



Universal basic income far from reality of UK's existing social security system

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FRAN BENNETT – EUROPEAN SOCIAL POLICY NETWORK

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Description

Policy debate about Universal Basic Income (UBI) is increasing in the UK. The idea is not new, and has always had advocates and critics. But current interest is due to the increasing emphasis on conditionality and sanctions in the benefits system and the growing insecurity of paid work. Debates focus on arguments for and against related to principles and practical issues. A full UBI is very unlikely to be introduced in the UK in the near future, however, given public attitudes towards benefits and the means-tested emphasis of the social security system.

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Policy debate about Universal Basic Income (UBI) (or Citizen's Income, or Basic Income) has been increasing recently in the UK. A "full UBI" is an unconditional, non-means-tested, non-contributory, non-taxable benefit paid to individuals, at the same rate to all, only varying by age (e.g. less for children, or more for older people). It may have residence conditions. In its full form, it replaces all or most benefits and tax allowances. Income above the UBI is then taxable from the start.

In some versions, more is paid for extra costs of disability, and means-tested additions for housing costs. Partial versions of a UBI may be paid at a lower rate, leaving intact much of the existing benefits structure. Revenue-neutral versions include measures to pay for a full or partial UBI (such as tax increases).

A UBI should not be confused with negative income tax, though some commentators (e.g. the Adam Smith Institute) seem to do so. A negative income tax would means-test income, and then top it up to a certain level; a UBI pays everyone an income, though better-off people may in practice pay for it (and more) in tax.

The reasons for the growing debate about a UBI are two-fold. First, there is growing criticism of benefit sanctions (e.g. from the Public Accounts

Committee) and conditionality in the social security system, which is seen as more demanding and less generous. Second, labour market conditions are increasingly precarious and insecure, with the additional threat of robots reducing jobs. In this context, UBI is seen by some as one way to provide greater security.

The House of Commons Work and Pensions Committee has just held an oral evidence session on UBI. Several think tanks have analysed it recently, and the Royal Society of Arts (RSA) has published a report. Some researchers have developed costed schemes for more or less generous and/or radical versions. Two towns, Fife and Glasgow, are considering launching local experiments. There has been increasing commentary about UBI recently, both positive and negative.

Outlook & Commentary

Proponents of a UBI view it as a solution to many problems. It is seen as fulfilling a social right to a subsistence income for all, and as empowering women by being based on the individual rather than a family means test. In its full form, it would simplify the benefits system, and be less intrusive and controlling for claimants than means tests or

conditionality. In a changing labour market it provides security to those out of work, in part-time or insecure work, or wanting to develop their talents, and can facilitate refusal of low-paid work. It is argued to value and reward unpaid caring, while ensuring that (paid) work always pays. It brings the population together, instead of encouraging a “them and us” society.

Those who argue against a UBI see it as diverting attention from problems which need solving in their own right (such as insecurity in the labour market, inadequate out-of-work benefits or joblessness). They also believe that it will be generous but too costly - or if it is less generous, it is not a radical new system, but would need to retain most of the existing benefits. Some argue that it will undermine rather than enhance low-paid workers' bargaining power. And many feminists do not see paying a UBI to everyone, whether caring or not, as valuing care.

Critics also see a UBI as unlikely

to be politically feasible. It would require a significant shift away from established beliefs about basing benefits on contributions and changing needs over the lifecycle. In the UK, there are also strong views about avoiding “free-riding”, and resistance to increased taxation, as well as a traditional but growing emphasis on means testing. In this context, some (e.g. Gaffney, 2015) argue that a UBI is best seen as a “thought experiment” allowing us to consider how to progress towards tackling the negative elements of these attitudes and make the UK social security system less punitive and more generous. This seems a constructive way forward. In any case, it is unlikely that a UBI would be introduced in the UK in the near future, especially as the Greens were the only party supporting it at the 2015 general election.

Further reading

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Author

[Fran Bennett](#)