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A Basic Income: simple idea, complex reality

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Basic income is a simple idea on paper with regular, unconditional cash for everyone, but implementing it is anything but simple. In this interview, Professor David Green discusses findings from a major Canadian study, explains the appeal of basic income, why it might not deliver the transformation many expect, and outlines what kinds of policies could better address the needs of society's most vulnerable.

Basic income is often seen as a bold and even utopian idea. What made you first interested in the topic?

Like many people, I had long been intrigued by the concept of a basic income, but I didn't develop a clear sense of what it might entail until 2018, when the government of British Columbia invited me to chair a panel examining the idea.

Our mandate was twofold. First, we were to investigate whether basic income could be a viable policy tool for the province of British Columbia. Second, if we concluded it was not the best solution, we had to assess the current safety net and propose reforms that could better address their

shortcomings. This meant not only evaluating a policy in the abstract but also grappling with the practical and political realities of implementation.

For readers unfamiliar with the concept, could you briefly explain what basic income is and how it is supposed to work?

Philippe Van Parijs and Yannick Vanderborght, two leading proponents, define basic income as “a regular income paid in cash to every individual member of society, irrespective of income from other sources and with no strings attached.” In other words, it is universal and unconditional cash benefit.

The promise is appealing. Advocates argue that such security could foster fairness, creativity, and reduced stress. It is also a critique of current welfare systems, which often provide benefits conditionally tied to work requirements or job search and only to certain groups, sometimes requiring intrusive disclosure of personal information.

How is basic income different in this regard?

In contrast, most basic income proposals envision payments delivered through the tax system, ensuring secure and confidential access without the need to “prove” hardship.

Yet the definition is more complicated than it appears. Many proposals limit universality by restricting eligibility to citizens or to adults, or by providing reduced amounts to children. The most common variant, the negative income tax, makes payments conditional on other income levels (though not on work). Other proposals link benefits to civic participation or include special provisions for people with disabilities.

> The claims for what a basic income can achieve are far-reaching, some might say utopian, which both attracts enthusiasts and intrigues skeptics.

The idea dates back centuries. What keeps basic income in public discussion despite changing economic and social contexts?

Its enduring appeal lies in its simplicity. If we define poverty as lack of income, why not just give people more income? It also promises to do so in a dignified way.

The claims for what a basic income can achieve are far-reaching, some might say utopian, which both attracts enthusiasts and intrigues skeptics. That breadth of promise ensures it resurfaces whenever societies debate fairness, welfare, or economic transformation.

Your study comparing basic income with Canada’s existing system is quite unique. Why is that so?

Our panel had resources rarely available to policy reviews. The British Columbia government funded original studies, granted access to detailed administrative data, and encouraged consultation with those directly affected by such policies.

One major conclusion was that basic income is far from simple in practice. Delivering it through the tax system requires reaching the roughly 11 percent of adults who do not file taxes in a given year. In the common negative income tax model, new systems would be needed to support people who experience sudden need before the tax year ends. These challenges are strikingly similar to those faced by the existing welfare system.

Is it enough to provide people with a sufficient income?

No. Our findings showed that the existing support network is very important. Many programs, like assistive devices for people with disabilities provide services rather than cash and cannot be replaced by a flat payment. Our review found that nearly all of British Columbia‘s existing programs would need to remain in place alongside a basic income. That means little fiscal saving and, contrary to some claims, no simplification. In fact, adding basic income could make the system more complex.

> Basic income is too blunt a policy tool to adress the varied needs of vulnerable populations.

Does the idea of basic income work for vulnerable people?

We concluded that basic income is too blunt a policy tool to address the varied needs of vulnerable populations. For example, young people leaving foster care often face overlapping challenges: poor health, unstable housing, limited education, and difficulty finding work. A guaranteed income could help, but without guidance, community connections, and tailored support, cash alone might be counterproductive.

Why are short-term pilot projects of basic income considered to have limited value?

We examined the idea of running a pilot project. Standard pilots, we found, offer limited value at this stage. Much is already known about the direct effects of cash transfers on work, health, and education. In the Canadian case, for example, multiple expansions of benefits targetted to families with young children have been used to establish that those transfers reduced child poverty and improved child mental health but had limited impacts on maternal labour supply or child test scores. What remains untested are the more ambitious claims, that basic income can be

transformative at a societal level. Such effects would require permanence and public belief in that permanence, something no short-term pilot can replicate.

> From this perspective, policy needs to be tailored to specific problems rather than assuming cash alone will suffice.

If basic income is neither simple to implement nor clearly more effective than targeted programs, what alternatives might appeal to its supporters?

We framed our work around the broader goal of making British Columbia a more just society. We defined justice as ensuring the bases of self- and social respect for all, which includes adequate income but also meaningful work, educational opportunities, strong communities, and a say in the policies that shape one's life.

From this perspective, policy needs to be tailored to specific problems rather than assuming cash alone will suffice. For people with disabilities, for instance, income security is important, but so is access to dignified work and active participation in policy design. Achieving this often requires direct, supportive programs that go beyond what typical basic income proposals could fund.

Looking ahead, what areas of research are most needed?

Current economic analysis often prioritizes efficiency and income as outcomes, which biases us toward simple cash solutions. This risks overlooking the importance of community ties, workplace dignity, and beneficiary agency. Studying these aspects would better inform future designs, whether for basic income or other social programs.

> Our main conclusions apply across contexts: basic income will not necessarily simplify welfare systems.

What lessons from Canada are relevant for Germany or the EU?

Our main conclusions apply across contexts: basic income will not necessarily simplify welfare systems, and focusing solely on cash risks missing critical complexities. But the specifics of alternative solutions will vary. What works for British Columbia may look very different in Germany, where institutional structures, labour markets, and public expectations differ.

About David Green

David Green is a professor in the Vancouver School of Economics at the University of British Columbia and an International Fellow at the Institute for Fiscal Studies in London.

His research interests centre around determinants of the wage and employment structure. This has entailed bridging between macro labour (worrying about general equilibrium effects) and micro labour identification issues.

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