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What do Koreans Expect of Basic Income?

Findings of UBI Opinion Poll 2021: Part II





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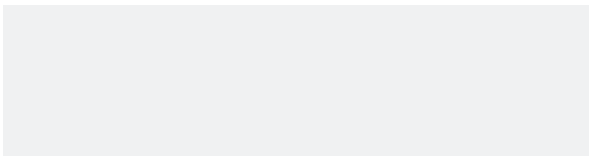
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Issue & Analysis provides timely analyses of policy topics and ideas to help participants in policymaking develop and realize their goals.

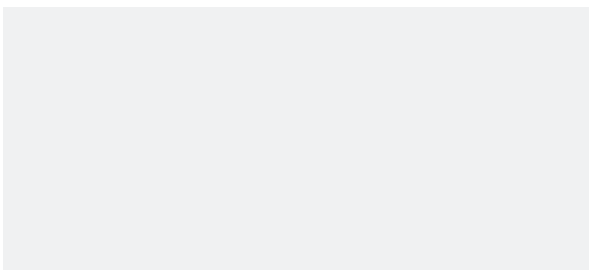
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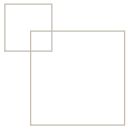




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“UBI has proven itself to be an effective instrument in responding to the Covid-19 emergency. Crises happen frequently and are hard to predict. UBI can be an important part of the response to such crises. They should be a standard part of the ‘toolkit’.”

- Joseph Stiglitz
(2001 Nobel Prize for Economics Laureate)

2021 Korea Basic Income Fair



Issues and Alternatives

The majority of Koreans believe that Universal Basic Income (UBI) can bring about positive social changes. The recent National Survey on Universal Basic Income targeting 10,000 adults across South Korea revealed that most Koreans believe UBI of KRW 410,000 to KRW 500,000 per month per capita would be most beneficial for improving Koreans' overall quality of life. Concerning leisure and recreation, however, most Koreans believe that even smaller amounts of monthly basic income could generate significant and positive changes. The poll also revealed that UBI, up to KRW 500,000 per month, rarely motivates Koreans to quit their jobs or reduce their working hours. Even if the monthly amount of UBI were to be raised to KRW 1,010,000 to KRW 3,000,000 per month, only one in five Koreans (22.7 percent) answered that such amounts would make them reduce their working hours. These findings suggest that worries about the possibly work-disincentivizing effect of UBI are rather exaggerated.

When asked to view UBI as a form of investment in occupational training or education, Koreans mostly prefer a relatively high monthly amount of UBI in the upwards of KRW 500,000. This contradicts the underlying assumption of Korea's labor policy that it is better to provide occupational training (service) rather than cash. It also suggests that the success of the Korean government's active intervention in the labor market would require paying substantial amounts of basic income to Koreans.

As for what positive change they expected UBI to bring about the most, 61.2 percent of Koreans chose the growth of the domestic economy, while 60.8 percent also chose a strengthening of livelihood (60.8 percent). These choices reflect that the majority of Koreans understand UBI not just as a matter of welfare, but also as a matter of economic policy and financial security.

Koreans supporting the introduction of UBI were also found to be more satisfied with the existing welfare system than those opposing UBI. This suggests a positive correlation between welfare and UBI when it comes to satisfaction. Koreans, furthermore, believe that UBI would further strengthen the Korean welfare system. Far more Koreans also prefer high-welfare-high-cost to low-welfare-low-cost, indicating their openness to the expansion of the existing and largely residual welfare system along with UBI despite the significant resulting increases in their taxes.

The road to UBI may still be long and winding in Korea, but the findings of the latest nationwide poll indicate that Korean policymakers need seriously to consider introducing UBI of KRW 410,000 to KRW 500,000 for all Koreans. Policymakers should also find ways to provide UBI as well as more welfare benefits to Koreans without worrying excessively about the costs involved.

UBI: Improved Quality of Life, Stronger Motivation to Work



Koreans see monthly basic income ranging between KRW 200,000 and KRW 500,000 as most feasible.

A comprehensive and in-depth look into Koreans' attitude toward UBI

- Gyeonggi Province's Youth Basic Income Program (since April 1, 2019) and the emergency income relief provided by the Korean government amid the pandemic in 2020 and 2021 have served to increase Koreans' interest in Universal Basic Income (UBI) substantially.
- Issue & Analysis publishes "What do People Think of Universal Basic Income?," analyzing the results of the National Survey on Universal Basic Income (NSUBI) with a sample size of 10,000 adults.
 - The analysis discusses Koreans' support for and opposition to the introduction of UBI, the feasibility of UBI in Korea, the possible ways to finance UBI of different amounts, and the factors shaping Koreans' opinions of UBI.
- This report focuses on the topics not discussed in Issue & Analysis, such as Koreans' perceptions of how UBI would change quality of life and jobs, of what society-wide effects it would have, and of what changes would likely occur in the welfare system at large as a result of UBI.

- **Title:** National Survey on Universal Basic Income
- **Polling period:** March 26 to April 19, 2021
- **Sample:** 10,000 adults nationwide (including 5,000 in Gyeonggi Province) aged 20 to 69
- **Method:** An online survey based on a structuralized questionnaire
- **Sampling error:** $\pm 1.39\%$ at a confidence level of 95 percent
- **Polling organization:** Gyeonggi Research Institute
- **Survey agency:** R&R Consulting Inc.

Monthly Basic Income of KRW 410,000 to KRW 500,000 Expected to Improve Quality of Life Most


Differing expectations of quality of life according to different amounts of basic income

- The survey asked respondents how they expected their satisfaction with (a) specific areas of life and (b) overall quality of life would differ depending on different amounts of monthly basic income.
 - Respondents were specifically asked to rate how they expected their satisfaction with five areas of life—interpersonal relationships, health, financial security, leisure and recreation, and social trust—would differ as well as with overall quality of life.
 - Respondents who answered that each given amount of basic income would exert “a positive effect” and “a strong positive effect” on their satisfaction with these aspects of life and overall quality of life were analyzed.
 - Respondents were also asked to select their most preferred options from a list of possible monthly amounts of basic income so that their preferred amounts could be analyzed in correlation to their expected satisfaction with different aspects of life and overall quality of life.

[Possible Amounts of Monthly Basic Income]

(Base: All respondents, N = 10,000, Unit: Number of persons)

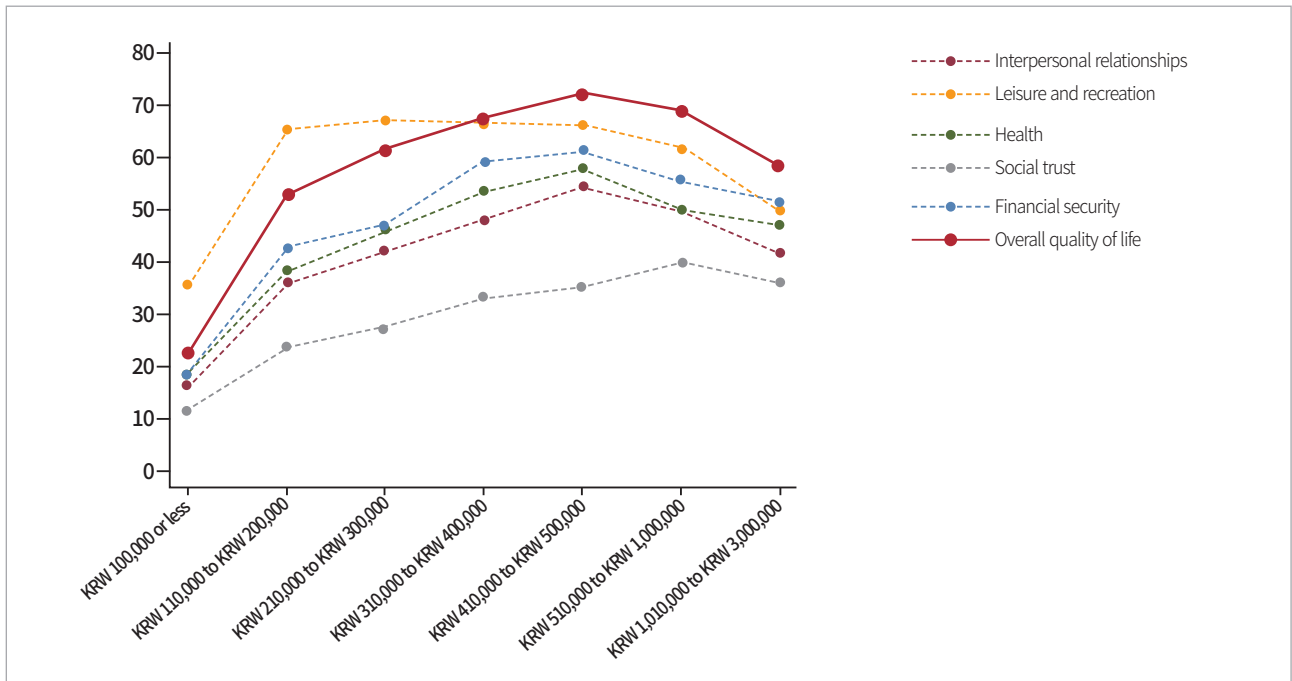
Amount (KRW)	100,000 or less	110,000 to 200,000	210,000 to 300,000	310,000 to 400,000	410,000 to 500,000	510,000 to 1,000,000	1,010,000 to 3,000,000
N	1,732	2,639	1,985	865	1,145	1,015	619

 Source: Yoo Y. et al. (2021). National Survey on Universal Basic Income, Basic Income Research Team -Gyeonggi Research Institute.

- Most respondents picked an amount ranging from KRW 410,000 to KRW 500,000 as the amount of basic income likely to exert the biggest positive impact on the overall quality of life.
 - Specifically, monthly basic income of KRW 410,000 to KRW 500,000 was expected most to improve interpersonal relationships (54.5 percent), health (57.9 percent), and financial security (60.8 percent), while lesser monthly basic income of KRW 210,000 to KRW 300,000 was expected to boost leisure and recreation (67.1 percent). A significantly larger amount, between KRW 510,000 and KRW 1,000,000, was preferred for improving social trust (40.0 percent).

[Different Amounts of Monthly Basic Income and Positive Effects on Different Areas of Life and Overall Quality of Life]

(N = 10,000, Unit: Percentage)



Notes: The graphs represent the combined percentages of respondents agreeing that each given range of possible amounts of basic income would exert “positive” and “strong positive” impacts on the given area/quality of life.

Source: Yoo Y. et al. (2021). National Survey on Universal Basic Income, Basic Income Research Team -Gyeonggi Research Institute.

- In relation to leisure and recreation as well as social trust, monthly basic income ranging from KRW 410,000 to KRW 500,000 did not lead to the expectation of utmost satisfaction of improvement. Yet there was no statistically significant difference between the range of possible amounts preferred by the most respondents in relation to each and the expected effect of KRW 410,000 to KRW 500,000.

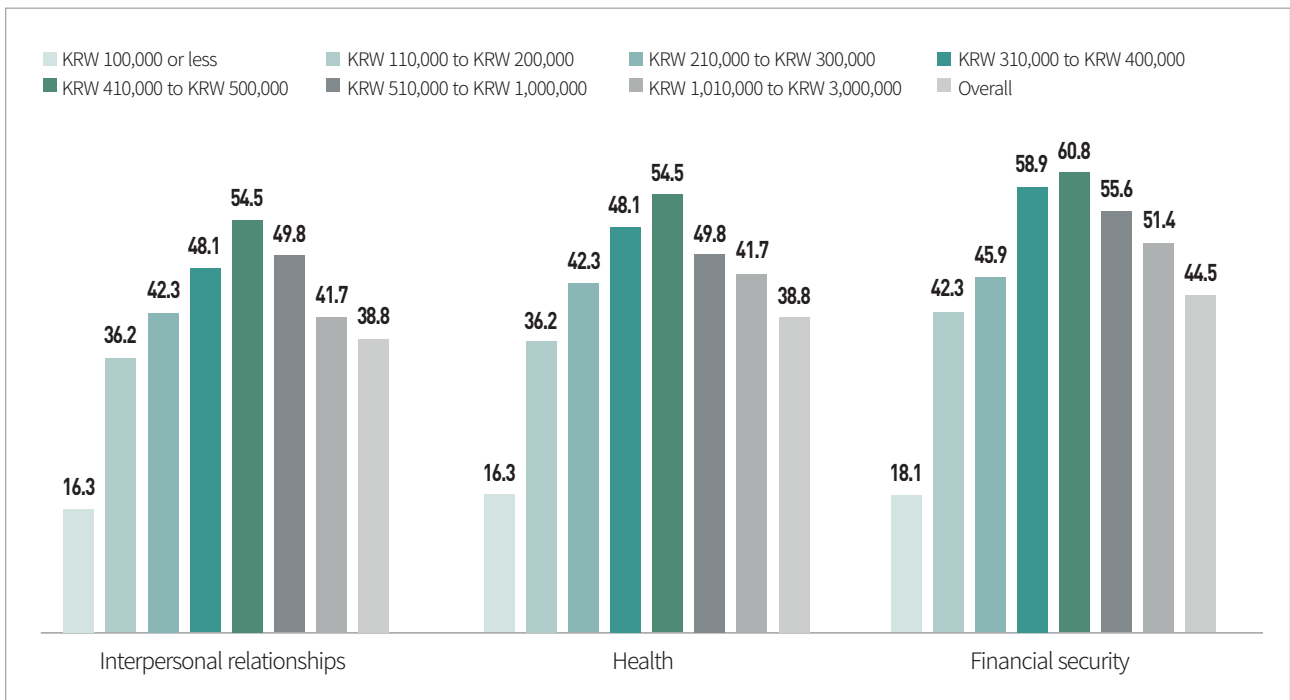
❖ **KRW 100,000/month as a threshold of expectations**

- The overwhelming majority of respondents indicated that monthly basic income of less than KRW 100,000 was unlikely to have a substantial effect on the quality of life.
 - In other words, most respondents believe monthly basic income should be at least KRW 100,000 in order to make any difference to quality of life.
 - Leisure and recreation was one area of life where respondents believed even a small amount of monthly basic income at KRW 100,000 or less could make some difference (35.7 percent).

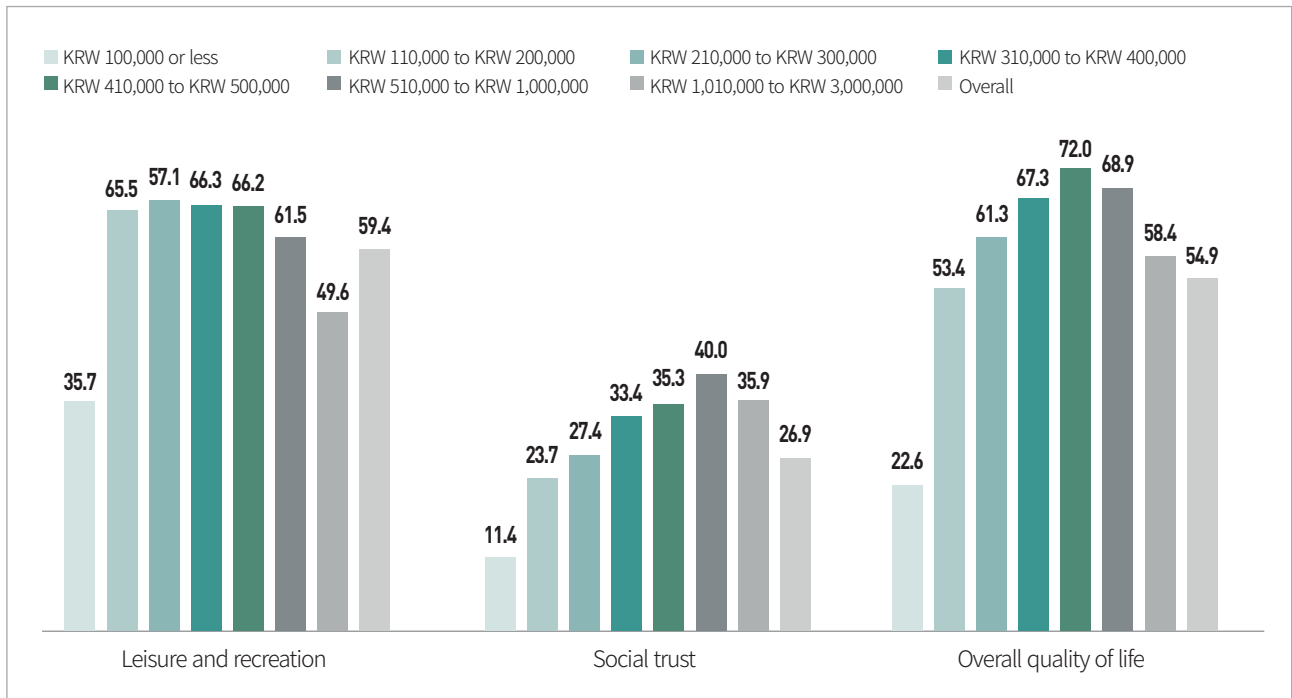
- Expected improvements in different areas of life are not always proportional to the amounts of basic income presented.¹⁾
 - A comparison of respondents' expectations regarding the effects of monthly basic income of KRW 410,000 to KRW 500,000, KRW 510,000 to KRW 1,000,000, and KRW 1,010,000 to KRW 3,000,000, reveals that respondents' expectations of a positive impact actually decreased as the presented range of possible amounts increased in relation to all areas of life, except social trust.
 - This suggests that monthly basic income of more than KRW 500,000 may not be so effective in improving Koreans' quality of life.

[Different Amounts of Monthly Basic Income and Positive Effects on Different Areas of Life and Overall Quality of Life]

(N = 10,000, Unit: Percentage)



1) So much is also supported by the findings of our quadratic logistic regression analysis. Our quadratic logistic regression model shows that, irrespective of the dependent variable, the regression coefficient of every amount of basic income bears a statistically significant and positive value, while the quadratic term of that amount bears a statistically significant and negative value. This means that the probabilities of expected improvements in the different areas of life as well as overall quality of life form inverted-U curves. See the Appendix for details.



Notes: The graphs represent the combined percentages of respondents agreeing that each given range of possible amounts of basic income would exert “positive” and “strong positive” impacts on the given area/quality of life.

Source: Yoo Y. et al. (2021). National Survey on Universal Basic Income, Basic Income Research Team -Gyeonggi Research Institute.

❖ Monthly Basic Income of KRW 410,000 to KRW 500,000 Expected Most to Improve Overall Quality of Life

- The vast majority of respondents selected monthly basic income of KRW 410,000 to KRW 500,000 as the most likely to exert the most positive impact on overall quality of life (72.0 percent).
 - Expectations of positive change in overall quality of life grew in proportion to the presented range of possible monthly basic income up until KRW 500,000, and began to decline slowly in response to possible ranges beyond that.

- The range of 410,000 to KRW 500,000 was believed far more to improve overall quality of life than any particular area of life.
 - This may suggest that respondents’ expectation of positive change in overall quality of life exceeds their expectation of improvement in any particular areas of life.
 - However, most respondents also expected that basic income of KRW 300,000 or less could also boost leisure and recreation.

Monthly Basic Income of KRW 500,000 or Less Unlikely to Disincentivize Work

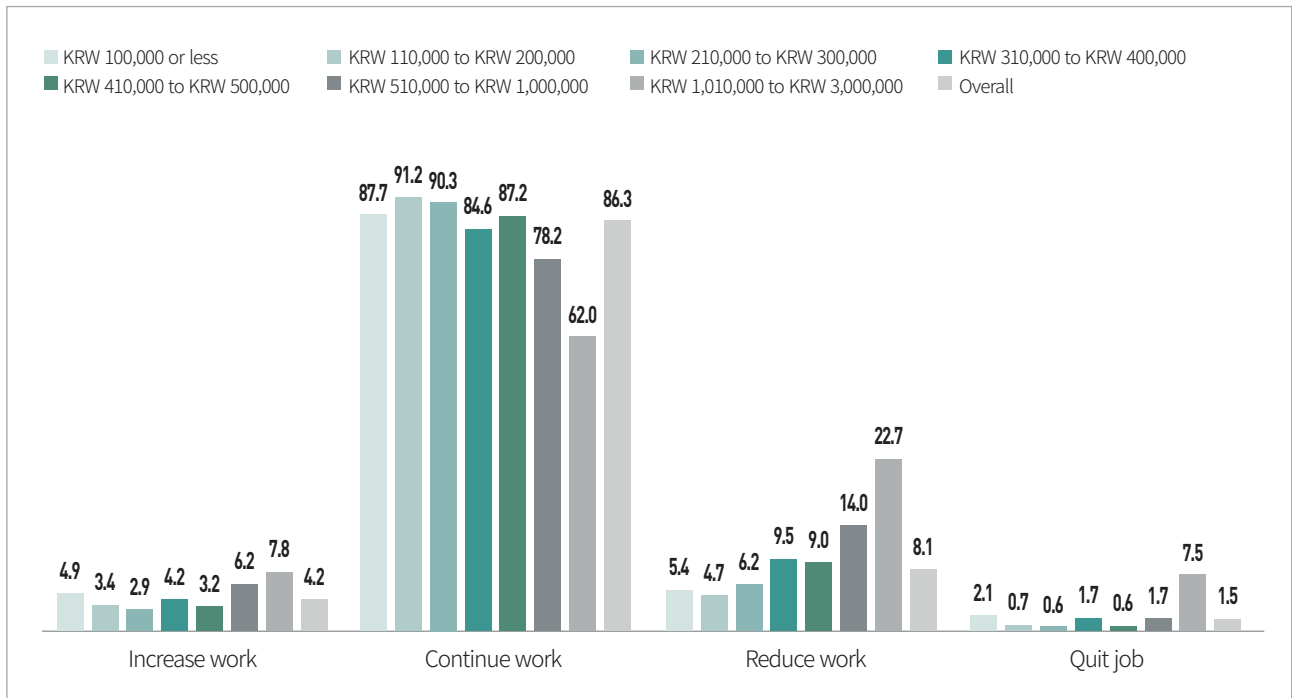
❖ **Monthly basic income of KRW 500,000 or less presents little risk of incentivizing workers to leave the labor force, but it may give them the means to reduce working hours and enjoy more leisure.**

- If given monthly basic income, 86.3 percent of respondents answered that they would still continue to work the same; 8.1 percent, that they would reduce work; 4.2 percent, that they would increase work; and only 1.5 percent, that they would quit work.
 - Respondents were asked how they would change their working status if they were given monthly basic income of the amount that they preferred.
 - The survey also asked how respondents would change their working status in response to different amounts of monthly basic income.

- Monthly basic income up until KRW 500,000 inclusive did not present much of an incentive for the vast majority of respondents either to quit or reduce their work.
 - The percentage of respondents willing to increase the amount of their work was the highest (7.8 percent) in response to monthly basic income of KRW 1,010,000 to KRW 3,000,000. The percentage of those willing to quit their job was also the highest in that range (7.5 percent). However, in relation to the rest of possible ranges of monthly basic income presented, the percentage of respondents willing to quit their work was less than two percent.
 - The percentage of respondents willing to continue their work the same remained in the upwards of the 80-percent range in response to monthly basic income up until KRW 500,000 inclusive. The percentage dropped slightly to 78.2 percent in response to the next range (KRW 510,000 to KRW 1,000,000), and further to 62.0 percent in response to the next (KRW 1,010,000 to KRW 3,000,000). On the other hand, the percentage of respondents willing to reduce work, around 10 percent in response to monthly basic income up until KRW 500,000 inclusive, jumped to 14.0 percent in relation to KRW 510,000 to KRW 1,000,000, and nearly doubled to 22.7 percent in relation to KRW 1,010,000 to KRW 3,000,000.

[Different Amounts of Monthly Basic Income and Changes in Working Status]

(N = 10,000, Unit: Percentage)



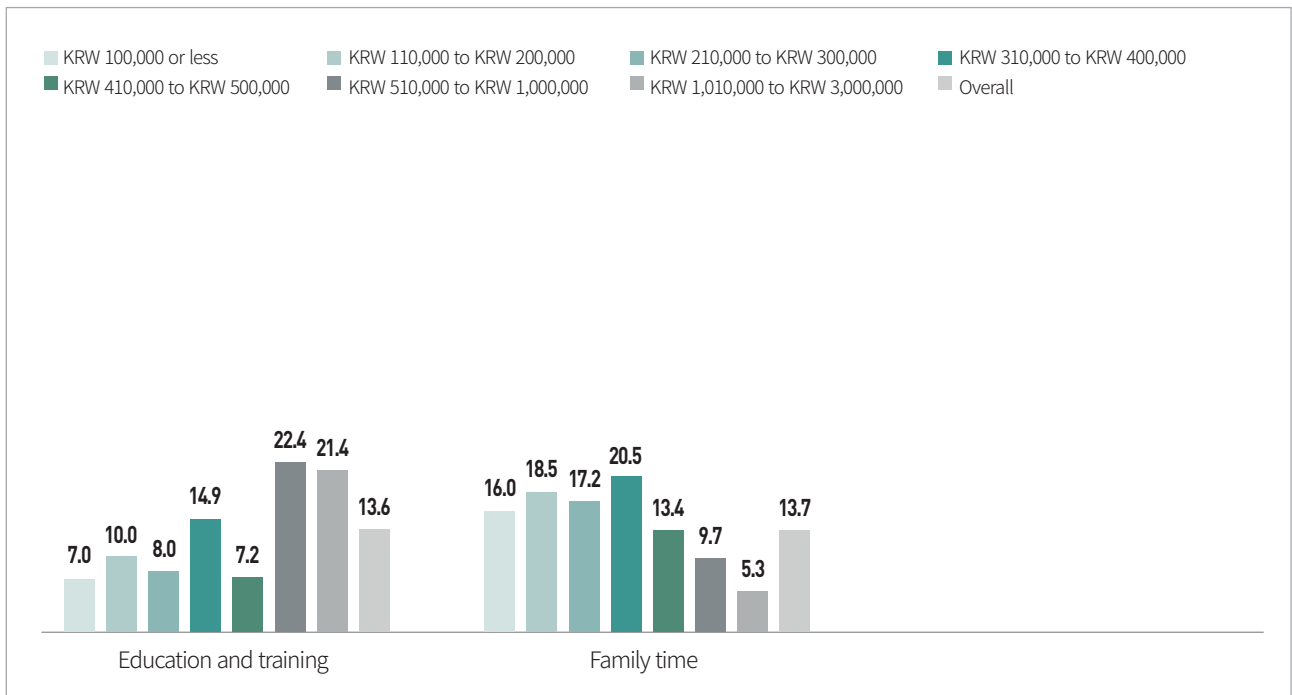
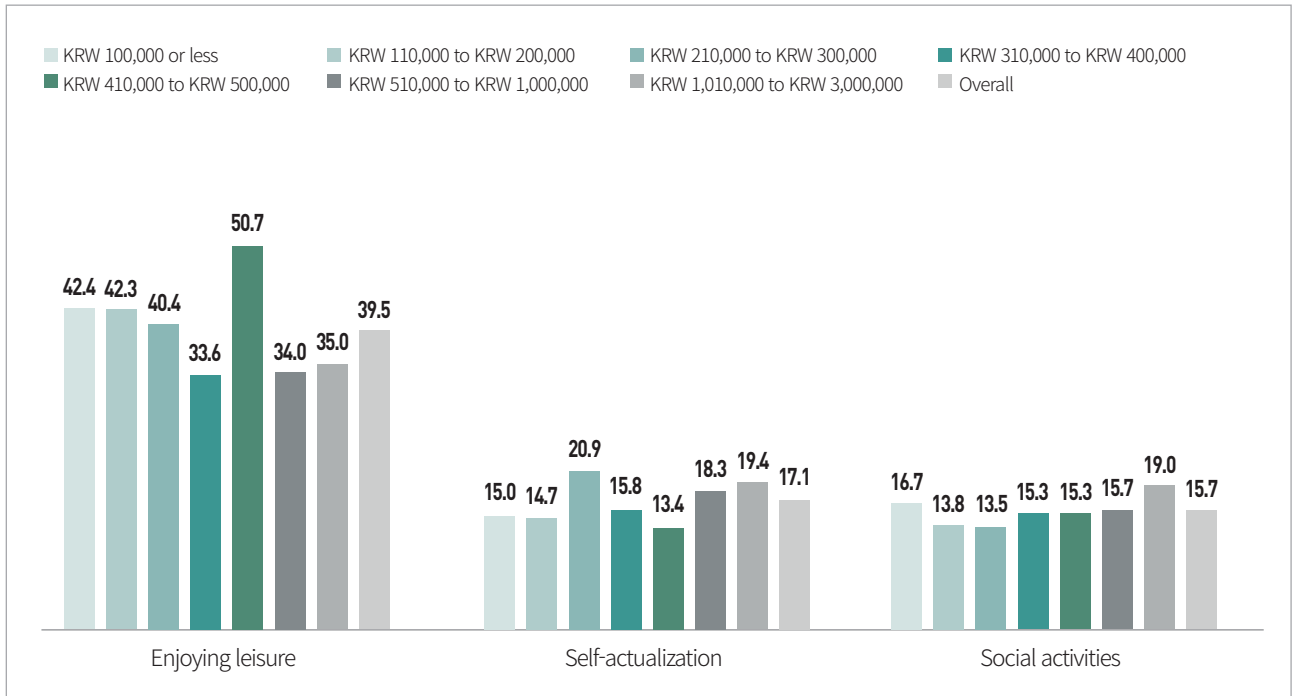
Source: Yoo Y. et al. (2021). National Survey on Universal Basic Income, Basic Income Research Team -Gyeonggi Research Institute.

❖ Enjoying Leisure

- Regardless of the amount of monthly basic income, most respondents indicated that they would like to enjoy leisure if they were given enough to cut back on their working hours. However, monthly basic income of KRW 500,000 or more increased respondents’ preference for investment in occupational training and education most.
 - Among the 808 respondents out of 10,000 who indicated that they would reduce their work if given any amount of basic income, 39.5 percent said that they would reduce their work in order to enjoy leisure.
 - However, over 20 percent of these respondents also indicated that, if given monthly basic income of KRW 500,000 or more, they would spend more time on occupational training and education so that they could find better jobs.

[What Koreans Would Do If They Could Reduce Work Thanks to Basic Income]

(N = 808, Unit: Percentage)



Source: Yoo Y. et al. (2021). National Survey on Universal Basic Income, Basic Income Research Team -Gyeonggi Research Institute.

UBI Expected to Generate Diverse Positive Social Effects

I II III IV

Different Amounts of Basic Income with Different Social Effects

❖ Basic income and 15 areas of social effects

- Respondents were asked to indicate what kind of social impacts their preferred amounts of basic income would have.
 - The 15 social issues on which basic income is likely to have effects were: elderly poverty; the insecurity of livelihood; education; social justice; basic economic rights; basic social rights; marriage and birth rates; domestic economy; income inequality; the financial burden of main breadwinners; sense of community; social trust; women's rights; ecology; and social values.
- The changes to these issues anticipated by respondents differed depending on the amounts of basic income.
 - Expected positive social effects increased in proportion to the amount of basic income preferred with respect to certain issues. As for others, positive effects were expected even for relatively small amounts of basic income.

Basic Income of KRW 410,000 to KRW 500,000 Expected to Generate Positive Changes for Eight of the 15 Issues

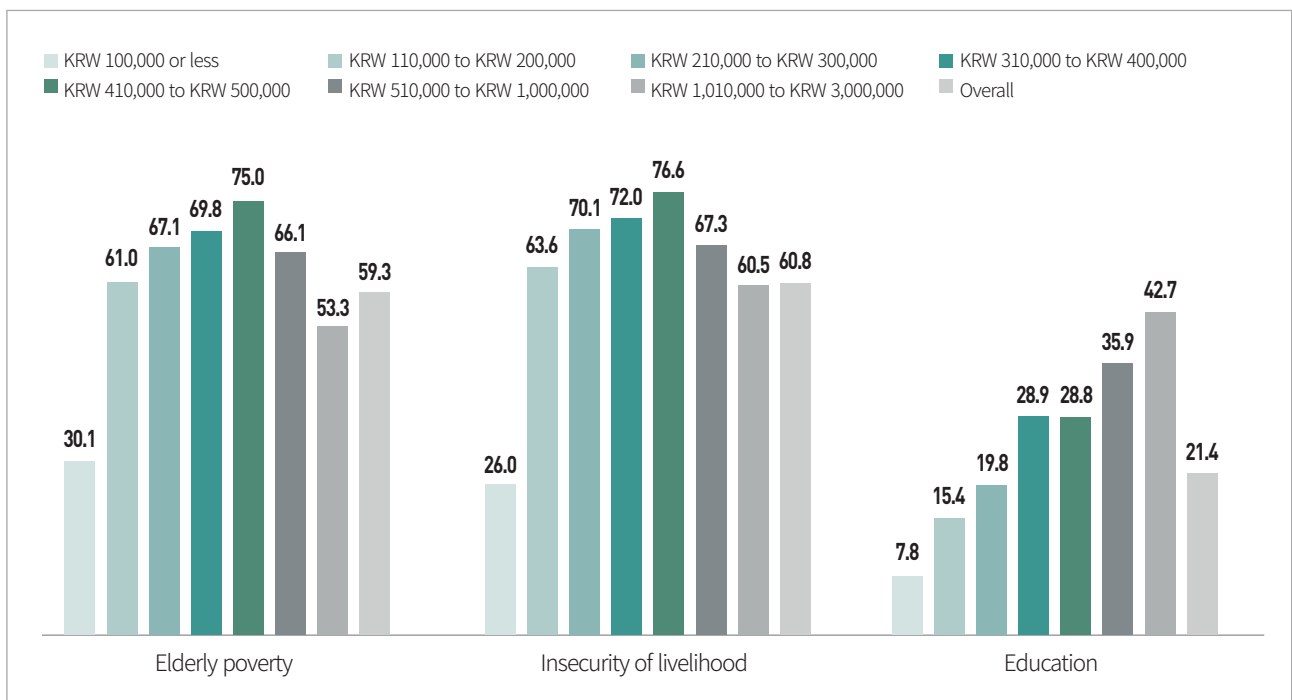
❖ The positive social effects of basic income may be dependent on the amount.

- There are a few issues on which basic income is expected to have positive effects, regardless of the amount.
 - Domestic economic growth (61.2 percent) was one area of positive social effects that basic income was expected to generate regardless of the amount.
 - Next up was the mitigation of insecurity of livelihood (60.8 percent), followed by decrease in elderly poverty and lonely deaths (59.3 percent).
 - Education (particularly competition for higher education) was the area least expected to undergo positive change thanks to basic income (21.4 percent), followed by the resolution of the ecological crisis (22.4 percent) and the strengthening of women's rights (23.6 percent).

- In relation to the other issues, expected positive effects of basic income were proportional to amounts.
 - Monthly basic income of KRW 410,000 to KRW 500,000 was expected to generate positive changes for most (eight) of the 15 issues.
 - These eight issues upon which moderate monthly basic income was expected to have a positive impact included the strengthening of basic social rights, domestic economic growth, decrease in the financial burden of main breadwinners in families, enhanced sense of community, enhanced social trust/solidarity/coherence, and increase in socially valuable activities.

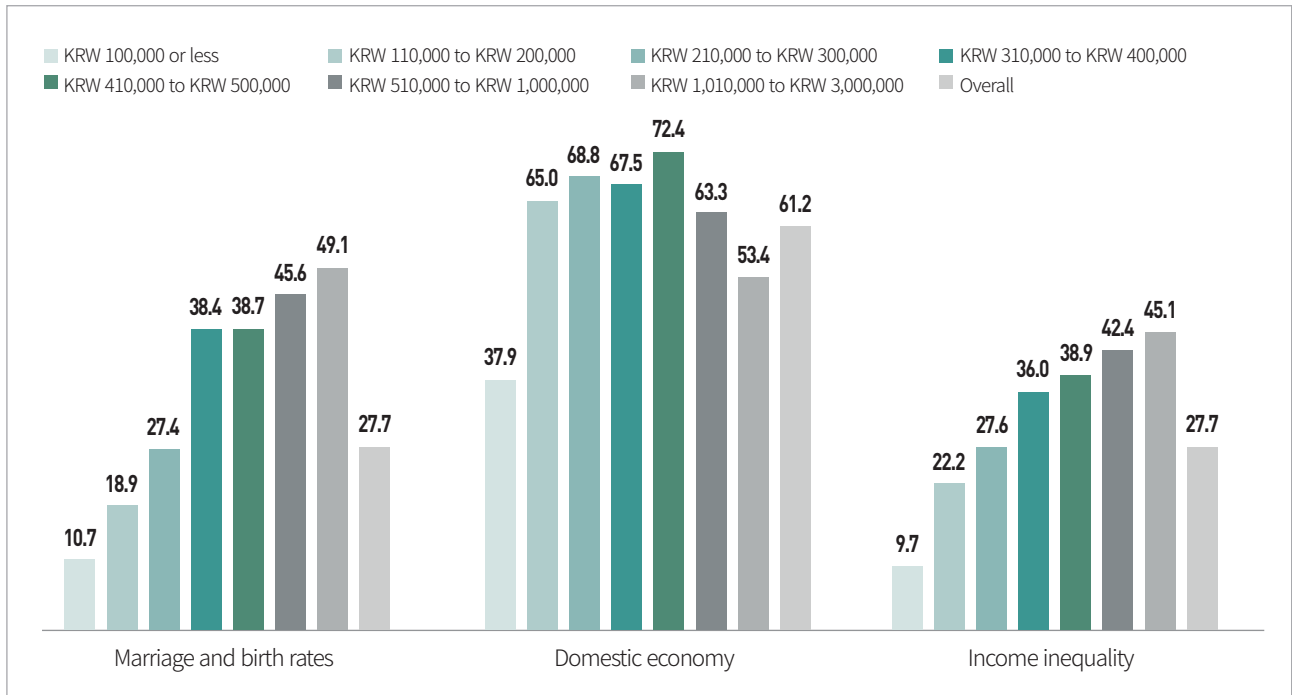
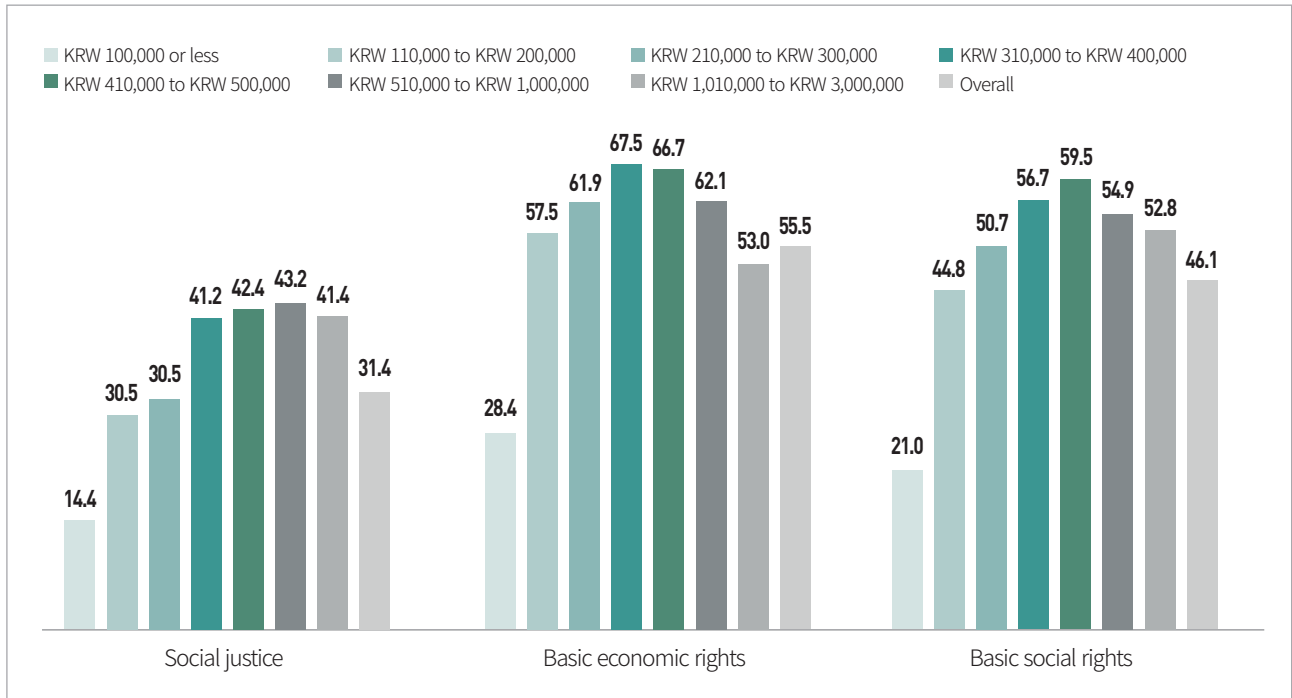
[Positive Social Effects of Basic Income of Different Amounts]

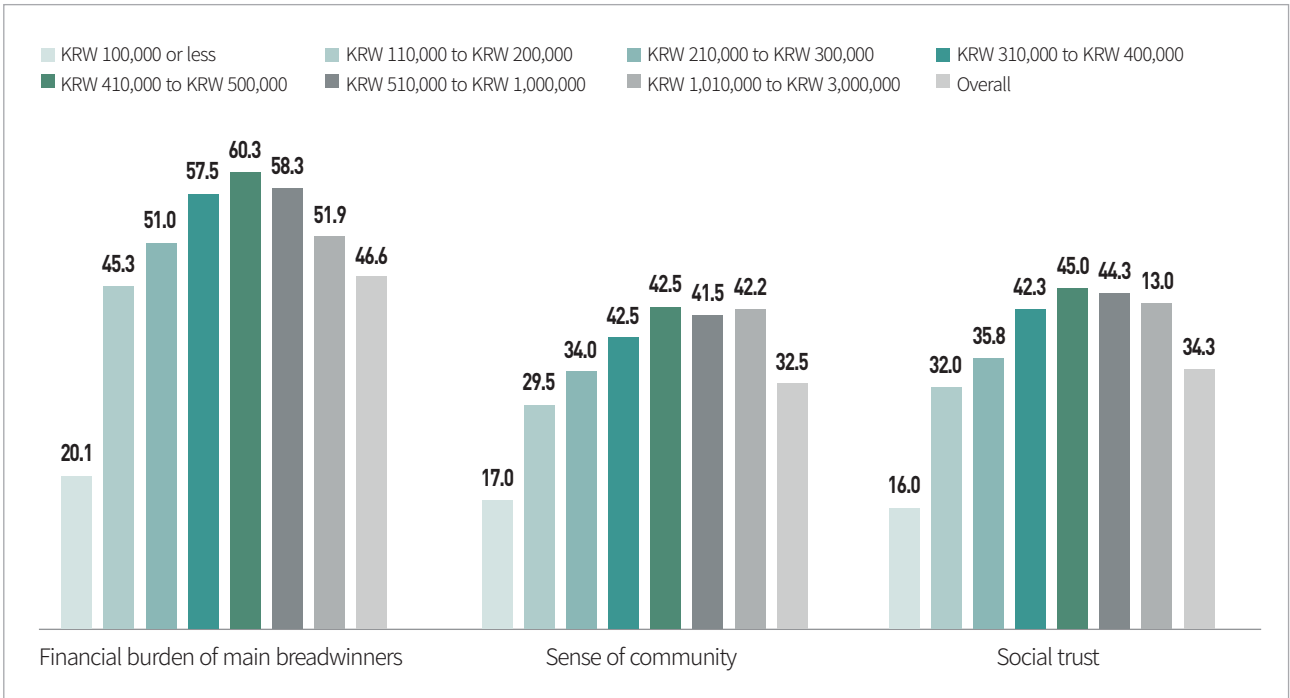
(N = 10,000, Unit: Percentage)



[Positive Social Effects of Basic Income of Different Amounts]

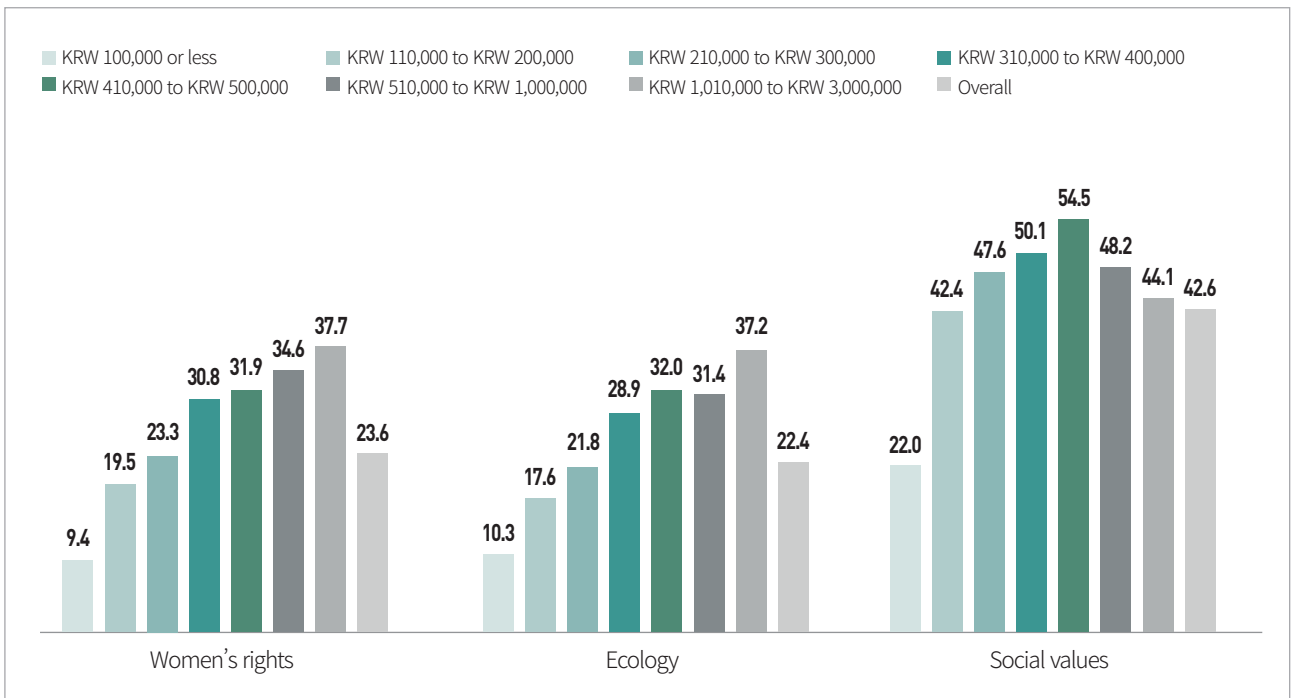
(N = 10,000, Unit: Percentage)





[Positive Social Effects of Basic Income of Different Amounts]

(N = 10,000, Unit: Percentage)



Notes: The graphs represent the combined percentages of respondents agreeing that each given range of possible amounts of basic income would exert “positive” and “strong positive” impacts on the given area/quality of life.

Source: Yoo Y. et al. (2021). National Survey on Universal Basic Income, Basic Income Research Team -Gyeonggi Research Institute.

❖ Percentages of respondents expecting positive social effects growing in proportion to the amounts of basic income presented

- As for five of the social issues, the percentages of respondents expecting positive social effects grew in proportion to the amounts of basic income presented.
 - The five issues were education (particularly competition to get into higher education), marriage and birth rates, income inequality, women's rights, and ecological crisis.
- Relatively little basic income of KRW 100,000 or less per month was still expected to generate positive social changes in relation to a few other issues.
 - These issues were domestic economic growth (37.9 percent), elderly poverty and lonely deaths (30.1 percent), and basic economic rights (28.4 percent).

Satisfaction with Welfare and Support for Basic Income



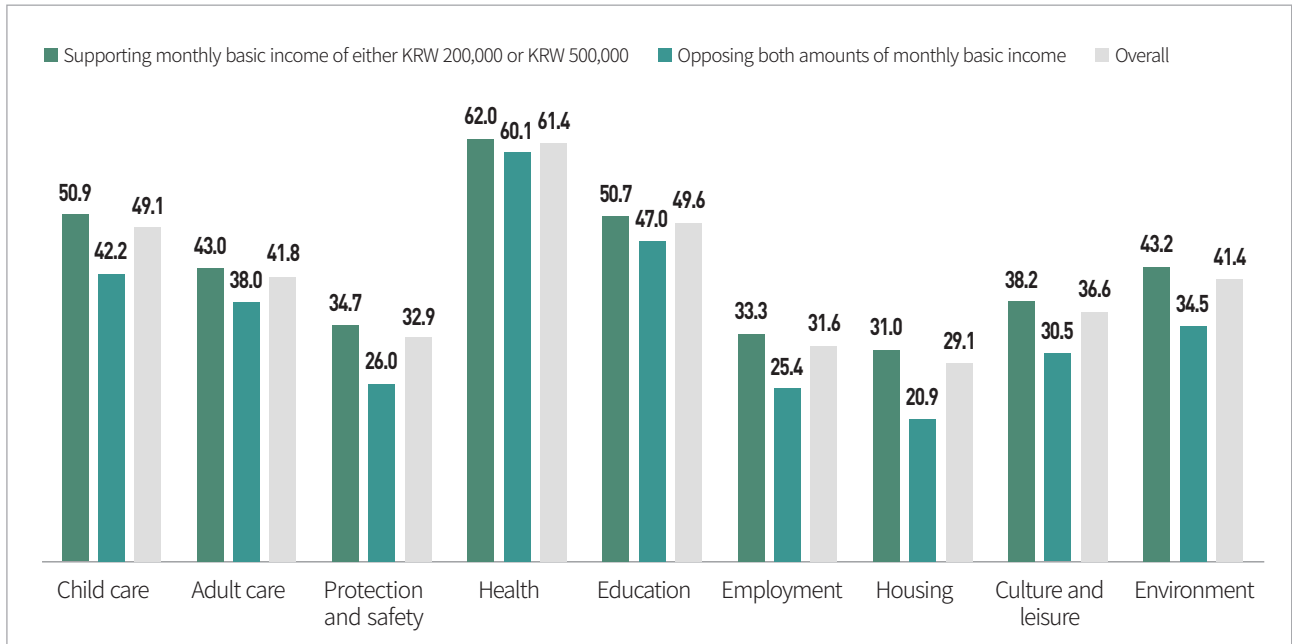
Satisfaction with Welfare Increases Support for Basic Income

❖ Supporters of basic income are more satisfied with welfare benefits than opponents.

- The groups of respondents supporting monthly basic income of KRW 200,000 and KRW 500,000 showed greater satisfaction with the existing welfare system than the groups opposed to both amounts of monthly basic income.
 - Respondents' satisfaction with existing child care, adult care, protection and safety, health, education, employment, housing, culture and leisure, and environmental services and benefits was compared and analyzed in correlation to whether they supported the introduction of monthly basic income of KRW 200,000, KRW 500,000, or neither.
 - Respondents supporting either amount of basic income reported consistently greater satisfaction with all the nine categories of welfare services and benefits than respondents opposing both.
- The disparity in satisfaction was particularly pronounced in relation to housing and health.
 - With housing services and benefits, 31.0 percent of basic income supporters were satisfied, 10 percentage points higher than the 20.9 percent of basic income opponents who reported satisfaction.
 - In relation to health services and benefits, which garnered the highest satisfaction rate overall among the nine categories, the difference between the two groups of respondents amounted to two percentage points or so.
- On the whole, respondents were most satisfied with health services and benefits (61.4 percent), followed by education (49.6 percent) and child care (49.1 percent).
 - Housing (29.1 percent) and employment (31.6 percent) were the two least satisfactory categories of welfare services and benefits.

[Satisfaction with Existing Welfare and Support for Basic Income]

(Unit: Percentage)



Notes: The graphs represent the combined percentages of respondents who reported being “satisfied” and “very satisfied” with each given category of services and benefits, and do not include the percentages of respondents who were “undecided.” Of the 10,000 respondents, the “undecided” ones made up 5.6 percent regarding child care; 4.4 percent regarding adult care; 2.8 percent regarding protection and safety; 2.5 percent regarding health; 2.9 percent regarding education; 2.8 percent regarding employment; 2.1 percent regarding housing; 2.4 percent regarding culture and leisure; and 2.2 percent regarding environment.

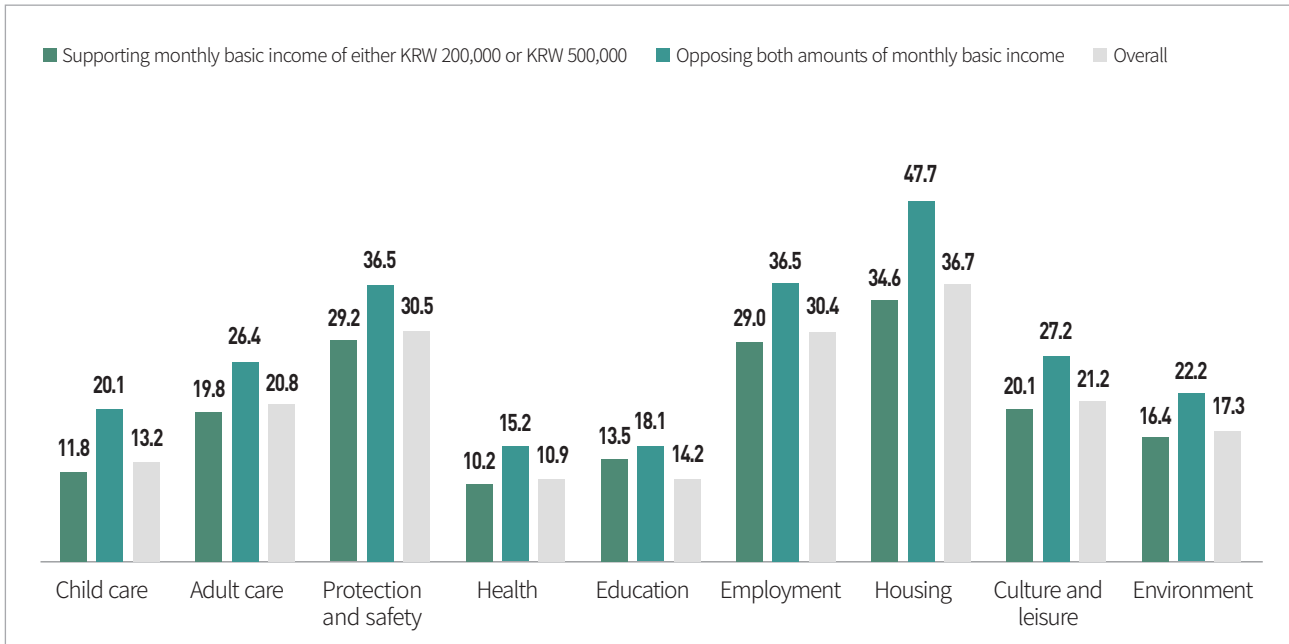
Source: Yoo Y. et al. (2021). National Survey on Universal Basic Income, Basic Income Research Team -Gyeonggi Research Institute.

❖ Respondents opposed to basic income were generally more dissatisfied with the existing welfare system than those supporting basic income.

- Respondents opposed to monthly basic income of either KRW 200,000 or KRW 500,000 were generally more dissatisfied with the existing welfare system than respondents supporting either.
 - Opponents’ dissatisfaction was consistent across all the nine categories of services and benefits. The disparity in dissatisfaction was most pronounced in relation to housing, with which 47.7 percent of opponents were dissatisfied, compared to 34.6 percent (13 percentage points less) of supporters.
 - Overall, respondents were most dissatisfied with housing (36.7 percent), followed by protection and safety (30.5 percent) and employment (30.4 percent). The category of least dissatisfaction was health (10.9 percent).
- In general, the patterns of satisfaction and dissatisfaction with the existing welfare system correspond to patterns of support and opposition regarding basic income.

[Correlation between Satisfaction with Welfare and Support for Basic Income]

(Unit: Percentage)



Notes: The graphs represent the combined percentages of respondents who reported being “dissatisfied” and “very dissatisfied” with each given category of services and benefits, and do not include the percentages of respondents who were “undecided.” Of the 10,000 respondents, the “undecided” ones made up 5.6 percent regarding child care; 4.4 percent regarding adult care; 2.8 percent regarding protection and safety; 2.5 percent regarding health; 2.9 percent regarding education; 2.8 percent regarding employment; 2.1 percent regarding housing; 2.4 percent regarding culture and leisure; and 2.2 percent regarding environment.

Source: Yoo Y. et al. (2021). National Survey on Universal Basic Income, Basic Income Research Team -Gyeonggi Research Institute.

❖ **The correlation between satisfaction with existing welfare and support for basic income is further confirmed by regression analysis.**

○ Statistical analysis reveals that, the more satisfied respondents were with the existing welfare system, the greater their support was for the introduction of basic income.

- Our logistic regression analysis confirms that the stronger the satisfaction with the existing welfare system, the greater the probability of supporting monthly basic income of either KRW 200,000 or KRW 500,000.²⁾

- However, satisfaction with health and education services and benefits bore little statistically significant correlation to support for monthly basic income of KRW 500,000.

2) The dependent variables in this regression analysis were support/opposition regarding monthly basic income of KRW 200,000 (0 for opposition and 1 for support, excluding the 617 undecided respondents out of 10,000) and support/opposition regarding monthly basic income of KRW 500,000 (0 for opposition and 1 for support, excluding the 602 undecided respondents out of 10,000). The independent variables were the nine categories of welfare services and benefits (1 for dissatisfaction, 2 for neutral, and 3 for satisfaction). The control variables were gender, age, marital status, education, employment status, self-rated socioeconomic status, income, home ownership status, and political ideology.

- Satisfaction with child care services and benefits was the biggest satisfaction of support for monthly basic income of KRW 200,000. For basic income of KRW 500,000, it was housing

[Estimated Regression Coefficients of Satisfaction with Welfare Services and Benefits]

	Support for KRW 200,000/month	Support for KRW 500,000/month
Child care	0.37***	0.12***
Adult care	0.22***	0.10***
Protection and safety	0.22***	0.20***
Health	0.12***	-0.02
Education	0.17***	0.05
Employment	0.23***	0.17***
Housing	0.31***	0.26***
Culture and leisure	0.26***	0.14***
Environment	0.31***	0.14***

Notes: The robust standard errors of the independent variables and the regression coefficients and standard errors of the control variables have been omitted.

*p < 0.05; **p < 0.01; ***p < 0.001.

- In sum, support for the introduction of UBI in Korea is very dependent on satisfaction with the existing system of welfare.
 - Dissatisfaction with the existing welfare system (whether expressed in the form of low satisfaction rates or high dissatisfaction rates) does not increase support for basic income.
 - It is people who have consistently benefitted from the welfare system that are more likely to support basic income.

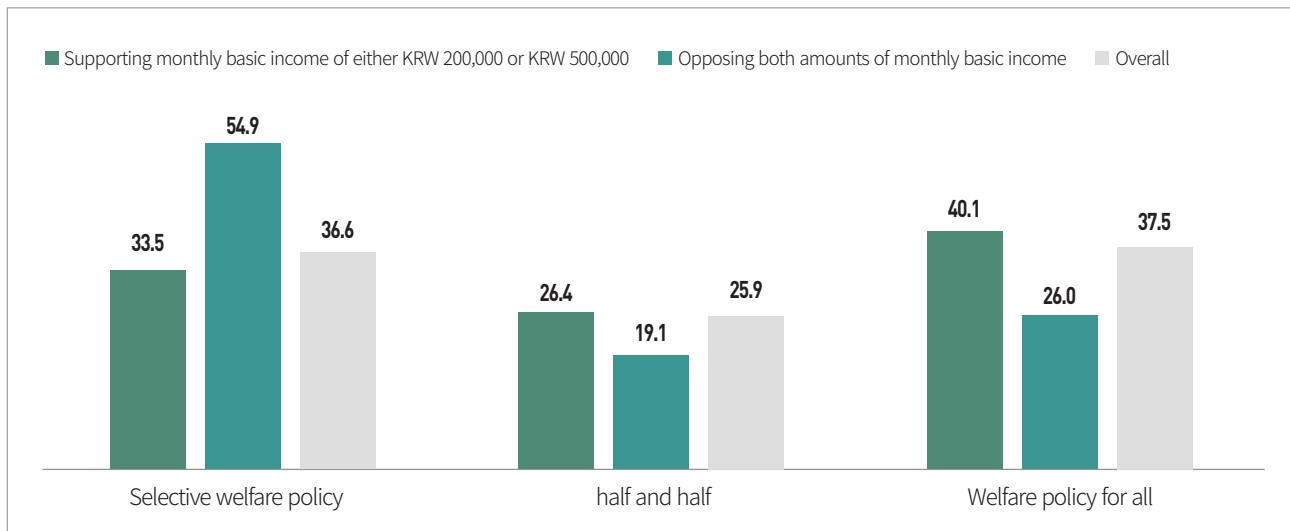
Expanding the Reach and Level of Welfare Benefits and Burdens and Support for Basic Income

❖ Opinions on how welfare policy should evolve in the future bear close correlations to support for, or opposition to, basic income.

- Respondents who indicated that they wished welfare would expand to all citizens rather than focus on only the poor and the vulnerable tended to support the introduction of basic income slightly more than those who did not wish for such welfare policy.
 - Among supporters of KRW 200,000 and KRW 500,000 in monthly basic income, 40.1 percent supported a welfare policy for all, significantly more than the 33.5 percent who supported a welfare policy focusing on the poor and the vulnerable.
 - Among opponents of monthly basic income of either amount, only 26.0 percent supported a welfare policy for all, while 54.9 percent preferred a selective welfare policy.
- Overall, 37.5 percent of respondents preferred a welfare policy for all, only slightly more than the 36.6 percent who preferred a selective welfare policy.

[Selective Welfare Policy vs. Welfare Policy for All]

(Unit: Percentage)



Notes: The graphs represent the combined percentages of respondents who indicated that either type of welfare policy was “important” and “very important.”

Source: Yoo Y. et al. (2021). National Survey on Universal Basic Income, Basic Income Research Team -Gyeonggi Research Institute.

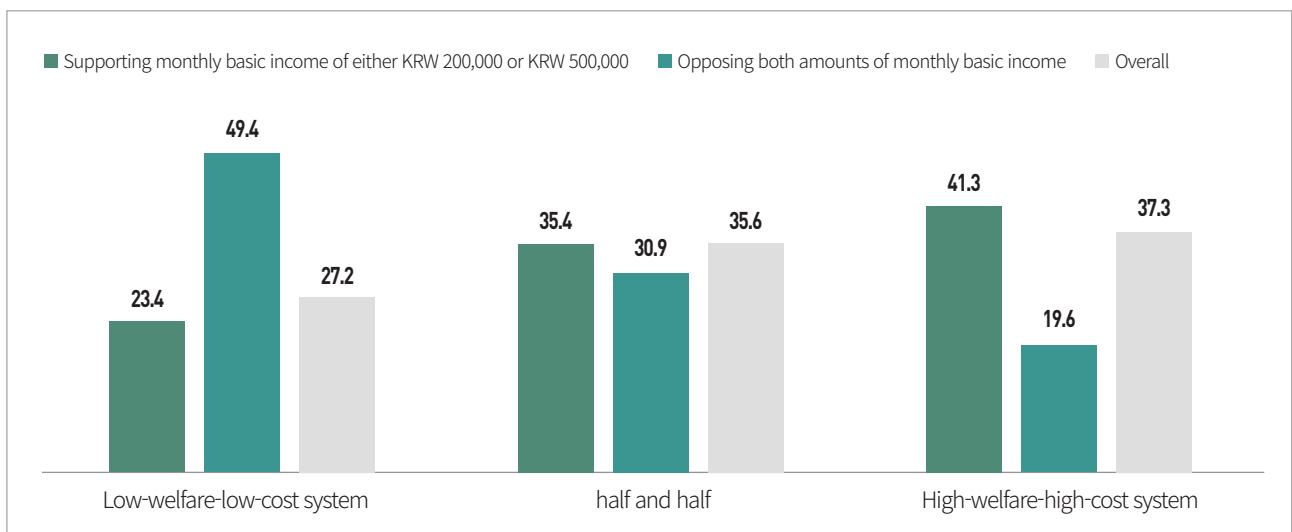
❖ Overall, Koreans support a high-welfare-high-cost system far more than a low-welfare-low-cost system.

- Support for or opposition to basic income also bears a close correlation to Koreans’ preferences regarding the levels of welfare and costs they are willing to embrace.
 - Among respondents supporting monthly basic income of either KRW 200,000 or KRW 500,000, 41.3 percent preferred a system that provided high levels of welfare for high costs, significantly more than the 23.4 percent who preferred a system that provided low levels of welfare for low costs. Among opponents of monthly basic income of either amount, 49.4 percent supported a low-welfare-low-cost system, far more than the 19.6 percent who preferred a high-welfare-high-cost system.
- - Overall, 37.3 percent of respondents supported a high-welfare-high-cost system, as opposed to the 27.2 percent who preferred a low-welfare-low-cost system.

Basic income supporters were less inclined to support a low-welfare-low-cost system (23.4 percent) than a selective welfare policy focusing on the poor and the vulnerable (33.5 percent), while opponents were less inclined to support a high-welfare-high-cost system (19.6 percent) than a universal welfare policy for all (26.0 percent).

[Low-Welfare-Low-Cost System vs. High-Welfare-High-Cost System]

(Unit: Percentage)



Notes: The graphs represent the combined percentages of respondents who indicated that either type of welfare system was “important” and “very important.”

Source: Yoo Y. et al. (2021). National Survey on Universal Basic Income, Basic Income Research Team -Gyeonggi Research Institute.

❖ **The effect of support for either type of welfare systems on support for basic income is further confirmed by regression analysis.**

- Our logistic regression analysis shows that there is a positive correlation between the preferred type of welfare policy and the preferred type of welfare system.
 - The stronger the preference for a welfare policy for all and/or a high-welfare-high-cost system, the stronger the support for monthly basic income of either KRW 200,000 or KRW 500,000.
 - In fact, support for a universal welfare policy and a high-welfare-high-cost system bore a greater effect on support for monthly basic income of KRW 500,000 than on support for monthly basic income of KRW 200,000.

[Estimated Regression Coefficients of Preferences for Welfare]

	Support for KRW 200,000/month	Support for KRW 500,000/month
Selective policy vs. universal policy	0.31***	0.41***
Low-welfare-low-cost vs. high-welfare-high-cost	0.42***	0.50***
Environment	0.31***	0.14***

Notes: The robust standard errors of the independent variables and the regression coefficients and standard errors of the control variables have been omitted.

*p < 0.05; **p < 0.01; ***p < 0.001.

KRW 500,000 in Monthly Basic Income: A Turning Point for Positive Changes at the Personal and Social Levels

I II III IV

Majority Expects Basic Income to Bring About Positive Changes at Personal and Social Levels

❖ Monthly basic income of KRW 410,000 to KRW 500,000 is most expected to exert positive effects on quality of life and social issues.

- Policymakers should consider introducing monthly basic income of KRW 410,000 to KRW 500,000 as such amount is expected by the most to bring about positive changes.
 - That the range of monthly basic income, KRW 410,000 to KRW 500,000, garnered the most support from respondents aligns with the fact that the average preferred amount of monthly basic income is KRW 412,727 (or KRW 434,668 among the 8,079 respondents open to monthly basic income of either KRW 200,000 or KRW 500,000).
 - In other words, the range of monthly basic income expected by Koreans to bring about the most positive effects approximates the average preferred amount of monthly basic income.
- Alternatively, policymakers may consider introducing different amounts of basic income for different purposes.
 - Koreans generally expect that smaller amounts of monthly basic income could make a significant difference to their enjoyment of leisure and recreation.
 - This suggests that the majority of Koreans struggle to enjoy leisure and recreation to the extent that even a relatively modest increase in their monthly income could significantly boost their leisure and recreation.
 - On the other hand, social trust is an area of change that even a very high level of basic income is unlikely to effect.
- It should be made widely known that monthly basic income of up to KRW 500,000 is not likely to disincentivize work or encourage people to cut back on their working hours.
 - Although monthly basic income of more than KRW 500,000 increases the percentages of respondents indicating that they would either quit or reduce their work, respondents willing to reduce their work for monthly basic income of even KRW 1,010,000 to KRW 3,000,000 made up only 22.7 percent.
 - Among respondents who indicated their willingness to reduce their work, enjoying leisure emerged as the most prominent reason for reducing work, regardless of the amount of basic income provided.

- As of 2019, Koreans worked 1,967 hours per year on average, second only to Mexicans among the Organisation for Economic Co-operation and Development (OECD) member states who worked 2,137 hours per year (contrasting 1,380 hours, 1,384 hours, and 1,386 hours for Danish, Norwegians, and Germans, respectively). Basic income, in other words, has a significant role to play in increasing Koreans' ability to enjoy leisure and reduce their excessive working hours.
- Basic income should also be used to encourage and facilitate occupational training and education.
 - Koreans' willingness to invest in occupational training or education increased significantly when they were presented with a possible monthly basic income of KRW 500,000 or greater. This suggests a need for more policy support for enhancing individual Korean workers' skills for better jobs.
 - ※ Having spent only 0.36 percent of gross domestic product (GDP) on active labor market policy, Korea was among the lowest among OECD member states in 2018.
- As monthly basic income of KRW 410,000 to KRW 500,000 is expected to generate positive effects on most areas of social issues (eight of 15, i.e., elderly poverty, the insecurity of livelihood, basic social rights, domestic economy, the financial burden of main breadwinners, sense of community, social trust, and social values), it is important to develop an instrument for measuring the effects of monthly basic income on these particular social issues.

Appendix

Quadratic Logistic Regression Analysis: Results



Overview

- **Method:** Logistic regression analysis with a quadratic term
- **Dependent variables:** Expected change in satisfaction with five areas of life and overall quality of life (0 indicating decrease or lack of change in satisfaction; 1 indicating increase in satisfaction)
- **Independent variables:** Monthly amounts of basic income and their quadratic terms
- **Control variables:** Gender, age, marital status, education, employment status, self-rated socioeconomic status, income, home ownership status, political ideology (i.e., the same as the control variables subjected to regression analysis for “What Do People Think of Universal Basic Income?” published in the previous issue of *Issue & Analysis*)

[Amounts of Basic Income and Quadratic Terms: Estimated Regression Coefficients]

Dependent variable	Amount of basic income	Amount of basic income ²
Interpersonal relationship	.01986***	-.00007***
Health	.02106***	-.00007***
Financial security	.02477***	-.00008***
Leisure	.01124***	-.00004***
Social trust	.01991***	-.00006***
Overall quality of life	.02889***	-.00010***

Notes: The robust standard errors of the independent variables and the regression coefficients and standard errors of the control variables have been omitted.


*p < 0.05; **p < 0.01; ***p < 0.001.

Satisfaction with Overall Quality of Life

(Base: All respondents, N = 10,000, Unit: Percentage)

Subject	N	Present (without UBI)	With UBI	Agree	Strongly agree	Agree	Undecided	
		Dissatisfied	Neutral	Satisfied	Decrease in satisfaction	Neutral	Increase in satisfaction	
Overall	(10,000)	16.6	49.6	33.8	2.1	43.0	54.8	
Gender	Male	(5,080)	17.1	48.6	34.3	2.5	41.1	56.4
	Female	(4,920)	16.0	50.7	33.3	1.7	45.0	53.3
Age	20s	(1,893)	15.0	45.3	39.7	2.5	44.4	53.1
	30s	(1,907)	16.5	49.3	34.2	3.0	45.6	51.4
	40s	(2,225)	16.4	51.6	32.0	1.8	42.9	55.3
	50s	(2,229)	17.7	50.2	32.1	1.4	39.4	59.2
	60s	(1,746)	17.1	51.5	31.4	2.2	43.4	54.4
Region	Gyeonggi	(5,000)	15.7	50.1	34.2	2.0	42.6	55.5
	Seoul	(656)	20.4	46.2	33.4	2.3	42.7	55.0
	Busan	(400)	18.5	47.6	33.9	2.5	42.5	55.0
	Daegu	(337)	19.3	50.8	29.9	3.3	48.1	48.6
	Incheon	(406)	21.2	48.3	30.6	4.0	40.4	55.6
	Gwangju	(259)	18.9	47.1	34.0	1.5	36.3	62.2
	Daejeon	(265)	15.1	45.7	39.2	1.9	44.2	54.0
	Ulsan	(233)	16.3	52.8	30.9	2.1	47.2	50.6
	Sejong	(130)	6.5	46.1	47.4	1.2	42.7	56.2
	Gangwon	(265)	13.2	58.3	28.5	3.4	45.6	51.0
	Chungbuk	(269)	20.5	45.7	33.7	2.9	44.0	53.1
	Chungnam	(308)	14.2	45.3	40.5	1.0	45.5	53.6
	Jeonbuk	(281)	18.1	48.6	33.2	1.1	39.0	59.9
	Jeonnam	(282)	14.7	49.4	35.8	1.8	36.4	61.9
	Gyeongbuk	(344)	17.7	52.9	29.4	2.6	50.6	46.8
	Gyeongnam	(389)	18.5	51.2	30.3	1.8	46.0	52.2
	Jeju	(176)	12.0	55.5	32.5	2.3	43.6	54.1
	Occupation	Self-employed	(834)	18.3	53.2	28.5	1.8	39.0
Retail/sales/service		(875)	19.4	52.3	28.3	3.6	39.1	57.3
Production/technical/unskilled/primary sector		(899)	21.2	49.8	29.0	2.4	40.6	56.9
Office/skilled		(3,465)	12.8	49.2	37.9	2.0	43.6	54.3
Managerial/professional		(1,032)	11.4	45.4	43.3	1.3	43.3	55.4
Housewife		(1,516)	15.6	51.9	32.4	1.2	46.9	51.9
Student/unemployed		(1,380)	25.1	47.3	27.6	3.1	43.6	53.3
Education	Middle school or less	(170)	22.0	56.7	21.3	4.2	47.7	48.1
	High school	(2,249)	21.6	52.0	26.3	2.3	44.2	53.5
	College/university	(6,627)	15.7	49.5	34.9	2.0	42.6	55.3
	Postgraduate	(953)	10.2	43.7	46.1	2.0	42.1	55.8

Notes: The “Decrease in satisfaction” column shows the combined percentages of respondents who indicated that their satisfaction with overall quality of life would “decrease” and “decrease very much.” The “Increase in satisfaction” column shows the combined percentages of those who indicated that their satisfaction would “increase” and “increase very much.”

 Source: Yoo Y. et al. (2021). National Survey on Universal Basic Income, Basic Income Research Team -Gyeonggi Research Institute.





