

THE PROS AND CONS OF A UNIVERSAL BASIC INCOME

Eshqulova Dilorom Abduravupovna
Termez State University
dilomeshqulova1@gmail.com

Annotation: This article explores the potential and limitations of UBI in alleviating poverty, providing a critical examination of economic transfers and their effectiveness in different contexts. It highlights the complexities of implementing UBI and its possible impact on poverty reduction.

Keywords: Universal Basic Income (UBI), Poverty Alleviation, Economic Security, Welfare Simplification, Health and Well-being.

INTRODUCTION.

Direct Alleviation: UBI provides a guaranteed income, helping to lift people out of poverty.

Stabilizes Living Standards: Ensures everyone can meet basic needs regardless of employment status.

Economic Security:

Financial Stability: Offers a safety net for people during economic downturns or job losses.

Encourages Risk-Taking: With a basic income guarantee, individuals may feel more secure to start businesses or pursue further education.

Simplifies Welfare:

Reduces Bureaucracy: Streamlines the welfare system by replacing multiple conditional welfare programs.

Universal Coverage: Ensures that all individuals receive support without the need for means-testing or eligibility requirements.

THE MAIN PART

Health and Well-being:

Reduces Stress: Financial security can lead to better mental and physical health.

Improves Quality of Life: Individuals can afford better food, healthcare, and housing.

Promotes Equality:

Reduces Income Inequality: Provides a more equitable distribution of wealth.

Empowers Marginalized Groups: Offers financial independence to those often excluded from the job market, such as caregivers and the disabled.

Stimulates Economy:

Boosts Demand: People with more money to spend can increase consumption, driving economic growth.

Supports Local Businesses: Increases spending in local communities.

Cons of Universal Basic Income (UBI)

High Cost:

Significant Expense: Funding a UBI program requires substantial financial resources, potentially leading to higher taxes.

Budget Constraints: Could divert funds from other essential public services.

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Inflation Risk:

Increased Prices: Higher demand for goods and services could lead to inflation, eroding the purchasing power of the basic income.

Kalit so'zlar: Umumjahon asosiy daromad (UBI), qashshoqlikni yumshatish, iqtisodiy xavfsizlik, farovonlikni soddalashtirish, sog'liq va farovonlik. Housing costs might rise as more people can afford rent or home purchases.

Work Disincentive:

Reduced Labor Supply: Some argue that guaranteed income might reduce the incentive to work, potentially decreasing productivity.

Skill Atrophy: Without the need to work, individuals might lose job skills and become less employable over time.

Economic Disruption:

Market Distortion: Might create imbalances in the labor market, affecting wages and employment patterns.

Business Impact: Small businesses might struggle to compete with higher wage demands.

Implementation Challenges:

Complex Transition: Moving from current welfare systems to UBI could be logistically challenging.

Fraud and Abuse: Ensuring that UBI is not exploited or misused could be difficult.

Ethical and Social Concerns:

Perceived Unfairness: Some might view it as unfair for individuals to receive money without working for it.

Dependency Culture: There is concern that UBI could foster a culture of dependency on government support.

CONCLUSION

In conclusion while UBI offers numerous benefits such as poverty reduction and economic stability, it also poses significant challenges like high costs and potential inflation. Careful consideration and tailored implementation strategies would be crucial to maximize its benefits and mitigate its drawbacks.

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