

UNIVERSAL BASIC INCOME AS AN ANSWER TO SOCIAL INJUSTICES

by

Yolande Andrew

Student Number: 20757281

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Supervisor: Prof H du Preez

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ABSTRACT

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NAME AND SURNAME: Yolande Andrew

SUPERVISOR: Prof H du Preez

DEPARTMENT: Department of Taxation

DEGREE: MCom (Taxation)

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Background:

Income inequalities and social issues faced by modern day societies are worrisome. The notion of universal basic income (UBI) is described as unconditional cash payments made to all citizens of a country irrespective of their social stance and is aimed at alleviating poverty and restoring income inequalities (Haagh, 1986).

Main purpose of study:

The main purpose of this study is to systematically explore the existing body of literature related to UBI and tax systems and its potential to combat social issues such as poverty and inequality. In addition, this study, in conjunction with other literature, will elaborate on the advantages, disadvantages, funding and feasibility of UBI through tax systems to reduce poverty and inequality in modern day society.

Method:

The study used a qualitative research method. A systematic review of historical data was done to find existing literature appropriate to the study. The research design of the present study followed a pragmatist approach, was descriptive and causal in nature, and was inductive.

Findings:

The findings of this study showed that UBI is mainly aimed at low-income groups and individual tax payers and the focus was not on any specific country. The study found that

the introduction of new taxes were most favourable as a funding mechanism of UBI. Most of the existing body of literature studied the advantages of UBI and not its disadvantages.

Conclusions:

The case for UBI is overwhelming as its strengths clearly compensate for its limited drawbacks. Furthermore, the funding options of UBI prove to be credible and make it attainable for both developed and developing countries. As a result, UBI can unquestionably be used as a tool to combat social injustices.

TABLE OF CONTENTS

ACKNOWLEDGEMENTS	i
ABSTRACT	ii
TABLE OF CONTENTS	iv
LIST OF TABLES	vi
LIST OF FIGURES	vii
LIST OF ABBREVIATIONS AND ACRONYMS	viii
CHAPTER 1: INTRODUCTION	1
1.1. BACKGROUND	1
1.2. RATIONALE FOR THE STUDY	2
1.3. RESEARCH OBJECTIVE	3
1.4. RESEARCH DESIGN AND METHODOLOGY	3
1.5. MAIN CONSTRUCTS OF THIS STUDY	4
1.5.1. The case for UBI	4
1.5.2. Critics of UBI	6
1.5.3. Funding UBI	7
1.5.4. Feasibility of UBI	9
1.6. STRUCTURE OF THE MINI-DESSERTATION	10
1.6.1. Chapter 1: Introduction	10
1.6.2. Chapter 2: Research design and methodology	11
1.6.3. Chapter 3: Data analysis and results	11
1.6.4. Chapter 4: Conclusion	11
CHAPTER 2: RESEARCH DESIGN AND METHODOLOGY	12
2.1. INTRODUCTION	12
2.2. RESEARCH DESIGN	12
2.2.1. Philosophical stance of the study	12
2.2.2. The nature of the study	14
2.2.3. Reasoning methods	15
2.2.4. Time horizon of the study	15
2.2.5. Unit of analysis	16
2.2.6. Types of data	16
2.2.7. Sources of data	17

2.3.	RESEARCH METHODOLOGY	18
2.3.1.	Methodological classification	18
2.3.2.	Systematised literature review of the literature	20
2.3.3.	Data collection technique	21
2.3.4.	Quality assessment of the data	22
2.3.5.	Summarised overview of the data collection and quality assessment	2625
2.4.	SUMMARY	26
CHAPTER 3: DATA ANALYSIS AND RESULTS		27
3.1.	INTRODUCTION	27
3.2.	DATA ANALYSIS TECHNIQUE	27
3.3.	PRESENTATION OF RESULTS AND DISCUSSION	28
3.3.1.	Authors	28
3.3.2.	Academic journals	29
3.3.3.	Perspectives	31
3.3.4.	Theoretical framework	34
3.3.5.	Research designs and methodologies	37
3.4.	SUMMARY	41
CHAPTER 4: CONCLUSION		47
4.1.	INTRODUCTION	47
4.2.	SUMMARY OF FINDINGS AND CONCLUSION	47
4.3.	LIMITATIONS	49
4.4.	FUTURE RESEARCH	50
4.5.	CONCLUDING REMARKS	50
LIST OF REFERENCES		51
APPENDIX A: DECLARATION OF PLAGIARISM		565655
APPENDIX B: LANGUAGE EDITING CERTIFICATE		585857

LIST OF TABLES

Table 1: Abbreviations and acronyms used in this document	viii
Table 2: Quality assessment results	23
Table 3: Authors	28
Table 4: Academic journals.....	29
Table 5: Country perspective	31
Table 6: Group perspective.....	32
Table 7: Constructs.....	34
Table 8: Variables.....	36
Table 9: Data collection techniques	40
Table 10: Data analysis techniques	40
Table 11: New taxes	44
Table 12: Models of UBI	45

LIST OF FIGURES

Figure 1: Summary of quality assessment results	26
Figure 2: Academic discipline	30
Figure 3: Taxpayer perspective	33
Figure 4: Tax types	35
Figure 5: Nature of the study	37
Figure 6: Methodological classification	38
Figure 7: Research strategies.....	39

LIST OF ABBREVIATIONS AND ACRONYMS

Table 1: Abbreviations and acronyms used in this document

Abbreviation	Meaning
ABDC	Australian Business Dean Council
BIG	Basic Income Grant
CIT	Corporate Income Tax
ITX	Income Tax
UBI	Universal Basic Income
VAT	Value-added tax

CHAPTER 1: INTRODUCTION

1.1. BACKGROUND

An old saying goes ‘the rich get richer and the poor get poorer’. In modern society this still holds true as income inequality widens, aggravating the social issues faced by societies. One possibility to breach this inequality gap is through universal basic income (UBI). The idea of a UBI dates back to Belgium during the 16th century. It is described as unconditional cash payments made to all citizens of a country, irrespective of their social standing and is aimed at alleviating poverty and restoring income inequalities (Haagh, 1986). In order to fund UBI, governments have to optimise their tax revenue and use it to combat the social issues.

South Africa is one of the most unequal nations in the world in terms of economic inequalities and had a Gini coefficient of 0.67 in 2006 that fell to 0.65 in 2015 (Statistics South Africa, 2020). Post-apartheid South Africa has also been unable to successfully eradicate deeply-rooted poverty and between 40% and 55% of the population are living in dire poverty (The Report of the Committee of Inquiry into a Comprehensive Social Security System for South Africa, 2002:29; hereafter the Taylor Report). As a result, government together with civil society are obliged to address the persistent poverty and income inequalities to strive for economic growth and sustainability (BIG Finance Reference Group, 2004:8). The current social security programmes initiated in the country have not done anything noteworthy to narrow the poverty and inequality gap in recent years (BIG Finance Reference Group, 2004:12). Furthermore, South Africa’s current social security systems are structured in such a way that it does not cater for able-bodied working age individuals. Consequently, these social programmes cannot help the working age population to provide for themselves or seek employment because the existing social grants are either aimed at children below the age of 18, the elderly or the disabled, which in turn causes a decline in economic activity and development for the country as a whole (BIG Finance Reference Group, 2004:11). It is in light hereof that the debate for a UBI grant has become increasingly relevant, especially with the Covid-19 pandemic that the world has been confronted with in 2020.

In the midst of the global Covid-19 pandemic, financial insecurities are on the rise and economies around the world are facing recession. South Africa is no different. It is for this reason that a UBI is being considered again. A generous income grant will certainly have a massive effect on the current social security system because individuals would be able to spend on themselves and not just make ends-meet. The true economic effect of this will depend on the magnitude of the UBI because individuals will be able to invest more in education, housing and healthcare, which will in turn have a multiplier effect on the economy. In addition, a UBI will to a large degree coincide with all other existing social grants, which will ultimately afford South Africa the opportunity to transform its entire social security system for the betterment of its people (Malan, 2020).

The Covid-19 pandemic have caused hundreds of millions of people around the world to drop below the poverty line. The destitute lost their jobs or their informal businesses, which were shut down as a result of lockdown regulations, further causing a decline in their livelihoods. As a result, the poor are in dire need of some form of social grant. Governments are therefore encouraged to move towards implementing a UBI. Countries such as Egypt, Brazil, Indonesia and Columbia have already expanded their outreach programmes, while Argentina, Bolivia and Turkey initiated new social welfare programmes. It is thus recommended that high-income countries support low- and medium-income nations with the implementation of a (partial) UBI, especially during these uncertain times, because this will help mitigate the global recession and stabilise political systems around the world (Loewe, 2020).

1.2. RATIONALE FOR THE STUDY

UBI is defined as recurrent cash payments to each individual in a country. These cash payments are universal and unconditional. This means it is made to all citizens, irrespective of whether an individual is employed or even eager to work (Haagh, 1986). UBI can be implemented in various forms such as social assistance, natural resource dividends, and automation and labour market disruptions. Social assistance is in-kind benefits such as food parcels, clothing, bedding and vouchers as well as shelters and homes. Natural resource dividends refers to the redistribution of profits made from the country's natural resources to all citizens and gradually taxing it back to fund public goods and services. Automation and labour market disruptions are the process whereby the risks

of technology induced unemployment due to automation increase and many unskilled labourers are left jobless; UBI is regarded as insurance against such risks (Gentilini *et al.*, 2020:47-52).

Coote and Yazici (2019:15) makes the following comment about UBI:

“The debate around UBI symbolises a central dilemma in contemporary politics. If the goal is to tackle today’s problems of growing inequalities, job losses from automation and insecure livelihoods, is this best achieved by giving money to individuals or by acting collectively, pooling resources and sharing risks?”

While UBI is still experimental in many countries around the world (Usman, 2017:5), this study, in conjunction with other literature, will elaborate on the advantages, disadvantages, funding and feasibility of UBI through tax systems to reduce poverty and inequality. Thus the question is asked, how will UBI alleviate social injustices and is it worth implementing?

1.3. RESEARCH OBJECTIVE

The main research objective of this study is to systematically explore the existing body of literature related to UBI and tax systems and its potential to combat social issues such as poverty and inequality by focusing on relevant articles published in quality academic journals.

The research focus of this study is directed by the following research questions:

- What are the advantages of UBI?
- What are the disadvantages of UBI?
- In which ways do UBI provide relief for social issues?
- What is the feasibility of implementing UBI?
- Which tax types, if any, are best suited to fund UBI?

1.4. RESEARCH DESIGN AND METHODOLOGY

The research method is a systematic literature review following a qualitative approach. A systematic review of existing literature is deemed appropriate for the study. A systematic review is defined as systematically searching and evaluating a combination of research

evidence that is transparent in its research method to enable others to replicate the process (Grant & Booth, 2009:102). Furthermore, the type of data used in this study is regarded as secondary data.

1.5. MAIN CONSTRUCTS OF THIS STUDY

The leading themes for this study are the arguments for and against UBI, the different funding options for UBI, and finally, the feasibility of implementing UBI. Each of these are examined in detail in the following subsections.

1.5.1. The case for UBI

Implementing UBI will have a number of benefits. First, a minimum guaranteed income will dismiss some of the common problems of the current social security systems, which include benefit restrictions imposed by the state and its massive dependence on means-testing. Some social security systems have increasingly intricate rules for entitlement, which leads to many people in dire need getting lost in the system, leaving people out of pocket and poverty ridden. UBI would effectively reduce the dependence on means-testing by providing an environment where all receive the same benefits, thereby eliminating the bureaucracy attached to these process-driven systems (Reed & Lansley, 2016:10).

Second, UBI will provide more independence and choice. This is especially true for women who can now be financially independent. By providing basic financial security, UBI will give individuals more negotiating power in the labour market and the freedom to balance their time between work, leisure and education. The greater flexibility will allow individuals to spend more time on child care and other community related tasks (Reed & Lansley, 2016:10).

Third, UBI can be used to combat poverty. Employment status will not be a warranting factor for receiving a minimum income grant, which means that UBI separates survival from employment. This will make alleviating poverty less dependent on employment and job creation (Reed & Lansley, 2016:11). Providing people with a basic income has been proven to show assessable improvements in people's standards of living. Studies have shown that cash payments given to pregnant women resulted in healthier babies because mothers could afford the necessary supplies to take care of their babies. In the same way,

cash child benefits make a huge difference in low-income households because the education, healthcare and general wellbeing of the child are secured (Zon, 2016:14). Good childhood health and proper education will over time increase the effect of UBI on poverty as healthy, well-educated children enter the labour market and positively contribute to the country's economy (Widerquist, 2013:24). Basic Income Grant (BIG) pilot projects implemented in countries like Namibia, Uganda and India considerably reduced poverty. The Namibian BIG project reduced the food poverty rate in Otjivero by 50%, and during the Ugandan project, eagerness to work and wages increased (Widerquist, 2013:22). There is also a direct correlation between poverty and crime rates. Data retrieved from the Namibian BIG project showed that the reduction in poverty had a direct positive impact on the crime rate. During this project school, dropout rates also decreased from the levels before the project was launched (Van Zon, 2018:20).

Society has a high regard for paid employment because it is a source of income and financial freedom and also because of its psychological effect on individuals. Individuals feel more self-worth, independent, and self-respect when employed and they enjoy social standing. On the contrary, (involuntary) unemployment is associated with feelings of depression, a lack of self-worth, passivity, humiliation and stigmatisation (Kagan, 2017:4). Furthermore, there is a reciprocal relationship between paid work and payment received that critics of UBI regard as an instigator for individuals to withdraw from the labour market. However, the Psychologists for Social Change (2017) report indicate that there is an intrinsic motivation for individuals to continue work and seek employment despite being given a guaranteed income (UBI).

Fourth, UBI improves equality in societies. It provides equal opportunities for all individuals and is especially favourable for those with inherent inequalities. Studies by Lancee and Van de Werfhorst (2012) and Neves *et al.* (2016) show that economic and social inequalities resulted in unequal opportunities for individuals to reach certain goals or achievements. These unequal opportunities demonstrate that individuals are reluctant to engage in society, which in turn causes lower economic growth and even social mayhem in some instances. For this reason, UBI advocates claim that it would successfully solve inequality issues within society (Van Zon: 2018:17).

Lastly, UBI could be a safety net for jobs threatened by automation and artificial intelligence. As technology advances, it will weaken human intervention at almost all levels of employment, both unskilled and professional labour, because machines can perform better and faster. In light of this, UBI is seen as a backup plan should job losses and retrenchments become a reality (Reed & Lansley, 2016:10). Advocates for UBI intend for people to flourish in an automated future because automation will free people from dreadful jobs and instead encourage them to spend time on hobbies, education, caring and community work (Coote & Yazici, 2019:20).

1.5.2. Critics of UBI

Despite the various advantages that a UBI holds, there are some recognised drawbacks. One is that inflation will rise if everyone suddenly receives a basic income. The demand for goods and services will increase as everyone now has the cash to pay for it. In response to the rise in demand, suppliers and manufacturers will try to increase production output to keep up with demand. However, over time, suppliers will fall short with supply and prices will increase to curb the demand. This, in turn, will cause a rise in inflation. Higher prices will soon make basic goods unaffordable to low-income earners, and in the long run, the unconditional income will not increase their standards of living (Amadeo, 2019).

Some critics also argue that UBI will discourage people to work, resulting in a decline in participation in the labour market and it may even encourage a culture of 'money-for-nothing'. A situation like this will unquestionably reduce taxable income and tax revenues generated by governments and negatively influence the provision of essential services such as healthcare, education, transport and housing (Reed & Lansley, 2016:12).

Another major concern about UBI is the cost of implementing it. The high cost of UBI will force states to discontinue other social security programmes. Means-testing programmes will be abolished for the sake of UBI, causing further inequalities between the rich and the poor. Because the wealthy will receive the same guaranteed income as low-income individuals, the fairness of UBI is questionable (Coote & Yazici, 2019:24). Some form of means-testing could remain intact to address this problem; however, this will defeat the purpose of the simplicity of a UBI programme (Reed & Lansley, 2016:12).

Finally, opponents to UBI suggests that there are better ways to alleviate poverty. They argue that universal basic services may be a better option than a UBI. One of the important lessons the Covid-19 pandemic taught us is which services are considered essential and which we all can do without. Critical services include food supply, transport, healthcare, law enforcement, municipal, and information technology. The objective is for these services to be state funded and available to all, irrespective of employment status. Healthcare services may already be publicly funded in most countries, but other services such as information technology may not have enjoyed the same sense of priority, at least not until the Covid-19 crisis hit. Access to smart devices and the internet have proven to be valuable in dealing with the challenges that the Covid-19 pandemic created. Greater dependence was placed on internet access apart from healthcare facilities. Schools and universities were closed during the lockdown period, and access to online teaching became essential to allow academics to carry on. Equally, employees who are able to were asked to work from home during the lockdown period, which also required internet access. For these reasons, critics argue that there should be greater emphasis on services rather than cash transfers. However, one cannot completely ignore the need for emergency cash transfers to assist people during a crisis. Hence, the best combination between UBI and universal basic services remains open for investigation (Prabhaker, 2020:111-112).

1.5.3. Funding UBI

There are a multiple ways to fund UBI. The most common are increasing the rates of existing taxes, such as income tax (ITX) or value-added tax (VAT), or introducing new taxes (Van Zon, 2018:21).

Increasing ITX rates is relatively straightforward. Progressive tax rates of middle- to high-income individuals can be raised. This will ensure that low-income earners do not carry a heavier tax burden than necessary. A wealth tax might be best suited to minimise further income inequalities. Raising corporate income tax (CIT) rates is another option, but this may negatively impact small to medium enterprises, unless a different tax rate will apply to these businesses (Widerquist, 2013:21).

Raising the VAT rate is also an option; however, VAT is a regressive tax that takes a greater percentage of tax revenue from those who earn less than from those with a higher income. This ultimately defeats the purpose of UBI by further widening the inequality gap (Widerquist, 2013:21).

The introduction of new taxes to fund UBI may prove to be the better option because these are not income based. Non-income-based taxes are beneficial in an increasingly automated world where many are left unemployed because it alleviates the pressure on income-based taxes to generate a sufficient amount of tax revenue for UBI as well as for other government expenditure (Van Zon, 2018:24).

Various new taxes that could be introduced will be discussed. One option is introducing a 'revenue-neutral carbon tax'. This tax will aim to tax carbon such as oil, gas and coal from the moment it is mined. It could generate a huge amount of revenue because carbon based products are used by most of society. A second suggestion is the introduction of a 'financial transaction tax' that taxes financial transactions, such as the purchase and sale of shares, by a fraction of a percentage. A third proposed tax is a 'land-value tax' that taxes unimproved land. The general notion behind the value of land is that the value is determined by its surroundings. Land in urban areas are worth more than land in rural areas. Hence, more tax revenue can be collected from land in cities owned by high-income earners. A fourth possible tax is a 'robot tax', which is essentially a tax on automation. This may well be the next biggest source of tax revenue as increased technology induced production will take place and robotics will reduce employees' tax and VAT. A final tax that may be introduced is the 'corporate automation benefit tax', which will tax companies enjoying the additional automation benefits of operating in an automated society (Van Zon, 2018:22-24).

Reforms can also be used to fund UBI, such as well-fare programmes, tax incentives and state-funded social security systems. Although some well-fare programmes, such as food assistance, will become redundant once UBI is implemented, other programmes such as mental health and disability support programmes could still be realised, since these individuals require special care and have specific needs. Tax incentives in the form of special allowable deductions for home-owners, child tax credits or tax credits for married couples, for example, could be effected. These incentives may be introduced to assist

individuals in financially disadvantaged positions or to encourage certain behaviour, such as purchasing homes instead of renting or using renewable energy sources. State-funded social security systems, such as state-funded pensions or medical aid schemes, are in essence similar to UBI in that all citizens of a certain age receive these benefits. With the introduction of UBI, these programmes could be terminated and the additional cash savings can be used to fund UBI. The costs of administering such programmes will also be eliminated, contributing to extra cash savings (Van Zon, 2018:21-22).

1.5.4. Feasibility of UBI

UBI apparently has many advantages but the question remains if it is feasible to implement? The following criteria must be met for UBI to be feasible:

- It should be unconditional, paid to all and cannot be withdrawn;
- Reduce the gap between the wealthy and the poor and increase the income of the poor;
- Combat poverty and inequality;
- Be material enough to advance the standards of living;
- Diminish means-testing and promote universality;
- Be cost effective and inexpensive;
- Limit the losses of low-income households;
- Limit the amount of commotion caused by introducing a new system; and
- Be in favour of the public (Lansley & Reed, 2019:15).

Lansley & Reed (2019) studied the effects of two distinct models of introducing UBI to assess its feasibility. The first model is a meagre basic income that is relatively quick to implement, and the second model is a more substantial UBI that takes much longer to implement. The first model reduced poverty and inequality, promoted universality, and shifted most of the means-testing to the tax system. The second model led to a larger reduction in poverty than the first model. Furthermore, there was less dependency on means-testing than in model one. In conclusion, both models met the feasibility requirements. However, the dilemma is which model should be implemented. A generous basic income will lead to a greater reduction in poverty but would be much more costly. A meagre basic income may not be of much help at all and defeat the purpose of the UBI.

Clearly there is a trade-off in the type of UBI model to apply, which governments should carefully assess in order to find a midway that are beneficial to both the recipients and the state (Lansley & Reed, 2019:16).

UBI trials in Kenya funded by a US charity organisation, Give Directly, provided cash transfers to approximately 21 000 people, with roughly 5 000 people receiving a long-term basic income based on extreme poverty. Currently there are no evidence available on the impact of the long-term cash transfers (Coote & Yazici, 2019). However, the financial impact of the interim trial indicated that these households increased their consumption of food, medical and educational expenses by US\$36 per month and increased their investments by US\$280 in assets such as livestock, furniture, and improved housing structures. Participants also invested more in income producing activities, resulting in a monthly revenue increase of US\$17. The psychological effects among participants measured a 0.2 standard deviation increase on an index measuring psychological wellbeing. The increase in overall wellbeing was as a result of reduced stress levels and depression and an increase in life satisfaction (Haushofer & Shapiro, 2018). Clearly, the Kenya UBI trial had positive results in terms of economic and psychological feasibility (Haushofer & Shapiro, 2018).

In summary, the practicality of implementing UBI, considering the factors mentioned above, should be thoughtfully evaluated by countries considering UBI as an answer to social injustices.

1.6. STRUCTURE OF THE MINI-DESSERTATION

The fundamental outcomes of the present study is submitted in the form of a mini-dissertation. The following subsections give an overview of the structure of the mini-dissertation.

1.6.1. Chapter 1: Introduction

Chapter 1 provides a structural outline of the mini-dissertation. It first provides a background of the research topic by elaborating on the historical ideas around the topic, and then it gives the reasons why the study is justified by providing an overview of what the topic entails and why the study will add value to the body of literature. Furthermore, the

research objective is discussed by identifying the research questions that require further investigation. Lastly, an overview of the research design and methodology is provided, and the theoretical constructs of the study are discussed.

1.6.2. Chapter 2: Research design and methodology

This chapter provides a comprehensive explanation of the various types of research designs and methodologies as well as those adopted in the present study. The following research design categories are described in detail: The philosophical approach of the study; the nature of the study; the reasoning methods; the time horizon; the unit of analysis; the types of data; and the sources of data. Furthermore, the research methodology is discussed in detail, including the classification, literature review, data collection technique and the quality assessment of the data.

1.6.3. Chapter 3: Data analysis and results

In Chapter 3, the data is analysed and discussed to address the research questions and objectives. Additionally, the data analysis technique is illustrated and the results of the study are presented. The research design and methodology selected for the present study are also applied in order to conclude on the outcome of the study.

1.6.4. Chapter 4: Conclusion

This chapter summarises the findings of the study based on the results presented in Chapter 3. In addition, this chapter concludes the study based on the research findings. The limitations of the study are highlighted and future areas of research applicable to the research topic are recommended.

CHAPTER 2: RESEARCH DESIGN AND METHODOLOGY

2.1. INTRODUCTION

A systematic literature review of the study will be conducted, which means that processes undertaken will follow a logical flow (Kumar, 2011:29).

The main research objective of this study is to systematically explore the existing body of literature related to UBI and tax systems and its potential to combat social issues. Chapter 1 introduced UBI and tax systems with the potential to combat social issues as a hypothesis and elaborated on the rationale, the research objective and the supporting research questions of the study.

Chapter 2 clarifies the research design and methodology used in this study. Furthermore, the chapter looks at the research design, followed by the research methodology, research classification, research strategy, and the data collection methods. The chapter concludes by elaborating on the results of the research methodology.

2.2. RESEARCH DESIGN

The research design comprises the philosophical stance of the study, the nature of the study, the reasoning approach of the study, the time horizon of the study, the unit of analysis, the types of data and the sources of data. Each of these fundamentals is discussed with regard to the present study in the next subsections.

2.2.1. Philosophical stance of the study

Philosophy looks at those questions that the insightful mind find perplexing. Furthermore, philosophy relies only on thought, unlike science and mathematics that rely on observations and experiments. In addition, philosophy asks questions, argues for or against uncertainties and finds out how certain concepts work; on the other hand, mathematics and science are based on formulae and methods of proof. Hence philosophy is the way of thought and the way reality is perceived (Nagel, 1987:4).

Positivism, realism, interpretivism and pragmatism are the four philosophical categories most often used in research. The positivist approach reinforces what can be measured objectively and exists independently of emotions of individuals (Welman, Kruger & Mitchell, 2005:6). Because of the objectivity of the positivist approach, the insights provided by these researchers have high standards of validity and reliability. This approach also allows for replication in the same group or subgroups of the data population, saving time and effort. On the other hand, this paradigm renders it impossible to evaluate phenomena relating to human intentions, thoughts and attitudes, mainly because it cannot be observed without evidence. Furthermore, because of the generalising factor of this approach, it may be difficult for researchers to understand phenomena in a confined context (Pham, 2018).

Realism refers to reality that is independent from the human mind. Realism can be divided into two subgroups, namely direct realism and critical realism. Direct realism is also called 'naïve realism' and views the world as being fairly rigid and accepts observations at face value. On the contrary, critical realism claims that what the human senses observe are misleading and do not depict reality. It recognises the fact that human senses may be caught in the middle of the researcher and the researched reality. Hence realism is focused on human senses and objectivity is not possible (Dudovskiy, 2019).

In interpretivism, researchers obtain a deeper understanding of the research problem and its intricacy instead of using generalisations (Pham, 2018). Within this paradigm, multiple realities exist and context is imperative for knowledge. Additionally, interpretivism aims to understand individuals instead of worldwide regulations (Kivunja & Kuyini, 2017). Furthermore, numerous interpretations are developed, thereby avoiding bias behaviour in terms of own perceptions. This paradigm's intense nature lets researchers collect valuable data, allowing for enhanced insight. However, there is a gap between substantiating the validity of research conclusions and the use of research procedures because of its focused involvement and lack of generalising. In addition, the interpretivism approach is more subjective than objective, which may result in the research conclusions being a view of the researcher's own interpretation (Pham, 2018).

Pragmatism is when a proposal is successful, it is regarded as the truth, and the unrealistic notions are rejected (McDermaid, 1995). This paradigm focuses on the

research questions instead of the research method. Pragmatism accepts numerous realities that are exposed to practical analysis. Pragmatists are of the opinion that objective reality exists autonomously from human experiences; however, this reality can only be met through human experiences. Additionally, researchers using this approach may select the research methodology and design best suited to appropriately address the research problem. Due to the in-depth problem-centred nature of this approach, the ability to recognise straightforward social problems are limited (Kaushik & Walsh, 2019).

The pragmatist approach was used in the current study because of its problem-centred nature. The focus was on addressing the research questions, and the appropriate methodology and design were applied to achieve this. Additionally, various realities were observed in this study, rendering it the most befitting approach.

2.2.2. The nature of the study

Studies can be exploratory, descriptive or causal in nature. The nature of the study depends on the existing knowledge about the research topic and what the researcher aims to achieve with the research (Sekaran, 2003:119).

Exploratory studies are conducted when there is little or no information about a research focus area, making a broad introductory work necessary to gain more knowledge. In addition, exploratory studies are also done to deepen the understanding of the problem at hand. Exploratory studies use qualitative methods and collect data through extensive interviews and observations (Sekaran, 2003:119-120).

Descriptive studies are undertaken to describe the characteristics of the variables found in the study. The aim of descriptive studies is to provide certain characteristic traits of the subject being researched. In these instances both qualitative and quantitative research methods are necessary. Firstly, qualitative data is obtained via interviews to better understand the phenomena, and secondly, quantitative data is collected to get the numbers behind the research problem (Sekaran, 2003:121 & 123).

Causal studies are done to explain the cause of the problem and to determine the relationship between variables. In order to do this, quantitative data is recommended. This

method ensures that the connection between variables can be measured by determining the frequency, mean or standardised deviations (Sekaran, 2003:124-125).

This study performed both descriptive and causal studies to discuss the distinguishing factors of UBI as well as its impact on social injustices and the relationship between these two phenomena. However, the current study was limited to a qualitative study.

2.2.3. Reasoning methods

Research studies use inductive, deductive and abductive reasoning methods. Inductive research refers to theory developed from observing pragmatic reality; therefore, general interpretations are induced from certain instances. It also focuses on generating concepts on the basis of studying specific cases. Inductive research is conducted by collecting qualitative data (Welman *et al.*, 2005:34).

Deductive research is the opposite of inductive research, and concepts are developed and then tested. Thus, certain instances are deduced from general interpretations. Welman *et al.* (2005:34) states that “the deductive method is referred to *as moving from the general to the particular*” (own emphasis). Hence, deductive research is used to test a theory and primarily uses quantitative research (Welman *et al.*, 2005:34).

Abductive research is a combination of inductive and deductive research. A theory is observed to arrive at a conclusion using inductive research, and it is then tested with the deductive approach (Sekaran, 2003:27).

Inductive research was used in this study. The research question has already been tested using deductive research. Thus, general inferences were made in this study from the specific cases that have already been studied.

2.2.4. Time horizon of the study

There are two main time horizons used in research, namely, cross-sectional studies and longitudinal studies. Cross-sectional studies collect data once at a particular point in time (Sekaran, 2003:135). They are beneficial to obtain a general idea of the phenomenon as it stands at the time of the study. Cross-sectional studies are straightforward and easy to scrutinise (Kumar, 2011:106-107).

Longitudinal studies, on the other hand, collect data over a period of time, at regular intervals and on a continual basis. There is no prescribed time frame for the intervals at which data is collected. Longitudinal studies can be viewed as a series of cross-sectional studies conducted on a continual basis. It allows for the recognition of a pattern in the information gathered, improving its accuracy (Kumar, 2011:109).

The current study is a cross-sectional study because it is simpler and more appropriate. A longitudinal study would have taken too long, defeating the purpose of the current study.

2.2.5. Unit of analysis

The unit of analysis refers to the subject being researched, such as individuals, focus groups, a country or a certain area of interest. The unit of analysis depends on the research problem and the level of analysis. There can be more than one unit of analysis in a particular study, for example, when studying rainfall patterns in Namibia, the units of analysis are the rainfall (the what) and Namibia (the who) (Sekaran, 2003:132).

This study used various units of analysis. These are UBI, various countries where UBI has been implemented, and the social inequalities it aims to resolve.

2.2.6. Types of data

There are two main types of data, namely, quantitative and qualitative data. Quantitative data is objective, specific, validated and can be clearly documented. It is obtained through observation, questionnaires or interviews. It is expressed numerically and subdivided into different levels of measurement (Welman *et al.*, 2005:138-140). The levels of measurement are as follows:

- Nominal, where each variable is numbered without any specific order;
- Ordinal, where the data is presented in a specific order;
- Interval, where the degree of difference between the data is provided and the data is continuous and evenly separated; and
- Ratio, where the data can be fixed or have an absolute zero.

Qualitative data is subjective, experimental and focuses on understanding a specific problem. This type of data can be collected through focus groups, interviews and literature

reviews. According to Davidson (2019), qualitative data involves the following data analysis methods:

- Content analysis, which draws conclusions from texts;
- Narrative analysis, which emphasises experiences; and
- Discourse analysis, which observes connections between parties in a specific setting.

This study collected qualitative data. The aim of the research is to understand the characteristics of UBI, to analyse the relationship between UBI and social injustices, and to identify additional research areas. Thus content analysis was performed in this study.

2.2.7. Sources of data

The two key sources of data are primary data and secondary data. According to Welman *et al.* (2005:149), “primary data is original data collected by the researcher for the purpose of his/her own study” and “secondary data is information collected by individuals or agencies and institutions other than the researcher him or herself”. Primary data can be obtained through individuals, focus groups or questionnaires, while secondary data can be gathered through archives, specific records, government publications, academic publications, the media and web sites (Sekaran, 2003:219).

The benefits of using secondary data are that it saves time and is cost efficient. Collecting primary data is more costly and time consuming. The disadvantage of secondary data is that information may become outdated and irrelevant to the current study; primary data is suitable and up to date (Sekaran, 2003:223).

Secondary data was used in the current study. The data collected was qualitative in nature and were obtained from literature reviews. This data collection technique was the most appropriate and time efficient method for the current study due to the time limitation and the vast amount of literature already available on the topic. Furthermore, the literature obtained were in the form of academic articles, journals, research papers, books and reports relating to the study.

2.3. RESEARCH METHODOLOGY

This section explains the research methodology implemented in the study in terms of its methodological classification, research strategy, data collection technique, quality assessment of the data and the sample of academic articles selected for analysis.

2.3.1. Methodological classification

The core methodological classifications are qualitative research, quantitative research and mixed methods research. Qualitative research interprets and intends to describe, decipher, or translate certain phenomena. Therefore, it is descriptive in nature (Welman *et al.*, 2005:188). In addition, the researcher not only aims to find out what people think, but also why they think so in order to arrive at a conclusion (Bhat, 2020).

According to Bhat (2020), the most commonly used qualitative data collection methods are interviews, focus groups, ethnographic research, case study research, record keeping and the process of observation. Interviews provide precise and first-hand data from the participants, and if the researcher asks the right questions, meaningful data can be collected. Focus groups focus on a limited number of respondents and intend to answer questions of “why, what, and how” (Bhat, 2020). According to Bhat (2020), “ethnographic research is the most in-depth observational method that studies people in their naturally occurring environment”. Its aim is to understand difficulties and aspirations in a natural setting. Case study research is mainly used to study organisations, entities and institutions, and the obtained results are inferred. Record keeping refers to collecting data that already exists from reliable sources on the specific research area being studied. The process of observation involves using subjective practices to gather systematic data, and observation is used to compare quality differences. Qualitative research use non-numeric data that assists in the thought process and how conclusions are reached; hence, full analysis of the data is required (Bhat 2020).

On the other hand, quantitative research is objective and numerical in nature. This type of research views the facts objectively and in a non-biased manner. Quantitative research focuses on reliability and replicability, which means that should the study be conducted by another researcher the same results and conclusion should be reached. The validity of quantitative data is important because the purpose of the study should be representative

of the data collected (Welman *et al.*, 2005:9). Furthermore, quantitative research gathers quantifiable data through statistical, mathematical and computational techniques. The primary data in quantitative research can be collected in various ways, including surveys, correlation research, causal-comparative research and experimental research (Bhat, 2020). These are briefly described here:

- Surveys gather information from respondents via a series of questions posed to them.
- Correlation research compares two entities to determine the connection between them and how the one influences the other.
- Causal-comparative research, also called the quasi-experimental research, determines the relationship between two or more variables where one variable is dependent on the other independent variable.
- Experimental research purely relies on theory, where the theory has never been proved or disproved before, and aims to prove or disprove hypotheses (Bhat, 2020).

Secondary data collected in quantitative research are data that is available on the internet, government or non-government sources, public libraries, educational institutions and commercial information sources (Bhat, 2020). The following are examples of each:

- Internet data: Previously collected data available online.
- Government or non-government sources: Market research reports, government publications, etc.
- Public libraries: Archives of research conducted in the past.
- Educational institutions: Academic publications, articles and reports.
- Commercial information sources: Local newspapers, magazines, journals, and radio and television sources.

In summary, quantitative research uses quantifiable data that is objective, reliable and verifiable.

Mixed methods research uses both qualitative and quantitative data to resolve a research problem. It uses both philosophical assumptions and theoretical frameworks and is

regarded as a more comprehensive approach to understanding a research problem. It also involves the analysis of both types of data (Creswell, 2014:32). It is necessary to integrate the quantitative and qualitative data as well as to apply both these components, either simultaneously or successively, with the selected sample (Wisdom, 2013).

The advantages of using a mixed methods approach can be summarised as follows (Wisdom, 2013):

- It compares the qualitative findings with the quantitative results;
- Respondents' opinions are more prominent;
- It provides flexibility in methodology designs; and
- It gathers wide-ranging data.

The mixed methods approach has the following limitation:

- It is difficult to plan and execute;
- Incorporating qualitative and quantitative data is challenging;
- It requires a multi-faceted team of researchers; and
- It requires more time and resources to execute.

To conclude, mixed methods research delivers comprehensive results that provide more meaningful insights into the research problem (Wisdom, 2013).

Qualitative research was conducted in this study, which used a systematic literature review as research strategy.

2.3.2. Systematised literature review of the literature

Systematic reviews are the most commonly used method of literature reviews and is aimed at systematically searching for research evidence. This process is known for its transparency because it allows others to replicate the process (Grant & Booth, 2009:102).

Systematised reviews only incorporate one or two elements of systematic reviews and are not a complete systematic review. It is not a comprehensive search but rather a restrictive search of research evidence that is more appropriate to postgraduate studies. It is used when researchers are unable to gather the resources required for a full systematic review

(Grant & Booth, 2009:103). The current study used the systematised approach as it is limited to a mini-dissertation that forms part of postgraduate studies.

2.3.3. Data collection technique

Secondary, qualitative data was collected for the present study by doing online searches for academic articles, journals and papers. Academia, a database that records academic literature, and Google Scholar were used to search for and collect relevant data. The collected data was subjected to a quality assessment using the Qiqqa software program. Certain keywords were used to appropriately answer the research questions for this study. The data collection techniques that were used are discussed in the following subsections.

2.3.3.1. Keywords

The researcher began the data search by searching the term ‘universal basic income’. This was done to define the concept and gain an understanding of what it entails, such as the different types of UBI. Next, the phrase ‘advantages and disadvantages of universal basic income’ was searched in order to answer the research questions. ‘Universal basic income and social inequalities/injustices’ was searched to determine the relationship between these two notions, and ‘feasibility of universal basic income’ was searched to understand the feasibility of implementing UBI. Lastly, ‘tax incentives and universal basic income’ as well as ‘tax types to fund universal basic income’ were searched. This was used to identify the connection between tax incentives and UBI and the different tax types that can be used to fund UBI.

2.3.3.2. Search criteria

The following search criteria were used to identify, select and record academic articles:

- This review considered only articles published in academic journals and books, and therefore, excluded textbooks, dictionaries, Web and other publications by professional entities/bodies, government institutions, international institutions and grey literature (reports by entities), theses and dissertations, conference papers, popular media, and work-progress unpublished papers.

- This review was not limited to any country-specific academic articles.
- This review was not limited to any science-specific literature and considered publications in journals from the social, formal, applied and natural sciences.
- This review considered all articles, irrespective of research design or methodology.
- Only publications in English were included in this review.
- Only articles published since 2012 were considered in this review.
- This review included published academic literature available in electronic format through the University of Pretoria's library, which include Google Scholar, EbscoHost and ProQuest.

2.3.3.3. Recording of selected academic articles

The academic literature found was recorded on the Qiqqa software program. This software is used to search, read and interpret documents and assists with referencing and citing resources (University of Pretoria lecture slides, n.d.). The academic literature was recorded to retrieve the bibliographical details of the resources and to evaluate its quality by using the Australian Business Dean Council (ABDC) list.

2.3.4. Quality assessment of the data

The quality assessment of the data was clarified in terms of the ABDC rating of the journals in which the recorded articles were published. The ABDC list is a list of rated journals that classifies journals into four mutually exclusive and collectively exhaustive rating categories labelled A*, A, B and C. These quality rating categories are defined as follows:

- A* rated: These journals are defined as being “the best or leading journal in its field, publishes outstanding, original and rigorous research that will shape the field” (Hirschberg & Lye, 2018). Acceptance rates are typically low, and the editorial board is dominated by leading scholars in the field or subfield from top institutions in the world. Where relevant to the field or subfield, the journal has the highest impact factors or other indices of high reputation.

This is the highest quality category and indicatively represents approximately the top 5% of selected journals.

- A rated: This is the second highest quality category and indicatively represents approximately the next 25% of the selected journals.
- B rated: This is the third quality category and indicatively represents approximately the next 35% of the selected journals.
- C rated: This is the fourth quality category and represents the remaining recognised quality journals.

The results from the quality assessment are summarised in Table 2.

Table 2: Quality assessment results

Title of Article	A* Rated	A Rated	B Rated	C Rated	Not Rated
Social Work, Human Sciences and Basic Income		x			
Universal Basic Income: Its Pros and Cons with Examples				x	
Is Unconditional Basic Income Feasible in Capitalism?		x			
Exploring Universal Basic Income: A Guide to Navigating Concepts, Evidence and Practices			x		
The Social Benefits and Economic Costs of Taxation				x	
Universal Basic Income. A Union Perspective		x			
Is There (or Should There Be) a Right to Basic Income			x		
Radical Transformation or Technological Intervention? Two Paths for Universal Basic Income		x			
“Human Again”: The (Unrealised) Promise of Basic Income in Ontario	x				
Universal Basic Income as a Policy Response to Current Challenges		x			
Basic Income for All: From Desirability to Feasibility			x		
The Democratic Case for a Basic Income			x		
Universal Basic Income and Flat Income Tax: Tax justice, Incentive, Economic Democracy				x	

Title of Article	A* Rated	A Rated	B Rated	C Rated	Not Rated
Universal Basic Income: An Idea Whose Time Has Come?		x			
Reducing Health Inequities: Is Universal Basic Income the Way Forward?			x		
Stepping Stones: An Australian Basic Income			x		
Social Policy and the Tax System			x		
Automation & Universal Basic Income: Arguments of Distributive Justice in Favour of a UBI				x	
The Basic Income Grant as Social Safety Net for Namibia: Experience and Lessons from Around the World			x		
Would a Universal Basic Income Reduce Poverty?				x	
Basic Income and Tax					x
History of Basic Income					x
Universal Basic Income: Purpose, Pros and cons					x
What is Universal Basic Income?					x
Universal Basic Income and COVID-19. Is a Basic Income both Affordable and Desirable?				x	
Universal Basic Income. Social Transfers Stabilise Aggregate Demand				x	
A Basic Income Grant Will Transform the South African Social Security System				x	
Universal Basic Income in the UK				x	
Universal Basic Income: Is It the only Cornerstone of a Just Society			x		
Is It Necessary to Implement Universal Basic Income in the US?			x		
Covid-19 and the Need, Right Now, for a Universal Basic Income				x	
Creating Universal Basic Income as a Right: Indian Perspective		x			
Towards a Universal Basic Income				x	
Funding a UBI—Digital Royalties				x	
Impossibility of Universal Basic Income Revisited: A			x		

Title of Article	A* Rated	A Rated	B Rated	C Rated	Not Rated
Comparative Review					
The Inevitability of Universal Basic Income			x		
Basic or Universal? Pathways for a Universal Basic Income		x			
Something for Nothing: Universal Basic Income and the Value of Work Beyond Incentives			x		
Support for a Universal Basic Income: A Demand-Capacity Paradox?		x			
The Case Against the Universal Basic Income			x		
The Paradox of Universal Basic Income				x	
Universal Basic Income: The Last Bullet in the darkness		x			
Universal Basic Income as Emergency Measure and Enduring Reform				x	
Universal Basic Income: A Policy Option for China beyond 2020				x	
Universal Basic Income in the UK: Not the Solution to Reduce Inequality		x			
Universal Basic Income and Inclusive Capitalism: Consequences for Sustainability				x	
Universal Basic Income as Development solution?			x		
Universal Basic Income as a Tool of Empowerment for Minorities			x		
Totals	1	11	16	16	4

The table summarises the quality of the academic articles collected. Only one article has an A* rating, which is regarded as the best or leading in the field. Not many articles are accepted as part of this category, hence few articles fall in this category. Eleven articles have an A rating, which is the second highest quality rating, followed by 16 articles each with B and C ratings, which represent the third and fourth highest ratings, respectively. Four articles are not rated at all.

2.3.5. Summarised overview of the data collection and quality assessment

The results of the data collection and assessment are presented below, clarifying the sample of quality academic articles selected for further analysis in this study. A total of 48 articles were collected, of which two were listed in Scopus and 46 were included in Web of Knowledge. Additionally, four of the 48 articles were excluded because they were not rated on the ABDC list. As a result, only 44 articles were included after the quality assessment was performed. Figure 1 demonstrates the process.

Figure 1: Summary of quality assessment results



2.4. SUMMARY

The research design of the present study follows a pragmatist approach, is descriptive and causal in nature, and supports inductive reasoning. The study is cross-sectional and focuses on UBI, social inequalities and the places where it is implemented. Secondary, qualitative data were gathered using keywords, criteria and quality assessment. The methodology of the study was qualitative, and it used a systematised review.

CHAPTER 3: DATA ANALYSIS AND RESULTS

3.1. INTRODUCTION

The core objective of this study is to explore academic articles related to UBI and tax systems and its potential to alleviate social injustices such as poverty and inequality. The previous chapter elaborated on the research design and methodology applied in this study. This chapter explains the data analysis technique, presents the results, and elaborates on the findings from this analysis using the research sub-questions.

3.2. DATA ANALYSIS TECHNIQUE

There are several data analysis techniques, including textual (thematic), statistical, diagnostic, predictive and prescriptive techniques. The textual or thematic analysis technique determines patterns in large sets of data (Krishna, 2020) as well as detects patterns and themes associated with the phenomenon researched (Swain, 2018). Statistical analysis aims to answer the 'what' question. It is used in quantitative research and includes descriptive and inferential analysis. Descriptive analysis analyses numerical data that provides perpetual conclusions, whereas inferential analysis reaches altered conclusions from the same data when different samples are selected. Diagnostic analysis is aimed at answering the 'why' question by determining the cause of the research problem. Predictive analysis focuses on the anticipated outcomes based on current or past data. Prescriptive analysis focuses on an action plan based on current data and may use interpretations derived from all other data analysis techniques (Krishna, 2020).

The textual (thematic) technique was used in this study with an *a priori* theme arrangement. This technique was used because certain pre-determined themes (i.e. *a priori* theme) as well as specific paradigms associated with UBI were identified. These pre-determined themes and patterns are the relationship between UBI and social inequalities, benefits associated with it as well as the challenges to overcome, its costs, and its feasibility.

3.3. PRESENTATION OF RESULTS AND DISCUSSION

This section presents and discusses the results of the analysis selected quality academic articles.

3.3.1. Authors

The main authors of the selected academic articles are summarised in Table 3.

Table 3: Authors

Title of Article	Main Author
Social Work, Human Sciences and Basic Income	Phillip Ablett
Universal Basic Income: Its Pros and Cons with Examples	Kimberly Amadeo
Is Unconditional Basic Income Feasible in Capitalism?	Annamaria Artner
Exploring Universal Basic Income: A Guide to Navigating Concepts, Evidence and Practices	Ugo Gentilini
The Social Benefits and Economic Costs of Taxation	Neil Brooks
Universal Basic Income. A Union Perspective	Anna Coote
Is There (or Should There Be) a Right to Basic Income	Jurgen De Wispelaere
Radical Transformation or Technological Intervention? Two Paths for Universal Basic Income	Elizabeth Fouksman
"Human Again": The (Unrealised) Promise of Basic Income in Ontario	Leah Hamilton
Universal Basic Income as a Policy Response to Current Challenges	Melissa Kearney
Basic Income for All: From Desirability to Feasibility	Stewart Lansley & Howard Reed
The Democratic Case for a Basic Income	Leticia Morales
Universal Basic Income and Flat Income Tax: Tax Justice, Incentive, Economic Democracy	Richard Parncutt
Universal Basic Income: An Idea Whose Time Has Come?	Howard Reed & Stewart Lansley
Reducing Health Inequities: Is Universal Basic Income the Way Forward?	Arne Ruckert
Stepping Stones an Australian Basic Income	Ben Spies-Butcher
Social Policy and the Tax System	Rochelle Stanfield
Automation & Universal Basic Income: Arguments of Distributive Justice in Favour of a UBI	Thomas van Zon
The Basic Income Grant as Social Safety Net for Namibia: Experience and Lessons from Around the World	Karl Widerquist
Would a Universal Basic Income Reduce Poverty?	Noah Zon
Universal Basic Income and COVID-19. Is a Basic Income both Affordable and Desirable?	Dr Rajiv Prabhaker
Universal Basic Income. Social Transfers Stabilise Aggregate Demand	Markus Loewe
A Basic Income Grant Will Transform the South African Social Security System	Naude Malan
Universal Basic Income in the UK	Paul Spicker
Universal Basic Income: Is It the only Cornerstone of a Just Society	Carolyn Kagan
Is It Necessary to Implement Universal Basic Income in the US?	Wahyuni Sofa
Covid-19 and the Need, Right Now, for a Universal Basic Income	Daniel Raventos
Creating Universal Basic Income as a Right: Indian Perspective	Punsara Amarasinghe
Towards a Universal Basic Income	Jennifer Lehmann
Funding a UBI—Digital Royalties	Julio Andrade
Impossibility of Universal Basic Income Revisited: A Comparative Review	Noah Schaul

Title of Article	Main Author
The Inevitability of Universal Basic Income	Oren Levin-Waldman
Basic or Universal? Pathways for a Universal Basic Income	John Quinggin
Something for Nothing: Universal Basic Income and the Value of Work Beyond Incentives	Jonathan D. Grossberg
Support for a Universal Basic Income: A Demand-Capacity Paradox?	Zachary Parolin
The Case Against the Universal Basic Income	Le Dong Hai Nguyen
The Paradox of Universal Basic Income	Joichi Ito
Universal Basic Income: The Last Bullet in the Darkness	Mohammad Rasoolinejad
Universal Basic Income as Emergency Measure and Enduring Reform	Matthew Thompson
Universal Basic Income: A Policy Option for China beyond 2020	Yuan Zheng
Universal Basic Income in the UK: Not the Solution to Reduce Inequality	Ira Aprilianti
Universal Basic Income and Inclusive Capitalism: Consequences for Sustainability	Ralph P. Hall
Universal Basic Income as Development Solution?	Anita Lacey
Universal Basic Income as a Tool of Empowerment for Minorities	Sonja Wolf

A wide, diverse range of authors are publishing articles on the philosophy of UBI and its characteristics and practicality in a modern society. The authors Stewart Lansley and Howard Reed have already collaborated on two occasions to publish articles on this topic. This indicates that UBI is a universal topic of discussion, and it is once more gaining momentum in the midst of the Covid-19 pandemic, which lead to a number of articles being published calling for the urgent need of a UBI in countries around the world.

3.3.2. Academic journals

This section outlines the results related to the journals in which the selected academic articles were published as well as the academic disciplines to which these articles belong.

3.3.2.1. Journals

The selected academic articles were published in a number of academic journals. Table 4 presents a summary of these journals.

Table 4: Academic journals

Academic Journal	Number of Articles
Journal of Socialist Theory	1
Journal of Philosophy and Social Criticism	1
Journal of World Development	6
Journal of Poverty	1
Journal of Public Health	1
Journal of Economics, Finance, Business and Industry	6
Journal of Civil rights and Social Justice	2
Journal of European Social Policy	3

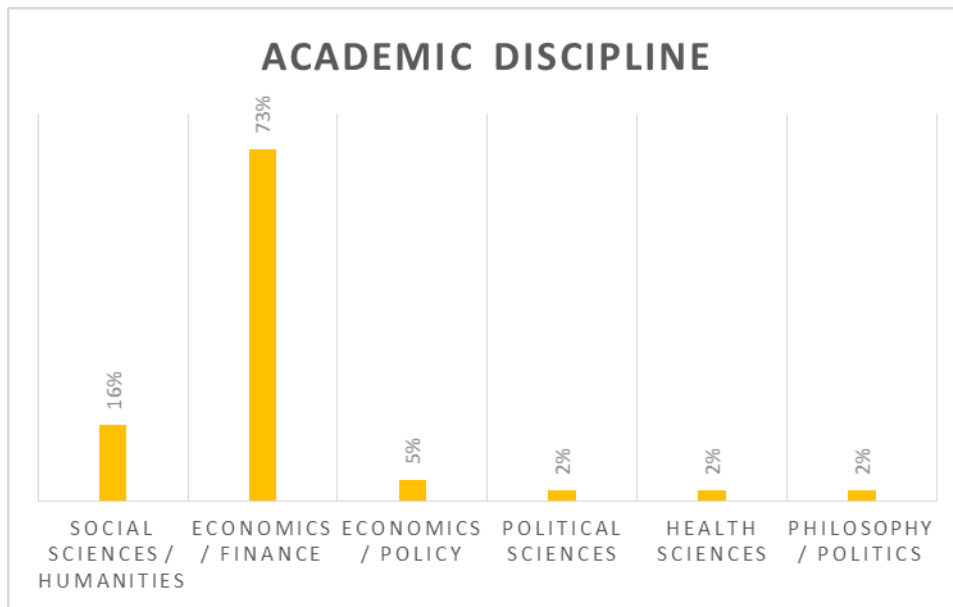
Journal of Global Social Policy	4
Other (books, reports, research papers, etc.)	19

The bulk of the articles were published in various academic journals, as seen in Table 4, however literature in the form of books, research papers, newspaper or magazine articles and academic reports were also selected for further analysis in this study. Furthermore, one notes that discussions around UBI are not limited to academics but that journalists, economists and sociologists have also shown an interest in UBI and its effects on individuals, corporations and governments globally.

3.3.2.2. Academic disciplines

The main academic disciplines the selected articles belong to are illustrated in Figure 2.

Figure 2: Academic discipline



Discipline is defined as a subject of interest, a body of specialist knowledge, theories and concepts that can be effectively organised, researched and taught at academic institutions and professional organisations (Hammarfelt, 2018). Hence the breakdown of academic disciplines denotes the importance of the research area as well the number of major areas of discipline that have focused their attention on UBI and the tax system.

The selected academic articles are categorised into a number of academic disciplines, including social sciences and humanities, politics, philosophy, and economics and finance.

The majority fall in the economics and finance discipline. This indicates that the area of research is still very compelling to a vast number of academics and researchers across disciplines, especially within the economics and finance discipline. This is not surprising as UBI and the tax system deals primarily with finances and the economic environment, and would therefore in general fall in this discipline. Furthermore, the various disciplines in which the literature were found also indicates that there is significant interest in UBI and that more studies are likely to be conducted in this field across disciplines.

3.3.3. Perspectives

This section looks at the perspectives from which the research in the selected articles were done, specifically the country, groups and taxpayer perspectives.

3.3.3.1. Country perspective

The country perspective from which the research in the selected academic articles were done are presented in Table 5.

Table 5: Country perspective

Country	Number of Articles
Australia	3
USA	6
Canada	3
United Kingdom	5
Austria	1
Namibia	2
India	2
Uganda	1
China	1
South Africa	1
Germany	1
No specific country	20

The country perspective relates to the country for which the study was conducted. The results provide an overview of the specific region (if any) where UBI and the tax system were studied. Forty-five percent (45%) of the selected academic articles do not focus on a specific country but examine the effects of UBI at a universal level. This shows the global relevancy of UBI and that it is not restricted to specific countries or regions. USA, Canada, the United Kingdom and Australia are some of the developed countries that are specifically focused on, while Namibia, India, South Africa and Uganda are some of the developing

countries that are covered. Furthermore, the results indicate that UBI is not only studied in developing countries where poverty and inequality are regarded as extreme and where UBI is seen as a tool to solve these social issues. Studies advocating for UBI and its positive effect on poverty and inequality are also conducted in first world countries where one would expect poverty and inequality to be less extreme than in developing countries. It clearly shows the universality of UBI and that its significance is recognised by both developed and developing countries worldwide.

3.3.3.2. *Group perspective*

The group perspective from which the research in the selected academic articles were done are presented in Table 6.

Table 6: Group perspective

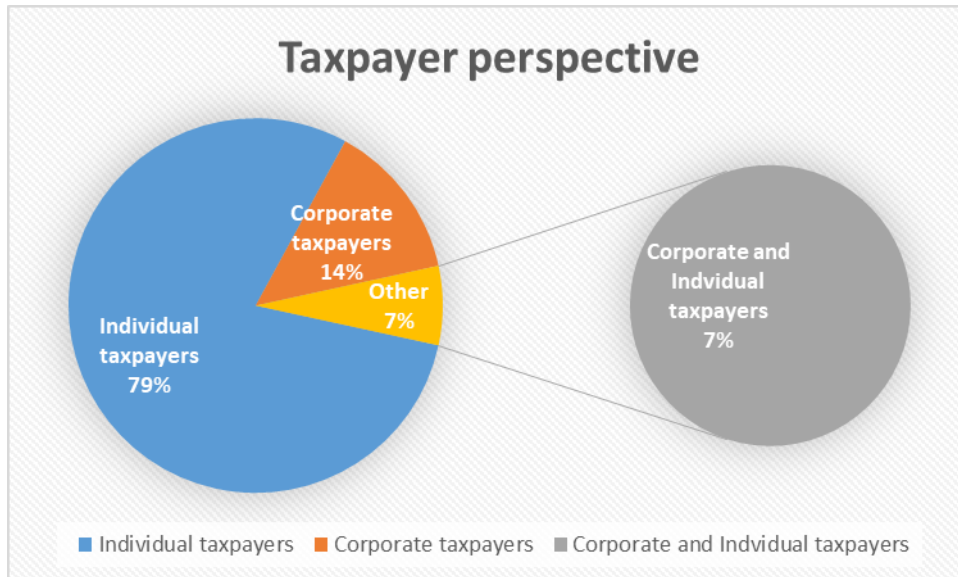
Group	Number of Articles
Low-income	40
Middle-income	1
High net-worth	1
All income	2

The group perspective examines the applicability of UBI to certain income levels found in society. UBI aims to uplift individuals' standard of living through food security, better housing, education and healthcare services. Hence, most of the articles concentrate on the low-income group as UBI is regarded as being more directed towards this group. The contrary is also true because UBI would not make a noticeable difference in the lives of the wealthy, thus only a few articles elaborate on the effect of UBI on the middle- and high-income groups. It is however noted that UBI is a tool to further strengthen wealth accumulation and net worth for middle- and high-income individuals.

3.3.3.3. Taxpayer perspective

The taxpayer perspective from which the research in the selected academic articles were done is illustrated in Figure 3.

Figure 3: Taxpayer perspective



The taxpayer perspective is defined as the type of taxpayer, that is, the person liable to pay taxes. The type of taxpayers that the selected articles focus on were analysed to gain an understanding of how the tax system is connected to UBI and how the taxpayer can be used to finance a UBI. Most (79%) of the articles look at individual taxpayers for the simple reason that UBI is primarily aimed at the individual and because individual tax rates are progressive and not fixed as in the case of corporate tax rates. The progressive tax rates that allow low-income individuals to pay less taxes than middle- and high-income individuals or no taxes at all prove to be more favourable for low-income individuals, who are the specific target of UBI. Additionally, this specific taxpayer group targeted in prior studies indicates that a limitation exists within these studies as not many studies have explored the relationship between UBI and corporate taxpayers.

3.3.4. Theoretical framework

A theoretical research framework defines the theory that clarifies why the investigated research problem exists. Thus constructs, types of taxes and variables formed part of the theoretical framework examined in this study.

3.3.4.1. Main constructs under investigation

The main constructs covered by the selected academic articles are the benefits of UBI, the critiques against UBI, the funding of UBI, and the feasibility of implementing UBI. These are summarised in Table 7.

Table 7: Constructs

	For UBI	Against UBI	Funding of UBI	Feasibility of UBI
Number of articles	30	15	9	10

The constructs of a study are defined in the *Encyclopaedia of Survey Research Methods* (2008) as an abstract idea or underlying theme that can be measured directly or indirectly by assessing key indicators. Constructs are also specifically created to explain a phenomena (Bhattacharjee, 2020). As a result, the main constructs in this study include the arguments for and against UBI, its funding and its feasibility. The findings indicate that more than half the articles (68%) argue for the implementation of UBI and focus mainly on its benefits. There are, however, studies that are critical towards the implementation of UBI and elaborate on its disadvantages. Furthermore, its funding and feasibility have not received as much attention as one would expect given that these two elements essentially determine whether or not a country will consider UBI.

The selected articles that primarily discuss the benefits of UBI highlight a few prominent advantages. These include poverty alleviation; the reduction in dependence on means-testing and administration costs commonly associated with traditional social welfare programmes; the improvement in income equality; and that it is a safety net when technology induced job losses occur.

Only a third of the selected studies focus on the disadvantages of UBI. The disadvantages that stand out are the high costs associated with the implementation of a (full) UBI, the

increase in inflation in the microeconomic environment, and that UBI will discourage work, especially for low-income individuals.

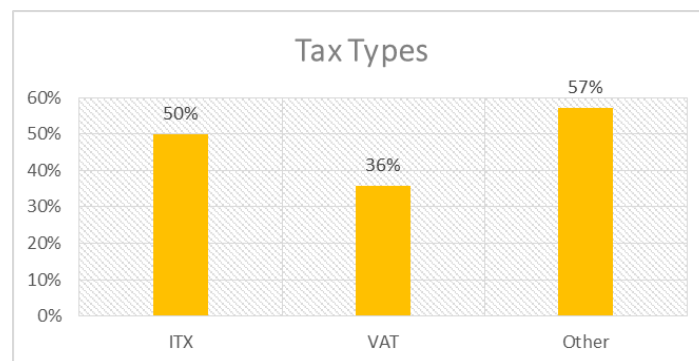
Some of the selected articles elaborate on the funding mechanisms for UBI. They focus mainly on funding through the tax system by introducing new taxes such as wealth taxes, carbon taxes, and corporate automation benefit taxes. The other alternative explored is the increase of existing tax rates of income taxes and VAT. Feasibility studies include the cost effectiveness of UBI, whether the universality of UBI makes economic sense because the wealthy would receive cash payments that they do not need, and whether UBI would really make a material difference in the poverty and inequality levels.

The above constructs were specifically incorporated into the study to adequately answer research objective. Hence, the results of the study indicate that UBI through the tax system can definitely be used as a tool to alleviate social injustices such as poverty and inequality.

3.3.4.2. *Types of taxes*

Figure 4 illustrates the taxes examined the selected studies.

Figure 4: Tax types



The types of taxes studied in the selected articles are ITX, VAT and other taxes. Other taxes include the introduction of new taxes such as wealth tax, carbon tax, financial transaction tax, land-value tax, robot tax and corporate automation benefit tax. More than half of the literature explores other taxes as the most suitable mechanism to fund UBI. The reason for this is that it is less dependent on income and are non-income-based. It is especially favourable because income-based taxes are becoming increasingly threatened

in a society becoming more and more automated. On the other hand, the increase of existing taxes such as ITX and VAT proved to be less popular, particularly VAT because it is a regressive tax and low-income individuals tend to suffer more financially when it is increased. However, a substantial amount of the selected academic articles analyse the increase in individual tax rates because this tax is progressive and aims to tax the wealthy more than the poor, which can be aligned to the main objective of UBI, which is providing financial relief to the poor. Despite the positive reaction towards the increase of individual tax rates, the increase in CIT rates are perceived as unfavourable, particularly for small and medium businesses.

3.3.4.3. Variables

The variables observed in the selected academic articles are listed in Table 8.

Table 8: Variables

Variables	Constructs		
	For UBI	Against UBI	Funding UBI
Means-testing	x	x	
Negotiating/buying power	x	x	
Freedom/flexibility	x	x	
Inequality/poverty	x	x	
Crime rates	x	x	
Inflation	x	x	
Costs of implementation		x	x
Participation in labour market	x	x	
Basic services instead of cash transfers		x	
Increasing existing taxes			x
Introducing new taxes			x
Tax incentives			x
Other welfare programmes			x

Variables are defined as a characteristic that varies and is a measurable portrayal of the abstract idea (construct) (Bhattacharjee, 2020). Variables can either be independent or dependent. Independent variables are those that explain other variables, while dependent variables are those that are explained by the independent variable (Bhattacharjee, 2020). Each of the variables listed in Table 8 measures the constructs of the study. The literature analysed discusses the variables in relation to the advantages, disadvantages and feasibility of UBI. In addition, more than half of the variables identified measures both the positive and negative sides of UBI because it either has an inverse or direct relationship with UBI. For example, crime rates are likely to drop if UBI is implemented while inflation

would rise; or poverty and inequality rates would be reduced if UBI is implemented while freedom/flexibility would increase.

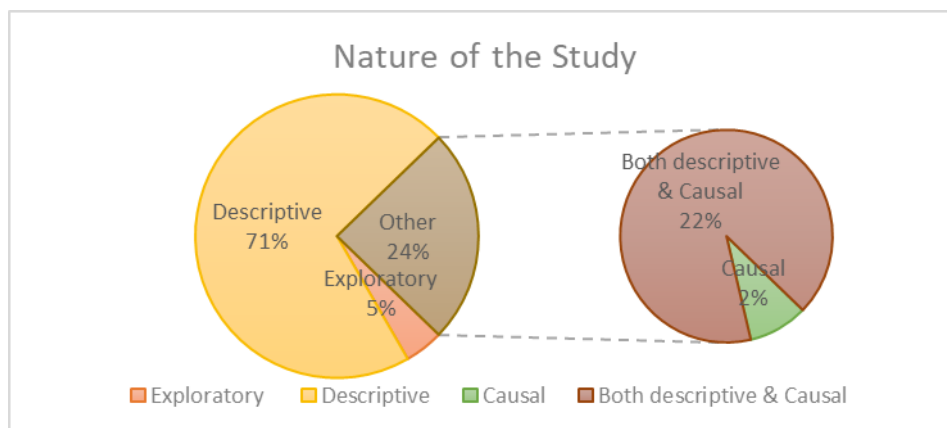
3.3.5. Research designs and methodologies

This section outlines the results of the research design and methodology applied by the researchers in the selected articles. It includes the nature of the study, the methodological classification, the research strategy, the data collection technique and the data analysis technique.

3.3.5.1. Nature of the selected studies

The nature of the selected studies are presented in Figure 5.

Figure 5: Nature of the study



The nature of the study can either be exploratory, descriptive or causal. Exploratory refers to studies conducted when there are little or no information available on the research area, making a broad introductory work necessary to gain more knowledge and understanding (Sekaran, 2003:119-120). Descriptive studies are carried out to describe the characteristics of variables found in the study (Sekaran, 2003:121 & 123). Causal studies, on the other hand, are conducted to explain the cause of the research problem and to determine the relationship between the variables identified in the studies (Sekaran, 2003:124-125).

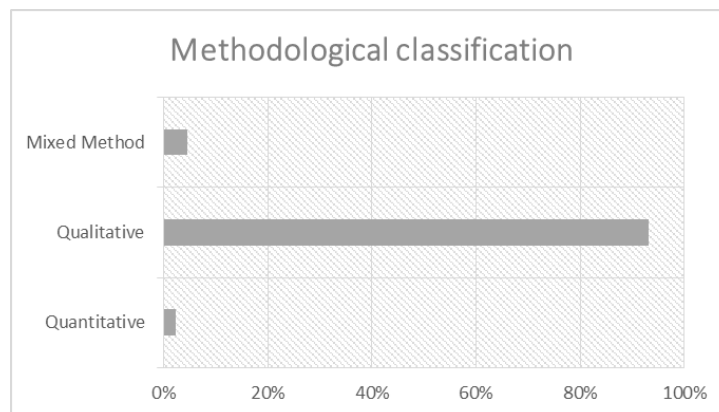
Almost three quarters (71%) of the selected studies are descriptive in nature, 22% are a combination of descriptive and causal (22%), and very few studies are exploratory in

nature. The reason is that UBI is not a new area of research, hence the studies are not exploratory but descriptive and/or casual in nature because the studies describe the characteristics (variables) of the main constructs evaluated. Furthermore, they are grouped in this category because they explain the causes of the research problem and determine the relationships between variables.

3.3.5.2. Methodological classification

The methodological classification applied by the selected studies are populated in Figure 6.

Figure 6: Methodological classification



Methodological classification classifies studies as quantitative, qualitative or mixed methods. Quantitative studies are defined as objective and numerical in nature. They view facts objectively, and the data obtained from quantitative research are objective, reliable and verifiable (Bhat 2020). On the other hand, qualitative research uses non-numeric data that assists in the interpretation of phenomena and analyses how conclusions are reached (Bhat 2020). Mixed methods research uses a combination of quantitative and qualitative methods and is regarded as the most comprehensive form of research as it analyses both theoretical and numerical data (Creswell, 2014:32). Ninety-two percent (92%) of the studies are qualitative, and only 4% of the studies are classified as quantitative and 4% as mixed methods. This is an indication that very little quantitative data has been collected by

researchers thus far and that the research area primarily leans towards documenting theoretical views.

3.3.5.3. *Research strategies*

The research strategies adopted by the selected studies are illustrated in Figure 7.

Figure 7: Research strategies



Research strategies include case studies, action research, grounded theories, interviews, surveys and ethnomethodology. Case studies are mainly used to extensively study organisations, entities and institutions (Bhat 2020). Grounded theory is defined as theory that will be developed inductively from data (Khan, 2014). Ethnomethodology tries to understand the way in which people interact with one another (Denzin, 2005)

The results indicate that only case studies, interviews and surveys were used by the researchers of the selected studies. The case study strategy were used in 96% of the analysed literature, indicating that the studies were very focused on the specific countries or setting in question. Therefore the literature from the case studies are believed to be from trusted sources. This further indicates that the selected articles predominantly used qualitative research, which is the most common data collection method and includes case studies and focus groups.

3.3.5.4. Data collection techniques

The data collection techniques used in each of the selected studies are presented in Table 9.

Table 9: Data collection techniques

	Focus Groups	Literature Reviews	Interviews	Surveys	Observations
Number of articles	8	41	0	1	1

Data collection techniques refer to the methods used to collect the data. It can be done using literature reviews, interviews, surveys/questionnaires, focus groups or observations. Literature reviews are secondary data and Welman *et al.* (2005:149) defined it as “information collected by individuals or agencies other than the researcher him or herself”. Interviews collect precise, first hand data from participants (Bhat, 2020). Surveys or questionnaires obtain data from participants through a series of questions and are similar to interviews (Bhat, 2020). Focus groups concentrate on a limited number of respondents and are not exhaustive (Bhat, 2020). Observations involves the use of subjective practices to gather logical data, and the observation is used to compare different classes (Bhat 2020).

Most of the data for the selected academic articles were collected by means of literature reviews, indicating that the area of research have been extensively studied and that it is improbable that a lack of literature will ever be a limitation of the study.

3.3.5.5. Data analysis techniques

The data analysis techniques used in each of the selected studies are illustrated in Table 10.

Table 10: Data analysis techniques

	Quantitative		Qualitative			
	Descriptive	Inferential	Content	Narrative	Discourse	Grounded Theory
Number of articles	2	1	23	19	0	3

Data analysis techniques differ for quantitative data and qualitative data (Krishna, 2020). Description and inferential analysis are used for quantitative data. Content, narrative, discourse and grounded theory analysis techniques are used for qualitative data.

Descriptive analysis refers to the analysis of numerical data, whereas inferential analysis draws different conclusions from the same data with a different selection of data (Krishna, 2020). Content analysis draws conclusions from text, narrative analysis emphasises experiences, and discourse analysis observes connections between parties in specific settings (Davidson, 2019). Grounded theory develops theory from data (Khan, 2014). The majority of the selected articles used content and narrative data analysis because they are qualitative in nature.

3.4. SUMMARY

This section examined the research problem using the presentation and discussion of the results. The research sub-questions were used to give a logical order to this examination. The advantages and disadvantages of UBI and its funding and feasibility were explored to ascertain whether UBI financed through taxes can be used as a tool to alleviate social issues such as poverty, inequality and unemployment.

The implementation of UBI is largely aimed at low-income individuals, and it should be determined how it will benefit this group specifically. UBI has been proven to improve equality in both developing and developed countries. Improved equality means that low-income individuals become less reluctant to participate in society as UBI provides them with equal opportunities to achieve success and to positively contribute to the economy (Van Zon, 2018).

UBI can also be a tool to alleviate poverty. The universality of UBI does not consider employment status, making poverty alleviation less dependent on employment and instead aim to uplift individuals' standards of living (Reed & Lansley, 2016). These cash payments provide security for proper housing, health, education, and general wellbeing of especially children (Zon, 2016). Healthier, well-educated children grow up to be healthy educated adults that can enter the workforce and positively contribute to the economy (Widerquist, 2013). UBI considerably reduced poverty in developing countries such as Uganda, India and Namibia. In the BIG pilot project launched in Namibia, it was found that the food poverty rate was reduced by as much as 50% (Widerquist, 2013), indicating that basic income does reduce poverty, especially in developing countries.

Studies show that there is no connection between UBI and disincentives for employment. In fact, in countries like Uganda, UBI served as a motivation to work and earn extra income (Widerquist, 2013). However, critics argue that the contrary is true. This notion are discussed in detail under the disadvantages of UBI in this section.

There is a direct correlation between UBI and crime rates as well as between UBI and school dropout rates. This was noted in the Namibian BIG pilot project (Widerquist, 2013). The basic income grant provided food security, the lack of which is often a trigger for committing crime. When individuals did not have to find money to buy food, crime rates automatically dropped. The same applies to school children. With no worries of where the next meal would come from, children are committed to stay in school and do not need to leave school to work, or in some instances, commit petty crimes to feed themselves.

Furthermore, the research indicates that UBI provides more freedom of choice and buying power, especially for women who were previously financially dependent. With UBI they can exercise their freedom in a way that gives them a choice between work and leisure. UBI therefore gives individuals more flexibility and bargaining power in the labour market. They are in a position to choose how they spend their time, and they can choose childcare, community services or education. This creates a healthier community (Reed & Lansley, 2016).

UBI is also regarded as a safety net against job losses due to automation and artificial intelligence. In a world where technological advances become the norm and human intervention is threatened, UBI provides financial security against retrenchments that are likely to occur (Reed & Lansley, 2016). On the other hand, automation may be beneficial because it will allow individuals to spend their time in a meaningful way instead of being stuck in an unfulfilling monotonous job that can be performed by machines (Coote & Yazici, 2019).

The essence of UBI proves to be contrary to means-testing social welfare programmes. This is because means-testing programmes are often complex, require additional administrative tasks and are known for the red-tape associated with it. UBI should therefore be free of means-testing to ensure that the truly destitute does not get lost in the

bureaucracy of system-driven processes that can further aggravate poverty (Reed & Lansley, 2016). The fact that UBI is not driven by paperwork is an apparent advantage.

The implementation of UBI can have many advantages; however, its weaknesses cannot be ignored. UBI has been proven to be detrimental to the inflation rate because it suddenly affords everyone buying power, thereby, increasing the demand for goods and services. With the rise in demand, there is a sudden supply problem. This causes price hikes, and eventually, a rise in inflation. Furthermore, the higher prices will render basic goods unaffordable for low-income individuals, which in the long run defeats the purpose of UBI because the standard of living will not improve (Amadeo, 2019).

UBI is believed to dampen the eagerness to work and creates a culture of 'money-for-nothing' among low-income individuals. The participation in the labour market will certainly decrease as a result, further causing tax revenues generated by governments to decrease. The decrease in tax revenue may be detrimental to the provision of public services such as healthcare, education, transport and housing. These services are vital to low-income individuals as they find it difficult to afford private healthcare, education, transport and housing. The ripple effect of disincentives to work is found to have far reaching consequences for the most vulnerable individuals in society (Reed & Lansley, 2016).

UBI is costly, even for first world countries such as the USA, the UK and Canada. As a result, other means-testing social welfare programmes are terminated in the interest of implementing UBI. This further deepens the inequalities between the wealthy and the poor as everyone is treated the same, bringing the fairness of UBI into question (Coote & Yazici, 2019). To address this issue, some form of means-testing should take place, even though it takes away from the simplicity of UBI (Reed & Lansley, 2016).

Universal basic services are encouraged instead of UBI, especially during the coronavirus crisis. Essential services were appropriately identified during the lockdown periods and proves to be of greater value in dealing with the challenges caused by the pandemic. It is proposed that services such as food supply, healthcare, transport and information technology are funded by the state, although emergency cash transfers should not be completely ignored. Consequently, a midway between UBI and universal basic services is

suggested. However, more analysis is required to determine its adequacy in fighting poverty (Prabhaker, 2020:111-112).

In light of the above, UBI's strengths and weaknesses were considered to determine whether it will minimise social injustices. However, it is equally important to determine its funding and feasibility considerations. The ways in which UBI is funded and its feasibility are discussed next.

Taxes were found to be the most prevalent method of funding UBI, and either new taxes were introduced or existing taxes, such as ITX and VAT, were increased. The latter option was found to be the less popular choice, especially increasing VAT. This is because VAT is a regressive tax that seizes more tax revenue from low-income individuals than from the wealthy, which means VAT increases broaden the divide between the wealthy and the poor. Increasing CIT rates also proved to be problematic as small and medium enterprises will be adversely impacted by the rise in CIT (Widerquist, 2013).

The introduction of new taxes to fund UBI proved to be the safest option as its impact can be carefully mitigated and controlled. Table 11 summarises the most common suggestions of new taxes to be implemented as well as the intentions behind these taxes (Van Zon, 2018).

Table 11: New taxes

	Taxes	Aim
1.	Revenue-neutral carbon tax	Taxes carbon products such as oil, gas and coal from the moment it is extracted
2.	Financial transaction tax	Taxes financial transactions such as the purchase/sale of shares
3.	Land-value tax	Taxes the value of unimproved land
4.	Robot tax	A tax on automation
5.	Corporate automation tax	Taxes companies benefiting from the use of automation

These suggestions of new taxes are the best suited tax types to fund UBI because it is less reliant on income or are non-income-based. This is beneficial because income-based taxes are becoming increasingly threatened in a society that is becoming increasingly automated.

Furthermore, studies indicate that UBI can be funded or realised through reforms. These include other welfare programmes, tax incentives and state-funded social security systems. Other welfare programmes include mental health and disability support

programmes. Individuals suffering from mental health and disabilities require special attention and have special needs. Tax incentives in the form of special allowable deductions for home-owners or child tax credits can be used to assist low-income individuals or prompt certain behaviour, such as purchasing instead of renting homes or using renewable sources of energy. State-funded social security programmes include the provision of state-funded medical aid or pension funds. All these programmes are essentially a form of UBI and should, therefore, not be dismissed as they serve a purpose in society and provide relief to some of the social issues (Van Zon, 2018).

The funding of UBI is imperative, and its viability proved to be a vital consideration in deciding whether to implement it or not. Lansley & Reed (2019) list the following criteria to assess the feasibility of UBI:

- It should be unconditional, paid to all and cannot be withdrawn;
- Reduce the gap between the wealthy and the poor and increase the income of the poor;
- Be material enough to advance the standard of living;
- Diminish means-testing and promote universality;
- Be cost effective and inexpensive;
- Limit the losses of low-income households;
- Limit the amount of commotion caused by introducing a new system; and
- Be in favour of the public.

Lansley and Reed (2019) assess the advantages, disadvantages, and feasibility of two distinct models of UBI. The first model is a meagre basic income that is relatively quick to implement, and the second model is a more substantial amount of UBI that takes much longer to implement. The first model reduced poverty and inequality, promoted universality, and shifted most of the means-testing to the tax system. The second model led to a larger reduction in poverty than the first model. Furthermore, there was less dependency on means-testing than in model one. The assessment is summarised in Table 12.

Table 12: Models of UBI

	Model of UBI	Time to Implement	Means-Testing	Poverty Reduction	Feasible?
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1.	Moderate amount	Shorter	Less dependent	Lesser	Yes
2.	Generous amount	Longer	More dependent	Greater	Yes

Although the first model takes much less time to implement and is less dependent on means-testing, it does not reduce poverty as radically as the second model. As a result, both models proved feasible. However, the model a country chooses to implement will depend on its short- and long-term goals and what it aims to achieve through UBI. This study does not provide exhaustive detail on which model is best; it merely mentions them.

In conclusion, the case for UBI is overwhelming as its rewards clearly outweigh its drawbacks. Additionally, the fact that there are several ways to fund UBI makes the idea even more attractive. Furthermore, its shortcomings are proven to be limited and its effects can be carefully mitigated in a well-controlled environment. This indicates that UBI can unquestionably be used as a tool to combat social injustices.

CHAPTER 4: CONCLUSION

4.1. INTRODUCTION

In the previous chapter, the data analysis technique was explained and the results were presented and discussed. This chapter concludes the study by elaborating on the findings and overall conclusion. It also provides the limitations of this study and recommended areas of future research around this topic.

4.2. SUMMARY OF FINDINGS AND CONCLUSION

The main research objective of this study was to systematically explore the existing body of literature related to UBI and tax systems and its potential to combat social issues such as poverty and inequality by focusing on relevant articles published in quality academic journals. This main objective was supported by the research sub-questions that directed the research. The results of this study are summarised below using the research sub-questions as basis and followed by an overall conclusion for the study.

The research focus of this study was directed by the following research questions:

- What are the advantages of UBI?
- What are the disadvantages of UBI?
- In which ways do UBI provide relief for social issues?
- What is the feasibility of implementing UBI?
- Which tax types, if any, are best suited to fund UBI?

The examined literature addressed the above research questions. This section highlights the prominent ideas associated with each of the research sub-questions and ultimately answering the research objective.

The advantages of UBI are wide-ranging and include financial independence, freedom of choice, and bargaining power, especially in the labour market. Furthermore, it removes some of the means-testing associated with social welfare programmes because it promotes universality and simplicity. When UBI programmes are in place, crime rates and school dropout rates are dramatically reduced and the eagerness to work improved. UBI

also enhances the equality of opportunities, particularly for those with inherent inequalities, by encouraging participation in society as individuals attain more goals as a direct result of increased opportunities. Another noticeable advantage of UBI is that it is regarded as a safety net against job losses caused by automation. Finally, UBI reduces poverty. The cash payments make a huge difference in low-income households as better education, health services and even housing become increasingly accessible. The ways in which UBI provide relief to social issues such as poverty, inequality, unemployment as well as access and affordability to basic services are clearly noted above.

UBI is not without disadvantages. One of the disadvantages is the rise in inflation as the demand for goods and services prevail over its supply due to the increased buying power of households. Additionally, some argue that UBI discourages the willingness for employment as a culture of 'money-for-nothing' is created. The high costs of implementing UBI is also a major concern because it will eventually force the termination of means-testing programmes for the sake of UBI and cause further inequality gaps due to the universality factor of UBI. Lastly, universal basic services such as healthcare, food supply and information technology seems more appropriate in the midst of the Covid-19 pandemic instead of cash transfers that UBI offers.

Although the implementation of UBI does not come cheap, there are sustainable sources of funding. These include the introduction of new taxes, the increase in rates of existing taxes as well as other reforms. The introduction of new taxes, such as carbon tax, wealth tax and land-value tax, has proven to be more suitable to fund UBI than increasing the VAT rate or the ITX rates for individuals and CIT rates for companies. In addition, reforms such as tax and other incentives, disability and mental health support programmes, and state-funded medical aid or pension funds can also be used to realise UBI. As indicated by the findings of this study, the introduction of new taxes are best suited to fund UBI because these taxes are non-income-based taxes that are more beneficial as society is becoming increasingly automated.

Even though funding UBI is possible, the feasibility and cost-benefit relationship thereof should be assessed to determine whether it is worth realising. In the Kenyan study conducted post UBI, it was found that households that received a UBI increased their consumption of food, education and medical expenses by US\$36 per month and increased

their investments in assets such as livestock, furniture and housing structures by US\$280 per month. Furthermore, these households also invested in income producing activities and increased their monthly income by US\$17 (Haushofer & Shapiro, 2018). Additionally, the overall wellbeing of the participants showed that the psychological effects of UBI on the participants were reduced stress levels and depression as well as an increase in life satisfaction (Haushofer & Shapiro, 2018). Thus, it is clear from the Kenyan trial that UBI is not only financially feasible but also psychologically. Ultimately, these are the two most significant factors that determine whether UBI is feasible or not. In light hereof, UBI is feasible to implement provided that its effects are carefully mitigated.

In summary, the existing body of literature relating to UBI and tax systems were examined to determine whether it improves social issues such as poverty and inequality. In light hereof, UBI can undoubtedly be used as a tool to alleviate social injustices because it is a safety net against automation induced unemployment, it provides access to basic services such as healthcare, food security and education, it is associated with a decline in crime rates and school drop-outs, and finally, it provides financial security to low-income households and the completely destitute in society to make a decent living. Lastly, the tax system can be used to implement UBI as the introduction of new taxes is regarded as the most appropriate source of tax revenue to fund UBI.

4.3. LIMITATIONS

The selected literature is limited and not exhaustive. This study has the following limitations:

- This study does not provide country-specific details of UBI being used as a tool to combat poverty and inequality.
- This study does not provide extensive information on the intricacies of the tax system and how tax revenue can be enhanced to fund UBI.
- This study does not provide any exhaustive information relating to the analysis of the actual effects of UBI implementation in terms of poverty reduction.
- This study does not provide extensive details of the most appropriate type of UBI to be implemented.

- This study does not provide any details for a combination of UBI and universal basic services to be used as a tool to successfully relieve poverty and inequality.

4.4. FUTURE RESEARCH

In light of the limitations of this study, future research areas are recommended. One such area is feasibility studies for the implementation of UBI in both developed and developing countries. Future in-depth research can be done on UBI being used as a tool to alleviate social issues in specific countries. Additionally, comprehensive research on the intricacies of the tax system and how it can be used to benefit the implementation of UBI is recommended. Furthermore, the exhaustive analysis of the effects of UBI subsequent to its implementation and whether it improves the standard of living is suggested. Thorough studies on the most appropriate form of UBI to be implemented are also recommended. Finally, a combination of UBI and universal basic services requires further investigation to observe its effects on poverty and inequality.

4.5. CONCLUDING REMARKS

UBI certainly has the potential to be successfully applied to alleviate social issues and to make a positive impact on the lives of the destitute. The case for UBI is overwhelming as its rewards clearly outweigh its weaknesses. Additionally, the fact that there are several ways to fund UBI makes the idea of it even more worthwhile. Furthermore, its shortcomings are proven to be limited and its effects can be carefully mitigated in a well-controlled environment. This indicates that UBI can unquestionably be used as a tool to combat social injustices.

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APPENDIX A: DECLARATION OF PLAGIARISM

DECLARATION REGARDING PLAGIARISM

The Faculty of Economic and Management Sciences emphasises integrity and ethical behaviour with regard to the preparation of all written assignments.

Although the lecturer will provide you with information regarding reference techniques, as well as ways to avoid plagiarism, you also have a responsibility to fulfil in this regard. Should you at any time feel unsure about the requirements, you must consult the lecturer concerned before submitting an assignment.

You are guilty of plagiarism when you extract information from a book, article, web page or any other information source without acknowledging the source and pretend that it is your own work. This does not only apply to cases where you quote the source directly but also when you present someone else's work in a somewhat amended (paraphrased) format or when you use someone else's arguments or ideas without the necessary acknowledgement. You are also guilty of plagiarism if you copy and paste information directly from an electronic source (e.g., a website, e-mail message, electronic journal article, or CD-ROM) without paraphrasing it or placing it in quotation marks, even if you acknowledge the source.

You are not allowed to submit another student's previous work as your own. You are furthermore not allowed to let anyone copy or use your work with the intention of presenting it as his/her own.

Students who are guilty of plagiarism will forfeit all credits for the work concerned. In addition, the matter will be referred to the Committee for Discipline (Students) for a ruling. Plagiarism is considered a serious violation of the University's regulations and may lead to your suspension from the University. The University's policy regarding plagiarism is available on the internet at <http://www.library.up.ac.za/plagiarism/index.htm>.

For the period that you are a student in the Faculty of Economic and Management Sciences, the following declaration must accompany **all** written work that is submitted for evaluation. No written work will be accepted unless the declaration has been completed and is included in the particular assignment.

I (full names & surname):	Yolande Andrew
Student number:	20757281

declare the following:

- I understand what plagiarism entails and aware of the University's policy in this regard.
- I declare that this mini-dissertation is my own original work. Where someone else's work was used (whether from a printed source, the internet or any other source), due acknowledgement was given, and reference was made according to departmental requirements.
- I did not copy and paste any information directly from an electronic source (e.g. a web page, electronic journal article or CD-ROM) into this document.
- I did not make use of another student's previous work and submitted it as my own.
- I did not allow and will not allow anyone to copy my work with the intention of presenting it as his/her own work.



30 October 2020

Signature

Date

**APPENDIX B:
LANGUAGE EDITING CERTIFICATE**



WORDPLAY EDITING
Copy Editor and Proofreader
Email: karien.hurter@gmail.com
Tel: 071 104 9484
Website: <http://wordplayediting.net/>

To Whom It May Concern:

This letter is to confirm that a professional language practitioner edited the mini-dissertation *Universal Basic Income as an Answer to Social Injustices* by Yolande Andrew.

Regards,

A handwritten signature in black ink, appearing to be "KH", written in a cursive style.

Karien Hurter