

Universal Basic Income and the Paradox of Personal Debt



Preface

The idea of a universal basic income is simple enough to sound complete. Everyone receives the same amount of money, regularly, unconditionally. A floor beneath every citizen, dignity guaranteed, survival untethered from employment. In theory, it could mark the end of economic anxiety. But in practice, anxiety has already changed its shape. Debt now functions as a second nervous system for society, invisible, self-regulating, and always active. Even if income became universal, obligation would remain. Money might circulate more evenly, but pressure would not. I don't write this to oppose the idea of UBI, only to observe that in a world where debt multiplies faster than income, even fairness may struggle to feel free.

1. The Concept and the Hope

The appeal of UBI lies in its purity. It promises to replace the conditional, the welfare test, the job requirement, the bureaucratic gatekeeper, with something that simply is. It draws on a lineage that stretches from Thomas Paine's citizen's dividend to modern pilot programs in Finland, Alaska, and the global pandemic stipends that briefly tested a similar principle. At its heart is a desire to separate human worth from economic utility, to affirm that being alive is reason enough to eat, rest, and participate. The idea resonates because it feels humane and mathematically sound. If automation replaces labour, let productivity's gains return to the people. If technology compresses the cost of survival, let that efficiency become shared abundance. But concepts, however generous, cannot escape their containers. Money still flows

through the same channels that created inequality in the first place. Every income, even a universal one, moves through systems that charge rent, levy interest, and reward immediacy. So I wonder, what happens when unconditional income enters a conditional economy? Does it free people from survival, or simply buy them more comfortable forms of dependency?

2. The Debt Ecosystem

Debt has become the quiet architecture of the modern world. It underwrites the house, the car, the education, the government bond, and the credit card that bridges the gap between months. It shapes not only economies, but emotions, anticipation, fear, ambition, shame. In *The Dopamine Economy*, I suggested that the global psyche now runs on a loop of instant gratification, reward first, cost later. Debt works the same way, only slower and larger. It is institutionalised impatience. When people imagine UBI, they imagine relief from that cycle, an end to anxiety. Yet the system receiving it has no interest in relief. It turns every inflow into potential leverage. If credit is gravity, then UBI is rainfall. However evenly it falls, it still flows downhill, toward those who own the channels that collect it. Within months, new income becomes higher rent, inflated prices, expanded consumption. The system restores equilibrium, but not equality. Governments would likely celebrate the stability. GDP would hold, markets would hum. But individuals might notice something subtler, that their freedom, though improved, is still financed.

3. Policy Paradox and the Limits of Good Intentions

Economic systems, like nervous systems, protect what they know. For generations, growth has relied on consumption, consumption has relied on credit, and credit has relied on debt. It's a loop too elegant to dismantle without shock. So even as policymakers dream of universal income, they preserve the same instruments that monetise obligation. Interest rates, asset inflation, and capital markets quietly ensure that money, once distributed, continues to orbit its usual centres of gravity. The irony is gentle but firm, the more universally income is given, the more universally it is absorbed. UBI, in such a world, becomes not revolution but reinforcement, a liquidity program disguised as empathy. And yet, I can't dismiss the appeal. There's something profoundly human about wanting to give everyone enough. Perhaps what troubles me is not the idea itself, but the terrain it must travel through.

4. Conditional Liberation (Speculative, Without Attachment)

I sometimes imagine what it would take for UBI to truly work, not as an economist, but as a curious observer. Maybe it would require an entirely different kind of currency. One that covers only the essentials, food, shelter, medicine, energy, education, mobility. A currency that cannot be borrowed against, collateralised, or converted into leverage. It could guarantee comfort without amplifying appetite, a system that supports life but not lifestyle. Or perhaps UBI would only feel authentic if everyone contributed a few hours each week to a collective project, a garden, a care network, a shared system that makes abundance visible. Not labour in the industrial sense, but participation in the ecological one. Work that reminds us that interdependence is not dependency. These are only sketches, thoughts in the margin. I hold no attachment to them. It's simply interesting to ask what enough might mean if money could no

longer multiply obligation.

Epilogue, Observation Without Ownership

UBI may never arrive, and if it does, it will probably arrive as another policy, an elegant solution to a problem we haven't yet defined. I don't see it as salvation, nor as folly. It's just another mirror held up to the same system, reflecting both our generosity and our denial. It's fun to speculate, and I do. But my interest isn't in UBI itself, only in what it reveals. That even in our most altruistic designs, debt still sits quietly underneath, waiting to reassert its logic. Perhaps that's the real conversation to come, not whether income can be made universal, but whether obligation can. Because until we learn to live without owing, even freedom will come with instalments.