Abstract

Microsimulations of universal basic income in EUROMOD aid the ongoing debate over the policy's social implications and budgetary feasibility. The European HFCS data used in this thesis enable wealth taxation as a financing mechanism to make the universal basic income budget-neutral. This thesis examines the effect of three unique scenarios on income redistribution and at-risk-of-poverty rates on different parts of the Italian population. The diversity of Italian regions and the struggle with public debt may severely compromise the feasibility of the scenarios in the real world. The thesis results follow the trend of radically decreasing the overall poverty and inequality seen in complementary research. Accompanied by a fixed wealth tax, the policies present adverse effects towards older age groups that rely on old-age pensions. The social benefits system sees different levels of replacement that significantly affect the impact on vulnerable groups. The thesis raises potential mitigations of the adverse effects that can be analysed in further research. Microsimulation lacks the behavioural impact of universal basic income on individuals, which was captured by the trials conducted in Europe and North America.