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**2023-24 IPPF Topic Primer**

**Resolved: Governments should provide a universal basic income.**

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## Introduction

The concept of a universal basic income (UBI) is neither new nor untested. At its simplest level, a UBI “is a government program in which every adult citizen receives a set amount of money regularly” (Peters). Disparate historical figures such as Thomas Pain and Martin Luther King Jr., although separated by centuries, have both advanced the cause for a basic income. Similarly, prominent individuals across the political and economic spectrum have also made the case for the creation of a UBI. Considerations of this proposal are no longer simply a theoretical exercise since over a dozen countries around the world are running pilot programs to test the efficacy of basic incomes (Samuel). The COVID-19 pandemic also attracted even more attention to the topic as financial hardship and unemployment spread around the world (Floyd).

Given the changing economic dynamics and the robust debate surrounding the role of government on these issues, this motion asks students to explore the merits of government provision of a universal basic income. It is particularly important that both teams understand and adhere to the expected controversy area as outlined in the motion. The subsequent sections of the primer identify critical resolutorial terminology and likely areas of clash.

The core controversy inherent to the resolution relates to whether governments should provide a UBI. Affirmative and negative teams should wield arguments that address this question broadly. Especially during the qualifying round, affirmatives should defend the general concept of a government-provided universal basic income, while negatives must prove that this would not be an ideal solution. While teams will find it useful to anchor their arguments in the context of specific UBI proposals, neither team should do so at the expense of the core resolutorial controversy. One instance of a specific UBI proposal being either beneficial or harmful does not necessarily prove or disprove the overall desirability of the UBI as a concept.

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## Defining “Universal Basic Income”

The terminology used to describe a universal basic income varies widely, including phrases such as “minimum income,” “guaranteed income,” “citizens’ income,” and even simply “basic income.” According to the Basic Income Earth Network (BIEN), a leading non-profit organization dedicated to the promotion of this economic concept, anything that is genuinely considered a UBI must possess the following characteristics:

- **Periodic:** it is paid at regular intervals.
- **Cash Payment:** it is paid in an appropriate medium of exchange.
- **Individual:** it is paid on an individual basis.
- **Universal:** it is paid to all.
- **Unconditional:** it is paid without a means test and without a requirement to work.

Malcolm Torry, a former director of the Citizen’s Basic Income Trust and author of numerous books on the subject, notes that this definition from the BIEN “represents the consensus among affiliates and, most importantly, it reflects common usage of the term” (20).

The primary area of divergence in the literature regarding the definition of a universal basic income is whether or not the cash payment must be set at a certain amount. Simon Birnbaum, an associate professor in political science at Södertörn University, considers the definition from the BIEN and notes that “this definition, which is (with slight variations) the most common used in the literature, remains silent on the level of such a regular payment” (Birnbaum). Even though consensus definitions of the term do not explicitly indicate a set amount for the basic income payment, historical analysis of the modern basic income movement’s emergence in the 1970s and 1980s reveals that there was a widely shared assumption in both academic and policy circles that a basic income would set a threshold to satisfy minimum standards of living (Yamamori). Certain proponents of a UBI argue that it should be tied to a specific amount. Bill Jordan, a founding member of the BIEN, defines a basic income system as one that provides “the unconditional right to an independent income sufficient to meet basic living costs. Its main purpose would be the prevention of poverty, as opposed to mere poverty relief” (3).

Given these definitions, it is important that both teams recognize areas of convergence as well as divergence in the literature regarding the definition of a universal basic income. Prominent examples of UBIs tend to share the characteristics enumerated by the BIEN, although not every major basic income proposal explicitly ties it to a specific payment amount. At the outset, the literature base strongly suggests that a UBI must be periodic, paid in cash, individualized, universal, and unconditional; but the payment amount may or may not need to be set at a level to provide a minimum standard of living. Affirmative and negative teams are strongly encouraged to thoroughly review

the scope of universal basic income proposals as they craft their major arguments for the qualifying round essay.

It is useful for affirmatives and negatives to consider their arguments in the context of certain categories of a universal basic income. The major dividing line in the literature for the definition of a UBI is whether or not it is designed to help manage the condition of poverty or alleviate it entirely. In the qualifying round essays, teams should clearly define their terms so that it is clear which category of universal basic income is under consideration. Affirmative and negative teams may also benefit from identifying one or more specific proposals to serve as illustrative examples of that type of universal basic income. For the complete elimination of poverty, affirmatives could consider using a number of proposals as illustrative examples in their essays. Researchers from the International Labour Organization provide estimates for the global adoption of universal basic incomes designed to provide a basic income set at the poverty level (Ortiz et al.). Longtime UBI advocates Philippe van Parijs and Yannick Vanderborght propose a universal basic income equal to 25% of a nation's GDP per capita, or approximately \$14,000 per person per year in the United States (Van Parijs and Vanderborght). Alternatively, a UBI could be designed to simply mitigate the conditions of poverty. The proposal advocated by Charles Murray is a prominent example of this approach. This version of a UBI would provide an annual benefit ranging from \$6,500 to \$13,000, depending on a person's income (Murray). Although these are only a few examples, teams will find a variety of similar proposals throughout the literature. Such examples can help illustrate how a UBI could work, which can help each team focus their arguments around why a UBI would be either desirable or undesirable.

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## **Defining “Governments Should Provide”**

A central controversy within this motion relates to the role of government in the economy. The resolution states that governments should be the actor to provide a universal basic income. In a market economy, the most common source of income accrues to workers as salaries and wages through their employment. Labor’s share of the national income, which refers to the amount of the nation’s gross domestic product paid out in wages, salaries, and benefits, has accounted for a majority of the income distribution in the United States; however, this share of the national income has been on the decline. According to data from the U.S. Bureau of Labor Statistics, labor’s share of income in the United States declined from 63.3% of the national income in 2000 to 56.7% of the national income in 2016 (Manyika et al.).

Market economists generally view the private sector as the most efficient mechanism for providing goods and services in society; however, there is an economic justification for government intervention when markets fail. A market failure occurs when there is an inefficient distribution of goods or services and can be caused by imperfect competition, asymmetrical information in the marketplace, externalities, or the simple inability of markets to provide collective goods such as the national defense (Ross). Economic evidence suggests that social issues such as inequality and poverty may be an inevitable outcome in market economies and thus constitute a market failure (Weeden and Grusky). Governments have previously intervened in the economy to address such issues. Public insurance systems such as Social Security are an example of government-provided benefits intended to ensure income security for specific segments of the population. Thus, a central controversy in this motion pertains to whether or not governments, instead of the private sector, should serve as a provider of incomes for society.

In addition to economic justifications for government intervention, there are also normative and philosophical arguments justifying why governments should act in this way. The social contract is a prominent political theory that can justify government provision of a basic income. Under this theory, individuals have consented to surrender some of their freedoms to a government in exchange for its protection of their remaining rights and the general social order. Nemat Shafik, the director of the London School of Economics, is an example of a prominent scholar that makes a compelling case that society is due for an update to the social contract through the provision of a UBI (Shafik).

Since the resolution begins with the word “Governments” in the plural, this motion is asking the affirmative to defend the concept that governments in general, rather than one or more governments specifically, should provide a universal basic income. The affirmative and negative teams should center their arguments around the general theory that governments are obligated to provide a UBI rather than cherry-picking isolated examples of governmental action. Affirmative and negative teams will need to adhere to

this resolutional intent in their qualifying round essay. Papers that focus exclusively on the costs and benefits of a UBI in the context of a singular country will not properly address the scope of the motion. Arguments should, instead, either defend or attack the broad concept that countries have a responsibility to provide a universal basic income. Likewise, debates about the provision of a UBI should focus on the broad costs and benefits of such an action rather than focusing on granular details. For example, the provision of a UBI would necessarily require government funding. Routine government funding is usually derived from some combination of taxation and debt. The question of funding is necessarily related to the provision of a universal basic income; however, teams are discouraged from centering their arguments for or against a UBI based around specific examples of funding mechanisms, such as a wealth tax. Affirmative teams should not feel compelled to discuss precisely where their funding comes from, nor should negative teams structure their arguments around indicting individual funding mechanisms. This motion's question about governmental provision is best debated along broad lines, such as whether more government spending and taxation is desirable, rather than narrow ones, such as whether specific taxes are good or bad.

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## **Areas of Clash**

The following section highlights core arguments for and against the adoption of a universal basic income. Students may explore any of these concepts but should not be expected to write about all of them in a single paper. Furthermore, this exploration of clash points in the literature is not necessarily exhaustive, leaving room for students to deepen their own research throughout the year.



## Aff – Poverty

*Central Questions:* Would a universal basic income reduce poverty? How does access to a universal basic income influence economic decision making?

One of the most common arguments made in support of a universal basic income is its potential ability to reduce poverty. The primary ways in which a UBI can mitigate poverty stem from its ability to:

- **Provide financial security:** a basic income guarantees all individuals a cash payment to help meet basic needs.
- **Prevent the onset of poverty:** a basic income can provide a safety net to prevent individuals from falling into poverty in the first place.
- **Empower individual choice:** a basic income enables individuals to make choices that improve their material well-being.

Statistics released in 2023 by Eurostat, the statistical office of the European Union (EU), show that 21.6% of the EU population, or 95.3 million people, were at risk of poverty or social exclusion as of 2022. According to the report, the countries that reported the highest levels of people at risk included Romania (34.4%), Bulgaria (32.2%) and Greece (26.3%) (“Living Conditions”).

Official government data in the U.S. shows that, as of January 2021, approximately 11.6% of the total U.S. population, or 37.9 million people, live in poverty (Lee). This statistic only captures individuals that fall directly below the official poverty line and does not account for low-income households that are not technically impoverished. Based on information from the Census Bureau, “roughly 51% of workers earn less than \$35,000 per year, which is only slightly above the federal poverty line for a family of four” (Pascale).

A universal basic income set at the poverty level would, by definition, ensure that no one would be impoverished (Yglesias). Poverty can be argued to constitute more than a moral harm since, according to research from the University of California-Riverside, nearly 200,000 deaths per year in the United States can be attributed to living in poverty and its resulting influence on the social determinants of health (Carbonaro).

In addition to providing financial security, a UBI can both prevent individuals from falling into poverty as well as provide opportunities for individuals to improve their well-being. A guaranteed income would help tame the contractionary periods of the business cycle by providing an income floor for everyone, including those rendered unemployed by recessions (Konzal). Access to a basic income would also provide individuals with more agency in their education and employment outcomes. An income floor allows for greater access to institutions of higher education while also enabling

more time for people to seek ideal job placements, which can result in higher wages (Matthews).

Despite a potentially strong series of arguments, negative teams can contest these claims. The sheer cost of administering a UBI program may yield adverse consequences related to reducing poverty. According to estimates from a report at the National Bureau of Economic Research, a UBI that is funded at a level to meet the basic needs of all households in the United States would cost approximately twice the amount of current social safety net spending (Hoynes and Rothstein). Financing a program of this magnitude might involve reductions in other areas of the social safety net, which could result in the redirection of spending to better-off families and potentially leave low-income households worse off (Gunn). A basic income may also fail to address the root causes of poverty, such as housing costs (Blaine). Although an additional income would theoretically help individuals afford housing, constraints on local housing markets may result in a UBI simply driving up the cost of housing without a corresponding increase in access.

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## Aff – Inequality

*Central Question:* Would a universal basic income reduce economic and social inequality?

In addition to addressing poverty, UBI proponents also point to its ability to address income and wealth inequality. The primary mechanisms by which a UBI could achieve this goal involve:

- **Redistribution of income:** funding for a UBI would involve significant governmental transfers, which could be funded through a wealth tax or higher tax rates on high-income earners.
- **Recognition of unpaid work:** a significant amount of caregiving and volunteer work goes unpaid. A UBI can help reduce the social and economic inequalities that result from these activities.

Income inequality has been rising in the United States for decades. The growth in CEO pay is illustrative of this trend. In 1965, the average CEO earned twenty times that of a typical worker; by 2018, an average CEO made 278 times that of an average worker (Siripurapu). The statistics on wealth inequality are even more striking. In 2019, the total wealth of all American families totaled \$96.1 trillion, but the top 10% of families owned 76% of the wealth (Kent and Ricketts).

In January 2023, the High Pay Centre, a non-partisan think tank that focuses on economic inequality in the United Kingdom, reported that the median pay for a CEO of a company trading on the Financial Times Stock Exchange (FTSE) 100 Index was £3.41 million, “103 times the median full time worker’s pay of £33,000” (High Pay Centre). Further, in January 2023, the Canadian Center for Policy Alternatives (CCPA) issued a report on CEO pay in 2021. That report found that Canada’s 100 highest-paid CEOs made 243 times more than average workers, for an average of \$14.3 million (“Canadian CEO Pay”).

Economic inequality matters for a variety of reasons. Evidence suggests that entrenched inequality prevents economic mobility, which results in deeper rates of poverty and a lack of economic opportunity for large segments of the population (Bernstein and Spielberg). Scholarly research also suggests that high levels of inequality hinder economic growth, which diminishes long-run prosperity for all (Cingano).

The administrative mechanism of a UBI can greatly alter the trajectory of economic inequality. On the receiving end, a UBI would increase the purchasing and saving power of lower-income households. Although a UBI provides an equal income to wealthier households, the tax system would result in most, if not all, of this payment being taxed back, making lower-income households the primary beneficiary of this social support mechanism (Fleischer). On the financing end, a number of progressive taxes

could be levied to help finance this policy, including taxes on personal income, corporate income, wealth, and consumption (Gentilini et al.). Economic models for a UBI provide theoretical evidence that such a system could measurably reduce inequality (Spies-Butcher et al.). Unpaid care work is also a significant source of economic and social inequality. The majority of family caregivers in the United States continue to be women (Sharma et al.). It is estimated that if all U.S. women earned minimum wage for their unpaid care work, it would total over \$1.5 trillion a year (Davis). A universal basic income could help address this specific kind of inequality by reducing the economic insecurity associated with unpaid care work (Schulz).

Despite these stated benefits, negative teams can counter that the administration of a universal basic income may fail to mitigate, if not possibly worsen, the situation of inequality. Pragmatic advocates of a UBI have argued that the program can be funded through a combination of taxes as well as the replacement of certain social welfare programs. Such a financing mechanism could exacerbate income inequality by reallocating existing transfers away from households at the bottom of the income spectrum to middle and high-income households up the income scale, resulting in a redistribution upwards (Greenstein). An over-reliance on taxes could also negatively influence the overall economy. As a prominent developmental economist at MIT explains in his criticism of a UBI: “Basic economic theory implies that taxes on income are distortionary as much as they discourage work and investment” (Acemoglu). The significant fiscal stimulus infused through a UBI could spur further inflation and widen the inequality gap between higher-income and lower-income families since the negative effects of inflation tend to fall hardest on poorer households (Hughes). In regards to social and gender inequality, evidence exists to suggest that a UBI would hinder, rather than advance, the struggle for gender equality since it would lock women into their caregiving obligations rather than providing them with additional economic opportunities (Bergmann).

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## **Aff – Automation Adjustment**

*Central Questions:* Will technological change result in mass unemployment? Can a universal basic income help transition to a world with less work?

The emergence of advanced artificial intelligence and mass automation is dramatically reshaping the nature of economic activity in a historically brief period of time. A survey of AI researchers found that many believe there is a 50% chance that it will outperform humans in all tasks within 45 years and automate all human jobs within 120 years (Grace et al.). Mass automation could result in an era of “technological unemployment” in which AI and machines render human labor useless and inefficient (Thompson). An ensuing period of mass unemployment would entail significant social disruptions and misery for millions. Absent a proper social safety net, mass unemployment induced by rapid technological change could result in a swell of populism and an erosion of democratic institutions (James). Affirmative teams can argue that the provision of a basic income may be an ideal solution to the impending period of automation. A UBI could help ease the transition to an increasingly automated workforce by providing an economic floor for society and even enabling a transition to a world without work (Illing).

Although AI and automation are restructuring work, negative teams can contend that the current historical period may not differ from past instances of technological change. Current economic evidence suggesting that there will be a massive shortage of jobs in the near future is questionable (Acemoglu). Additionally, economic dislocation due to technological innovation is not a new concept. Economists refer to this phenomenon as a process of “creative destruction” whereby technological advances reduce the demand for older, less efficient jobs while increasing the demand for newer, more efficient jobs. The current pace of AI development aligns with the historical arc of creative destruction in advanced economies (Strain). While all areas of the labor force will likely be impacted by artificial intelligence, some sectors will be less exposed than others with the net effect being that AI may end up serving as a complimentary tool for human workers (Horgan).

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## **Neg – Costly**

*Central Questions:* Could governments afford to provide a universal basic income? What economic tradeoffs would be imposed by the adoption of a UBI?

One of the primary criticisms levied against the adoption of a universal basic income is the cost of administering such a program. Assuming the UBI provided \$10,000 to 300 million people, it would cost more than \$3 trillion per year and anywhere between \$30 and \$40 trillion over ten years (Greenstein). Financing such a program could involve some combination of spending cuts, tax increases, and deficit spending. Cutting other forms of welfare spending to finance a UBI could undermine the overall effectiveness of the social safety net and leave lower-income individuals worse off (Doar). Assuming a UBI could be covered entirely through taxes, the expense of the policy might entail a greater cost to the overall economy. According to a report from the National Bureau of Economic Research, “the higher tax rate required to finance this policy reduces investment in skills, leading to a less skilled workforce and requiring even higher taxes over time” (Darulich and Fernández). If a UBI is not completely financed by taxes, the remainder would necessarily be covered through deficit spending. Projections from the Wharton School at the University of Pennsylvania estimate that this would significantly increase the size of the national debt and lower long-run economic growth (Smetters).

Proponents of a UBI would argue that the design of the program significantly influences its overall cost. One variation of a UBI, known as a negative income tax, would concentrate benefits among low-income individuals by phasing out payments in a progressive manner. A team of economists from the University of Michigan estimates that a UBI-based negative income tax set at the U.S. poverty line and subject to a 50% marginal tax rate, meaning that for every \$1 obtained through earned income benefits are reduced by 50 cents, would cost \$219 billion per year and could eliminate poverty in the United States (Matthews). Additionally, the initial price tag of a UBI is somewhat misleading in societies that also impose a progressive income tax. The net cost to taxpayers of a truly unconditional UBI versus a phase-out version, such as a negative income tax, could be negligible since payments to middle and high-income earners would be recaptured through income taxes (Howard).

The economic arguments for and against a UBI center entirely around the nuances and specifics of each policy proposal (Pethokoukis). In the qualifying round essays, affirmative and negative teams will need to take special care by demonstrating coherence amongst their arguments as they relate to the affordability of a universal basic income. Affirmative teams should be able to estimate the general cost of a UBI and be able to defend that governments can fund these efforts, but that defense does not need to extend beyond a general consideration of the fiscal tools that governments possess. Affirmatives should not ignore the debate about the merits of government UBI by focusing on benefits associated with specific types of certain tax policy changes. Similarly, if negative teams

choose to attack the concept of a UBI by focusing on its cost, then those arguments should relate to the larger concerns of tax and spending policy generally.

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## **Neg – Productivity & Work**

*Central Question:* Would a universal basic income discourage participation in the labor force?

A common principle enshrined in many means-tested safety net programs is the goal of encouraging temporary usage while incentivizing an eventual entrance into the labor force. One social concern related to the implementation of a UBI involves a disruption of this incentive by potentially discouraging individuals from seeking work (Onwuka). Recipients of a basic income may be inclined to seek part-time work instead of full-time work or even opt out of the labor force entirely. A study from the German-based Institute of Labor Economics found that unconditional cash transfers had “sizable and adverse employment effects” (Weidinger). As a report from the Tax Policy Center notes, when considering the work incentives of a UBI, “we want to be sure we don’t discourage work in an economy already facing unprecedentedly low levels of labor force growth” (Steuerie). Unconditional cash payments may even entail adverse consequences for recipients. Proponents of the current social safety net argue that conditional and means-tested transfers provide the best incentive for low-income individuals to transition from government assistance to financial independence (Doar).

Proponents of a universal basic income would likely contest the very claim that unconditional cash transfers discourage work participation. Although a full-scale UBI has not been implemented, small-scale examples demonstrate that unconditional cash transfers do not necessarily have an adverse impact on employment. Since 1982, all residents of Alaska have receive an annual cash dividend from the Alaska Permanent Fund. On average, yearly payments from this natural resource fund total approximately \$2,000 per person. A study from the National Bureau of Economic Research found that receipt of these funds had no adverse impacts on the labor market in Alaska (Jones and Marinescu). Studies of similar cash transfer programs suggest that a nationwide basic income would have, at worst, a negligible effect on productivity and labor market participation (Matthews). Furthermore, the current social safety net system may not be any better than a UBI at encouraging labor force participation. Existing means-tested programs, while designed to encourage work, include many income “cliffs” that act as a disincentive to earning an income beyond certain thresholds due to how benefits phase out as income increases. This phenomenon is sometimes referred to as a “welfare trap” or “poverty trap” since it discourages working beyond a certain income level (Flowers).

Given the depth of research on this specific argument, affirmative and negative teams will need to thoroughly consider the quality of their research to effectively resolve this contentious area of the UBI debate.

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## **Neg – Government Dependence**

*Central Question:* Would the provision of a universal basic income foster an undesirable dependence on government?

Given the scale of a universal basic income, such a system of social support would dramatically expand the reach and influence of government. Critics of a UBI worry that governmental provision of a basic income entails the risk of making individuals dependent upon the interests and political prerogatives of elected officials (Doar). Dependency on large government programs like a UBI can entail numerous problems. Future policymakers may undermine the durability of this social safety net. Since a universal income divorces assistance from need, it is possible that payments could become less generous over time (Porter). A UBI program would also redefine the relationship between individuals, families, and the state by significantly increasing the government's role as a provider of basic economic security. Critics worry that such a transformation will contribute to the erosion of social capital and community cohesion (Cass). At the individual level, proponents of free market economics worry that such dependency could undermine the spirits of entrepreneurship and innovation that promote economic growth (Reinsch).

Proponents of UBI would counter that this system does not induce dependence on the government. Since the payments are unconditional, recipients would not be required to behave in certain ways to receive their benefits. This concern is a more apt description for the majority of currently means-tested social assistance programs (Flowers). Under a UBI, people are not made to be dependent on the government since they are still free to work as a supplement to their publicly provided income (Brown). The implementation of a UBI could also force a fundamental rethinking of the role of the welfare state. A significant share of public support programs function as social insurance in which individuals receive benefits only after meeting specific criteria. A UBI would reconfigure the safety net so that primary benefits are delivered continually and unconditionally. Such a system might alter economic and political power dynamics to the advantage of the average citizen (Riedl). Experimental evidence from the Netherlands indicates that receipt of a basic income can encourage this behavior by improving social and political trust between citizens and government (Betkó et al.).

Affirmative and negative teams should also proceed delicately with discussing issues related to government dependency. While these concerns are real and debatable, there is a deep and complicated history surrounding how the topics of poverty and government dependency have been discussed in academic and policymaking circles (Cohen). Derogatory terms for persons living in poverty were frequently echoed in political circles throughout the 1980s and 1990s. Stereotypes and stigmas associated with the utilization of social services persist today. Appealing to personal habits or lifestyle choices as explanations for poverty can reinforce stereotypes without exposing

underlying systemic issues which contribute to poverty (Emanuel and Derrick). Both teams should take care to avoid using language or arguments that draw upon such representations of persons living in poverty.

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## **Conclusion**

This motion tasks debaters with evaluating whether or not governments should provide a universal basic income. Both teams will need to carefully construct their arguments around the important terminology in the resolution. “Governments should provide” identifies the actor and invites debates around the efficacy of public versus private provision of important economic resources. The term “universal basic income” is well-defined in the literature and refers to the distribution of periodic cash payments that are individualized, universal, and unconditional. Teams will still have ample room to interpret these terms and should take care to do so in their qualifying essays.

While a universal basic income has never been tested on a national scale, decades of localized experiments and pilot projects afford significant evidence to debate the merits of a universal basic income. Economists have also provided detailed theoretical models to assess the feasibility of a UBI at a national scale. Proponents and opponents of a UBI utilize these resources to spar over the desirability of such a public policy. Affirmative and negative teams will be able to draw upon a deep and vibrant literature base to craft their core arguments.

While the best arguments will be born out of clash during the round of 64 and on, the qualifying papers should primarily develop an affirmative or negative stance while also briefly addressing the major concerns on the other side of the motion to resolve the question of whether or not governments should provide a universal basic income.



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