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Are Budget Neutral Income Floors Fiscally Viable in Sub-Saharan Africa?

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Using microsimulations, we assess whether budget neutral universal income floors are fiscally viable in twelve SSA countries. We consider three universal basic income (UBI) scenarios of decreasing levels of generosity: poverty line, average poverty gap, and current spending on transfers and subsidies per person (spending neutral). The viability of the policies is assessed by comparing the results on poverty and average tax rates obtained from the simulated scenarios with those in the current system (baseline). We find that poverty line and poverty gap UBI programs would not be viable. Spending neutral UBI programs could potentially be viable in Botswana, Ghana, and Zambia. If resources are targeted to the poor, a poverty line scenario is viable in Botswana, Ghana, Namibia, and South Africa.