

Universal Basic Income (or Citizen's Income) - a digest of issues

Universal basic income (UBI) is an unconditional, income paid to every individual as a right of citizenship.

Steady State Manchester is increasingly interested in the relationship between work and income as the number of relatively secure, decently paid jobs reduces and precarious employment increases. We and others are interested in the potential of UBI. We are attracted by the possibility that UBI could amongst other things broaden the concept of work and provide everyone with a basic income, as part of a viable economy. We are making links with local academics, politicians and others and planning a seminar later this year to explore the possibilities of widening conversations about universal basic income and promoting a pilot in Greater Manchester. Please let us know if you would like to know more about this area of our work.

*Steady State Manchester member, **Carolyn Kagan** has pulled together literature and information about UBI and provides an introduction to what UBI could achieve and some of the things to be thinking about.*

There is increasing interest in the idea of a universal basic income (UBI).

The Citizen's Income Trust campaigns for an unconditional, non-withdrawable income paid to every individual as a right of citizenship, and is a great source of information and discussion about universal basic income

<http://citizensincome.org/>.

There was a campaign in 2014 across the EU for the introduction of a BI via a European Citizen's Initiative. The campaign did not reach the million signatures needed (it got 285,000), but is continuing to mobilise support to put pressure on both the European Commission and other EU authorities to act on implementing studies and pilot projects for an unconditional basic income in Europe.

www.avaaz.org/en/petition/our_chance_to_end_poverty/

In 2015 the Royal Society of Arts (RSA) proposed a model of a universal basic income, arguing that not only would this simplify the benefits system, it would also release latent creativity <https://www.thersa.org/action-and-research/rsa-projects/public-services-and-communities-folder/basic-income/>.

The RSA proposes a basic income experiment in a city or Region of the UK, which might chime with our Viable Economy vision.

There have been pilot programmes in India, and these have been fully documented with lots of lessons for implementation elsewhere

http://unicef.in/Uploads/Publications/Resources/pub_doc84.pdf.

The Basic Income Earth Network showcases, through their newsletter, progress in other places, including actual or proposed schemes in Finland,

Switzerland, Brazil, Iran, Alaska, Canada <http://www.basicincome.org/about-bien/>.

The Cherokee Tribe has introduced a basic income for members, funded from the proceeds of a casino <http://www.demos.org/blog/1/19/14/ Cherokee-tribes-basic-income-success-story>. In Europe some Dutch cities are proposing to introduce a pilot UBI to small numbers of benefit recipients (thus not following the principle of *universality* of the BI), but removing the conditionality pervading our own welfare system, so a start.

The Green Party has adopted UBI as policy

<https://policy.greenparty.org.uk/assets/files/Policy%20files/Basic%20Income%20Consultation%20Paper.pdf> and John McDonnell is considering it.

<http://www.independent.co.uk/news/business/news/universal-basic-income-policy-under-consideration-by-uk-labour-party-shadow-chancellor-john-a6878856.html>

Greek former finance minister and noted economist, Yannis Varoufakis , considers UBI a vital move towards social democracy.

<http://www.basicincome.org/news/2016/04/basic-income-essential-approach-varoufakis/>

There is even an academic journal devoted to Basic Income Studies

<http://www.degruyter.com/view/j/bis>.

BIEN (Basic Income Earth Network) <http://www.basicincome.org> says:

Common to all (UBI supporters) is the belief that some sort of economic right based upon citizenship – rather than upon one’s relationship to the production process or one’s family status – is called for as part of the just solution to social problems in advanced societies. Basic Income, conceived as a universal and unconditional, if modest, continuous stream of income granted throughout life to all members of a political community is just the simplest and most striking element in an expanding set of social policy proposals inspired by this belief and currently debated, if not already implemented.

What reasons are there for supporting a UBI as a move towards a Viable Economy?

Clearly the current system of welfare support and employment is not working. It is part of the unviable economy.

Jobs giving paid work are shrinking and becoming ever more automated, reducing available jobs even more.

Yet it is paid work that has a high social value. This means that those not in work, either through unemployment, caring or sickness are devalued, even stigmatised.

Those in paid work are often working long hours with high levels of stress, leaving less time for family, friends and for community activities.

There has been an increase in precarious work – with people taking several casual, uncertain, low paid jobs and with little social security as they move between different periods of work.

http://www.guystanding.com/files/documents/Precariat_and_Class_Struggle_final_English.pdf .

Income inequality and poverty is increasing and in 2016 more than a million people are living in destitution in the UK.

<https://www.jrf.org.uk/report/destitution-uk>

What would moving to a Universal Basic Income achieve?

Malcolm Torry (2015) gives 101 reasons for supporting UBI <http://policypress.co.uk/101-reasons-for-a-citizens-income>, covering the economy, a changing society, politics, administration and ideas. Here are just some of the central reasons it would give a basic level of financial security for those not in, or unable to find, paid employment, enabling everyone to have a satisfactory level of income.

- It would be paid to everyone, all citizens. Therefore there would no longer be a distinction between those receiving financial support and those not: a reduced.
- stigmatisation of people in financial insecurity and increased recognition for activities other than (well) paid employment.
- It would mean that people in menial, tedious and unsatisfying jobs would not need to work in them for such long hours – people would have a higher degree of autonomy in their lives than they do at the moment. UBI could even kill off low paid menial jobs. www.theguardian.com/commentisfree/2015/feb/01/paying-everyone-a-basic-incomewould-kill-off-low-paid-menial-jobs.
- Provided that the basic income is genuinely adequate, nobody is exploited, however low the pay. For the job is freely chosen in preference to an acceptable alternative of not having a job¹.
- It might mean that people could choose to work fewer hours in paid employment altogether, creating room for more time to be spent with family, on hobbies and pleasurable activities or in community activities. It would enable non-market activities to flourish that, while not materially productive, nonetheless make life meaningful and have important functions for the wellbeing of people and communities.
- The work that people do at the moment that is not paid, and is predominantly carried out by women (caring, bringing up children, community activism) would be recognised more and be more socially valued. There would be a paradigm shift in what (paid) work means.
- Those jobs that are unpleasant and that nobody wants to do would become higher paid.

1

Barry, B. (1997), 'The Attractions of Basic Income', in J. Franklin (ed), *Equality*, London: Institute for Public Policy Research, pp 157-71.

- Means tested benefits and complicated eligibility assessments for welfare payments would be abolished.
- The security offered by UBI would facilitate creativity and flexibility.

Are there any challenges to the introduction of UBI?

Consumption

We do not know how UBI would work out in the advanced capitalist societies. It is possible that UBI would serve to maintain current levels of consumption – even increase them. Would the provision of UBI actually prevent progress being made on the argument for a decrease in consumption and the increased durability of goods?

Use of Time

We do not know what people in advanced capitalist societies would do with an increase in non-paid work time. We know at the moment that there are gender differences in leisure activities, <https://www.oecd.org/gender/data/balancingpaidworkunpaidworkandleisure.htm> with men spending more time on sport and TV and women on household tasks. National surveys indicate a lot of free time is spent in the home, watching television, listening to the radio. In 2010 the average amount of time spent watching television was 4 hr 2 min per day; and listening to the radio 2 hr 53 mins.

http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/dcp171766_258996.pdf

Would people be more creative, more sociable and active in their communities with a UBI? – we do not know. There is some suggestion that at the moment a small group of relatively highly educated people from more prosperous areas constitute the core of active citizenship (charitable giving, community participation, volunteer hours).

<http://www.birmingham.ac.uk/generic/tsrc/documents/tsrc/working-papers/working-paper-62.pdf>

If this is the case, then it is likely that considerable support would be needed for people to use non-work time positively in the service of conviviality and more resilient, participative, sustainable and flourishing communities, and in the development of craft and useful skills. However, we do know that given the opportunity we all learn together and from each other, so this bodes well for the continued development of socially useful skills and knowledge.

Identity

We do not know how long it will take for social values to change, away from the prime value of paid employment towards valuing other activities. There is some suggestion that it is necessary for values to change before UBI can be successfully implemented. <http://www.degruyter.com/view/j/bis.2013.8.issue-2/bis-2013-0025/bis-2013-0025.xml> . A good first step towards this might be

for those in well paid, full time (and long hour) jobs should reduce their hours voluntarily and publicly, in order to undertake caring or community activities. The idea is that this would begin to shift social norms and values away from paid employment towards these other activities.

At the moment paid work gives people a strong sense of personal and social identity. Obviously this is problematic for those out of paid employment and threats to identity underpin a lot of the lack of sense of purpose and ill health accompanying unemployment.

<http://www.cambridge.org/gb/academic/subjects/sociology/sociology-generalinterest/phenomenology-working-class-experience> . From paid work, employees can get a sense of esteem and self worth, as well as of achievement. Work gives them social recognition. If people are to work less, then attention will need to be paid to other sources of esteem, achievement and recognition. And this will require a shift in social values.

We do not know how long it will take for social norms to change and the way people think about themselves in relation to others.

Sharing the caring

We do not know if UBI would share care out more fairly between women and men. At the moment women undertake most unpaid and paid caring. It is possible that there would be an increase in men's caring within the household with a reduction of paid work time, but we do not know. Experience from the Scandinavian countries with good take up of paternity leave, is that participating in caring continues after the leave. However, in the UK we have a problem. At the moment few men take or are expected to take up paternity leave, even though the provision is there. Only 2%-8% are expected to take it up. <http://www.theguardian.com/commentisfree/2016/mar/23/flexibility-at-work-isnt-just-aboutwomen-men-want-more-from-family-life-too>

We should not expect UBI to change the balance of caring, but it should raise the esteem and reduce the stigma of caring, and perhaps lead to more highly paid jobs. <http://dx.doi.org/10.1332/030557311X546299>.

Education

UBI has implications for the kinds and amounts of paid work people do. The current emphasis on education is schools as preparation for paid work and jobs would need to change, in favour of education for varied and fulfilling roles. Away from the current emphasis on '*ensuring a workforce able to compete in a global market*' to one where people '*play full roles in developing sustainable local economies*'.

<https://steadystatemanchester.net/2015/11/18/how-can-education-help-to-shape-a-steadystate-culture-a-discussion-paper>

It will need to take place in community spaces beyond the school room, and emphasise relationship building and maintenance skills and cooperation. Education and learning beyond school will need to enable sharing of knowledge and skills through underpinning mutuality, shared ownership, collaboration, humility, creativity, experimentation, learning from failure, discovery, motivation and imagination. For some of the challenges and

possibilities, see <https://steadystatemanchester.net/2015/11/18/how-can-education-help-to-shape-a-steadystate-culture-a-discussion-paper>

Disability, additional care and housing.

Some approaches to UBI suggest that there would need to be additional supplements to take account of the needs and additional costs associated with supporting disabled people as well as those who need higher levels of care. Similar challenges for implementation of UBI arise in relation to housing, the crisis in which UBI is unlikely to solve

<http://blog.shelter.org.uk/2016/04/what-could-a-citizens-income-do-for-the-housing-crisis>

It could be that separate systems of housing, ability or care costs would be needed. Alternatively, the level of the UBI could be set at a rate high enough to meet the needs of every household. Even those who advocate a high level of UBI recognise the need for some supplementary system. And then would we be moving back to the current system of complexity and stigma?

Workplaces

One of the advantages hailed for UBI is the promise of shorter working hours and greater flexibility and autonomy for workers. We do not know how workplaces will adapt. Currently, although there is a right to request flexible working in the UK at the moment, employers can offer a business case in support of refusing requests. Depending on the eligibility criteria for UBI, there may well be a reserve of labour ineligible for UBI who might be willing and available to continue to work in low paid, long hours and menial jobs, thereby weakening the case for changes in the workplace. We do not know.

Is there support for the idea of UBI?

There have been some attempts to examine what the general public think of the idea of UBI. Sheffield Equality Group undertook some research showing people were generally in favour of the idea, but were concerned about who would be eligible to receive it. 95% respondents said they would take a job with good working conditions in addition to receiving the UBI and nearly half said they would take an additional job with poor working conditions. Nearly half thought other people might not take on additional work.

<https://sheffieldequality.wordpress.com/next-steps/basic-income-survey/>

Another study compared the attitudes of people in Finland with those in Sweden towards UBI. Generally the Finns were more in favour and this was attributed in part to differences in the social conditions in which they lived, with unemployment being higher in Finland.

<http://www.basicincome.org/bien/pdf/2002AnderssonKangas.pdf> . Younger people were more in favour than older people. Attitudes that support UBI in Germany are linked to the kinds of beliefs people hold towards social justice, social solidarity and acceptance of current systems of welfare combined with stigmatising (or not) attitudes towards welfare recipients.

<http://www.basicincome.org/bien/pdf/2002Carsten.pdf>. Similarly, in a study

looking at public attitudes towards UBI in Switzerland, <http://ecpr.eu/Filestore/PaperProposal/0779bbad-57e4-4cbd-8050-215112a0a730.pdf>, again, it was found that pre-existing values in favour of social justice or individualism determined support or antagonism for UBI. In Switzerland, though, popular support for UBI has precipitated a referendum in June 2016, despite opposition by both houses of parliament. <http://www.basicincome.org/news/2016/01/switzerland-only-2-of-people-would-stop-working-if-they-had-a-basic-income>

What level of UBI should there be?

Opinions differ on this. The Green Party suggest £80 pw (£4,160 p.a.) for adults between 18 and retirement age). Other suggestions are that it should be the dole plus housing benefit (approximately £8,000). Or it could be the basic tax allowance (£11,000).

Opinions differ, too as to whether it should be enough to provide an income – for example there are suggestions that the UK could afford approximately £20,000 in UBI.

http://classonline.org.uk/docs/2013_Policy_Paper_Richard_Murphy_Howard_Reed_%28Social_State_-_Idleness.pdf . Alternative views suggest UBI should be just enough to prevent hunger, ill health and destitution. The differences in opinion largely revolve around whether UBI should be seen as a right or a choice to engage in paid work or not; or whether it should be seen as a social protection against poverty.

There have been lots of attempts to clarify where the money might come from to pay for UBI, linked closely to the identification of the level to be set. The RSA and the Citizen's Income Trust have both discussed this in depth <http://citizensincome.org/> and <https://www.thersa.org/action-and-research/rsa-projects/public-services-and-communities-folder/basic-income/>. Equally there are debates about what kind of reciprocity should be required – is it enough to qualify as a citizen (and all the complexities behind this simple statement), or should some kind of community payback be expected? More work on people's views about this would be needed in order to refine any proposals.

Who will be eligible for UBI?

Everyone over the age of 18? Some proposals have a rate for children too. A basic principle of UBI is that it is not means tested. Clearly debates about eligibility are linked to definitions of citizenship, and are linked to the issue of reciprocity above.

Why give to those who don't need it?

Universal state support already exists. Even people in well paid jobs get an allowance from the state at the moment in terms of their Personal Tax allowance. UBI would probably encompass this. Equally, the state retirement pension and child benefit is paid to everyone, regardless of assets, giving a precedent for universal income protection. Other forms of universality at the moment include education (no conditions attached, that some do not take it

up and prefer to pay for an alternative education does not undermine the basic principle) and to a lesser extent the National Health Service.

Will People work Less?

Most approaches to UBI assume that people would continue to undertake paid work to top up their income, although the extent to which they do this is probably linked to the level of UBI set. However, they would not be forced to work, and they could choose to reduce their hours in low paid and unpleasant jobs (or indeed, any jobs). Pilot programmes have shown that people do continue to work. In A pilot in India, levels of paid work went up http://unicef.in/Uploads/Publications/Resources/pub_doc84.pdf. In a pilot in Canada, the only people to reduce their paid working hours were young mothers, teenagers still in education and those due to retire soon <http://www.newstatesman.com/politics/2014/08/citizens-income-71-week-person-would-make-britain-fairer> .

A recent poll of people in Switzerland showed that only a tiny minority said they would stop working if UBI were to be introduced <http://www.basicincome.org/news/2016/01/switzerlandonly-2-of-people-would-stop-working-if-they-had-a-basic-income> .

What it would mean though is that the time spent on paid employment and on other activities would change, enabling a better work-life balance. This is no bad thing with shrinking employment: UBI may lead to a sharing of paid work more equitably.

Some interesting bits of history

Apparently Thomas More raised the idea in his 1516 work, Utopia. The English revolutionary Thomas Paine proposed something similar to UBI in 1797. And the German psychoanalyst and Frankfurt School theorist Erich Fromm advocated 'a universal subsistence guarantee' in his famous 1955 book *The Sane Society*. In 1966, he considered the issue in more depth in an essay entitled *The Psychological Aspects of the Guaranteed Income* <http://newcompass.net/articles/should-left-support-basic-income> .

In Britain the first costed proposal was put forward by Juliet Rhys Williams in 1942, as an alternative to the Beveridge Plan, which she said would damage work incentives and lead eventually to direction of labour . In 1972 it re-emerged under the Heath government as Tax Credits. And during the 1970s it was the subject of two investigations (this time as Social Dividend) by Nobel prize-winning economist James Meade. Since then it has been considerably refined. In 1982 the then Liberal Party submitted recommendations for a Tax-Credit system with individual assessment units, and the late Sir Brandon Rhys Williams MP (son of Juliet Rhys Williams) submitted proposals for a modified Basic Income or Basic Income Guarantee to a Sub Committee of the House of Commons Treasury and Civil Service Select Committee. In 1981 the Basic Income Research Group (BIRG) was formed under the auspices of the National Council for Voluntary Organisations, to research all aspects of reform along Basic Income lines, and in 1986, at the first ever international

conference on Basic Income, delegates from fourteen European countries set up a Basic Income European Network – now known as the Basic Income Earth Network – BIEN. <http://citizensincome.org/wp-content/uploads/2016/03/Basic-Income-and-the-Labour-Market.pdf>

Endpoints

So there is a lot to think about! Before we can even think of putting UBI into place, I think a lot of work needs to be done in relation to how acceptable UBI would be. The very concept challenges several social norms and any successful introduction of UBO would depend on these norms changing. The kinds of norms I have in mind include: paid employment should be the main source of income for people of working age; paid employment (although it would have to be paid) is the means whereby we are able to structure time, make social contacts, gain a sense of collective purpose, gain a sense of social identity or status, have regular activity; caring and community activities are less important than paid employment; people should not be given state handouts for nothing but should earn them; we should allocate state benefits to those most in need – and there may well be many more. Support for UBI and debates about the practicalities amongst policy makers, think tanks and social commentators is growing. I haven't come across much that sets UBI discussions alongside alternatives that might achieve some of the same viable economy goals. Could, for instance, a straightforward, widespread reduction in working hours deal with the restructuring of time in favour of more creative and convivial activities? Could a guaranteed job for all deal with the stigmatisation of those currently out of paid employment and ensure all achieve a level of social status. As well as ensure everyone has an acceptable level of income? Could paying caring and menial jobs a lot more deal with the lack of social value placed on this work at present? Or should some of these alternatives be considered alongside UBI? Even more to think about and widely discuss!

Carolyn Kagan
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