

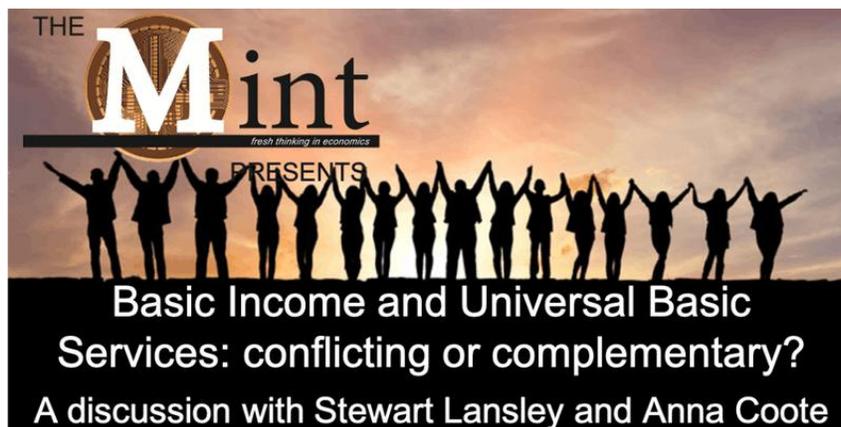
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NOTES

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Two distinct ideas are being promoted to help fix Britain's broken social security system and badly depleted public services. The first idea - of basic income (UBI) - seeks a guaranteed cash income for all, creating, for the first time, a condition-free income floor. Supporters claim it would cut poverty and promote empowerment. The second idea - of universal basic services (UBS) - seeks a guaranteed virtual income (or 'social wage') for all, by building more and better collectively provided services to meet essential, everyday needs. There are several options for reaching both goals, and both ideas reflect a mounting desire for radical change. But can both goals be achieved together and, if so, how? Can a basic income and a wider range of free public services be seen as complementary steps towards a more progressive future? How far are they compatible in fiscal and ideological terms? Stewart Lansley and Anna Coote debate one of the hottest topics of the time.



Stewart Lansley is a visiting fellow at the University of Bristol. He has written widely on poverty, inequality and wealth and is the co-author (with Howard Reed) of the 2019 Compass report: *Basic income for all: from desirability to feasibility* and co-editor (with Amy Downes) of *It's Basic Income: The Global Debate*, Policy Press, 2018. His other recent books include *A Sharing Economy*, Policy Press, 2016, *Breadline Britain*, *The Rise of Mass Poverty*, Oneworld, 2015 (with Joanna Mack) and *The Cost of Inequality*, Gibson Square, 2011.

Anna Coote is Principal Fellow at the New Economics Foundation (NEF). A leading analyst, writer and advocate in the field of social policy, she has written widely on social justice, sustainable development, working time, public health policy, public involvement and democratic dialogue, gender and equality. She was Commissioner for Health with the UK Sustainable Development Commission (2000-9). Her recent publications include *Universal Basic Services: Theory and Practice* (IGP: 2019); *Universal Basic Income: A Union Perspective* (PSI: 2019); *Building a New Social Commons*, (NEF: 2017); *Local Early Action: how to make it happen* (NEF: 2015); *People, Planet Power: Towards a New Social Settlement* (NEF: 2015;) and *Time on our Side: why we all need a shorter working week* (NEF: 2013).



PRESENTATIONS

Stewart Lansley:

Tackling Basic Issues – is there a case for a “floor” as a social right – this idea has been around for a very long time that everyone should be entitled to some form of minimum income. Bevan wanted to create an income floor through family allowances and national insurances, but there’s been anything but – zero – 9m people are economically inactive, including ex-army, wives, carers, and as a result we have record levels of poverty, lower than in the thirties - we have made zero progress. Interview quotes What Poverty means..... mothers going without meals etc. Poverty is embedded in the way the economy works, and the way decisions are taken – it’s institutionalised. Low pay, fragile labour market, homelessness, private rents up 60% more than wages since ----, food aid is also institutionalised, income/wealth highly concentrated, social security system dependent on means-testing, budget cut by 25% since 2010, highly punitive. Graph of a disciplinary state. Since 2010 5m people have been sanctioned.

Strengths of a Basic Income:

Income floor, boosts universal base of social security, provides income for unpaid work, is a weapon against insecurity, empowering non-judgmental, incremental: in last 50 years 7 Nobel Laureates have advocated it, but it has always been since as eccentric. However due to rising poverty it has been rising up the political agenda. It has many strengths. Beveridge always intended that social security would form a base, and that carers and volunteers would be covered. Potentially very empowering, so gives people more choice whether to work or not, retrain, set up a business, go into caring – increases people’s options, and is non-judgmental. Could be introduced incrementally.

The main criticism of UBI is that unaffordable. However, with Compass Stewart has been modeling different types of basic income. There are two basic models:

1. Big Bang – this is advocated by post-capitalist thinkers, who believe it would be the end of capitalism. But Stuart thinks that it would be too expensive to implement.

2. A Partial Model would be to graft it on to the existing system. This would work, and poverty would fall by about 37%. The gains would be concentrated amongst the poorest, so it involves a re-distribution from high to low income-earners and the gains would be concentrated amongst the poorest. Personal tax allowance would be abolished, as it would be replaced by UBI. They have calculated that it would be introduced at zero cost. They have tested two schemes altogether, in both the gains would be concentrated amongst the poorest.

Key Steps.....

Wealth inequality UK – we see it as a social dividend from the UK’s accumulated pool of wealth (model 2) – it would involve a new social contract.

Public versus private assets is what sets inequality into a permanent upward cycle.

There is an argument that natural resources like land, created over 100s of generations, shouldn’t be privately owned – we should all benefit. Need to raise level of basic income by socialising a portion of wealth into a Citizens Wealth Fund, which would run by Board of Guardians. Is it utopian? There are various examples of state investment funds, eg Swedish, Alaska and Shetland. Swedes have built infrastructure out of this scheme. If we spent £25b a year, over ten years’ investment would create a fund which would cover it.

Anna Coote:

Anna works at the New Economics Foundation - presents the case for Universal Basic Services, which was created as an antidote to one version of UBI. Thinking of of Alaska and Shetland model, there is a new book on UBS – by Anna Coote & Andrew Percy, it’s about reclaiming the collective idea, working together to meet the needs that we all share.

Why does this matter now? We are looking at widening inequalities and deepening poverty as well as acceleration to ecological catastrophe. The collective values of the postwar settlement hav given way to market values of individualism, choice, competition and consumerism. Public services are undermined by austerity and anti-state politics. Also the coming of the robots.

UBS means: Services. Basic. Universal. Its guiding principles are shared needs, collective responsibilities, and sustainable development.

Shared Needs: these are basic needs which are universal across time and space: core capabilities, health & critical autonomy. Generic intermediate needs are essential for satisfying basic needs, eg water, nutrition, shelter, security and non-threatening work, education, healthcare, security, primary relationships, physical security and a safe environment, evolving to include access to motorised transport and digital media.

The Social Wage: We all expect to be able to buy some of life's essentials, eg food, and clothing. Some things need public policies to make them accessible eg housing, motorised transport, digital information. Other things we all need but can only afford if we are rich, eg education, healthcare, childcare, adult social care.

Summary

We need more and better public services. We need to improve and extend existing services, expand the range to include childcare adult social care, housing, transport, and information, and more. With a reformed system of income support that is sufficient and non-stigmatising for all who need it, so that no-ones' income falls below an agreed level.

How is this radical? Because it reclaims the collective idea, promotes sustainable development, aims to transform public services, involves investment not expenditure. We can learn from experience – we have plenty to build on. Working towards inclusive and enforceable entitlements, with multiple models of ownership, a new dynamic between top-down and bottom-up policies, and democratic dialogue. Key roles for the state – are to ensure equal access, to set and enforce quality, to collect and distribute funds, to coordinate services for best outcomes.

UBS in practice

Examples in other countries, eg childcare in Norway, adult social care in Germany, Housing, public ownership eg Vienna, Copenhagen, - each services requires a customised approach, as they are all quite complicated, eg free buses, well-connected routes in France. Information and internet access are a utility not a commodity.

Benefits of UBS: Equality, Efficiency – we've seen failures of the market, economies of scale, no profiteering, handsome social and economic returns. Solidarity - pooling resources, sharing risks, mutual regard empathy and interdependence. Sustainability – quality public services prevent harm, help to stabilise the economy, reduce GHG emissions and safeguard natural resources.

UBS and Cash payments: Both essential, how far are they compatible?

Cost = 4-5% of GDP. Estimated cost of UBS is 20-30%. An income support scheme would cost much less – desirable goal not at high levels. It's the threshold that counts and the trade-offs – can be incompatible - it's a question of priorities. Only a modest income support scheme is compatible with UBS.

Beyond that: additional funds: Basic income schemes even partial ones do little to reduce poverty or inequality. An enlarged social wage: Cash payments to individuals or building infrastructure? - UBS with a lower income floor is more manageable, so the conclusion is that we should work together to build more and better collective services plus a cash distribution. There are no silver bullets.

Collective services

The idea of UBI holds many dangers. UBS is collective • UBI is more individual? There is a danger that UBI would fuel inflation. UBS works in the NHS - if you are just below the level of getting a job but not disabled you would gain.

Q & A and DISCUSSION

Q. Argument that UBI would fuel inflation... House-price inflation is caused by differentials in wages. We need to fund a set of policies that make housing affordable. People in between need services AND an income – guaranteed local level. As always, how do you change society enough?

Q. Start by giving decent funding to local authorities and demonstrate what's possible

Q. Who is the YOU?

Process of shifting opinion, like the Neoliberals did. We need to push back in the opposite direction. Looking back to social reforms – it took a long time to happen. They were debating the idea of the NHS from the 1920s. Also Family Allowances were promoted in the 1920s – it took 20 years to happen. Similarly with the minimum wage, which was proposed by the Low pay Unit- it took them 30 years before it happened. There are no short-cuts. We need a national campaign – we have to fire on lots of different cylinders. Basic Income was once seen as a lunatic idea.

Q. Asking Anna whether guaranteed income requires means-testing ...

Danger that UBI subsidizes industry, eg shops can employ people below the rate because they know it will be subsidized - same with rents - they can overcharge because of housing benefit – subsidizing private pockets.

UBI doesn't preclude UBS. Anna says Labour Party interested in UBS. Fran has been working on it for decades. If we go down the individual choice solution we are a dangerous route - historical problems. Focusing on services, but assume we can agree what the income floor should be, eg if you didn't have to pay for childcare.

Stewart: UBI versus UBS – both are needed - particular proposals can be made revenue-neutral. Four steps – personal allowance is a cash payment, child benefit financed by higher taxes, introduction of young people's benefit. Anna says there is an inevitable slide - the Alaska fund doesn't transform peoples lives. Yes to a Social Wealth fund, but we need to put political energy into the collective route.



Rev Paul Nicholson of Taxpayers Against Poverty:

<http://taxpayersagainstopoverty.org.uk> says something has got to be done before five years, to help the hungry and the homeless, people who are evicted – we also need to sort the housing market. Mary Fee added that UBI would avoid sanctions, but why can't they build affordable housing?

Stewart says yes to social housing, the minimum wage, and progression – need to fire on lots of cylinders. He is particularly concerned about rent arrears, would they have to use UBI to pay them? Sanctions don't work, the hostility created by ministers and the media, public have gone along with it, but public opinion is moving on it. It's possible to change these things, but difficult to challenge it with a right-wing government

Anna says we should recommend Housing as a “universal basic service”, good quality and available. A higher minimum wage, would go along with the redistribution idea but it's best to focus on services: eg free child care, and support for local authorities to build housing and transport services – we need to reclaim the collective ideal.

Q. Someone who runs a small business asks would I give employees a basic income knowing it will be topped up, or do I have to pay them a lot to make it worthwhile for them to work?

Someone replies - if you give everyone another £1k a years, wouldn't you find that all the rents would rise?

Stewart says if UBI is at a modest level it doesn't reduce the incentive to work, it provides basic security, you keep it if you go to work.

Nevertheless Anna argued that too much money spent on UBI would take money away from basic services. Stewart concluded that the consensus, looking at UBI, is that the modest partial scheme is the one to go for.



The meeting was organised by Henry Leveson-Gower of Mint Magazine and Promoting Economic Pluralism, and hosted at the School of Economic Science in London: here is a complete recording of the event:

<https://www.themintmagazine.com/basic-income-and-universal-basic-services-conflicting-or-complementary>

MF/mf/DRAFT – 29/7/2019