

**Communist Party
Political Economy
Commission Briefing**

UNIVERSAL BASIC INCOME

November 2021



**TAKE THE ROAD TO
SOCIALISM**

CPB BRIEFING DOCUMENT ON UNIVERSAL BASIC INCOME

November 2021

PURPOSE OF PAPER

To assess the costs and benefits of the concept of Universal Basic Income (UBI) in itself and in relation to the achievement of the wider goals of a Left-Wing economic and social programme.

Definition:

UBI is basically a government program in which every adult citizen receives a set amount of money on a regular, unconditional basis. The goals of a basic income system are to alleviate poverty and alleviate economic uncertainty and to replace other need-based social programs. However, as we shall see, there are a variety of interpretations of UBI and a number of schemes have been proposed by its partizans.

The current range of proposals are probably best understood as a “patchwork of possibilities rather than a single idea or policy. It can mean almost anything to anyone, with one consistent theme: UBI is about giving money to people for the purpose of solving social and/or economic problems.”

http://www.world-psi.org/sites/default/files/documents/research/en_ubi_full_report_2019.pdf

SUMMARY

- Luke Martinelli summarised the issues well: “an affordable UBI is inadequate, and an adequate UBI is unaffordable.” <https://www.bath.ac.uk/publications/assessing-the-case-for-a-universal-basic-income-in-the-uk/>
- Some of the problems with UBI are signalled by its own advocates. Nick Srnicek and Alex Williams in *Inventing the Future*, write that “the real significance of UBI lies in the way it overturns the asymmetry of power that currently exists between labour and capital.” Its establishment would allow workers to have “the option to choose whether to take a job or not.... A UBI therefore unbinds the coercive aspects of wage labour, partially de-commodifies labour, and thus transforms the political relationship between labour and capital.”

But to do this, the authors insist, it “must provide a sufficient amount of income to live on.” If the payment isn't high enough to let people to refuse work, UBI might push wages down and create more “bullshit jobs.”

Despite the key importance of size and the means of implementation, very few texts advocating UBI — including Srnicek and Williams's work — discuss the policy's concrete details. Many of basic income's benefits would only arrive if it provided a generous monthly amount, meaning that a moderate or low-amount version could have potentially negative effects.

- A moderate version from Philippe Van Parijs, one of the founders of the Basic Income Earth Network calls for a “base” income of €600 (\$710), that is not fully added to existing social benefits. This program would cost over 6 percent of GDP in a country like Belgium, with an already high level of social spending and benefits — for a system that fails to increase the meager incomes of the vast majority of people dependent on social services.
- A more generous version such of French economist Yann Moulier-Boutang, amounts to €1,100 (\$1,302) a month for each citizen and would be added to existing benefits.

In France, it would cost around 35 percent of GDP. When the French socialist party's think tank, Fondation Jean Jaurès, studied the budget impact of a €1,000 monthly UBI, it estimated that it would cost as much as all current social spending — pensions, unemployment, social assistance, and so on — plus the budgets for either national education or health care.

Our own estimates show that a truly universal UBI of £10,000 per annum in the UK, and replacing all existing benefits would cost over 30% of GDP. In addition to the impact on public finances, the threat to other items of public expenditure, the impact of any resultant increased taxes on the poorest in society, the issue remains that £10,000 is not a substantial annual salary that would give everyone the option to reject work and the “bullshit jobs” as Srnicek and Williams loftily and coarsely dismiss some labour.

- UBI proposals all accept the basic dynamics of neoliberal capitalism as beyond human control and posit UBI as a solution to the uncertainties, inequality and inequities of the system, see this from the Compass Report of 2016:

SUMMARY CONTINUED

"The post-war social security model developed in very specific circumstances and was designed to fit a particular sort of economy as a system of insurance against a range of economic risks. The Beveridge system worked well in the post-war era when those risks were better controlled. The goal of full employment (for men) was largely met, jobs were much more secure and often for life, wages were more generous relative to contemporary needs than has been true in more recent years, and housing costs were much lower as a ratio of net income. Today the risk of unemployment is higher, low pay and work insecurity has spread, and relative housing costs have risen sharply. These trends have greatly raised the risk of poverty and the demands on the social security and wider welfare system."

Rather than work to better control these risks and create an economy that works for everyone, Compass and other UBI supporters reify the economy as an ineluctable mechanism whose trajectory cannot be stopped by human agency, all we can do is put in place palliatives such as UBI that make the machine's excesses less painful.

UBI is either an inadequate or unaffordable palliative and a distraction from the real challenge of building an economy and society not dominated by the priorities of the ruling classes. For British MP Jon Cruddas and Tom Kibasi, director of the London-based Institute for Public Policy Research, UBI "institutionalises the gap between the disproportionate and increasing rewards for the few and stagnant and poor prospects for the many"; it is a "lazy utopian remedy" that fails to address "issues of class, economic ownership and the productive capacity of the economy."

<https://www.compassonline.org.uk/wp-content/uploads/2016/05/UniversalBasicIncomeByCompass-Spreads.pdf>

THE COMPASS PAPER.

"Universal Basic Income: An idea whose time has come?" of 2016.

This is an interesting paper to analyse as despite being for the concept in principle, its intellectual rigour and core assumptions help highlight some of the fundamental issues of UBI.

<https://www.compassonline.org.uk/wp-content/uploads/2016/05/UniversalBasicIncomeByCompass-Spreads.pdf>

The Foreword states clearly the basic problem:

"A 2016 survey found 11% of the population aged 16–75 (the equivalent of nearly 5 million people) working for online platforms, paid by the task.... Growing numbers of British people are piecing together a patchwork livelihood from multiple sources, not knowing from one day to the next if or when they will be paid. For creative workers, on whose innovations an increasingly knowledge-based economy relies, the borderline between unpaid and paid work is fluid and shifting. Today's brainstorm or jam session may turn into tomorrow's multi-million pound app or award-winning record. Yet we still have an obsolescent benefit system that attempts to classify people neatly into those binary categories: 'employed' or un- employed'; those 'genuinely seeking work' or those who are not.

The present system, in short, is no longer fit for purpose. It is cumbersome and expensive to administer and penalises claimants whose messy and complex lives do not fit neatly into its anachronistic categories. But that is not all. It also disadvantages employers who, in a competitive global economy, want to access labour flexibly on demand, and artists and innovators who want to develop new ideas without starving. In other words, it does not just damage social cohesion, it harms the very economy it is supposed to help."

This betrays a basic acceptance of the norms and priorities of neoliberal society, and implicitly precludes the possibility of creating something different in which labour precarity and the damage it brings no longer exist. It recycles the mantra about the pressures of the "competitive global economy" without questioning whether these pressures need to exist or who benefits from them. As an aside, the economies of the western capitalist nations performed better regarding their own priorities, i.e. those around economic growth, when there was more security of employment, strong unions and less "flexibility" in the labour market.

<https://resistance666site.wordpress.com/2021/05/02/personal-and-corporate-tax-reality-versus-bourgeois-economics/>

"A UBI would provide a much more secure income base in an age of deepening economic and social insecurity and unpredictable work patterns."

It's a palliative that does not attempt to address the underlying causes of the problem.

Their Proposals

How well do their proposals address the symptoms? They have two UBI models: a full scheme (that replaces most means-tested benefits) and a modified scheme (that leaves existing means-tested benefits in place, at least initially). Their conclusions:

- a full scheme that replaced all or most of the existing system would be difficult to implement in the present circumstances; it would be too expensive and there would be too many losers among poorer households
- it would be possible to implement a modified scheme, which would raise average incomes at the bottom, reduce poverty levels, significantly for children, and reduce the level of inequality, all at a manageable cost

Back to Martinelli: “an affordable UBI is inadequate, and an adequate UBI is unaffordable.”

The full schemes that they designed all showed an average gain for poorer households but a large number of losers amongst people at the lower end of the distribution, these losses all leading sharp rises in relative child poverty. (the losses are due primarily to the rate paid per child not compensating for the loss of compensate of child tax credits and the rate paid per adult not covering the means-tested benefits and Working Tax Credit in some cases. This is especially true where benefit claimants are entitled to disability premium for Income Support or Working Tax Credit.

A meagre return for additional costs ranging from £35billion to £43billion and an increase in the basic tax rate to 30% to help defray the increased costs. For the more expensive scheme, pensioners would receive £151.20 per week, adults over 18, £73.10 and children under 1, £44.30: not really enough to forebear and withstand the vicissitudes of capitalism.

	Scheme 1	Scheme 2
Weekly payment levels	<ul style="list-style-type: none">• Pensioners: £151.20• Other adults (over 18): £73.10• Children (under 18): £44.30	<ul style="list-style-type: none">• All adults over 18 including pensioners: £73.10• Children: keep existing Child Benefit rate
Benefits and tax credits	<ul style="list-style-type: none">• Abolishes all means-tested benefits and tax credits except Housing Benefit and Council Tax Support• Abolishes State Pension and Child Benefit	As scheme 1 except that Pension Credit and Child Benefit are still paid
Income tax: personal allowance	Maintained at £10,600	Maintained at £10,600
Income tax: rates	<ul style="list-style-type: none">• Basic: 30%• Higher: 50%• Top: 50%	<ul style="list-style-type: none">• Basic: 30%• Higher: 50%• Top: 50%
Employee NICs	Increased from 2% to 12% above upper earnings limit	Keeps existing system
Net annual cost	£43bn	£35bn

Their preferred scheme is a modified UBI that keeps many existing means tested benefits, though UBI is taken into account when calculating those benefits and Child Benefit is wholly replaced by UBI. Pensioners get £51 per week on top of the pension, other adults over 25 get £71 per week, adults under 25 get £61 and “children”, not defined, get £59. Basic income tax goes up to 25%, it's currently 20%.

	Scheme 1	Scheme 2
Weekly payment levels	<ul style="list-style-type: none"> • Pensioners: £41 • Other adults over 25: £61 • Adults under 25: £51 • Children: £49 	<ul style="list-style-type: none"> • Pensioners: £51 • Other adults over 25: £71 • Adults under 25: £61 • Children: £59
Benefits and tax credits	<ul style="list-style-type: none"> • Keeps existing means-tested and non-means-tested benefits • UBI is taken into account as income when calculating means-tested benefits • Child Benefit is replaced by UBI • State Pension is maintained (UBI paid on top of it) 	As scheme 1
Income tax: personal allowance	Abolished	Abolished
Income tax: rates	<ul style="list-style-type: none"> • Basic: 23% • Higher: 43% • Top: 48% 	<ul style="list-style-type: none"> • Basic: 25% • Higher: 45% • Top: 50%
Employee NICs	Lower earnings limit reduced to zero; NICs levied at 12% on all earnings	As scheme 1
Cost breakdown		
Gross annual cost of implementing UBI	£176.9bn	£209.5bn
minus: savings from reduced payments of other benefits and tax credits	£36.1bn	£40.7bn
minus: increased income tax and NIC receipts	£140.2bn	£160.6bn
equals: net cost	£0.7bn	£8.2bn

For an additional £8.5 billion the scheme has some good elements and outcomes, and some form of UBI like this, essentially a supplement to the current welfare scheme, merits review. But it is not a solution to the problems of relative poverty, economic precarity and the changing nature of work under this capitalism. Nor does it particularly simplify the welfare system, one of the many claims of UBI enthusiasts.

In addition, the paper itself says:

“Under the current system, working parents on low earnings in receipt of Working Tax Credit are also entitled to an additional child care element to help pay for the costs of registered child care. The amount of financial assistance depends on income, childcare costs, the number of children and family circumstances..... Nevertheless, as more families would come off means-tested support once there was movement towards a full scheme over time, some new, separate, arrangements would need to be put in place to handle the child care costs that arise from parental employment.”

This represents additional net costs of up to £14 billion on top of the £8 billion projected already. There will also be an additional net costs for disability and of course housing. In Compass's own words:

"A third area of additional costs not covered by the UBI schemes examined here is housing. Because of the high levels of rent, and widespread variations in such levels, and the current structure of the housing market in the UK, some kind of means- tested support (whether along the lines of the current Housing Benefit or an alternative system) will be inevitable, at least in the short to medium term. Ultimately, reducing reliance on means-tested housing support will depend on housing policies that would bring current costs down."

This is an admission that UBI is no panacea and has to be part of an integrated set of solutions to rectify the injustices of class society. Also, Compass do not address the very real possibility of landlords increasing rents in response to any UBI scheme that makes their tenants better off, UBI in isolation has massive limitations, the merits of any scheme can only be judged fully if they are part of an integrated package designed to address both the symptoms and the causes of economic and social injustice.

UBI AS A RESPONSE TO WAGE SUPPRESSION AND LOW EMPLOYMENT

Much of the recent increase in interest in UBI has been provoked by the falling share of wages in world GDP and the emergence of technology that could render many people unemployed.

Compass state the problem thus:

"A UBI funded in part through such a social wealth fund would also have an important macro-economic benefit, one which would contribute to better economic resilience. One of the effects of the steady fall in the share of national output going in wages in favour of profits since the late 1970s has been the long-term erosion of economic demand. The evidence is that demand deficiency was a contributing factor to the 2008 crisis and the slowness of the recovery, and has contributed to continued instability.⁴³ The Geneva-based International Labour Organization, for example, has shown that nearly all large economies – including the UK and the USA – are 'wage-led' not 'profit-led': they experience slower growth when an excessive share of out- put is colonised by profits, with less going in wages.

Technological advance is likely to intensify this problem, as the wage gains from automation are unlikely to match the gains to productivity, with capital grabbing a disproportionate share of the benefits, contributing to a drag on economic growth. As a writer in the Los Angeles Times put it, echoing the earlier warning by Robert Solow, 'the relentless drive by capital to cut costs and boost profits is threatening to destroy the wellspring of economic growth that capitalism requires... when there are no jobs for humans, there will be no consumers with the disposable income to buy the products being so efficiently produced by robots.'

A regular citizen's payment financed, in effect, by lowering the return to capital would help overcome some of this demand deficiency. It would also have an additional benefit. It would facilitate the use of quantitative easing – the mass printing of money – for cash hand-outs as a more direct way of tackling recessions, as advocated by some commentators. In this way a one-off higher payment rate (a form of 'helicopter drop' de-signed to inject a cash input directly into the economy) could be paid, thus providing an immediate boost to consumer demand." It's a reasonable statement of some of the fundamental problems of our time's capitalism, but UBI is an inadequate and fanciful response.

To illustrate:

If the corporate sector puts one million people out of work on an average salary of £30,000 per annum, they will save £30 billion each year. (£30,000 X one million, it will actually be more than that but for the purposes of exposition we will keep it simple)

Ceteris paribus and assuming a corporate tax rate of 25% they will pay an additional £7.5 billion tax that year on the increase in their profit.

The one million workers, assuming a tax rate of 20% will pay £6 billion less tax that year so the government is only around £1.5 billion better off, assuming that they are able to capture all that increased profitability through corporate tax.

Assume that the workers who have been made unemployed got £10,000 UBI per annum and spent 90% of their post-tax income including UBI, i.e. £30.6 billion per annum.

(Total salaries equal £30 billion, £24 billion post tax paid of 20%, add £10 billion UBI to give a total post-tax income of £34 billion, 90% of this figure is £30.6 billion.)

If they have to rely on their UBI payments they will probably spend all of it, i.e. £1 million X 10,000 = £10 billion. So that's £20.6 billion taken out of consumer spending with the government only being a dubious £1.5 billion better off to enable it to compensate without increasing taxes elsewhere.

The increased profits of the firms that make redundancies will go to already very wealthy people/institutions with a much smaller propensity to spend. Theoretically some of it could be spent on increased investment in capital and Research/Development, however recent experience shows that it will go on share-buybacks and other investments in securities including those associated with tax havens.

<https://eminentra.co.uk/30-major-companies-buying-back-8-billion-and-why/466860/>

As a proportion of GDP, R&D expenditure has fallen to 1.7% of GDP, it was the equivalent of 19% of GDP in 1986. The UK R&D expenditure of 1.7% of GDP is below the OECD average of 2.4%.

R&D expenditure in Germany is the equivalent of 3.1% of GDP, in the US it is 2.8% and in France it is 2.2%.

(<https://commonslibrary.parliament.uk/research-briefings/sn04223/>)

So in order to compensate for the lost demand the government will be forced into a combination of increased taxes on wealthy and middle-income people, borrowing and/or printing money. Two major constraints on this:

- The wealthy are very good at hiding their money, around 10% of world GDP rests in tax havens, their political power also militates strongly against increased taxes on their income, whether it be personal or corporate
- Giving everyone in the UK a UBI of £10,000 per annum is equal to around 32% of GDP, that's a significant impact on other expenditures that could alleviate the impact of job losses, ability to raise taxes, borrow more etc.

So even a very generous UBI scheme such as £10,000 per year will not compensate adequately for the effect of mass lay-offs unless the government is prepared to tax the wealthy, ban their havens etc. Even then, a very generous UBI scheme will be inadequate to make up for the consequent fall in consumer demand.

UBI does nothing in itself to curtail the political power of the wealthy; if we arrive at a situation in which that group is properly taxed and prevented from seconding their wealth, it is to be hoped that there will be no need for a mass compensatory UBI and mitigating the impact of mass redundancies as we will have created a very different society and economy.

UBI does nothing in itself to curtail the political power of the wealthy; if we arrive at a situation in which that group is properly taxed and prevented from seconding their wealth, it is to be hoped that there will be no need for a mass compensatory UBI and mitigating the impact of mass redundancies as we will have created a very different society and economy.

To quote Daniel Zamora:

'No existing economy can pay for a generous basic income without defunding everything else. We would either have to settle for the minimalist version — whose effects would be highly suspect — or we'd have to eliminate all other social expenditures, in effect creating Milton Friedman's paradise. Faced with these facts, we should question UBI's rationality; as Luke Martinelli put it: "an affordable UBI is inadequate, and an adequate UBI is unaffordable."

Until we profoundly transform our economies, we can't implement a measure that would cost more than 35 percent of GDP (his calculation of some of the more generous schemes suggested in France) in economies where the state already spends around 50 percent of GDP. The power relations needed to establish this level of UBI would constitute an exit from capitalism, pure and simple, rendering depictions of UBI as a "means" of social transformation nonsense.

Indeed, many defences of basic income can be classified as what Raymond Geuss called "non-realist political philosophy": ideas formulated in complete abstraction from the existing world and real people, completely "disjoined from real politics" — like the Rawlsian model of justice that serves as an important inspiration to figures like Philippe Van Parijs."

<http://www.jacobinmag.com/2017/12/universal-basic-income-inequality-work>

The prospect of a shrinking job market due to increased automation has swollen the ranks of UBI supporters in recent years. Many, including trade unionists, see UBI as a way of mitigating the social and economic downsides of technological change. They anticipate a rapidly diminishing supply of paid work as machines take over – although opinions vary about the extent of this effect. Ray Kurzweil, director of engineering and chief futurist at Google, predicts that UBI will spread worldwide by the 2030s as artificial intelligence wipes out jobs. Others predict that strong growth in some sectors will counterbalance job losses in other sectors. Martin Ford, author of *The Rise of the Robots: Technology and the threat of a jobless future*, reckons that three kinds of employment will remain resilient: jobs that are creative, relational and responsive to emergencies.

Ultimately these predictions are based on the assumption, and normalise the myth, that the economy exists outside of the control of people, when in fact the economy is created by people who could chose to stimulate employment in the badly needed sectors of health, education and environment if they so desired. UBI is a capitulation to the dominance of neoliberalism, not a robust response to its excesses.

UBI AND INCREASED BARGAINING POWER OF WORKERS

There is a belief that UBI will increase workers' bargaining position against employers. In isolation it is highly unlikely to do so and could exacerbate matters.

Daniel Zamora again:

"A low or moderate UBI — too low to let people refuse job offers — could relegate the least qualified people to more intensely precarious situations. As Luke Martinelli puts it:

'The lack of an exit option for such workers, and their weak bargaining position with respect to employers, means that basic income could end up exacerbating poor pay and conditions if other workers were willing to reduce their wage demands as a result of the unconditional payment.'

Martinelli highlights "the danger that basic income 'would aggravate the problem of low pay and subsidize inefficient employers,' leading to a proliferation of 'lousy' jobs." In this scenario, those with good jobs will continue to lead fulfilling lives, now supplemented by universal income, while others will have to combine their UBI with one or more "lousy" jobs, with little gain in income. The proposal makes no attempt to help those without a job today get one tomorrow or improve the job they have. Indeed, everything suggests that the opposite will happen: the UBI will function like a war machine for lowering wages and spreading precarious work.

This aspect of basic income isn't new: it explains why the neoliberal economist George Stigler originally proposed a UBI, in the form of a negative income tax. In contrast to Keynes, who downplayed the role of wage levels in his explanation of unemployment, Stigler's famous 1946 paper "The Economics of Minimum Wage Legislation" argued that the minimum wage reduced employment. He called on the government to abolish such regulations so that workers could accept wages that don't exceed the market price.

Stigler's negative income tax, which would supplement incomes up to a certain point, would allow workers to accept low-wage jobs while still living above the poverty line. In effect, the system guarantees a minimum income without affecting the wage price. As Friedman wrote in 1956, the program, "while operating through the market, [does] not distort the market or impede its functioning," as Keynesian programs do.

Today, one still commonly sees UBI advocates resort to neoclassical platitudes about employment. We can only be astonished, for example, at the dubious claims made by Van Parijs and Vanderborgh in their recent book *Basic Income: A Radical Proposal for a Free Society and a Sane Economy*, such as: "where the level of remuneration is and remains firmly protected by minimum wage legislation, collective bargaining, and generous employment insurance, the result tends to be massive losses of jobs."

We shouldn't be starting from the premise that too-high wages generate unemployment by disrupting the economy's optimal equilibrium: that's precisely the idea we should fiercely challenge. Indeed, recent studies seriously undermine these claims. Contrary to neoclassical predictions, countries that tax work the most have the highest employment rates because income taxes fund social services, which promote labour market participation, especially for women."

CONCLUDING ARGUMENTS AGAINST UBI

- Making cash payments to individuals to increase their purchasing power in a market economy is not a viable route to solving problems caused or exacerbated by neoliberal market economics. Individualised cash payments on the basis of a mythical universal income, as distinct from an identifiable social need (e.g. Child Benefit) should be seen as a key ideological component in neoliberalism's attack on universal welfare systems.
- There is no evidence that any version of UBI can be affordable, inclusive, sufficient and sustainable at the same time. It is reasonable to see UBI as designed to encourage an individualist, consumerist approach to welfare that pits UBI recipients against universal state welfare provision in a race to the bottom.
- There is no evidence that UBI will help to increase the bargaining power of workers and trade unions, or solve problems of low pay and precarious work. On the contrary, it is reasonable to see UBI as a mechanism for weakening already much enfeebled collective bargaining systems in favour of a state aid model in which the corporate sector is mythologised as 'wealth creator' and provider of tax income and wage labour is seen as a drag on productivity to be eliminated through automation.
- UBI will have limited impact on inequality or addressing the power asymmetries deriving from that inequality and the psychological impacts thereof. Even if UBI were in itself to improve the well being of many, inequality in itself is damaging, see The Spirit Level
- The increased need for public borrowing necessitated by some of the more generous UBI schemes, particularly in the face of mass unemployment (see above) will also contribute to increased inequality, see here:
- <https://www.taxresearch.org.uk/Blog/2020/06/15/rising-government-debt-can-increase-inequality-governments-have-to-be-willing-to-tackle-that-head-on/>
- Rapidly changing labour markets, inadequate welfare systems, poverty, inequality and powerlessness are complex problems that call for complex changes on many levels: there is no "silver bullet" of the kind that UBI is often claimed to be.
- The campaign for UBI threatens to divert political energies – as well as funds – from more important causes.
- It is necessary and possible to raise funds to bring greater security, opportunity and power to all people, but the money needed to pay for an adequate UBI scheme would be better spent on reforming society, social protection systems, and building more and higher-quality public services.

Many (although not all) proponents of UBI see it as a means to fix problems that concern and occupy the Left. Thus the UBI debate does at least create important opportunities for us to advocate for quality public services, progressive labour and welfare reform, whilst criticising the reality of UBI proposals and using that critique as means of exposing the fundamental fault lines in capitalism.

A NOTE ON UBI TRIALS

There are good analyses in this paper:

http://www.world-psi.org/sites/default/files/documents/research/en_ubi_full_report_2019.pdf

The practical trials described therein vary enormously in purpose, type, scale and funding source, as well as in their political and economic context. They have seldom lasted long enough to test viability over more than a few years, and there is an acute shortage of high-level evidence relating to UBI as it is essentially defined at the start of this paper: unconditional, regular cash payments to individuals regardless of their income or status. In summary, they raise a number of questions about methods and limitations, including:

- Length: Although some longitudinal studies are emerging – most notably the continuing Give Directly trial in Kenya – we ultimately have limited evidence of how a UBI scheme might function in the long term – for example, how it might respond to economic crises or inflation, and how it could be financially or politically sustainable over time.
- Scalability: All of the case studies above focused on local level trials. This raises the question of how national UBI schemes would be achievable and how they would respond to regional inequalities.

These effects may have impacts on social justice and on the capacity of working people to defend or improve their living conditions.

Almost all practical experiments with cash payments, including those described as ‘Unconditional Cash Payments’, have in fact been (or are) conditional. The only exceptions are the Alaska Permanent Fund, the city of Marica in Brazil, the unsuccessful Swiss proposal and the Californian scheme planned by Y Combinator. For the rest, the most common condition is that the recipient must have a sufficiently low income to merit inclusion in the scheme. Some are specifically for unemployed people; some are for residents in particular areas selected for their high deprivation score; one is just for girls and their parents; another is conditional upon families sending their children to school and getting them vaccinated; yet another insists that recipients must open a bank account.

By and large, such conditions are perfectly sensible. They target available funds on those most in need of cash or most likely to benefit. Whether they amount to anything resembling ‘universal basic income’ is highly question-able. They tell us nothing about the impact of making cash payments to all regardless of income or status. They tell us nothing about whether or how genuinely unconditional payments could be afforded across whole countries or regions.

The much-touted Finnish trial tells us little useful, it was primarily put in place by a right-wing government in order to see if it could more people back to work. It was largely unsuccessful from this point of view for a variety of reasons, one being that relatively few unemployed people actually choose to be in that situation.

ALTERNATIVE SOLUTIONS

Just some concluding words from Daniel Zamora:

“The considerable sum of money mobilized has only a modest effect on poverty and doesn’t specifically benefit those who need it most. As economist Ian Gough writes, the idea looks like “a powerful new tax engine” that “pull[s] along a tiny cart.”

This fact is even more striking when we consider that the cost of eradicating poverty in any developed country is around 1 percent of GDP. An individual unemployment benefit set at the poverty line (around \$1,200 a month) and granted to all jobless individuals regardless of their place in the family structure would not only pull everyone out of poverty but also end workfare, challenge the normative dimensions of family structures, and fundamentally alter the labour market. All this, for somewhere between six to thirty-five times less money than a universal basic income.”

The latter of course being dependent on which form of UBI is used as a comparison. Zamora’s plan and the abolition of low pay through legislation and the restoration of Trade Union rights form the bases of an alternative set of solutions along with the counterproposal of Universal Basic Services. We should call for the debate around universalism to be re-orientated towards a meaningful right to affordable, decent housing, universal education, health, social care and other economically necessary services such as public transport and the enhancement of environmental standards.

UBI should not be completely dismissed and most of its advocates should be engaged with as potential allies; however, it is a poor substitute for real change and can be a veil for the lack of any real political will to make that change.