



Karma Finance: Privately-Funded UBI Possible With Decentralized Finance, Says Creator of the First ICO

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San Jose, California, Jan. 16, 2021 (GLOBE NEWSWIRE) -- UBI is increasingly being suggested as a potential solution to help mitigate the economic effects of an extended coronavirus pandemic.

Nearly all of the UBI programs now being piloted propose direct, unconditional cash payments to citizens, much like how many welfare payments are distributed today.

According to data from Health and Welfare Studies at the Cato Institute only 30% of funds allocated to government welfare programs end up in the hands of the people that benefit from it. For private charities, an average of 82% of funds reach those who need it, while administrative and fund-raising expenses account for the remaining 18%. If similar numbers are assumed for UBI programs, 70% of funds would go towards a UBI program's administrative expenses rather than its intended recipients.

The use of cryptocurrency and blockchain technology can transform how UBI is implemented, making it cost-effective, secure, and, most importantly, transparent. The major benefit to using blockchain technology would be the elimination of bureaucracy, resulting in 100% of funds reaching UBI recipients.

Karma Finance, founded by Antoine Sorel Neron, the creator of the first Initial Coin Offering (ICO) in cryptocurrency, is developing a new Decentralized Finance (DeFi) platform that will allow users to choose either to receive a weekly UBI payment or to compete in the community reward pool. Users participating in the reward pool will be strongly incentivized to provide the funding needed for the UBI program itself.

“Decentralized finance and UBI are a natural fit, especially as we’re working to build economic resilience in cities across the country,” said Neron, who grew up on Chicago’s South Side. “Decentralized finance is meant to create a more inclusive and open financial system for everyone. We may not be able to make it happen for the world’s billion-plus poor just yet, but at least we can create a viable solution to help ordinary people who have been affected by COVID, even as government budgets become more strained. This is where the public can step in to help.”

Karma Finance will be the first DeFi application built for UBI.