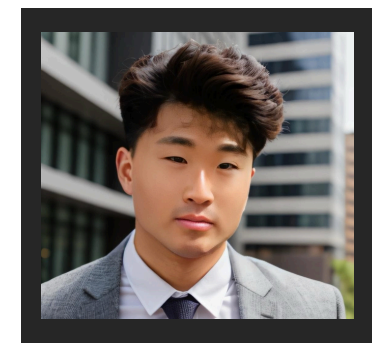


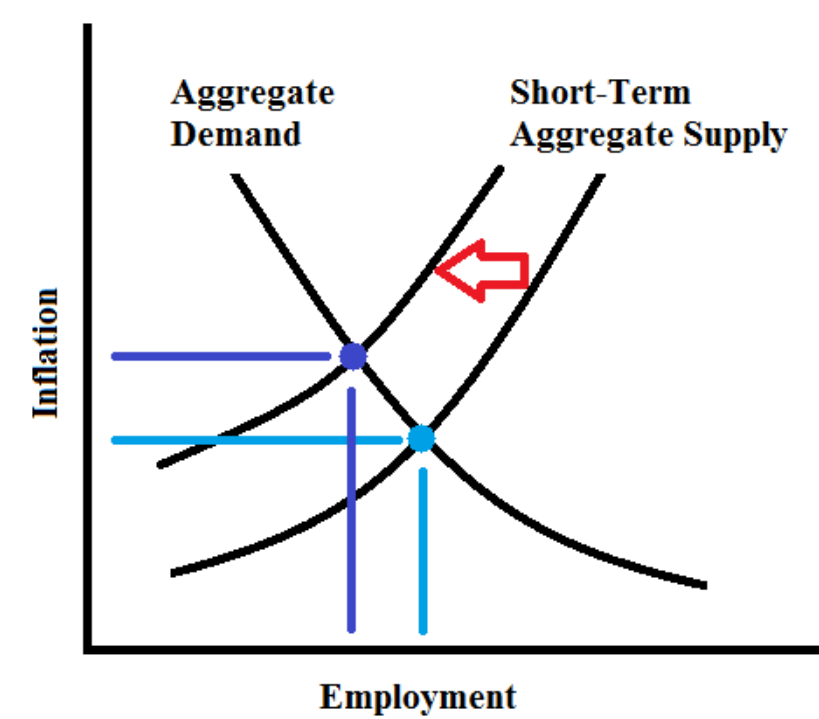
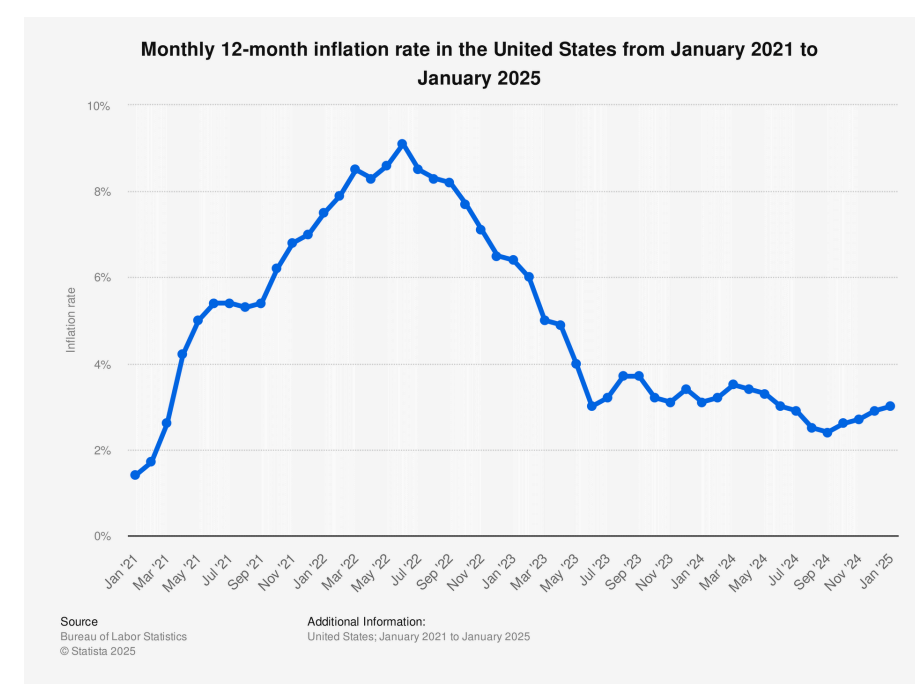
From Stagflation to Compensation: Did Economic Crisis Make a Case for Basic Income?

Examining the Effects of the Stagflation of the 1970s on Support for a Guaranteed Income Scheme



PRESENTER:
Ty Riccobene

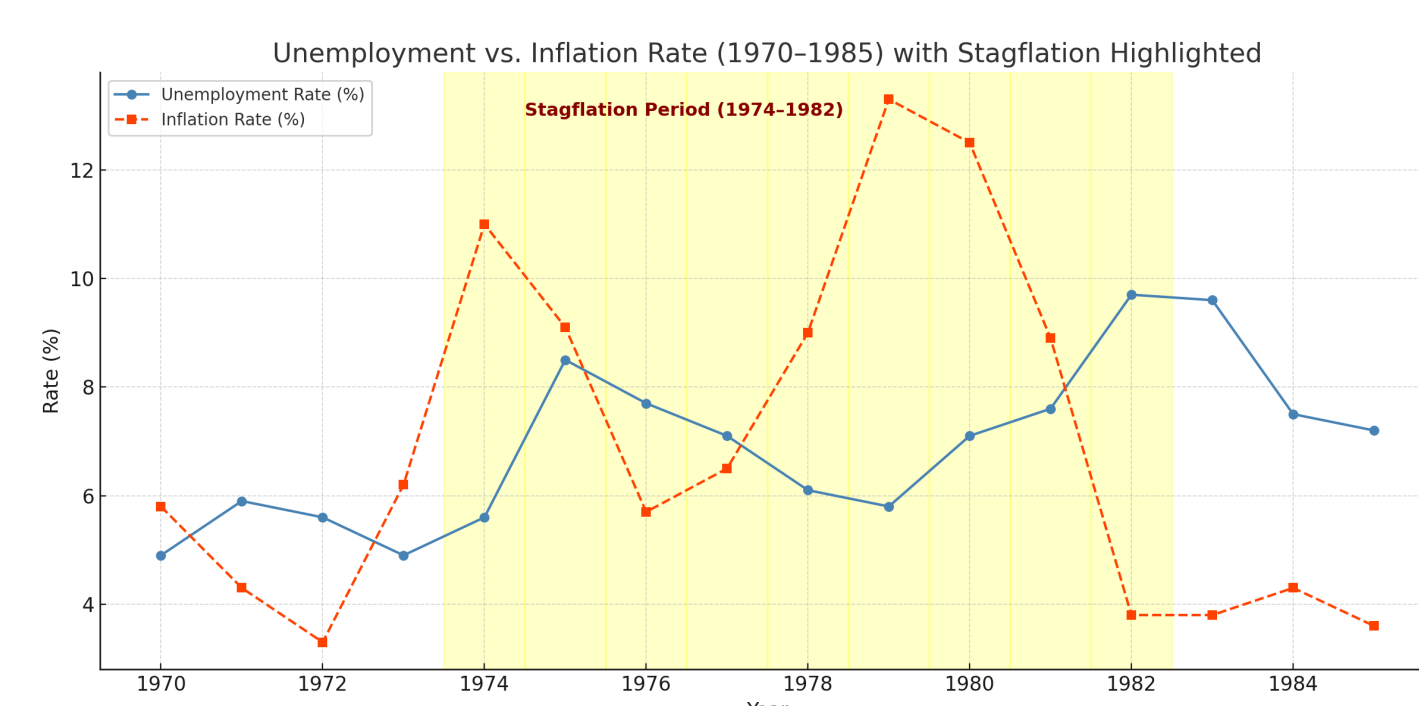
BACKGROUND: Stagflation, marked by a decline in aggregate supply rather than demand, represents an atypical economic crisis. As inflation reaches record highs and prices rise, public interest in basic income is growing. Examining whether stagflation increases support for basic income and how to sustain that support could inform effective implementation in today's polarized economic climate.



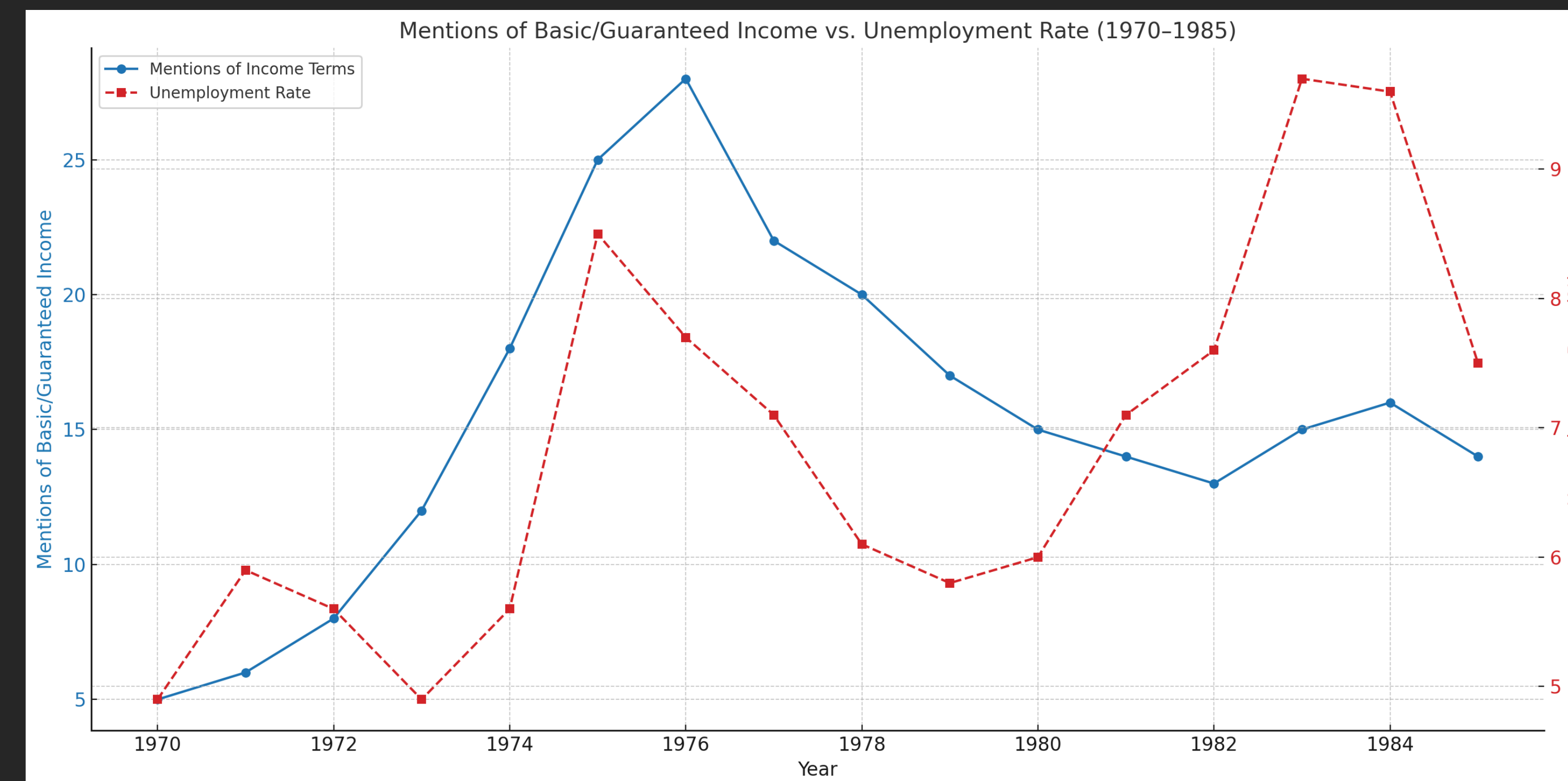
METHODS

1. Discussing economic literature generally written in crises, like the Great Depression, stagflation of the 1970s, and the Great Recession.
2. Parsing quantitative figures displaying basic income support by demographics.
3. Analyzing mentions of basic income in literature published before, during, and after the stagflationary period.
4. Differentiate between permanent and cyclical crises and clarify long-lasting support and apply to present day.

STAGFLATION GRAPHICALLY



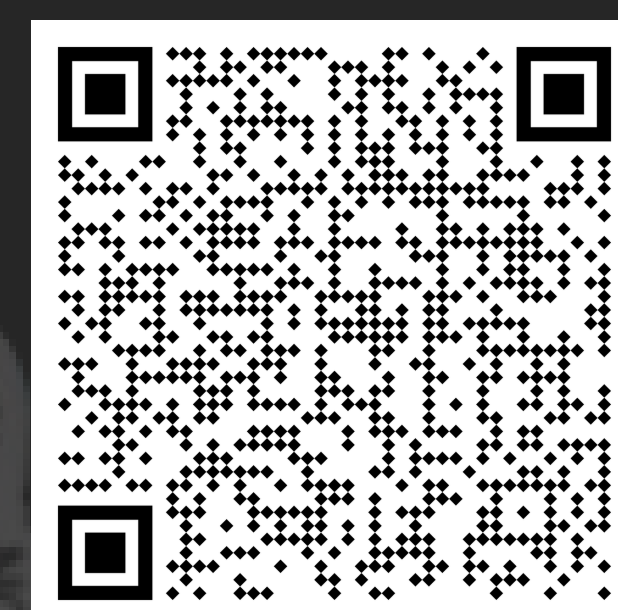
The stagflationary era of the 1970s led to a **rise in long-lasting and meaningful basic income support** because the period's circumstances **highlighted the issues of economic inequality and the inadequacy of traditional welfare programs.**



Mentions of “basic income,” “guaranteed income,” or “guaranteed annual income” throughout literature published between 1970 and 1984 in the Gale database contrasted with an increase in unemployment in the stagflationary period.



Volunteers in the Spanish Basic Income Proposal Experiment, one which analyzed the most enticing aspects of a basic income proposal, preparing food for beneficiaries.



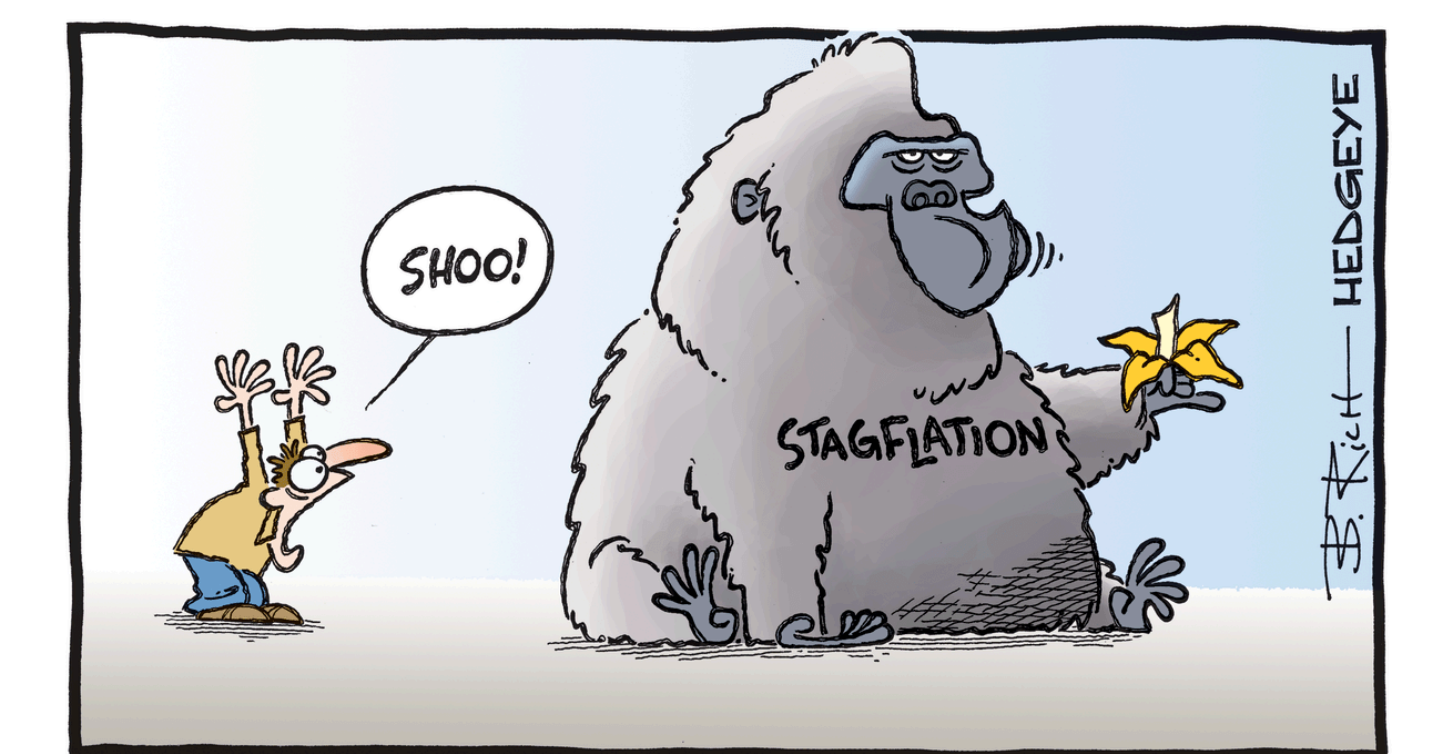
WHAT CAUSED THE STAGFLATION?

The stagflation of the 1970s was primarily caused by the Arab oil embargo, thus leading to a sharp spike in oil supplies, which led to a negative shift in short run aggregate supply. While the conditions of typical recessions, a diminished aggregate demand, can be fixed relatively simply using government spending or tax cuts, restoring aggregate supply is quite an intricate task, therefore raising public concerns even more than normal.



KEY IMPLICATIONS

Though we differentiated between cyclical, like recessions, and permanent crises, such as climate change, by the effects on the type of basic income support each spawn, we found that the stagflationary pressures in the 1970s were to such a great concern, both economically and environmentally, that it acted as a permanent crisis by definition, thus spearheading widespread support from the public that we largely know today.



REFERENCES

Chrisp, Joe, and Jurgen De Wispelaere; Koebel, Courtney; Laenen, Tijs, Murray; Charles, Reinhart; Carmen M., and Kenneth S. Rogoff; Rincon, Leire; Thompson, Matthew

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“Permanent crisis events avoid this cyclical waxing and waning, but existing examples of such crises have not meaningfully altered the configuration of material interests that constitutes the political economy of basic income.” – Jurgen De Wispelaere