MAKING 'UNIVERSAL BASIC INCOME' UNIVERSAL: AN ARGUMENT FOR RESIDENCY BASED UBI OVER CITIZENSHIP BASED UBI

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ABSTRACT

Universal Basic Income ("UBI") is a social welfare program that has grown in popularity in recent years. Several trials have shown that UBI can increase the overall wealth and health of individuals. While several questions surround the implementation of UBI, this Note will focus on who should receive UBI and whether it should truly be "universal". This Note argues for a residency-based UBI over a citizenship-based UBI. The line between U.S. permanent resident status and U.S. citizenship status creates a difference in available rights and benefits among individuals. Long-term Permanent Residents ("LPR's") do not receive the same rights and social welfare benefits as do U.S. Citizens. This legal distinction leads to taxation without representation and the perpetuation of the wealth gap between LPR's and U.S. Citizens. Using neoclassical models of migration, this Note shows that UBI being available to LPR's instead of only citizens would not have a significant effect on international migration patterns. This Note also argues against the welfare magnet hypothesis and instead introduces other soft factors that may be a factor in whether someone decides to migrate.

TABLE OF CONTENTS

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INTRODUCTION

Universal basic income ("UBI") has become a hot topic in the political discourse in the United States and around the world. While the concept has been around for decades, 2020 presidential candidate Andrew Yang brought the idea to the forefront of many Americans' minds. His campaign reinvigorated the conversation around UBI. Although Yang fell short of his goal of winning the presidential election, one can see his influence, beginning with the start of the COVID-19 pandemic. With a country in lockdown, Congress approved three rounds of stimulus checks in the amounts of $1,200, $600, and $1,400. These cash payments were sent directly to citizens with no conditions attached. These direct payments were reminiscent of the $1,000 a month UBI that Yang ran his campaign on.

Although Yang himself ran as a Democrat during the 2020 presidential election, individuals across the political spectrum have touted the idea of UBI. Milton Friedman, a Nobel prize winning economist and prominent libertarian, was a large proponent of a negative income tax[1], an idea significantly similar to a basic income. Martin Luther King Jr., a socialist, was also

1. Rebecca Linke, *Negative Income Tax, Explained*, MIT (Fed. 7, 2018), https://perma.cc/5X3K-FNR9.

a strong supporter of a basic income for all Americans.[2] While individuals such as Milton Friedman and MLK would disagree on the implementation and rationale behind a guaranteed income, parties from across the political spectrum agree that UBI is an efficient way to provide individuals with the financial means to meet their basic needs.

This paper will instead assume that UBI will be implemented and will focus largely on the intersection of UBI and immigration. This paper will question whether the UBI really should be "universal," in particular describing the differences between a citizenship-based UBI and a residency-based UBI program and the effects it may have on wages and labor supply. This paper will then discuss the effects UBI may have on immigration, both in kind and in number. Based on empirical data from UBI trials conducted around the world and normative migration theories, a residency-based UBI would decrease poverty and income inequality while improving mental and physical health. Further, it would not have a dramatic effect on immigration compared to a citizenship-based UBI.

I. WHAT IS UNIVERSAL BASIC INCOME?

UBI has a long and strange history, going back to the likes of Thomas Paine in the 18th Century.[3] The idea of a guaranteed income is rooted in socialist and social democratic thinking.[4] Throughout history, proponents of UBI have differed on implementation strategy. However, all tend to reflect a similar belief that a portion of the wealth produced within a community should be shared by all who live there.[5] With increases in income inequality, concerns regarding labor automation, and the persistence of poverty around the world, interest surrounding UBI have reached new heights.

After millions of COVID-19 stimulus checks were sent directly to Americans' bank accounts, direct cash payments became a reality for most Americans. The question now revolves around the feasibility of a permanent UBI. In general, social assistance programs can be sorted into three categories: what form the assistance will take (cash versus other modalities), who the assistance will cover, and whether the assistance will be conditioned on some other factor.[6] A true UBI is unconditional, in cash, and available to everyone. All social assistance programs that currently exist in the United States are limited in some form, whether by placing conditions on the funds being received (i.e., disability and unemployment checks), or by limiting the

2. Jordan Weissmann, *Martin Luther King's Economic Dream: A Guaranteed Income for All Americans*, THE ATLANTIC (Aug. 28, 2013), https://perma.cc/HCT9-HCSB.

3. Basic Income Lab, *What is Basic Income?*, STANFORD UNIV., https://perma.cc/G4MZ-5JDC (last visited Oct. 27, 2022).

4. *Id.*

5. *Id.*

6. Ugo Gentilini, Margaret Grosh, Jamele Rigolini, & Rusi Yemtsov, eds., EXPLORING UNIVERSAL BASIC INCOME: A GUIDE TO NAVIGATING CONCEPTS, EVIDENCE, AND PRACTICES, WORLD BANK GROUP 20 (Ugo Gentilini et al. eds., 2020).

benefit modality to certain usages, such as SNAP. The introduction of UBI would be a drastic change in the way social funding has been previously implemented. While a true UBI is unlikely to be politically feasible, the popularity of the COVID-19 stimulus checks has shown that many Americans are open to the idea of some form of basic income.

A. *Universal Basic Income Around the World*

At least 21 jurisdictions around the world have implemented some form of basic income trial.[7] While only Mongolia and the Islamic Republic of Iran have attempted nationwide UBI programs,[8] other countries have experimented with unconditional direct cash transfers to a limited number of individuals. In 2011, Iran replaced its energy, bread, water, and heating subsidies with UBI program.[9] These direct monthly payments were unconditional, cash-based, and covered up to 97% of the population.[10] The longest and largest UBI experiment in the world is currently taking place in Kenya.[11] The charity GiveDirectly is giving direct, unconditional, monthly payments to 245 rural villages throughout Kenya.[12] In India, a pilot project in the state of Madhya Pradesh gave a basic income to around 6,000 Indians.[13] Those in the study received monthly payments for a year, and the payments were shown to improve sanitation, nutrition, and school attendance.[14]

In the United States, communities have launched several small-scale UBI experiments.[15] Though these have largely been short-lived, Alaska has had the longest running UBI program in the United States, beginning in 1982 and still in place today.[16] Alaska, governed by Republican Mike Dunleavy,[17] gives its residents around $1,606 a year, funded by the state's oil revenue.[18] This UBI is available to all Alaskan residents, regardless of their citizenship status. Alaska's oil dividend program is one of the most popular government-run programs in the state. A recent poll showed that over 80% of Alaskans said the Permanent Fund Dividend (PFD) has improved their quality of life.[19]

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7. *Id.* at 22–23.
8. *Id.* at 23.
9. Casey Geier, *Universal Basic Income in Iran*, BORGEN PROJECT (Nov. 11, 2018), https://perma.cc/LN4K-NC4.
10. Bastagli, *supra* note 6, at 22.
11. Sigal Samuel, *Everywhere basic income has been tried, in one map*, VOX (Oct. 20, 2020), https://perma.cc/AL76-X82Dp.
12. *Id.*
13. *Id.*
14. *Id.*
15. *Id.*
16. *Id.*
17. Governor of Alaska, BALLOTPEDIA, https://perma.cc/67CR-Q8SV (last visited Oct. 29, 2022).
18. Sujata Gupta, *Alaska's Free Money for Residents Hints at How Universal Basic Income May Work*, SCI. NEWS (Oct. 30, 2019, 12:38 PM), https://perma.cc/JG83-XYD3.
19. Economic Security Project, *New Poll Results Confirm Widespread Support for Alaska's Permanent Fund Dividend*, OMIDYAR NETWORK, https://perma.cc/HCA4-ENRB (last visited Oct. 27, 2022).

The popularity of the PFD has led to a majority of Alaskans saying they would rather raise taxes than end the PFD program.[20]

II. ECONOMIC EFFECTS OF A UNIVERSAL BASIC INCOME

For UBI to be politically justifiable there needs to be large-scale evidence that the distributive cash payments would lead to a positive economic effect. Currently, there are several misconceptions surrounding UBI and how it may affect labor supply. While many UBI experiments are ongoing, results from all over the world can help paint a picture as to what economic effects can be expected from the implementation of UBI. Overall, results have shown that UBI can decrease poverty and increase health and employment.

A. *Results of Universal Basic Income Experiments*

In Finland, a two-year study consisting of 2,000 randomly chosen people was conducted. Each person was given unconditional cash of 560 Euros per month.[21] Results showed that the UBI led to an increase in employment relative to the control group, large boosts in health and well-being, and a positive feedback loop that increased overall happiness.[22] In Iran, the nationwide UBI program had similar results. One concern, which ultimately led to the cutting back of the program, was that the UBI would disincentivize people to work.[23] Economists largely found these concerns to be unwarranted,[24] since, overall, the UBI had little to no effect on labor supply in Iran.[25] While results of the long-term experiment in Kenya are still coming in, early results have shown that those who received the UBI experienced improved food security, were less likely to seek medical treatment, and were less likely to report that a household member was ill.[26] Alaska's long-running UBI program confirms many of the results from around the world. The direct cash payments to Alaskans have had no significant effect on employment or the labor supply in Alaska, undermining the misconception that UBI would lead to large scale unemployment due to disincentivizing work.[27]

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20. *Id.*
21. Tera Allas, Jukka Maksimainen, James Manyika & Navjot Singh, *An Experiment to Inform Universal Basic Income*, MCKINSEY & CO. (Sept. 15, 2020), https://perma.cc/KXE2-22PQ.
22. *Id.*
23. Samuel, *supra* note 11.
24. Geier, *supra* note 9.
25. *Id.*
26. Andrew Eckas, *Examining Universal Basic Income in Kenya*, BORGEN PROJECT (March 18, 2021), https://perma.cc/W3EW-JZN7.
27. Damon Jones & Ioana Marinescu, *The Labor Market Impacts of Universal and Permanent Cash Transfers: Evidence from the Alaska Permanent Fund* 21 (Nat'l Bureau of Econ. Rsch., Working Paper No. 24312, 2018).

B. *Data From COVID-19 Stimulus Checks*

While the situation under which the UBI-type payments arose is different from the aforementioned trials, the COVID-19 relief stimulus checks had similar positive benefits. Census Bureau data show that the stimulus checks significantly improved Americans' ability to buy food and pay their bills.[28] The payments also led to a noticeable decrease in anxiety and depression, which was primarily seen in the lowest income households.[29] These payments helped stimulate the economy, leading to large jumps in consumer spending as well.[30]

C. *Arguments in Favor of a Universal Basic Income*

Arguments in favor of UBI have been made across the political aisle. Many on the left see UBI as a necessary social welfare program to set a baseline income throughout the country. Just as healthcare is seen by many on the left as a "right," the ability to not live in poverty in the richest country on earth is also beginning to be seen as a "right" that all U.S. residents should have. Though based in socialist ideology, many on the right have also supported the implementation of UBI. Support for UBI on the right tends to stem from a position of freedom. UBI puts money directly in the hands of individuals and gives them the freedom to spend it how they please. The lack of bureaucratic red tape and paternalistic nature that comes with most social welfare programs is particularly attractive to those who view government through a more libertarian lens.[31]

A "UBI helps ensure that individuals maintain autonomy and dignity without falling through the cracks in our economy."[32] Just as inequality breeds inequality, being born into poverty can create a vicious cycle that leads to generations of families being unable to escape poverty. By setting a baseline income, a society immediately lifts millions of people above the poverty line. The direct cash payments, being non-means tested, would be provided to everyone without concerns of eligibility. The payments would also allow individuals the freedom to use the money in a way that works best for them. This removes the paternalistic nature that surrounds most social welfare programs.

UBI program can also be more efficient than other social programs because it cuts through bureaucratic red tape by not requiring that recipients' spending be monitored. Once the checks are sent out, individuals are free to

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28. Jason DeParle, *Stimulus Checks Substantially Reduced Hardship, Study Shows,* N.Y. TIMES (June 2, 2021), https://perma.cc/6TJG-3CAS.
29. *Id.*
30. Reuters & Lucia Mutikani, *Stimulus checks boost U.S. consumer spending; inflation warming up*, REUTERS (Apr. il 30, 2021), https://perma.cc/L42A-LGMA.
31. Juliana Uhuru Bidadanure, *The Political Theory of Universal Basic Income*, 22 ANN. REV. POL. SCI. 481, 486–87 (2019), https://perma.cc/87VP-BJMA.
32. Karen Yuan & Caroline Kitchener, *Let's Debate Universal Basic Income in the U.S.*, THE ATL. (Aug. 15, 2018), https://perma.cc/5ZX7-69G4.

spend the money as they see fit. UBI would also remove the stigma that comes with receiving social welfare payments. By giving every American a guaranteed income, the perception that some individuals are paying for social programs while others take advantage of them is dispelled. The universality of the basic income is an important part of the program. The stigma surrounding welfare programs can lead to shame and has been shown to increase depression in recipients.[33] As Andrew Yang once stated, "if we try and send Jeff Bezos $1,000 to remind him he's an American, I don't think that's a bad thing."[34] Making cash payments available to Americans regardless of income may drastically increase the cost of the program, but it also will increase its popularity since more Americans will feel like they are benefiting directly.

A relatively new argument in favor of UBI concerns the recent automation of jobs throughout the country. This argument has been at the forefront of the UBI discussion in large part because of its political flexibility. While the idea of a "social safety net" may deter many on the right side of the political aisle, all Americans are fearful of job automation regardless of their political association. It is believed that "the availability of cheaper, more efficient workforce of robots will affect every aspect of our socioeconomic life."[35] An estimated 47% of current U.S. jobs are at risk of automation.[36] By 2030, studies show that over 400 million jobs are likely to be lost to automation.[37] While UBI would not prevent individuals from losing their jobs to automation, it would provide a better solution to the automation problem than current programs. Unlike other social welfare programs which are meant to complement income for low-wage individuals, UBI in a post-automation world may be used to supplement income lost due to the automation of jobs.

D. *Arguments Against Universal Basic Income*

There are several barriers to the implementation of UBI. One of the main arguments against UBI is that it would disincentivize people to work, leading to a drastic decrease in the labor supply. This is a concern specifically in low-wage jobs. When individuals have a guaranteed income, they may be less likely to work a job that is unsatisfying, low-paying, or dangerous. While

33. Tae-Young Pak, *Welfare Stigma as a Risk Factor for Major Depressive Disorder: Evidence from the Supplemental Nutrition Assistance Program*, 260 J. OF AFFECTIVE DISORDERS 53, 54 (2020), https://perma.cc/VJ8X-D3NC.

34. Richard Nieva, *Yes, Even Elon Musk and Jeff Bezos Would get $1,000 under Andrew Yang's Plan*, CNET (Jan. 20, 2020, 1:05 PM), https://perma.cc/ZVA9-Y9MG.

35. Antonio Cabrales, Penélope Hernández & Angel Sánchez, *Robots, Labor Markets, and Universal Basic Income*, 7 HUMAN. & SOC. SCI. COMMC'NS 2 (Dec. 16, 2020), https://perma.cc/4GCG-QA28.

36. Carl Benedikt Frey & Michael A. Osborne, *The Future of Employment: How Susceptible are Jobs to Computerisation?*, OXFORD MARTIN PROGRAMME ON TECH. & EMP. 41 (Sept. 17, 2013), https://perma.cc/V39W-X3Z2.

37. James Manyika, Susan Lund, Michael Chui, Jacques Bughin, Jonathan Woetzel, Parul Batra, Ryan Ko, & Saurabh Sanghvi, *Jobs Lost, Jobs Gained: What the Future of Work Will Mean for Jobs, Skills, and Wages*, MCKINSEY (Nov. 28, 2017), https://perma.cc/4KUK-EEJ8.

most social programs may theoretically disincentivize work, the lack of conditionality attached to the cash payments is unlike most social programs. These arguments regarding labor supply will be tackled in section three of this paper.

The other main argument surrounding UBI is its cost. There is no getting around it: UBI would be expensive. UBI can exist in many different formats. While this paper does not take a stance on the amount the UBI should be, the reference point for the program is Andrew Yang's $1,000 a month proposal. It has been estimated that Yang's UBI program, which would give $1,000 per month to every adult American citizen, would cost around $2.8 trillion each year.[38] This figure represents around three-quarters of the current yearly federal budget.[39] This cost would increase by around $110 billion a year if the UBI were extended to lawful permanent residents (LPRs).[40] With nearly half of Americans considering the budget deficit a significant concern,[41]UBI would need to be close to budget-neutral to be politically feasible. The way this program would be paid for is likely a colossal cause for concern for many UBI proponents. Since it would likely be through increased taxes and the cutting of current welfare programs, UBI advocates would have to appeal to voters across the aisle for the program to be successful.

A related issue is that of limited resources. While UBI could either replace or complement social programs, funding restraints would likely lead to UBI program like Yang's $1,000 a month proposal replacing many current social programs. This leads to the question of whether the economic benefits of UBI are greater than the economic benefits of the social welfare programs it is replacing. Many on the left see the answer to decreasing poverty not in UBI, which would give thousands of dollars to those who may not need it, but instead in increasing current social welfare programs and raising the minimum wage.[42] Increasing social welfare programs would focalize government spending on those who need it more, rather than spreading funds so thin among the whole population that it makes little economic difference in people's lives.

The scarcity of funds leads to another concern regarding the universality of the program: long term permanent residents and immigration. Blaming immigrants for economic downturns has been a common theme throughout

38. Catherine Clifford, *This Free Cash Plan Would Pay You $1,320 per Month and Wouldn't Cost the Government a Cent*, CNBC (Jan. 14, 2020), https://perma.cc/7BVV-G4TU.

39. Robert Greenstein, *Commentary: Universal Basic Income May Sound Attractive But, If Occurred, Would Likelier Increase Poverty Than Reduce It*, CTR ON BUDGET AND POL'Y PRIORITIES (June 13, 2019), https://perma.cc/2FVU-HYDU.

40. *See* Bryan Baker, *Estimates of the Lawful Permanent Resident Population in the United States and the Subpopulation Eligible to Naturalize: 2015–2019*, DHS 1 (2019) (estimating the current amount of adult LPR holders to 9.2 million). Calculation is done by multiplying 9.2 million by the $12,000 a year Yang's plan would call for.

41. Drew Desilver, *The U.S. Budget is Rising Amid COVID-19, but Public Concern About it is Falling*, PEW RSCH. (Aug. 13, 2020), https://perma.cc/QK7D-ADMX.

42. Juliana Uhuru Bidadanure, *The Political Theory of Universal Basic Income*, ANN. REV. POL. SCI. 481, 490 (2019).

American history. Myths that immigrants steal jobs from Americans and collect an excess of social welfare benefits are persistent.[43] Such myths lead to strong anti-immigrant sentiment, which has only grown in recent years.[44] Many in the United States believe that by increasing social welfare programs, the likelihood of immigrants moving to the United States increases. This idea is known as the "welfare magnet hypothesis" and will be discussed in section three of this paper. [45] While data surrounding the welfare magnet hypothesis contradicts the beliefs of many Americans, this has not shifted the views of those who are against increasing social welfare programs for fear of increasing immigration. This next section attempts to lay out the normative migration theories and apply them to both a citizenship-based UBI and a residency-based UBI.

III. APPLYING UBI TO IMMIGRATION

To determine how a universal basic income would affect immigration, we must first look at the normative theories and conventional wisdom behind what causes international migration. To begin, there will never be a complete answer as to the reason for which one decides to immigrate to a country. Economic models and data highlight factors that affect migration, but these only present part of the picture. However, this section will apply the economic models presented to help form a prediction on how a citizenship-based UBI and a residency-based UBI would affect immigration.

A. *Normative Migration Models*

While social scientists tend to approach the study of migration from a variety of competing theoretical viewpoints,[46] it is a common belief that the main drivers of migration are different levels of wealth and human development between countries.[47] Theories that have applied this belief include the "push-pull" and "neoclassical" equilibrium theories. The equilibrium theories are based in functionalist social theory, which states that functions (migration among them) tend towards equilibrium.[48] The assumption here is that if equilibrium of wage rates and labor supply existed between countries, no migration would occur. An implicit belief underlying these equilibrium theories is that people are rational actors and have the necessary information available

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43. *Immigrants and the Economy*, ACLU, https://perma.cc/ZAN9-2GY6 (last visited Oct. 26, 2022).
44. Zachary Basu, *It's Not Just the U.S.: Europe's Growing Anti-Immigrant Backlash*, AXIOS (Aug. 24, 2018), https://perma.cc/9FJM-2VU5.
45. *See* Borjas, infra note 64.
46. Douglas S. Massey, Joaquin Arango, Graeme Hugo, Ali Kouaouci, Adela Pellegrino & J. Edward Taylor, *An Evaluation of International Migration Theory: The North American Case*, 20 POPULATION AND DEV. REV. 699, 700 (1994).
47. Hein de Haas, *Migration Transitions: A theoretical and empirical inquiry into the developmental drivers of international migration* 1 (Int'l Migration Ins., Univ. of Oxford, DEMIG Working Paper No. 1, 2010).
48. *Id.* at 5.

to them. This is a social theory rooted in neoclassical thinking, and while it can be helpful in understanding some causes of migration, it is limited in its ability to predict reality.

Hein de Haas writes that "the idea that migration is a function of spatial disequilibria constitutes the cornerstone assumption of the 'push-pull' models."[49] A "push" factor is what triggers a person to leave their home country, whereas a "pull" factor is a reason that incentivizes a person to move to another country.[50] Because reasons for migration on the individual level are impossible to fully analyze through a theoretical lens, economists turn to macro-factors that are likely drivers of migration. Many of these surround the socio-economic and political makeup of a country.

In contrast to the static nature of the push-pull theory of migration, neoclassical theory "views migration as a process which optimizes the allocation of production factors."[51] This means that as immigration into one country occurs, labor becomes scarcer in the sending country.[52] This downward pressure on wages in destination countries and upward pressure on wages in sending countries continues until an equilibrium is reached.[53]

A laboratory-like experiment of neoclassical economic theory of migration can be seen in the relationship between Puerto Rico and the mainland United States. Because Puerto Ricans are American citizens who can freely move to the United States without legal restriction, the neoclassical economic theories regarding labor supply and wage rates should be less impeded than when applied to international migration. From 1950 to 1970, migration movement between Puerto Rico and the mainland United States and wage rate changes supported the equilibrium theory of neoclassical economics.[54] As a large outflow of Puerto Ricans immigrated to the mainland United States, upward pressure was placed on wages in Puerto Rico.[55] This led to average hourly wage increases of $.42 to $2.33 in Puerto Rico and a closing of the wage rate ratio between Puerto Rico and the mainland United States from 3.4 to 1.9, nearing closer to an equilibrium between the two.[56] This data follows what the neoclassical theory would predict. As people migrate, the wage rates in the two areas tend towards equilibrium.

B. *Problems With Normative Theories*

As helpful as neoclassical and other equilibrium theories can be in understanding migration patterns, they are still poor measures and predictors of

49. *Id.* at 4.
50. Mario Bruzzone, *Understanding Migration: Why "Push Factors" and "Pull Factors" Do Not Explain Very Much*, https://perma.cc/N4PJ-UFGB (last visited Nov. 17, 2022).
51. Haas, *supra* note 47, at 5.
52. *Id.*
53. Massey, *supra* note 46, at 701.
54. *Id.* at 703.
55. *Id.*
56. *Id.*

migration. Push-pull and neoclassical models leave little room for human agency. The models "tend to depict migrants as pawns – pushed and pulled around by global macro forces – or as victims of capitalism who have no choice but to migrate in order to survive."[57] Being widely accepted among economists, it can be stated that financial reasons are the main driver of migration,[58] but by failing to leave room for social, cultural, political, and family reasons for migration in the models, neoclassical economics can produce only partial explanations for migration.

Equilibrium theories fall short of calculating the initial inertia needed for migration to occur. Initial inertia can be described as the threshold cost it takes to migrate. While this was a factor in Everett Lee's seminal paper on migration,[59] it is understated in current models. For example, more developed countries have higher levels of both immigration *and* emigration than less developed countries, even though equilibrium theories would predict the contrary.[60] This is an example of equilibrium economic models failing to properly consider the initial inertia needed for a person to migrate. While there are several outside social and political factors that play a part in an individual's decision to migrate, even if we take neoclassical theory as a truism, an individual still requires significant capital to migrate. The lack of capital in less developed countries can be an unaccounted-for barrier within the neoclassical framework.

Another critique of neoclassical theories of migration involves the uniform way the models are typically used. The theoretical models tend to pay little attention to the geographic characteristics of sending and receiving countries and the social and political effects migration has on an individual.[61] Neoclassical theory would suggest that people from the poorest countries would migrate to the richest countries. However, the locations to which people migrate are largely determined by geographic proximity. Because of this, people do not migrate to the richest countries, but rather tend to migrate to countries that are physically close and economically feasible for them to migrate to.

Social and cultural reasons for migration can also be said to be undervalued under current models. While neoclassical models may predict when and where migrants should move for purely economic reasons, theorists of the new economics of migration contend that individuals do not move to just raise their level of absolute income, but to increase their income in relation to those around them.[62] It is through international migration that "households

57. Hein de Haas, *A Theory of Migration: the Aspirations-Capabilities Framework*, COMPAR. MIGRATION STUDS. 1, 8 (2021).
58. Haas, *supra* note 47, at 4.
59. Everett S. Lee, *A Theory of Migration*, 3 DEMOGRAPHY 47, 51 (1966).
60. Haas, *supra* note 57, at 6.
61. Porumbescu, *supra* note 58, at 15.
62. Massey, *supra* note 46, at 714.

attempt to ameliorate their sense of relative deprivation.'"[63] When added into the calculation, social, political, and family factors present a more holistic view of why people decide to migrate.

C. *Social Programs and Their Effects on Migration*

Social welfare programs' effects on migration can help create a clearer picture of migration patterns. The "welfare magnet hypothesis" was first coined by George J. Borjas in 1999.[64] This theory states that welfare-state generosity works effectively as a magnet for immigrants and influences the skill composition of immigrants.[65] Social welfare programs can be put into two different categories; contributory and non-contributory. A contributory welfare program is one where the individual must contribute something in order to receive the benefit (such as unemployment or Social Security). Because UBI would ideally not be means-tested, it would fall under the non-contributory category. According to the welfare magnet hypothesis, a country that has a higher level of social benefits will attract a higher number of migrants than a country with fewer social benefits. These welfare programs will, in theory, also alter the skill distribution of people immigrating to a country. Under this theory, as welfare spending goes up (in particular non-contributory spending), people without a tertiary degree will make up a larger percentage of the immigrant population.[66]

Empirical evidence on the welfare magnet hypothesis is mixed at best.[67] Several studies throughout Europe and in the United States have analyzed the use of social programs between immigrants and non-immigrants. At least in the United States, immigrants have been found to be more likely to receive welfare benefits and are more likely to receive cash benefits versus nonimmigrants.[68] It has also been shown that immigrants who receive benefits are more likely to live in states that offer more social welfare programs.[69] Studies by Maria Enchautegui and Bruce Meyer have shown evidence of immigrants' interstate migration to states that have higher social welfare programs.[70] In the European Union (EU), Herbert Brucker's work has shown that countries with high levels of social benefit programs are more likely to attract low-skilled immigrants while countries with low social spending are more likely

63. *Id.*
64. George J. Borjas, *Immigration and Welfare Magnets*, 17 J. LABOR ECON. 607 (1999).
65. Assaf Razin & Jackline Wahba, *Welfare Magnet Hypothesis, Fiscal Burden, and Immigration Skill Selectivity*, 117 SCAND. J. ECON. 369, 369 (2014).
66. Corrado Giulietti & Jackline Wahba, *Welfare Migration*, NORFACE MIGRATION 1, 8 (2012).
67. *Id.* at 2.
68. George J. Borjas & Lynette Hilton, *Immigration and the Welfare State: Immigrant Participation in Means-Tested Entitlement Programs*, 111 Q. J. OF ECON. 575, 576 (1996).
69. Corrado Giulietti, *The Welfare Magnet Hypothesis and the Welfare Take-Up of Migrants*, WORLD OF LABOR 1, 4 (2014), https://perma.cc/R4NJ-XEF2.
70. Giulietti & Wahba, *supra* note 66, at 11.

to attract high-skilled immigrants.[71] This data suggests that there is some degree of evidence affirming the welfare magnet hypothesis.

While data from interstate movement within the United States and free migration between EU countries are helpful in understanding how welfare programs may affect migration, they are not a good indicator for restricted international migration. Data "affirming" the welfare magnet hypothesis in the United States can be seen with immigrants who are already in the United States. Differences between states' social welfare programs may influence whether immigrants already in the United States move to a certain state, but this finding does not empirically show that individuals are more likely to immigrate to the United States because of greater welfare programs. Data from the free migration within the EU presents the same problem. Immigrants moving freely within the EU, due to the legal immigration restrictions, do not face the same barriers that international migrants face when coming to the United States. Without international border restrictions, the data affirming the welfare magnet hypothesis can only point to *the locations* individuals decide to migrate to, not *the reasons why* people decide to migrate.

To the extent welfare programs present a "magnet" for immigrants, the pull factor is marginal in comparison to others. In some cases, neoclassical pull factors such as availability of jobs and average wages have been shown to have a "magnet" effect ten times that of welfare programs.[72] Additionally, push factors within the sending country have been shown to be much larger contributing factors to individuals' decisions to migrate.[73] This means that the small increase in pull factors that welfare programs create likely constitutes a minute portion of the decision of whether an individual will migrate.

However, UBI would likely have a positive effect on wages and labor supply. Counter to the belief that an "individual[s'] decision to supply labor is based on maximizing utility", a calculation which typically leads to the assumption that UBI negatively affects labor participation and wages, empirical evidence has shown this not to be the case.[74] A recent report by the Roosevelt Foundation found that UBI of $1,000 a month would likely increase employment, labor participation, prices, and wages.[75] This change in wage rates and labor supply directly affects the neoclassical economic migration models. If UBI leads to an overall increase in wages and a decrease in unemployment, this model tells us that the rate of immigration will likely increase. However, this effect will be the same regardless of whether UBI is

71. *Id.* at 13.
72. Giulietti, *supra* note 69, at 5–6.
73. Push or Pull Factors: *What Drives Central American Migrants to the U.S.?*, NAT'L IMMIGR. F. (July 23, 2019), https://perma.cc/A389-3JU7.
74. Verena Löffler, *Questioning the Feasibility and Justice of Basic Income Accounting for Migration*, 20 POL., PHIL. & ECON. 273, 276 (2021).
75. *Unboxing Universal Basic Income*, BERKELEY ECON. REV. (Feb. 25, 2020), https://perma.cc/HK23-NXSJ.

made available only to citizens or to both citizens and lawful permanent residents. UBI that pushes average wages up benefits all in the labor market. Because employers cannot discriminate based on national origin,[76] as wages go up, they increase for citizens and residents alike, regardless of whether only citizens receive the UBI. Since the main drivers of migration under the equilibrium theories are wage rates and unemployment, a residency-based UBI will likely not have a larger effect on immigration than a citizenship-based UBI.

IV. CITIZENSHIP-BASED VS RESIDENCY-BASED UNIVERSAL BASIC INCOME: CURRENT STATE OF RESIDENTS AND SOCIAL WELFARE PROGRAMS

There are about 302 million citizens and just under 13 million lawful permanent residents living in the United States.[77] For many of the millions of noncitizens living in the United States, the path to citizenship is long and frustrating. Most individuals must have lawful permanent resident (LPR) status for five years before they can apply to become naturalized citizens.[78] The application process will take on average two years, meaning that the fastest most permanent residents can become U.S. citizens is around seven years after they obtain LPR status.[79] However, for most immigrants this process is significantly longer.[80] During the period in which lawful permanent residents are waiting to naturalize, several social benefits are limited or completely unavailable. For the federal welfare programs that are available, most require a "waiting period" that requires individuals to have LPR status for five consecutive years before they are eligible to receive any benefits.[81] These benefits include Medicaid, SNAP, SSI, and the Children's Health Insurance Program, among several others.[82] During this waiting period, permanent residents add to the tax base at the same level as similarly situated U.S. citizens but are unable to enjoy the full benefits their tax dollars would allow for if they were U.S. citizens.

A. *Effects of a Citizenship-Based Universal Basic Income*

If UBI were to be implemented in the United States, it is likely that only U.S. citizens would qualify. This is due to the extreme cost UBI would have along with the current welfare structure that tends to limit federal assistance

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76. *See* 42 U.S.C. § 2000e-2.

77. *Population Distribution by Citizenship Status* (2021), KAISER FAMILY FOUNDATION, https://perma.cc/4KZG-XSKT (last visited Nov. 15, 2022); Bryan Baker and Sarah Miller, *Estimates of the Lawful Permanent Resident Population in the United States and the Subpopulation Eligible to Naturalize: 2022,* DEP'T OF HOMELAND SEC. (Sept. 2022), https://perma.cc/LX3L-VCA7.

78. *Learn About Citizenship*, USCIS, https://perma.cc/2V6H-VG89 (last visited Aug. 22, 2022).

79. *How Long Does It Take to Get U.S. Citizenship After Applying?,* BOUNDLESS, https://perma.cc/M5MA-K72U (last visited Oct. 26, 2022).

80. *Id.*

81. Sydney Cerza, *Fact Sheet: Immigrants and Public Benefits*, NAT'L IMMIGR. FORUM (Aug. 21, 2018), https://perma.cc/VSS5-72YY.

82. *Id.*

for LPRs. However, it is important to look at both the positive and negative effects a citizenship-based UBI would have. While a citizenship-based UBI would be cheaper and likely more politically feasible, the negative effects on relative wealth among permanent residents is an important factor to consider when deciding who will receive the UBI.

It is undoubtedly the case that a citizenship-based UBI would be more politically feasible than a residency-based UBI. First, the overall cost of UBI program will already be staggering. If permanent residents were made eligible for UBI, the cost would increase by around $116 billion per year.[83] In 2019 alone, the budget deficit was nearly $1 trillion.[84] This deficit has only ballooned with the recent spending increases during the COVID-19 pandemic. In a recent poll, nearly half of Americans considered the budget deficit to be a "very big problem."[85]

A citizenship-based UBI is also more politically feasible due to current political conversations surrounding immigrants and LPRs. A recent Cato Institute poll showed that 58 percent of Americans supported tighter restrictions on government assistance for immigrants.[86] 53 percent of Americans polled were in favor of removing government benefits from immigrants altogether.[87] This anti-immigrant sentiment is strongly driven by the idea that immigrants move to the United States and proceed to immediately take advantage of the U.S. welfare system. Former President Donald Trump amplified this belief with his comments regarding immigrants' reliance on social welfare programs.[88] He made these comments even though most social welfare programs are unavailable to LPRs.[89]

Concerns surrounding immigrants' usage of welfare can tend to be overstated. In order to obtain LPR status and later, citizenship, would-be immigrants must demonstrate that they are unlikely to end up using welfare benefits.[90] Despite the consistent data showing that immigrants are not the drain on the welfare system that many Americans believe them to be, anti-immigrant fervor has continued to rise in recent years.[91] Due to anti-immigrant sentiment, along with the large increase in UBI program's cost that would come with extending eligibility to LPRs, a citizenship-based UBI would likely be more politically feasible.

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83. Baker, *supra* note 40.
84. David Wessel, *How Worried Should You Be About the Federal Deficit and Debt?*, BROOKINGS (July 8, 2020), https://perma.cc/222K-D3NA.
85. Desilver, *supra* note 41.
86. Emily Ekins & David Demp, *Poll: 72% of Americans Say Immigrants Come to the United States for Jobs and to Improve Their Lives,* CATO INST. (April 27, 2021), https://perma.cc/U7WH-VM64.
87. *Id.*
88. Michelle Ye Hee Lee, *President Trump's Claim About Immigrants 'Immediately' Collecting 'Welfare'*, WASH. POST (Aug. 4, 2017), https://perma.cc/L9D3-U8P6.
89. Cerza, *supra* note 82.
90. *See* Alexia Fernandez Campbell, *Poor Immigrants are the Least Likely Group to Use Welfare, Despite Trump's Claims*, VOX (Aug. 4, 2017), https://perma.cc/NBR7-P2K5.
91. *See generally Mainstreaming Hate: The Anti-Immigrant Movement in the U.S.*, ADL (May 3, 2022), https://perma.cc/RN2F-RXEX.

B. *The Problem with a Citizenship-Based Universal Basic Income*

A citizenship-based UBI would add to the discrepancy in benefits eligibility between U.S. citizens and permanent residents. Experiments have consistently shown that UBI could immediately lift millions of individuals above the poverty line. However, if the UBI is limited only to citizens, permanent residents would experience a significant decline in relative wealth. This type of UBI would drastically increase the wealth gap between citizens and permanent residents.[92] A citizenship-based UBI may also create a gap in work incentives between citizens and residents. Research has shown that having more financial security leads to individuals taking more financial risk.[93] Given the higher income floor, citizens might be more motivated and enabled than permanent residents to retrain and join emerging labor markets, move to a new location for a different job, and may be incentivized to find work they find meaningful. All of these factors would increase the financial and well-being gaps between citizens and permanent residents.

C. *Effects of a Residency-Based Universal Basic Income*

Based on neoclassical economic migration theory and empirical evidence surrounding the welfare magnet hypothesis, a residency-based UBI would not lead to a significant increase in immigration as compared to a citizenship-based UBI.

Neoclassical economic theory suggests that labor supply and wage rates are the main factors in determining migration patterns. These two factors are unlikely to be greatly affected by the implementation of a residency-based UBI instead of a citizenship-based UBI. The lack of an effect upon the labor supply and wage rates is due to the similar rise in wage rates for citizens and residents within a labor market if UBI is implemented, regardless of whether only citizens or both groups receive the UBI. While a residency-based UBI could create more of a "magnet" than a citizen based UBI due to its accessibility to more immigrants, this "magnet" will likely not have a strong influence on the current rate of immigration, since the strength of a country's social welfare program has in some cases been shown not to be a significant factor in the decisions of international migrants and evidence proving a "welfare magnet" is mixed at best.[94]

A residency-based UBI that does not drastically cut all social welfare programs would lead to a substantial decrease in poverty in the United States. In every state, non-citizens have a higher rate of poverty than citizens.[95] UBI has been shown to be most effective for the poorest households. This would

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92. Matthew A. Painter & Zhenchao Qian, *Wealth Inequality Among Immigrants: Consistent Racial/Ethnic Inequality in the United States*, 35 POPULATION RSCH. & POL'Y REV. 147, 150 (2016).
93. *Unboxing Universal Basic Income, supra* note 76.
94. Giulietti, *supra* note 66, at 14–15.
95. *State Poverty Rates by Citizenship Status,* BALLOTPEDIA, https://perma.cc/6BDT-CQV8 (last visited Oct. 30, 2022).

mean that a residency-based UBI would drastically help decrease the wealth gap between citizens and residents since permanent residents are more likely to be below the poverty line. Studies show that UBI would grow the economy as well,[96] due to increased spending by recipients of UBI payments. If the UBI is extended to permanent residents, demand throughout the economy would increase, especially in low-income communities where the UBI is more likely to be immediately spent.[97]

V. A PATH FORWARD

Current social welfare programs do not adequately support citizens nor permanent residents. A significant portion of these welfare programs place undue burdens on the individuals who use— or could stand to benefit from— them. These burdens include means-based restrictions, work restrictions, or restrictions of the products that can be bought with the assistance. These welfare programs tend to also lead to a sense of shame by those who are using them and create a stigma surrounding welfare programs as a whole.

UBI removes the stigma and shame common among current social welfare programs. By making the guaranteed income available to everyone, the sense of "paying for someone else's livelihood" that many Americans presently feel towards programs such as unemployment benefits and SNAP goes away. The positive impact UBI can have on wages and labor supply can lead to an overall growth in the economy. UBI has also been shown to drastically decrease poverty and increase overall health. Compared to current welfare programs, UBI provides more financial security for more people. This is timely given the growth of automation in labor markets.[98] This type of shift in the labor market will require a significant change in the way we think about social welfare programs. UBI mitigates this issue by providing individuals a guaranteed income that is disconnected from their work.

If UBI is implemented, it should be extended to both lawful permanent residents and citizens. Although a citizenship-based UBI would be more politically feasible due to cost and persistent (if not factual) ideas about immigrants and welfare, UBI limited to citizens would likely lead to a large increase in the wealth gap between citizens and permanent residents. A citizenship-based UBI would also increase the existing problem of permanent residents paying for social programs that are unavailable to them. By making the UBI available in the same way Medicaid, SNAP, and other federal programs are to LPRs,[99] LPRs' contributions to the economy and tax base are

96. Dylan Matthews, *Study: A Universal Basic Income Would Grow the Economy*, VOX (Aug. 30, 2017), https://perma.cc/UW7D-PS7X. *See generally* Mark Huggett & Gustavo Ventura, Understanding Why High Income Households Save More than Low Income Households, 45 J. OF MONETARY ECON. 361 (2000) (examining reasons for low-income households' reduced likelihood to save a fraction of income comparable to higher income households).

97. *See generally* Huggett & Ventura, *supra* note 96.

98. Matthews, *supra* note 96.

99. NAT'L IMMIGR. FORUM, *supra* note 81.

better reflected in the distribution of UBI. While the same can be said of other noncitizens who are not LPRs, as non-LPR noncitizens with and without legal status pay taxes, extending the UBI to only LPRs is likely more politically feasible given the current social program structure surrounding residents.

Growing income inequality and the impending automation of millions of jobs have increased the need for UBI. This need will continue to grow as the labor market shifts further away from low-skilled positions and places millions of Americans out of work. There are legitimate concerns surrounding the implementation of UBI; however, drastically increased immigration should not be one of them. UBI's effect on immigration will likely not be due to its drawing effect under the "welfare magnet hypothesis", but rather, its effect on wages and labor supply. The positive effect UBI has been shown to have by driving wages up and increasing the labor supply may, under a neoclassical economic migration model, affect the rate of migration. However, this rate of change will not differ between a citizenship-based UBI and a residency-based UBI. The lack of a change in the rate of change is because wages in a given labor market fluctuate at the same rate for citizens and lawful permanent residents alike, meaning the implementation of a citizenship-based UBI would theoretically raise the wage rates in the same way as a residency-based UBI would. Since, under normative migration models, wage rates and labor supply are the main economic drivers of migration, the rate of immigration would not greatly differ under a residency-based UBI compared to a citizenship-based UBI.

As this paper has laid out, much of the concerns regarding welfare and immigration have been overstated. If UBI were to be implemented, it should not be limited only to U.S. citizens. A residency-based UBI is unlikely to lead to a large increase in immigration relative to a citizen-based UBI. Immigrants, including LPRs, already face several barriers to being seen as equal to citizens, and these barriers only increase if they are excluded from UBI program.