

Partial basic income in France could empower young people: New report

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The introduction of a partial basic income targeted at young people living in France would provide an important 'leg up' for the country's disenfranchised youth, say the authors of a new report. The analysis, from the University of Bath's Institute for Policy Research (IPR) and Centre for Microsimulation and Policy Analysis (CeMPA) at the

University of Essex, assesses a range of different policy options proposed for basic income in France and considers trade-offs required in terms of how these would be funded.

The report comes ahead of this weekend's French Presidential first round elections where candidates from the right and left have stated they want to extend access to the minimum income benefit (RSA) to those under 25, which is the current qualifying age. However, these proposals would not be universal.

This includes left-wing candidate, Jean-Luc Mélenchon, who has proposed a monthly [basic income](#) or 'autonomy grant' aimed at students in France. His plans would see all students receive an unconditional monthly allowance of €1063.

Basic income for all young people

The IPR report author, Professor Matteo Richiardi, argues that a basic income in France is credible, but suggests that targeting students specifically could also be regressive, given that many come from better-off backgrounds and are also likely to go on to earn more in the future. Instead, his report advocates for a more modest allowance (of €337 a month) but for all young people aged 20-24, not just students.

Such a move would offer young people a step up into the labor market and towards more independent living. It could also provide a more realistic route to test basic income in France; an idea which has been gaining traction around the world over recent years.

The impact of this would be dramatic for young people and their families, but the effects would also be sizeable when evaluated across the whole population. The report suggests it could lead to a substantial 1.1% reduction in the at-risk-of-poverty rate in France, overall. Here the

largest net gains would be in the lowest-income households, and the largest net losses in the highest-income households, implying the policy could also be an effective redistributive measure.

Counting the costs of basic income

The key question policymakers need to weigh-up, however, are how such schemes are paid for. To address this, the new report analyzes the costs of different schemes against their relative effects on poverty and inequality: from full basic income for all adults, to more limited schemes targeting just one group.

On costs, the report finds that funding a full scheme would require significant tax-benefit reform, including increases in taxes and changes to existing benefits. By contrast, a more limited youth scheme could be more easily achieved, funded through a 3% marginal tax rate increase, and no changes to personal tax allowances or existing benefits.

Professor Matteo Richiardi, Director of the Centre for Microsimulation and Policy Analysis (CeMPA) at the University of Essex and lead author for the report, explains that "basic income is a credible option for tax-benefit reform in France, however policymakers face complex trade-offs. For a basic income to be effective in protecting the most vulnerable, it needs to be large, but this of course requires substantial tax increases and significant adjustment to the tax-benefit system."

"A partial basic income aimed just at one group may be more effective and politically sellable at this stage. Mélenchon's proposal for a student basic income goes some way towards this, but we believe this would be more effective at a lower rate and spread across all young people aged 20-24 in France. This would both have a dramatic impact on their lives, offering support as they enter adulthood and the labor market, but crucially is economically viable and politically achievable."

Basic income specialist from the University of Bath, Dr. Joe Chrisp added that "recently, the global basic income debate has spread in a way that would have seemed unimaginable ten years ago, but that has not always extended to tangible policy reforms. This report paints a clear picture of some of the viable policy options available to policymakers interested in implementing a basic income in France."

"While many countries have conducted targeted experiments with basic income, the report's proposal of a basic income for [young people](#) points to another exciting reform that could both test the effects of a basic income-proper, and address more immediate issues with access to social security among younger people."

More information: Report: [www.bath.ac.uk/publications/a- ... -ideas-for-a-debate/](http://www.bath.ac.uk/publications/a-...-ideas-for-a-debate/)

Provided by University of Bath

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