislative overlap within households, as some benefits depend on the situation of the individual and others depend on the household. This makes verifying eligibility more complicated and creates a risk of inequality between individuals.*

In short, if a basic income system had been established in Belgium, basic economic security would have been ensured both automatically and universally during the Covid-19 crisis, and the selective emergency income support measures that were introduced could have been less extensive.

### 1.3 Steps towards UBI for the purpose of this report

One of the key aims of this paper is to examine governments’ social policy reactions to the Covid-19 pandemic and how they relate to the vision of UBI. We do so by noting if the benefit systems in place when the crisis hit were deemed insufficient and, if so, whether actions were taken to make them more universal and less bureaucratic, and more sufficient.<sup>5</sup> That is to say, more similar to UBI.

While we use the term “steps towards UBI” as a label for this type of government policy response, it is important to note that we are not claiming that changes made to social security systems during the pandemic in our focus countries were *intended* to be moves towards a basic income. The direction of governments’ policy responses – which we hypothesised would be towards UBI-like measures – does, however, demonstrate whether the countries surveyed are willing to relinquish a measure of control and work to ensure basic human dignity within their social security systems, at least during a period when the number of people in need is increased from the “baseline”.

When developing specific criteria for “steps towards UBI”, we found Korpelainen’s critique of the Finnish social security system<sup>6</sup> particularly helpful. The key failings outlined below offer a detailed negative image of a Universal Basic Income approach defined by universality, unconditionality, and payment equality. Pandemic-related changes to existing social security schemes that tackle these problems, for instance by limiting their targeted or means-tested nature, are therefore seen as “steps towards UBI” for the purpose of this analysis. For example, if the number of people eligible for a certain benefit is increased due to a Covid-19-related policy change, or if the restrictions on who qualifies for assistance are lightened, we consider these as steps towards UBI.

5 Sufficiency could be described more clearly as increasing <https://en.wikipedia.org/wiki/Decommodification> – that is the degree to which people’s wellbeing is independent of market income – or more simply, the value of benefits and reduction in poverty being higher.

6 Lukas Korpelainen (2020). *Basic Social Security 2030: Paths for reforming Finnish basic social security in the 2020s*, p. 9. Available at <https://gef.eu/publication/basic-social-security-2030/>.



- ▶ **The prevailing system does not sufficiently reduce poverty.** *The level of basic social security is not sufficient in every respect.*
- ▶ **The prevailing system allows people to fall through the cracks due to not being eligible for benefits or not applying for benefits to avoid excessive bureaucracy.** *In other words, basic social security does not ensure sufficient coverage.*
- ▶ **The prevailing system creates a welfare trap among some groups.** *The balancing of social security and employment can be difficult. This may invite passivity, impairing the rate of employment and increasing the costs of social security.*
- ▶ **The prevailing system is excessively bureaucratic.** *Pigeonholing people strictly according to labour market status does not account for the diverse situations people may find themselves in or for overlapping activities such as working, being self-employed, and studying at the same time. This causes additional work for both benefits officers and the recipients of benefits and may prevent the recipient's access to a needed support service. The complexity also makes the system appear to be unreliable and difficult, thus becoming another stress factor in the recipients' lives. Moreover, the sanctions of cutting the benefits when the recipient does not fulfil various activation conditions increase the uncertainty of finding sufficient income.*

*Sanctioning may be unreasonable if the recipient does not possess the resources or abilities to fulfil the condition.*

A further criterion adopted within the framework of this analysis, and of paramount importance in Korpelainen's critique, is a general reduction in poverty via the fairer redistribution of income and wealth, i.e. increased benefit levels. While the implementation of UBI would not always lead to a huge reduction in poverty in all contexts, the latter remains of interest to this analysis because of the strong perceived link between the two.

To summarise, then, the criteria used within the framework of this analysis to define pandemic-inspired policy changes as "steps towards UBI" are as follows:

1. **Brings about an increase in benefit levels (with a corresponding decrease in poverty) and/or benefit duration**
2. **Increases the number of benefit recipients.**
3. **Reduces bureaucracy.**
4. **Works to eliminate welfare traps.**
5. **Reduces means testing and sanctioning within the welfare system.**

## 2. Categorising policy & awareness changes using qualitative data

### 2.1 Methodology

The data used for this analysis was taken from responses to a survey of GEF member organisations and experts participating in a three-year project on basic income, conducted in spring/summer 2020. The nine survey countries from which responses were received were Austria, Belgium, the Czech Republic, Finland, Greece, Poland, Portugal, Spain, and the UK (Scotland). We also received a response regarding the situation in Kenya.

The questions put to our members were:

1. **What kinds of social policy change were put in place in response to the Covid-19 pandemic in your country?**

2. **Was UBI ever the subject of public debate in your country prior to the pandemic? If so, consider giving more details: who exactly led the discussion (specific think tanks, political parties, NGOs, online petitions, etc.) and how?**
3. **Is there interest in UBI as a response to the Covid-19 social crisis in your country?**

In addition to information generated by the survey, we used data published by the European Foundation for the Improvement of Living and Working Conditions (Eurofound), including multiple reports on the effects of Covid-19<sup>7</sup> and a database of policy responses, the Covid-19 EU Policy Watch.<sup>8</sup> This additional data allowed us to include countries that were not covered by the survey: Germany, the Netherlands, and Latvia.

<sup>7</sup> <https://www.eurofound.europa.eu/topic/covid-19>

<sup>8</sup> <https://www.eurofound.europa.eu/data/covid-19-eu-policywatch>



All of the data collected was condensed into a qualitative table ([Appendix 1](#)). Comments on and additions to the table would be welcomed.

## 2.2 Countries outside the scope of this analysis

This analysis is limited to the social security policy changes implemented in the following European countries: Austria, Belgium, the Czech Republic, Finland, Germany, Greece, Latvia, the Netherlands, Poland, Portugal, Spain, and the UK (Scotland). Worthy of note is that the issue of basic income has become particularly relevant in some countries outside the scope of this analysis. For example, the United States CARES Act, under which emergency grants were offered to families, has been likened to UBI.

Kenya is also a particularly interesting example. While the survey we conducted focused on European countries alone, we also received feedback from the party leader of Green Congress of Kenya (GCK) Martin Ogindo. This has been included in [Appendix 2](#).

## 2.3 Categorisation

In order to facilitate the analysis of the data collected, we used both the “steps towards UBI” set out in section 1 and the survey responses to devise four change categories:

- ▶ **Benefits increased/extended:** Refers to an increase in either the level or duration of benefits.
- ▶ **Sanctions reduced/lifted:** Sanctions or activation policies are here understood to include means testing or actions targeting people already on benefits.
- ▶ **Beneficiary groups broadened:** Indicates that certain types of support were made more universal in nature during the pandemic.
- ▶ **New benefits:** Supports the idea that the existing schemes were deemed insufficient to respond to the challenges of the pandemic. Includes measures from all along the UBI spectrum (from similar to dissimilar).

Many of the actual policy responses could be included under multiple categories, and the list is certainly not exhaustive. A category of “Other” relevant policies was also included.

# 3. Results

## 3.1 Policy changes

### a) Data

According to the data we collected, one of the most common social policy reactions to the Covid-19 crisis was to broaden access to and/or increase the level or duration of unemployment benefits:

- ▶ Maximum duration of unemployment benefit extended for certain groups (Finland);
- ▶ Level of second step unemployment benefit increased, doubling the duration of benefits at this level (Austria);
- ▶ Maximum job security allowance increased (Austria);
- ▶ One-off payments made to unemployed people (450 euros) and those receiving family allowance (360 euros per child) – no application needed (Austria);
- ▶ Unemployment benefits increased, easier access to these benefits, and a specific additional sum available to those who lost their job due to Covid-19 (Poland);

- ▶ Extension of the duration of unemployment benefit and suspension of reassessments (Portugal);
- ▶ People temporarily unemployed during the pandemic received a lump-sum payment of around 200 euros for water and energy bills from the Flemish government (Belgium);
- ▶ Unconditional payment of 18 euros per day for self-employed people (Czech Republic).

Policy measures that broadened access to benefits specifically by lifting sanctions and barriers to accessing and obtaining unemployment benefit, experienced by part-time workers, entrepreneurs, and self-employed people among others, were also common:

- ▶ Waiting period for unemployment benefit scrapped (Finland);
- ▶ “Gateway law” providing replacement income for self-employed people extended and broadened to include part-time self-employed people, as well as those combining part-time self-employment with work as employees. Possibility to combine this with other paid activity (Belgium);



- ▶ Extension of unemployment benefit and cash payments to include furloughed workers, self-employed people, and scientists (Greece);
- ▶ Unemployment benefit extended to include self-employed people (Latvia);
- ▶ Working requirements for unemployment insurance halved (Finland);
- ▶ ERTes (temporary workforce reduction schemes) in Spain gave extended access to unemployment benefit to people who had not met the minimum contribution period required (Spain);
- ▶ Easier access to unemployment benefit (Spain);
- ▶ Easier access to unemployment benefit and higher benefit levels (Belgium);
- ▶ Access to unemployment benefit for low-earning entrepreneurs (Finland);
- ▶ Easier access to benefits for self-employed people (Spain);
- ▶ Easier access to unemployment benefit for a range of new groups (contract workers, apprentices, social programme employees, those with flexi-jobs, etc.) (Belgium);
- ▶ Student benefit requirements lowered (Finland);
- ▶ Access to unemployment benefit extended to recent graduates (Latvia);
- ▶ Financial support for certain self-employed people (e.g. those with children) and time-limited social benefits of a similar level for artists, authors, technicians, and other arts professionals (Portugal);
- ▶ One-off payment for solo self-employed people (Finland);
- ▶ New benefits (TOZO) for self-employed people (Netherlands);
- ▶ New “idle time allowance” for people working part-time, as well as an additional child bonus for employees entitled to this allowance (50 euros per child) (Latvia).

**A further category of policy measure aimed to protect employers and/or maintain existing employment:**

- ▶ Tax exemptions for certain employers (Austria);
- ▶ Reduced VAT for certain sectors (Austria);
- ▶ Subsidies for companies experiencing significant losses (Austria, Finland);

- ▶ Deferral or cancellation of certain taxes; bankruptcy proceedings frozen/delayed (Belgium, Finland);
- ▶ Cancellation of fines for late payments (Belgium);
- ▶ Deferral of tax payments and social contributions (Portugal, Greece, Netherlands, Finland, etc.);
- ▶ Easing of labour regulations in critical sectors (Belgium);
- ▶ Companies received 60 per cent of the salary of employees who were unable to work due to quarantine or childcare obligations (Czech Republic);
- ▶ Interest-free state loans for companies affected by the pandemic (Czech Republic);
- ▶ Microcredit loans for small enterprises (Netherlands);
- ▶ Limited moratorium on loan repayments for micro enterprises (Austria);
- ▶ Increased right to absence from work due to Covid (Portugal);
- ▶ Support for micro-tourism businesses (Portugal);
- ▶ Time-limited scheme (28 weeks) to top up net income by up to 950 euros when job seekers accept a job with a lower rate of pay than the one they occupied prior to unemployment (Austria);
- ▶ Wage subsidies and job protection (Poland);
- ▶ Rent subsidies for businesses (Greece);
- ▶ Prohibition on employee dismissal while Covid measures are in place (Greece);
- ▶ Supporting employers with furlough pay and short-time wages (UK);
- ▶ Supporting new “decent jobs” by working with employers (UK).

**Some changes to last-resort social assistance – somewhat similar to the changes to unemployment benefit – were also put in place in certain countries:**

- ▶ Level of last-resort social assistance increased, accompanied by a temporary reduction in means testing and sanctioning (Finland);
- ▶ Increases to social assistance benefits (Belgium);
- ▶ Grant funding through local authorities (UK);
- ▶ Minimum Living Income (IMV) introduced at a national level (already in the planning phase but implementation accelerated due to the pandemic (Spain).



In certain countries it was easier for those unable to work because of ill health (Covid-19-related or otherwise) to receive sickness benefit, while a new allowance was introduced specifically for those in quarantine. Such measures, especially those strictly targeted at people suffering from Covid-19 and in quarantine, should not be seen to represent steps towards universality:

- ▶ Waiting period for sickness benefit reduced (UK);
- ▶ Increases to sickness benefit (Belgium);
- ▶ Sick leave allowance from employer or the state when in quarantine (Poland);
- ▶ Sick leave for sufferers of Covid-19 (Latvia);
- ▶ A new epidemic support allowance (Finland);
- ▶ Fourteen days' quarantine leave on full salary (Portugal).

Certain benefits for parents already existed, and were increased or simplified for Covid-19:

- ▶ Increases to the allowances paid to parents who stay at home with their children (Czech Republic).
- ▶ Care allowance for parents during school closures, including self-employed people (Czech Republic);
- ▶ Care allowance for working parents obliged to stay at home during school closures (Poland);
- ▶ Special purpose leave (paid by the state and employers) for the parents of young children and children in special schools (Greece);
- ▶ Ten weeks' income compensation for the parents of young children and disabled children (20 weeks if sole parent) (Germany);
- ▶ Flexibilisation of parental leave for essential workers and more lenient income level calculations (Germany);
- ▶ Introduction of a new Covid-19-related parental leave (Belgium).

A number of policies aimed to help vulnerable people, and the concept of "essential groups" was introduced. Compared to more UBI-like solutions, many of these measures worked by placing limits on markets and property owners:

- ▶ Limits on evictions (Spain, Austria, Portugal) and renters' rights to increase rental periods (Spain, Portugal);
- ▶ Restrictions on energy disconnection for payment difficulties (Austria, Portugal);

- ▶ Rents and mortgage payments deferred for up to six months (Czech Republic);
- ▶ Limitations on the termination of rental agreements (Czech Republic);
- ▶ Increased right for employees to request and be granted working time adaptations to account for responsibilities as carers (Spain);
- ▶ Grace periods in banking (Poland);
- ▶ Extra remuneration for essential healthcare workers (Greece);
- ▶ Workers belonging to vulnerable groups entitled to abstain from work and retain their salary (Greece);
- ▶ Extension of "Help at Home" programmes for elderly people and people with special needs (Greece);
- ▶ Rent subsidies for individuals (Greece);
- ▶ VAT reduction on Covid-19-related products (Greece);
- ▶ Premiums and bonuses for workers in many sectors (Germany);
- ▶ A limited moratorium on loan repayments for individuals (Austria).

A number of more specific measures rejected the universality principle in order to target certain sectors or groups that were either directly affected by the pandemic and or who suffered a loss of income which coincided with it:

- ▶ Extended unemployment benefit for workers not re-hired in the tourist sector (Greece);
- ▶ Special state benefit for self-employed people, freelancers, and sole proprietors affected by Covid-19 (Greece);
- ▶ Reduced social security payments for employers in the tourist sector on the condition that they retain their employees (Spain);
- ▶ Reduced utilities costs extended to self-employed people whose activities have ceased, a so-called social bonus (Spain);
- ▶ Social protection status of artists simplified, and associated conditions dropped (Belgium);
- ▶ Discretionary emergency fund created for self-employed people and small businesses (Austria);
- ▶ Specific bonuses paid to companies and self-employed people in Covid-19-affected sectors (Belgium);



- ▶ Financial support for freelancers and self-employed people (Poland);
- ▶ Support from artists' funds enabled, in certain cases, recipients to manage without an income (Austria);
- ▶ Extra support for students (Netherlands).

## b) Analysis

Looking at our data, one aspect worthy of note regarding UBI and Covid-19 social policy responses, is the overwhelming number of measures aimed at self-employed people, part-time workers, artists, etc. – that is, people who could be seen as a part of the precariat.<sup>9</sup> People in non-standard work were quickly recognised as not being supported by the normal system and steps were taken to alleviate this.

While most countries also offered some sort of support for companies, only the UK was seen to support individuals almost exclusively via subsidies to employers, and in order to get people back into employment. Most notably, they introduced a new furlough scheme that by design only affects people who lost their jobs during the pandemic (“newly unemployed”), in line with Kim Evangelista’s description of the issue in the survey:

The many workers who lost their jobs prior to the pandemic have benefited from less favourable conditions than the “new” temporary unemployed. This has created a welfare system in which two equivalent workers are treated differently and which depends on “timing” more than actual needs or statuses.

One can’t help but ask whether such differences between countries are related to their current welfare state setup.<sup>10</sup> In the theories of welfare states regimes, the UK and US are often seen as societies that mainly target their policies at low-income working-class people, with rigid means testing.

Similarly, many countries that could be described as having less robust welfare systems targeted their benefits at very specific groups that were not covered by normal social security systems. Is there something that connects the countries that used straight-up market interventions, for instance to protect people’s right to housing,<sup>11</sup> or otherwise provided more “in kind” support? Limiting evictions, which was seen in many countries, and guaranteeing basic

amenities was not so much about supporting work but rather about securing satisfaction of certain basic needs in a difficult situation.<sup>12</sup> While such measures should not be seen as steps towards UBI, they can be argued to show a big difference between existing situations. In many countries the pandemic threatened not just people’s incomes but also their most basic rights.

The most UBI-like changes made were those that totally halted the normal assessments of benefit entitlement. For example, Portugal extended the length of unemployment benefit and temporarily suspended eligibility reassessments. This meant both a more predictable level of benefits and less means testing.

It is surprising that in most countries the policies did not seem to affect the poorest individuals. While most EU countries have some sort of guaranteed minimum income scheme in place,<sup>13</sup> we only found three cases of policy changes affecting these. Most importantly, Spain accelerated its introduction of one such national scheme, while both Finland and Belgium increased the level of such benefits, and Finland temporarily suspended its penalisation of benefit recipients for their failure to seek employment.

Of course, there was a big difference in the functioning of these systems even before Covid-19. Finland recently centralised most of its last-resort social assistance to the Social Security Institution, Kela, which has arguably meant that the system has moved more towards calculations of need rather than professional assessments of need.<sup>14</sup> Compared to Finland, the UK did allocate more money to support the individuals most in need, but this was still offered in the form of grant money – with differing rules depending on one’s place of residence.

In sum, EU governments did not actually implement measures similar in concept to UBI as a solution to the Covid-19 pandemic. Instead, what we see is that many countries introduced small and temporary benefits targeting certain groups of people who were not covered (sufficiently) by normal social security systems. In doing so, they acknowledged the holes and shortfalls in the existing systems but elected to patch them up rather than address the core issues. It is therefore clear that the social protection systems of our democracies – in all their breadth – were not able to provide an adequate response to this crisis.

9 Guy Standing (2014). *The Precariat – The New Dangerous Class*. Bloomsbury Publishing.

10 Compare to, e.g., Esping-Andersen, 1990. *The Three Worlds of Welfare Capitalism*. Cambridge: Polity Press.

11 For a more in-depth discussion of Covid and housing rights see:

[https://www.justiceinitiative.org/uploads/d6e9e6ff-1b16-4d0f-bbde-65cf04e3f15f/ji-covid\\_housing\\_report-2020\\_12\\_07.pdf](https://www.justiceinitiative.org/uploads/d6e9e6ff-1b16-4d0f-bbde-65cf04e3f15f/ji-covid_housing_report-2020_12_07.pdf)

12 Compare to the discussion on “universal basic income (UBI)”, “universal basic services (UBS)”, and “universal basic assets (UBA)” in, e.g., Neuvonen & Malho (2019). *Universalism in the Next Era: Moving Beyond Redistribution*. Demos Helsinki. Available at [https://demoshelsinki.fi/wp-content/uploads/2019/02/demos\\_next\\_era\\_web\\_190502.pdf](https://demoshelsinki.fi/wp-content/uploads/2019/02/demos_next_era_web_190502.pdf)

13 Coady, Jahan, Shang & Matsumoto (2021). *Guaranteed Minimum Income Schemes in Europe: Landscape and Design*. IMF Working Papers. Available at <https://www.imf.org/en/Publications/WP/Issues/2021/07/02/Guaranteed-Minimum-Income-Schemes-in-Europe-Landscape-and-Design-461341>

14 For an in-depth Finnish language take on the situation see, e.g., Korpela et al. (ed.), 2020. *Ojista allikoon? Toimeentulotukiudistuksen ensi metrit*. Kela Teemakirja. Available at <https://helda.helsinki.fi/handle/10138/319709>



## 3.2 UBI in public debate

### a) Data

The extent to which UBI became the subject of public debate during the pandemic can be seen in our qualitative table ([Appendix 1](#)), compiled from the (survey and Eurofound) data on Austria, Belgium, the Czech Republic, Finland, Greece, Poland, Portugal, Spain, and the UK (Scotland). This was supplemented with further tracking of the debate across media and academic sources.

In most of the countries we analysed, the debate on basic income took a leap forward. In some countries, including Finland, the UK, and Greece, political parties have even published texts calling for UBI or have campaigned for it.

Countries in our sample that already had robust debate or trials of UBI before the pandemic saw this grow even further into the mainstream:

- ▶ Results of a major UBI trial in Finland were published in May 2020 and the topic was already prominent in many societal and political circles. The Greens and Left Alliance have both explicitly highlighted UBI as a model of welfare that would be more suited than current schemes to address a crisis like this.
- ▶ The Scottish Government commissioned a feasibility study in 2017 to explore the potential for hosting basic income experiments. The debate jumped forward massively during the pandemic, with First Minister Nicola Sturgeon adding her support, but limits to devolved powers make delivery of a basic income currently impossible.

Elsewhere, new measures extending the reach and reducing barriers to social benefits helped fuel increased interest in the concept of UBI:

- ▶ Spain's introduction of a Minimum Living Income at national level had already been on the table, but was accelerated amid Covid-19. It prompted comparisons to and conversation about UBI, particularly in progressive media.
- ▶ In Belgium, the extension of the temporary unemployment benefit scheme drew some comparisons to UBI and political reflections on 'basic income-isation' of existing social transfers.

But in some countries where UBI has been a mostly fringe issue, without prominent (political) advocates, it struggled to reach broader audiences even during the Covid-19 crisis, or was presented in only very limited terms:

- ▶ In the Czech Republic, there was discussion of a 2-4 month implementation as a possible solution to the Covid-19 social crisis, but not as a long-term policy option.
- ▶ Polish conversations around UBI remain restricted to small circles of academics and advocates, with the question of funding being seen as particularly problematic to mainstream interest.

### b) Analysis

Theorist of the precariat Guy Standing recently wrote, «it would be [...] appropriate to take advantage of the [Covid-19 crisis] situation to introduce a basic income system, at least for the duration of the pandemic, giving every resident of each country a modest monthly income with no strings attached, as a right.»<sup>15</sup>

From our data as well as broader desk research, we can see that this reaction is not isolated. Many voices, articles, social networks, social activists, and academics are now calling for an unconditional monetary income for the entire population.<sup>16</sup> If a government is aiming to “rescue people”, it makes more sense than ever that people should have the resources, whether they are employed or not, to be able to cope with the current difficult situation and the worse that may lie ahead. “Rescuing people,” yes, but seriously.

We have seen a gradual increase in the interest and the support for UBI for some time now.<sup>17</sup> This accelerated dramatically during the pandemic – see, for example, Nettle, Johnson, Johnson, & Saxe<sup>18</sup> for the UK and US. Since the pandemic began, there has been strong growth in the support within part of public opinion for basic income as a useful tool for tackling the temporary problems we have, but also the structural ones, such as the systematic failure of means-tested and conditional minimum income schemes or the uncertain future of employment. Even people who have traditionally advocated for minimum income programmes have affirmed that we will only get out of this situation with the implementation of a basic income.<sup>19</sup> There have been similar declarations from different collectives: from LGBTQI groups, the cultural sector, social work, and various social movements, to trade union and feminist collectives, to name just a few.

15 Guy Standing (2020). “Coronavirus, crisis económica y renta básica.” *El País*. 13 March 2020. Available at [https://elpais.com/elpais/2020/03/11/opinion/1583929510\\_196303.html](https://elpais.com/elpais/2020/03/11/opinion/1583929510_196303.html)

16 Among others: Pope Francis, 170 Dutch scientists in a [joint manifesto](#), [social media moguls](#), and [scores of politicians and policymakers](#) across Europe.

17 See, for example, the worldwide Google Trends for “basic income”: <https://trends.google.com/trends/explore?date=all&q=basic%20income>

18 Nettle, D., Johnson, E., Johnson, M., & Saxe, R. (2021). “Why has the COVID-19 pandemic increased support for Universal Basic Income?” *Humanities and Social Sciences Communications*, 8(1), pp. 1-12.

19 “Pope Francis: This may be the time to consider a universal basic wage.” *CNBC*. 13 April 2020. Available at <https://www.cnn.com/2020/04/13/pope-francis-it-may-be-the-time-to-consider-a-universal-basic-wage.html>



Yet, although there have been calls for a structural rather than temporary basic income in some countries, most of the discussants seem to have opted for pragmatism, for example calling for the introduction of an emergency basic income to deal with the Covid-19 pandemic. Even in those countries where the debate on basic income has not been very lively, such as the Czech Republic, a temporary basic income as a solution to the Covid-19 socioeconomic crisis has been proposed.

Overall, it seems to us that interest in UBI has increased and it has become more prominent in public debate. In countries where there was already a considerable critical mass in favour of basic income, it has gained an even higher profile, while countries which had little public debate on the issue have started to see its emergence, albeit to a different extent in different places.

Public policies and economic ideas that were previously considered radical, even utopian, have become mainstream thinking during the crisis. This is also revealed by a new study, led by Oxford University's Professor Timothy Garton Ash, which reveals that most Europeans support basic income in the wake of Covid-19. There is, in fact, overwhelming support among all age groups for a basic income. Even if it has often been dismissed as "wildly unrealistic", more than 70 per cent of respondents backed the idea.<sup>20</sup>

A similar result was achieved through a different survey conducted independently by YouGov. This was conducted in December 2020 in six major European countries and showed that the vast majority of citizens in France, Germany, Italy, Poland, Portugal, and Spain are in favour of basic income as a permanent policy, understanding the potential of the measure to improve their lives.

Support for the introduction of basic income at the national level, excluding the few people who responded "n/a", ranges from 65 per cent in France to 87 per cent in Portugal. Moreover, women are generally more in favour of the proposal, especially in Germany, France, Italy, and Spain.<sup>21</sup>

One must be somewhat wary of such survey results because support for basic income is very sensitive to the framing of the survey questions<sup>22</sup>. Still, some of the advantages of basic income given by respondents include that it could improve people's mental health, that it would open a window of opportunity to live and work better, that it would allow young people to continue studying or training, that it would improve quality of life, and that it would encourage work beyond jobs.

In short, more and more people every day are taking a stand in favour of the introduction of a basic income. However, the governments of EU member states do not appear to be taking significant steps in the direction of actual implementation. Rather, piecemeal lessons abound and there remains much ambiguity in how UBI is framed and defined in mainstream politics, frequently conflated or diluted with schemes like the minimum income guarantee. Even in Finland, where a national basic income trial was held in 2017–2018, support for UBI is lower in the elected parliament than could be expected based on parties' official stances.<sup>23</sup>

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20 University of Oxford (2020). "New study reveals most Europeans support basic income after COVID-19." 6 May 2020. Available at <https://www.ox.ac.uk/news/2020-05-06-new-study-reveals-most-europeans-support-basic-income-after-covid-19>

21 <https://www.wemove.eu/it/results-yougov-poll-about-ubi>

22 Ville-Veikko Pulkka (2021). *Social Policy 4.0? Empirical insights into the future of work and social policy in the digital economy*. Available at <https://helda.helsinki.fi/handle/10138/328690>

23 Simo Raittila (2019). "The Future of Basic Income in Finland." <https://www.greeneuropeanjournal.eu/the-future-of-basic-income-in-finland/>



## 4. Conclusion: UBI as a tool for resilience

In the European Union and in much of the world, the material situation for a large majority of the non-rich population is worse today than it was a year ago. Not that the world economy was healthy before the Covid-19 pandemic. For many countries, both growth and investment had slowed. Even before Covid-19, 21.1% of the EU population was at risk of poverty or social exclusion.<sup>24</sup> In 2020, the EU economy shrank by 6.4 per cent<sup>25</sup> and it will grow around 4 per cent in 2021.<sup>26</sup> While most of the non-rich population has not yet reached the levels of material existence they had before 2008, a new crisis has hit them.

As we have seen throughout the report, most European governments decided to deal with the socio-economic crisis caused by the pandemic by strengthening social protection systems, extending them to those sectors affected by the pandemic that were not covered by existing social policies. Particularly the self-employed, part-time and gig economy workers, artists, and other members of the so-called precariat were targeted. In some countries, extra measures had to be put in place to protect basic human rights such as housing.

The responses to our survey and PolicyWatch data clearly demonstrate that normal unemployment benefits were not regarded as sufficient and universal enough during the pandemic. In many countries, euro amounts were increased, barriers to access lowered, sanctions put on hold, and the groups eligible for unemployment benefit were widened. These changes were noted and remarked upon in public and political discourse, and in some ways could be seen as steps towards a UBI, or at least towards that logic. Yet even where benefits were expanded and means-testing suspended, truly lasting and transformative change was scarce. Some holes were patched, but only in short-term and targeted ways.

Most of the measures were temporary, but we should naturally ask whether some of them should not be made permanent. However, seeing that even these measures have not been sufficient to deal with all of the damage caused by the pandemic, it is also time to give serious consideration to a solution that we see is favoured by a growing part of the general public, namely the implementation of a basic income.

Beyond media and survey data, the level of interest in UBI has been reflected in the creation of a European Citizens'

Initiative (ECI).<sup>27</sup> On 15 April 2020, the European Citizens' Committee for an unconditional basic income submitted a proposal for an ECI to the European Commission. The aim of this ECI is to establish the introduction of unconditional basic incomes throughout the EU which ensure every person's material existence and opportunity to participate in society as part of its economic policy. The Committee states that this will reduce regional disparities and thus strengthen the economic, social, and territorial cohesion of the EU.

The initiative was approved on 15 May 2020. In order for this ECI to be considered by the European Parliament, the countdown to get 1 million signatures started on 25 September 2020. The deadline is 25 June 2022, and the current number of signatures (as of writing) stands at around 140,000. This is another excellent opportunity to give a further boost to the conversation on basic income, helping to ensure that the debate is rigorous and free from the widespread demagoguery of its opponents.

A well-implemented basic income at European level would be particularly interesting to explore – acting as a redistributive mechanism to allow all people to benefit equally from the wealth generated thanks to European integration. It would also be a solidarity mechanism in the form of transnational fiscal transfers necessary for the euro area to reduce economic and social asymmetries, and could help avoid the negative effect of “brain drain” in certain EU countries. On a societal level, a European UBI could enhance legitimacy and citizen support for the European project. Perhaps most importantly, based on empirical evidence of the pilot projects, it would considerably improve the material conditions of the vast majority of European residents, without the administrative obstacles or the risk of social stigma associated with conditional subsidies. This is a necessary basis for the freedom of all.

It is undeniable that the prospects for basic income are now much brighter than they could have been just five years ago. But one of the conditions for basic income to increase its social support base is that when we debate the issue, we do so from a multidisciplinary point of view. The implications of basic income cover various aspects of our daily lives and that, however insignificant they may seem at first sight, they are of great relevance when we talk about tackling our life projects with security, stability, and greater freedom.

24 Eurostat (2020). “Over 20% of EU population at risk of poverty or social exclusion in 2019.” Available at <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/edn-20201016-2>

25 “La economía de la UE cae 6,4% en 2020 y 6,8% en la eurozona por la pandemia.” *El Mundo*. 2 February 2021. Available at <https://www.elmundo.es/economia/macroeconomia/2021/02/02/6019338221efa08d298b4597.html>

26 DG Economic and Financial Affairs (2021). *European Economic Forecast – Summer 2021*. Institutional Paper 156. Available at [https://ec.europa.eu/info/sites/default/files/economy-finance/ip156\\_en.pdf](https://ec.europa.eu/info/sites/default/files/economy-finance/ip156_en.pdf)

27 <https://eci-ubi.eu/>



Discussing basic income requires a debate about the socio-economic policies of the last decades, about social justice and the growing social inequalities in European countries, about feminism and environmentalism, about the evolution of the labour market and the term “work” as a whole, about the young and those working in the cultural professions. Discussing basic income requires a broad vision that contributes, encourages, and allows us to move towards a future that manages to respond to current and future realities.

There is no place for narrow views or short-sighted policies aimed at continuing to patch up a wound that is gradually – although more and more rapidly – bleeding us dry. Nor is there any point in trying to face the challenges of the 21st century with policies from the last century that have already proved to be unsuccessful. We live in new times that call for new measures on the political agenda. In the time of unequal globalisation and the climate crisis, Covid-19 will unfortunately not be the last crisis we will have to face and protect people from.





STUDY & DEBATE

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