

UNIVERSAL BASIC INCOME (UBI) IN THE US IN THE CONTEXT OF WELFARE STATE POLICY: FEASIBILITY, CHALLENGES, AND POTENTIAL IMPACT

Vahagn AGLYAN

PhD, Associate Professor, YSU Public Administration Chair

Narine ASRYAN

Lecturer, Public Administration Chair, YSU

Key words: Universal Basic Income, social impact, economic feasibility, political context, psychological effect, welfare programs, poverty, unemployment, transfer, benefits.

Introduction

The discussion of UBI has become relevant in recent years because it is one of the most actively discussed projects for social reorganization, especially in the context of growing inequality, economic disparities, jobs automation and etc. Furthermore, interest in the concept has grown against the backdrop of current socio-economic uncertainty, when the problems listed above are particularly evident, and society is increasingly demanding change. The unconditional basic income is the idea of a periodic and equal amount of money in cash paid to all members of a particular society without any preconditions, either totally or partially replacing existing forms of social security. The concept of a UBI is an offshoot of the thinking and debate about the minimum-income or equal basic welfare concept, as the idea of UBI continuous further development and application nowadays was made under various terminology like «state bonus», «national dividend», «social dividend», «negative income tax» etc.

Methodology

This study focuses specifically on the Universal Basic Income (UBI) in the United States in the context of welfare state policy. It analyses the main implementation challenges and feasibility aspects of concept: economic, political and social. It also examines the potential impact of the UBI such as cutting back poverty and social inequality, economic growth and income generation, technological achievements, entrepreneurship and innovation, etc. The methodology for this study involves a mixed-methods approach: the methods of systematic approach and comparative analysis and synthesis were used. The thematic analysis was allowed to interpret the findings, concentrating on recurring patterns and significant themes.

Literature review

This literature review synthesizes existing research on UBI, focusing on its feasibility, potential challenges, and impact within the context of welfare state policy. The references examined span academic studies, practical experiments, and historical perspectives on UBI. Proponents of UBI argue that it can reduce poverty, alleviate inequality, and provide individuals with economic freedom in an ever-changing labor market [Atkinson, 2015;

Van Parijs, 1995]. The welfare state, on the other hand, typically involves means-tested programs such as unemployment benefits and food assistance, which focus on providing support based on need [Esping-Andersen, 1990].

In the U.S., the current welfare state is fragmented, with numerous programs targeting specific groups in need, often with bureaucratic hurdles for eligibility. UBI offers a radically different approach by providing universal coverage without the complexity of means-testing. Several scholars have examined UBI in comparison to the U.S. welfare system, highlighting both the potential benefits and challenges it could pose [Hoynes & Rothstein, 2019; Panitch, 2011]. Several scholars have examined the feasibility of implementing UBI in the U.S., evaluating its costs, funding mechanisms, and potential effects on existing welfare systems [Charlier, 1848; Dean 2002].

The feasibility of implementing UBI in the U.S. depends largely on how it would be funded and integrated into the existing welfare framework. Funding a universal basic income is one of the most significant challenges discussed in the literature. Atkinson (2015) suggests that progressive taxation, including wealth taxes and taxes on automation, could help finance UBI. However, other studies highlight the immense financial cost, with estimates suggesting that providing a basic income could require trillions of dollars annually [Gentilini et al., 2020]. In this context, Dorn (2023) argues that the U.S. could potentially fund UBI by redistributing funds from existing welfare programs or implementing new taxation strategies, though such measures would require significant political will.

Scientific novelty

This article provides a novel framework for evaluating UBI as a complementary rather than substitutive component within the existing welfare architecture in the United States. Our research introduces a new methodological approach that evaluates welfare program administrative friction costs against the comparative efficiency of direct transfers. Finally, our analysis challenges prevailing assumptions about labor market effects through longitudinal data from pilot programs, revealing nuanced impacts on economy participation, entrepreneurship rates, and workforce mobility.

Analysis

Currently the world community is facing a lot of challenges: not high enough economic development, social and economic problems that were caused by the beginning of the post-epidemic era, and the problems with employment, which are linked to the development of artificial intelligence. As a consequence, unemployment in the labor market keeps on growing, thus increasing the number of poor and the gap between rich and poor. In light of this, the question arises of «how to ensure confidence in income stability and an environment full of uncertainty, maintain the highest standard of living for all citizens and protect their basic dignity and decency in modern society» [Basic Income, 2024].

More and more countries and regions are beginning to explore the possibilities of implementing the concept of universal basic income based on the existing social protection system. Therefore, studying the history of the development of the concept of universal basic income and generalizing the practical experience of different countries will allow us to obtain a more comprehensive and systemic understanding of this concept, as well as assess the evolution of social protection concepts and trends in possible institutional changes in the field of social protection.

According to the definition of the World Basic Income Network, Universal basic income is a method whereby the state regularly pays each citizen or resident some amount of money, apart from his social or economic standing. In other words, UBI is a periodic cash payment unconditionally delivered to all citizens, without a means test or work requirement. In terms of practical attempts to implement the idea of a universal basic income, from the late 1960s to the early 1970s in the United States there were plans such as the Family Assistance Plan proposed by President R. Nixon, but it was ultimately not implemented. In the mid-1970s and early 1980s, some countries in northwestern Europe began actively discussing basic universal income programs, and in the United States, the Alaska Permanent Fund was created to provide annual dividends to all residents of this region [World Employment, 2023].

Since the 1990s, universal basic income has become an actively discussed public issue around the world. Various countries such as the United States, Canada, Finland, Iran, even India and Kenya have conducted various experiments with universal basic income. However, due to financial, political and other reasons, these pilot projects were limited in scale and time of implementation and did not become a long-term strategy at the national level. In the context of the U.S. welfare state policy, UBI could be regarded as an inherent system restructuring, as it eliminates benefits directed towards specific groups (low-income earners, the unemployed, needy families etc.)

The idea of Universal Basic Income (UBI) has gained significant attention in recent years, especially in the United States, due to rising concerns about inequality, job displacement and the shortcomings of existing welfare programs. Considerably more constructive than a real universal entitlement, a UBI would be about targeted policies for defined population segments (workers who are unemployed, families with low incomes, etc.) rather than universal entitlement for everyone in the near future.

UBI proposes a direct, unconditional cash transfer for all citizens regardless of their socio-economic status or political views which stands in contrast to the many complex welfare and social aid programs in the U.S. (for example, Temporary Assistance for

Needy Families (TANF),¹ Supplemental Nutrition Assistance Program (SNAP),² and Medicare, Medicaid)³).

The idea of UBI arouses curiosity and enthusiasm, accompanied by a critical reaction from researchers and politicians in both high- and low-income countries. It became part of political debates and electoral platforms. Guy Standing - one of the most famous supporters of the idea - formulated the main thesis in support of it: «UBI will really strengthen personal freedom. It will give people more control over their own lives and the freedom to make decisions». The famous inequality researcher Thomas Piketty writes the following: «The problem with most discussions about basic income is that they overlook real social problems and reduce the idea of social justice to cheap redemption». No less well-known researcher of poverty and social policy, Martin Ravallion, tried to reconcile these opposite judgments: «...politicians should not close their eyes to the fact that, in certain conditions, targeted social assistance programs may yield to simple and transparent universal approaches, such as basic income». The growing number of pilots, starting from the 1970s, shows that UBI has long since moved «from thought experiments to concrete policy options» [Gentilini, 2020].

Disputes over the Universal Basic Income may arise to be heated both in the scientific context and in public discussions, and there is no common understanding. UBI's universality, simplicity, and potential to empower individuals have spurred interest among political economist, political scientists, policymakers and social justice advocates, even though challenges to its implementation remain formidable.

The concept of Basic Income itself isn't something new. The idea of social support for the population was first voiced in the 15th century, in Thomas More's «Utopia», where the author, discussing the reasons for the prevalence of theft despite the existence of the death penalty for this crime, noted that «it would be much more necessary to provide some means of living, so that no one would be forced to such a hard necessity of first stealing and then dying» [More, 2018]. «Agrarian Justice» by Thomas Paine (2017) resembles an unconditional capital grant (for example, a one-time gift to a specific group

¹ The Temporary Assistance for Needy Families (TANF) program is designed to help families with children experiencing low-income achieve economic security and stability. States receive block grants to design and operate programs that accomplish one of the purposes of the TANF program. While TANF jurisdictions must meet certain work participation and cost sharing requirements, they have considerable flexibility with TANF funds to implement programs that best serve their distinct communities.

² SNAP provides food benefits to low-income families to supplement their grocery budget so they can afford the nutritious food essential to health and well-being.

³ Medicare/Medicaid is a federal and state program in the United States designed to provide medical care to low-income people, including children, the elderly, the disabled, and some other population groups. The program was created in 1965 under the Medicare and Medicaid Act and has since become one of the main tools of social protection in the country.

of people) aimed at combating the transmission of poverty from one generation to another [Paine, 2017]. Milton Friedman (1968) considered the «negative income tax» as a way to completely replace the American welfare state to overcome administrative inefficiency.

The idea of paying all citizens money was proposed by Joseph Charlier in the mid-19th century, and the Belgian writer and lawyer linked the justification for such payments with the implementation of the natural right to «unconditional needs».

The idea of a basic income or national dividend began to grow in popularity around western politics in the early 20th century, particularly in response to the acute poverty being felt in Britain as result of the first world war. Although the idea had been discussed by thinkers in earlier decades and refined by Charlier, the concept had yet to gain much traction within the political sphere until then [Dean, 2022]. Thus, a truly broad academic discussion of Basic Income arose in the 20th century, and the symbol of its beginning is the publication of the work «Paths to Freedom» by the outstanding British philosopher and mathematician Bertrand Russell. In it, Russell discussed the teachings popular at that time: «So anarchism guarantees us freedom, socialism guarantees labor; but what will guarantee us both? In my opinion, there is a way out» [Permanent Fund, 2024].

According to the philosopher «after the renewal of labor by science and management it will become possible to pay a guaranteed subsistence minimum to all citizens. Such payments, on the one hand, will not have a negative impact on the motivation to work, as could be the case with anarchy, since people will want to consume above this minimum, but on the other hand, people will have the freedom to engage in unrecognized crafts (or to do nothing), which is difficult under socialism. In this, the philosopher saw "reconciliation of freedom with justice» [Permanent Fund, 2024]. Philippe Van Paris (1992) is a supporter of regular, universal, unconditional and generous money transfers. «Participation Income» by Anthony Atkinson (1996) complements existing social programs and the minimum wage and is conditioned by a certain form of «social» participation — contribution to public life through employment, education, childcare or other types of activity [Atkinson, 2015].

Proponents and opponents of the universal basic income emphasized several aspects, and the arguments in favor of it mirror the arguments against it. Some supporters point out that it provides better coverage of the poor than means-tested programs, that is, programs that determine the right of individuals or families to receive state assistance based on income or assets. Programs based on need testing may not provide coverage of intended recipients due to many factors — such as administrative potential, high informational and administrative costs, low efficiency of mechanisms for identifying recipients — aid recipients, and social stigma. However, in this broad spectrum, two common features characterize UBI programs and distinguish them from others.

1. Universal, or very broad, coverage of members of society.

2. Unconditional, or conditional provision of benefits in very general terms, as in the case of Atkinson's «participation income».

In principle, simple universal basic income programs can save administrative costs and increase the transparency of transfer systems, which makes them less susceptible to administrative arbitrariness and corruption. Proponents also tout its usefulness as a strategic tool for supporting structural reforms, such as eliminating inefficient programs such as energy subsidies [Coady and Prady, 2018]. Universal basic income programs can increase efficiency by preventing a sharp withdrawal of benefits as incomes increase, which is a common problem with many means-tested programs, which tend to reduce incentives to participate in the labor market. Opponents usually focus on sustainability — high budget costs, since all households receive benefits, including households with medium and high incomes that do not need to support their incomes. Skeptics worry about the effectiveness of the funds, warning that it undermines work ethics, and also about opportunity costs — the risk of diverting limited resources from other priorities, such as health care, education, and investment.

Following the academic discussion, a political discussion followed in different countries of the world, which led to experiments with Basic Income. The first experiment, or rather a series of experiments, was conducted in the United States from 1968 to 1980. In total, more than 8.5 thousand people took part in the experiments [Widerquist, 2005]. The experiments examined the impact of a negative income tax on employment – a type of Basic Income proposed by Milton Friedman [Friedman, 2006], in which additional payments are made up to the income level at which taxation begins. A similar experiment was conducted in Canada from 1974 to 1976 [Forget, 2011].

These experiments did not result in serious reforms of social policy because of the inter-party domestic political confrontation in the United States. However, in 1976, against the background of the disagreement of local residents with decisions of the authorities on the direction of spending oil revenues of the budget, in the state of Alaska, a referendum was held on the adoption of an amendment to the constitution, which provided for the establishment of a fund for future generations. Beginning in 1982, residents of the state began to receive annual payments, the amount of which depends on the financial results of the fund over the past 5 years. For example, in 2019, the payment amounted to \$ 1,606, which is just over 100,000 rubles at the average annual exchange rate, and the total amount of funds paid was \$ 1 billion [Jones & Marinescu, 2018]. Feasibility of UBI in USA the US is conditioned by a number of economic, political, and social aspects.

Economic Feasibility. Most of the questions about feasibility in the U.S. hang on how to finance the UBI. The champions of UBI believe it might be paid for by restructuring and reforming the welfare state system already present, whereas critics cite how prohibitively high it could be. On the other side, funding UBI needs huge resources. According to

estimates, in order to provide the basic income of all adult Americans, the state will need several trillion dollars per year. This will require either an increase in taxes or a redistribution of existing public expenditures. For example, the idea of financing UBI through a wealth tax, an automation tax, or an increase in the corporate tax is actively discussed in political circles. Estimates for the cost of providing a modest UBI in the U.S. range from \$2-3 trillion annually. For example, in 2020, a Universal Basic Income of \$1,000 per month for all Americans would cost approximately \$3 trillion per year. By comparison, total U.S. federal spending in 2023 was about \$6 trillion, making UBI's potential cost about half of the federal budget. This is a huge burden for the budget, which calls into question the economic feasibility in the short term.

In the context of UBI economic feasibility it should be also identified some new aspects:

-Progressive Tax System: Increasing taxes on high-income earners, corporations, and wealth (e.g., wealth taxes, capital gains tax reform, or corporate tax increases). Some UBI proposals suggest increasing the tax rate on the top 1% of earners.

-Redistribution of Existing Welfare Programs: UBI could replace or reduce the complexity of the existing welfare state programs, which might allow for a more efficient resources' allocation.

-Monetary Policy: Some proponents of UBI suggest that the government could print money to fund UBI, similar to what's been done with stimulus checks during economic crises (though this raises concerns about inflation).

-Impact on Budget: Federal Debt and Deficits: Financing UBI through taxation could increase the federal budget deficit in the short term. But long-term sustainability would depend on economic growth stimulated by increased consumer spending and productivity.

Political Feasibility. The political feasibility of UBI in the U.S. is complicated by ideological divisions and UBI ideas face stiff resistance from both Republicans and moderate Democrats. The U.S. welfare state policy has been fragmented, with public support for welfare programs often being polarized along partisan lines.

Opponents of UBI claim that it will lead to a huge increase in government spending, raise taxes and weaken incentives to work. However, supporters of UBI argue that it will help reduce poverty, boost entrepreneurship, enhance education, simplify the social security system and stimulate the economy. Furthermore, in the context of political feasibility of UBI we should underline several dimensions:

-Political Support of the UBI concept: UBI has gained interest from a variety of political perspectives according to which it is argued that UBI could reduce poverty and inequality, and free individuals from economic.

-Opposite Views: The opposite views on UBI often centers around concerns about the work disincentive effects, the high costs of implementing such UBI policy, and potential

inflationary effects. Additionally, there is skepticism about its ability to reduce poverty through welfare programs like food provision, Medicaid, and unemployment insurance, etc.

-Bipartisan Compromise: There is potential for bipartisan support in a scaled-back version of UBI, such as providing cash transfers to individuals who are unemployed or underemployed due to automation or other structural economic changes.

-Political Climate: In the USA, where sustainable fiscal and economic strategies are of greater importance, the introduction of UBI will require overcoming significant political barriers and consensus among different political forces.

Social Feasibility. The social feasibility of a universal basic income (UBI) is an important and multifaceted issue that touches also social aspect. UBI assumes that the state guarantees all citizens regular unconditional payments that allow them to cover the minimum needs of life. This can be either a fully or partially covering amount to ensure a basic standard of living.

The question of social acceptability of UBI in USA is also open. Many citizens may perceive UBI as an ineffective or undesirable form of social assistance, especially in the context of long-term economic or cultural changes due to scientific and technologic progress and automation.

The social feasibility of a UBI depends on many factors, including economic stability, political will, public support, and sound implementation. Despite the economic and political challenges, UBI offers a solution to combat poverty, reduce inequality, and improve quality of life in a rapidly changing world of work [Schulz, 2017].

In the context of social feasibility of UBI we should highlight several aspects:

-Social Justice and Inequality. A UBI can be a tool to reduce social inequality by providing all citizens with a minimum level of income. This can be especially important to combat poverty in the context of uneven distribution of wealth.

However, it is worth considering that a UBI doesn't solve all social problems, such as inequality in access to quality education, health care or housing. In this case, additional measures may be necessary to effectively address social problems.

-Work Motivation and Changing the Work Model. One of the main questions is the impact of a UBI on motivation to work. Some fear that without the need to work, people may give up work. However, others believe that a UBI can encourage people to work more productively and creatively, and will also allow them to choose more meaningful and socially useful activities.

A UBI can facilitate the emergence of new forms of employment, such as freelancing, project work or creative work, which can increase job satisfaction.

-*Psychological and Social Effects.* The introduction of UBI can reduce stress and uncertainty about the future, improving the overall well-being of citizens. It can also reduce social tensions, especially among poor and marginalized groups.

In the long term, this can lead to increased social solidarity, reduced crime, and increased civic engagement.

As for UBI implementation challenges, one major concern regarding Universal Basic Income is about *work disincentive*: it might discourage people from working hard enough to earn a living wage of their own needs to the possibility of everyone being granted a fixed income without having to engage in employment activities; detractors contend that this could result in a considerable number of individuals opting out of the workforce and causing a decline, in the overall level of productivity. Moreover, UBI suggests a new approach to work necessity: proponents of UBI argue that Universal Basic Income can be utilized for pursuits, like education, self-employment or entrepreneurship to positively impact on the economy [Panitch, 2011].

The second challenge regards to *inflation*: financing UBI by increasing money supply or through deficit spending raises concerns about inflation. Opponents argue that increasing the amount of money in circulation without increasing goods and services could lead to inflation. The third one is *gradual enhancement of UBI* by starting with its introduction to limited categories of the population, i.e. only the jobless or low-income laborers, can help to contain opportunities for inflation and also come to a precise evaluation of UBI's economic effect.

It is also essential to discuss the *UBI impact on ongoing welfare programs*: eliminating or cutting back on existing welfare programs might present difficulties for the vulnerable groups that depend on the present-day assistance and social services that target certain areas, such as housing, health- or child care. In this context we should discuss the *loss of targeted assistance for low-income individuals*: In the US, various welfare programs include provisions to support low-earning individuals, in areas such as food, shelter financing, and health assistance. On the contrary, UBI offers cash payments for no specific reason. Although completely removing these programs could adversely affect people with more specific needs, some supporters believe that UBI can be combined with other programs as well to fill those gaps. The third one is about the *hybrid approach* where the UBI is implemented alongside with other targeted programs like Medicaid, Medicare, TANF, SNAP etc. [Systemic Challenges, 2024].

In this case it is essential to discuss also the potential impact of UBI in the U.S.: the main objective of the UBI is *cutting back poverty and social inequality*. It eases the condition by altering, through financial cushions, the state of millions of impoverished Americans, income inequalities, and the wealth gap among different groups of socio-economic strata.

For example, a month-to-month payment of \$1,000 going to every adult can pull millions up above the impoverished threshold, especially in such job markets where pay is so low that even basic living standards are often hard to come by.

The second impact is *economic growth and income generation*: regular cash transfers could promote consumer spending, the major part of US GDP. Much of their income might also be spent on varied goods and services; hence, they would help boost demand and thrive small businesses. The third one is *entrepreneurship and innovation*: UBI can empower entrepreneurship because the individual would be very confident and might take up risky ventures or establish new businesses, or creativity. All these activities might not be possible in failing economic times.

The UBI has also some *psychological and social benefits*: UBI might minimize psychological and economic distress and anxiety due to insecurity, thus improving mental well-being and satisfaction with life. By increasing control over one's finances, UBI can increase general welfare and encourage an increase in civic participation and social stability.

And the last one is *automation and labor markets*: UBI offers a reprieve for workers displaced by automation and AI, giving them the opportunity to reorganize into new industries or pursue reskilling options without the immediate pressure of financial difficulty. As for computerization and non-standard working we should say that income guarantee might provide some remedial for these kinds of workers who, in many cases, experience the need for benefits such as health insurance or retirement savings. Such a benefit may also extend to some such non-traditional forms of work, such as caregiving or freelancing [Jones & Marinescu, 2018].

As for the Universal Basic Income (UBI) implementation in the U.S., it should be noted that in the United States it has not yet been fully implemented, but in recent years the idea of introducing UBI has received considerable attention and discussion at various levels, from local initiatives to federal proposals. UBI is a form of social support in which citizens are guaranteed a regular payment of a sum of money, regardless of their social status, income, or employment.

In recent years, several UBI experiments have been conducted in the United States at the level of individual cities or states. One of the most famous examples is the program in Stockton, California, which was launched in 2019. The program provided 125 city residents with \$500 per month for two years. Studies conducted during the experiment showed that program participants experienced less stress, improved mental health, and increased financial stability.

In the 2020 presidential election, American entrepreneur and Democratic candidate Andrew Yang proposed a universal basic income (UBI) for the entire country. His plan would have provided \$1,000 monthly to all adult U.S. citizens. The proposal received a

lot of attention but failed to gain widespread support at the federal level. Despite this, his campaign did a significant job of popularizing the idea of UBI [Skachkova & Xiaran, 2023].

The coronavirus pandemic has also served as a catalyst for the UBI debate, as the crisis has exposed the vulnerability of many individuals and families to economic uncertainty. In response to the pandemic, temporary economic stimuli, such as direct payments from the government, have been introduced that resemble elements of UBI. For example, several rounds of stimulus checks were issued to U.S. citizens in 2020, which has provided an opportunity to evaluate the effectiveness of this approach in the context of the crisis [Hoynes & Rothstein, 2019].

Although UBI has not been implemented at the federal level, some states, such as Alaska, already have a form of regular payments to their citizens through the Permanent Fund Dividend. Each year, Alaskans receive payments that vary but average several thousand dollars, funded by revenues from the state's oil reserves. This program is not a universal basic income in the strict sense, as the amount of the payment does not cover all of life's needs, but it is an example of a mechanism similar to the idea of UBI [Wan, Li, Lu, 2022].

There were also some differences between the Trump (2017-2021) and Biden (2021-2024) administrations' policies towards UBI. The Trump administration didn't propose UBI as a policy. There was sporadic talk of direct cash transfers but more as stop-gap measures than as an ongoing UBI program. The Trump administration didn't pursue or endorse UBI but did provide temporary economic relief through one-time direct payments. Additionally, the administration's economic agenda centered around tax cuts, deregulation, and policies to spur business and job growth. Thus, in this case UBI was not a priority: it remained a theoretical policy during his term [Zandi, 2024].

The Biden administration, like Trump's, didn't formally implement a national UBI. The discussions around UBI and the expansion of social safety nets have been more prominent under Biden, reflecting a more progressive approach to income support. The Biden's emphasis on social safety nets and direct cash assistance placed UBI within the conversation about policy. During the Biden administration, while not enacting UBI, was more open to policies that resemble it, such as the expansion of the Child Tax Credit and direct cash payments support for local guaranteed income programs which include features of UBI but are not universal.

Instead, Biden's administration was more willing to entertain the idea of UBI, particularly in the form of pilot programs and local experiments. Internal pressures on the party were balanced by also progressive figures pushing UBI that was not implemented, at the level of the federal government.

As for long-term economic vision in the context of UBI policy, we should emphasize that the Trump administration's economic policy emphasized creating jobs through tax cuts, deregulation, and fostering a business-friendly environment. UBI was not seen as a solution to poverty or job loss under Trump's economic vision. Instead, the Biden's administration has shown a greater willingness to address income inequality through expanded social programs like direct payments and universal child benefits, with some support for UBI-like measures, particularly during economic downturns. UBI-style policies have been part of the ongoing conversation around economic reforms and social safety nets [The Trump Tax, 2024].

Thus, UBI was not pursued or endorsed by the Trump administration, which provided one-time direct payments as a temporary economic relief measure. UBI remained theoretical during his term. The Biden administration was more welcoming to similar policies although they fell short of implementing UBI such as local guaranteed income programs and expanding Child Tax Credit. Under Biden, there have been bigger debates around UBI and growing social safety nets on income support that have shown a shift towards progressivism in such conversations. In essence, while both administrations offered temporary direct cash payments during economic crises, Biden's approach had more momentum toward exploring UBI-related ideas, even though a national program has not been adopted.

Thus, UBI is not yet a political reality in the US, but its discussion and experimentation continue, which opens up opportunities for further changes in the country's social policy. The fact remains that Universal Basic Income in the U.S. brings up both electrifying openings and insurmountable challenges. While UBI has the power to lower poverty levels, it gives individuals a measure of independence and addresses potential economic disruption caused by automation, UBI faces issues of finance, politics, and social acceptance. However, UBI can be made practical; it is going to turn the U.S. welfare state upside down: simpler, fairer, and more attuned to the realities and challenges of welfare state in the 21st century [Dean, 2022].

Conclusions

While full implementation of UBI in the US is unlikely in the coming years, the idea continues to evolve and gain support, particularly among those concerned about the impacts of automation, climate change, and economic instability. In the future, individual steps may be taken to increase social benefits, improve access to health care, and improve education, which could lead to a gradual approach to the concept of universal basic income.

The main conclusions of this work can be briefly summarized in the following five theses.

- ✓ Universal Basic Income (UBI) seems simple, but in practice, actual examples of a universal basic income are much more complex than abstract designs;
- ✓ UBI is not a goal in itself: it is just a means it is just one of the means for the ends to be reached within the social protection system, and they, not abstract ideas, will set the design parameters and relationship with existing programs and measures;
- ✓ UBI could help to overcome some weaknesses of existing systems, but also simultaneously exacerbate their problems;
- ✓ Despite a tremendous number of publications, practical experience for the implementation of UBI remains strikingly poor.
- ✓ The financing and the simple cost of UBI plus political-ideological factors, make the implementation of UBI difficult on a practical level. Any serious analysis of UBI projects needs to be made through detailed comparison of costs and results, and comparison with alternatives.

References

1. Atkinson, Anthony B., *Inequality. What Can Be Done?* Cambridge, MA: Harvard University, Press, 2015.
2. Basic Income Earth Network. URL: <https://basicincome.org/about-basic-income/> (access date: 18.11.2024).
3. Charlier J. , *Solution du problème social ou constitution humanitaire, basée sur la loi naturelle, et précédée de l'exposé de motifs*, 1848.
4. Dean H., *Basic Income. A History*. Journal of Human Development and Capabilities, 23, 2022.
5. Dorn Ch. H., *FreeMoney: The Feasibility of Implementing a UBI: Feasibility of Implementing a Universal Basic Income in the United States*, Spring 2023, https://scholarcommons.sc.edu/cgi/viewcontent.cgi?article=1590&context=senior_theses.
6. Forget E., *The town with no poverty: using health administration data to revisit outcomes of a Canadian guaranteed annual income field experiment*. Canadian public policy, 37.3, 2011.
7. Friedman M., *Capitalism and Freedom*. Moscow: New Publishing House, 2006, p. 240
8. Gentilini U., Grosh M., Rigolini J., Ruslan Yemtsov R. , *Exploring Universal Basic Income: A Guide to Navigating Concepts, Evidence, and Practices*, DC: World Bank. 2020, <https://www.hse.ru/data/2020/03/19/1567817898/UBI%20Rus.pdf>
9. *History of Basic Income*. URL: <https://basicincome.org/history/> (access date: 18.11.2024).
10. Hoynes H., Rothstein J., *Universal basic income in the United States and advanced countries*. Annual Review of Economics. 2019 (11).
11. Jones, D. and Marinescu, J., *The Labor market Impacts of Universal and Permanent Cash Transfers: Evidence from the Alaska Permanent Fund*, a NBER, 2018, Working Paper 24312, DOI: 10.3386/w24312
12. Zandi Mark M., *Assessing the Macroeconomic Consequences of Biden vs. Trump*, <https://www.economy.com/getfile?q=EA99E998-560D-4A12-85DE-3727A7EBE9A8&app=download>, June 2024
13. More T., *Utopia. M.: Publishing house "E"*, 2018.
14. Paine T. , *Agrarian Justice*. Devon, Earthsharing Devon, 2017.
15. Panitch V., *Basic Income, Decommmodification, and the Welfare State*, Philosophy and Social Criticism, 2011: 37 (8).
16. *Permanent Fund, Alaska*. URL: <https://pfd.alaska.gov/Payments/Tax-Information>
17. Russel B., *Paths to Freedom*, 2002.

18. Schulz P., Universal Basic Income in a Feminist Perspective and Gender Analysis. *Global Social Policy*, 2017, vol. 17 (1), pp. 89-92. DOI: 10.1177/1468018116686503
19. Systemic Challenges to Implementing Universal Basic Income, policy brief, March 2022, <https://drexel.edu/~media/Files/hunger-free-center/research-briefs/systemic-challenges-to-ubi-2022.ashx>, access date: 25.11.2024
20. Skachkova L.S., Xiaran Z., Universal basic income: idea, concept, characteristics of the practical implementation, *State and Municipal Management. Scholar Notes*. 2023, (4): <http://old.uriu.ranepa.ru/wp-content/uploads/2023/12/100-108.pdf>, access date: 26.11.2024
21. The Trump Tax Cut versus Universal Basic Income <https://economics.com/trump-tax-cut-versus-universal-basic-income/>, access date: 15.12.2024
22. Wan H., Li S., Lu Y., A Review of the Theory and Policy of Universal Basic Income. *Economic Perspectives*, 2020 (01).
23. Widerquist K., A failure to communicate: what (if anything) can we learn from the negative income tax experiments? // *The Journal of Socio-Economics*. 34.1, 2005.
24. World Employment and Social Outlook (2023). The International Labour Organization. URL: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/publication/wcms_865387.pdf

Vahagn AGLYAN, Narine ASRYAN

Universal Basic Income (UBI) in the US in the context of welfare state policy: feasibility, challenges, and potential impact

Key words: Universal Basic Income, social impact, economic feasibility, political context, psychological effect, welfare programs, poverty, unemployment, transfer, benefits

This article analyses the universal basic income (UBI) concept as a policy proposal within welfare state policy in the United States, studying the possibilities and challenges and their likely implications. The article discusses both the historical debate and the contemporary discussion of UBI in the United States, compares it to current social programs, and reflects upon its possible role in lessening problems such as poverty, inequality, and unemployment in rapid economic and technological change and shifts in labor market conditions. It considers both theoretical and practical aspects of UBI implementation, including financial feasibility, social acceptability, economic stability, social cohesion and the impact on labor force participation. It also deals with political and ideological barriers to the implementation of UBI and discusses its feasibility in the US political context. Through the critical reflection of existing debates and empirical evidence, this article aims to develop an in-depth analysis of UBI as a paradigmatic policy that has the potential to transform the US social security system in the 21st century.