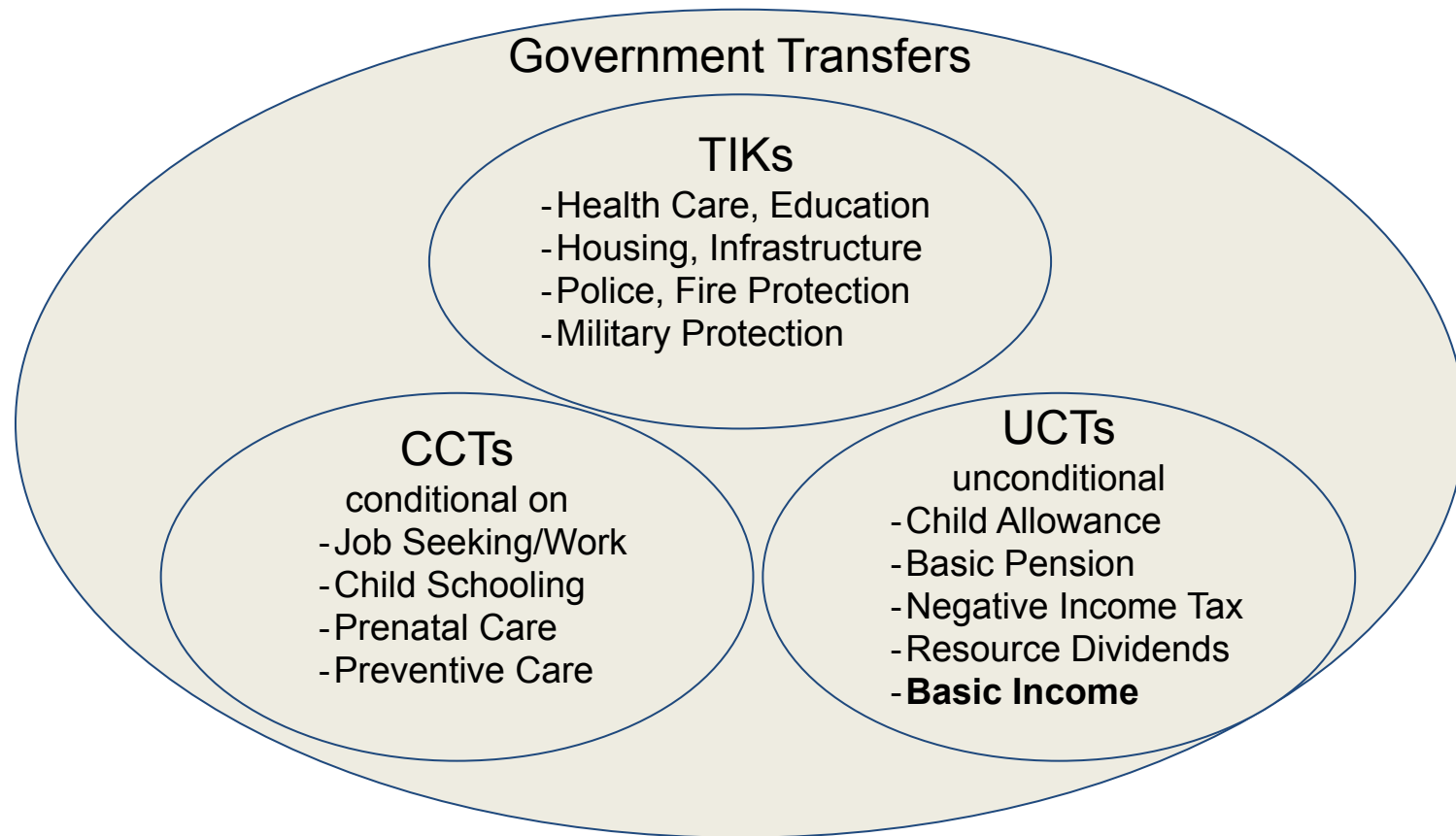


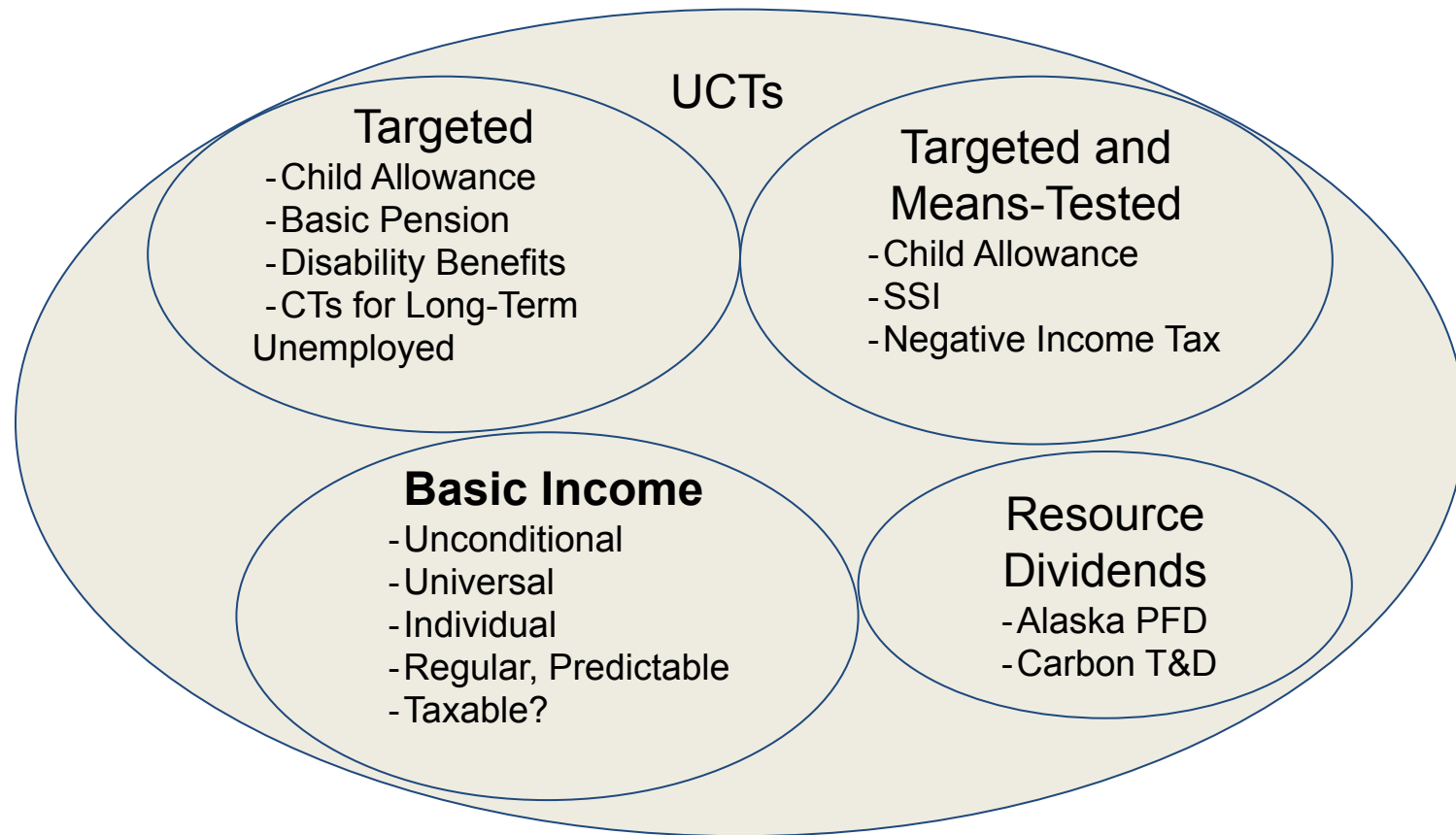


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Designing a Cash Transfer Scheme (a Basic Income) that Works for Women and Children

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What is a Basic Income?

A regular payment (weekly, monthly, annually?)

to all members of a political community (citizens, legal residents?)

that is

- universal (not targeted to the poor or to certain groups)
- individual and additive (calculated on an individual, not household basis)
- unconditional (not conditioned on work, willingness to work, or any other required activity)

Design Features of a BI (bolded relate in particular to women)

Eligibility	<ul style="list-style-type: none"> • Citizenship/documentated/undocumented residency • Age—for the working-aged, children, seniors • Mental competency/incarcerated status
Amount	<ul style="list-style-type: none"> • Flat or variable • Subject to taxation
Delivery	<ul style="list-style-type: none"> • How often • Transfer mechanism
Financing	<ul style="list-style-type: none"> • BI+ or BI- • Resource/income/wealth/value added taxation • Individual or household-based taxation

distributive justice:
how resources and
labor are allocated in
society, and how they
should be allocated

**Why is BI
superior to
CCTs and
other
UCTs?**

efficiency:
what are the goals of
our social safety net,
and how we can
achieve them

what are
our social
norms?

democracy:
addresses interactions
between the political,
economic, and social
realms

how do we
adapt to
economic
change?

Goals of a BI to improve the lives of women and children in the US

Social Welfare Goals	<ul style="list-style-type: none"> ➤ Elimination of poverty ➤ Early investment in human capital development
Distributive Goals	<ul style="list-style-type: none"> ➤ Reduction in economic inequality overall and between genders ➤ More egalitarian distribution of care work between the genders
Democratic Goals	<ul style="list-style-type: none"> ➤ Greater solidarity between workers and carers ➤ Recognition of multiplicity of social roles--as caregivers and recipients, consumers, producers, investors, and citizens

Implementing the Goals

Poverty Elimination	→ Individual BI minimum of \$13,000/year → Family BI minimum of \$25,000/year
Early HCD Investment	→ Total income for families (2- and 1-parent) well above the poverty threshold
Reduction in Overall Inequality/Gender Inequality	→ Progressively financed and distributed → Individually calculated and taxed
Less Gendered Distribution of Care/Non-Care Work	→ BI (and other social institutions) encourage part-time care and part-time income earning <i>by all</i> , rather than economic parity for full-time caregivers
Working Class Solidarity and Democratic Citizenship	→ Financed by <i>capital</i> , not income → Durable and resistant to clawback by <i>capital</i>

Eligibility and Amount: BI Alone

BI Scheme 1: Adult BI of \$13,000/year	<ul style="list-style-type: none"> → Eliminates poverty for individuals and 2-parent families with ≤ 2 children (but not for those with 3 or more) → Eliminates poverty for seniors → Does not eliminate poverty for 1-parent families
BI Scheme 2: Adult BI of \$13,000/year and child BI of \$4,000/year	<ul style="list-style-type: none"> → Eliminates poverty for individuals and 2-parent families → Eliminates poverty for single-parent families → Eliminates poverty for seniors living alone
BI Scheme 3: Universal BI of \$7,000-9,000/year	<ul style="list-style-type: none"> → Eliminates poverty for 1- and 2-parent families → Does not eliminate poverty for adults or seniors living alone
BI Scheme 4: Universal BI of \$13,000/year	<ul style="list-style-type: none"> → Eliminates poverty for all individuals and families → Most expensive scheme

Eligibility and Amount: BI plus income and child care

BI Scheme 1: Adult BI of \$13,000/year	→ \$13,000 total income gap bet. 1- and 2-parent families with same earned income, but 1-parent families incur higher child care costs/have less time for care, leisure
BI Scheme 2: Adult BI of \$13,000/year and child BI of \$4,000/year	→ \$13,000 total income gap bet. 1- and 2-parent families with same earned income, but 1-parent families incur higher child care costs/have less time for care, leisure
BI Scheme 3: Universal BI of \$7,000-9,000/year	→ Income gap falls to \$7,000-9,000 between 1- and 2-parent families with same earned income
BI Scheme 4: Universal BI of \$13,000/year	→ \$13,000 total income gap bet. 1- and 2-parent families with same earned income, but 1-parent families incur higher child care costs and/or have less time for care, leisure

Financing and Taxation

Guaranteed Minimum Income format	<ul style="list-style-type: none"> • financed from general revenues • strongly means-tested/targeted to poorest • immediately withdrawable ➤ eliminates poverty but does not significantly reduce inequality
Social Security format	<ul style="list-style-type: none"> • financed from labor taxes • conditional/targeted to the middle class • 85% taxable if other income is high ➤ eliminates poverty and reduces income inequality but does not address inequality of wealth
Basic Income format (Modified Social Security format)	<ul style="list-style-type: none"> • financed from dedicated <i>capital</i> taxes (wealth, gift, estate) • unconditional/targeted to the poor and broad middle class • 100% taxable if wealth is high ➤ eliminates poverty/reduces income and wealth inequality ➤ dedicated tax source increases chances of durability

Household vs. Individual Payment and Taxation (for couples)

Household-Based benefits scaled to household size income pooled for tax purposes	Individualized benefits are individual and additive income taxed separately
<ul style="list-style-type: none"> household economies of scale allow for lower total benefits incentive to split up to maximize benefits 	<ul style="list-style-type: none"> individualized benefits cost more incentive to joint household to increase total resources
<ul style="list-style-type: none"> marriage tax “penalty” lower incentive for secondary earnings 	<ul style="list-style-type: none"> tax “penalty” shifted to singles higher incentive for secondary earnings
<ul style="list-style-type: none"> masks economic inequalities within households 	<ul style="list-style-type: none"> exposes true extent of gender inequalities of income and wealth

Optimal Format of a Basic Income in the US

- Monthly payment targeted to single-parent family poverty thresholds
- Paid to children as well as adults
- Financed by a progressive annual tax on wealth
- Individually paid and taxed
- Paid to citizens and residents who subject their global assets to US taxation
 - Elimination of poverty for those most at risk
 - Reduction in inequality through net transfer from rich to poor, and from men to women and children
 - Allows single parents to choose between care and earned income, but incentivizes earned income and joint householding
 - Incentivizes couples to split care and earned income
 - Builds solidarity between workers and carers, because both benefit from BI