

Citizen's Income *newsletter*

2018, issue 4

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more than a decade; young people are set to be poorer than their parents; the nations and regions of the UK are diverging further. Many of the causes of the UK's poor economic performance - particularly its weaknesses in productivity, investment and trade - go back 30 years or more. Fundamental reform has happened twice before in the last century following periods of crisis - with the Attlee government's Keynesian reforms in the 1940s and the Thatcher government's free market reforms in the 1980s. Ten years after the financial crash, change of this magnitude is needed again.

The report argues that a fair economy is a strong economy: prosperity and justice can, and must, go hand-in-hand. But it is not sufficient to seek to redress injustices and inequalities simply by redistribution. They need to be tackled at source, in the structures of the economy in which they arise. Economic justice needs to be 'hard-wired' into the way the economy works.

Setting out a wide-ranging and integrated ten-part plan for economic reform, the report argues for a new vision of the economy and a rebalancing of economic power. Together, its more than 70 recommendations offer the potential for the most significant change in economic policy in a generation.

It is an excellent report, and given the Commission's broad agenda it was arguably justifiable not to tackle the benefits system. The report recognises the injustice of different marginal tax rates applied to those receiving income as dividends, those who pay Income Tax and are not on means-tested benefits, and those on means-tested benefits (p. 205); it argues that the idea that redistribution restricts economic growth is unevicenced and outdated (pp. 26-29); and it suggests that 'work-related benefits and support should be extended to people who are self-employed' (p.119) - but otherwise the benefits system is treated purely as a means of redistributing household incomes and is therefore not discussed.

However, the benefits system is a lot more than simply a method for redistributing household income. The system affects households' employment, relationship, housing and financial decisions; and those decisions have significant economic and social consequences and therefore contribute to the levels of economic justice and injustice in society. The commission recognises this in relation to the tax system, but not in relation to the benefits system.

Citizen's Income Newsletter

ISSN 1464-7354

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Editorials

The IPPR's new report

The Institute for Public Policy Research's Commission on Economic Justice has published its final report, *Prosperity and Justice: A plan for the new economy*

(<https://www.ippr.org/research/publications/prosperity-and-justice>)

As the IPPR says, the report

argues that the economy is not working for millions of people and needs fundamental reform. Average earnings have stagnated for

A Citizen's Basic Income is an unconditional, non-withdrawable income payable to each individual as a right of citizenship

At the launch of the report on the 5th September the IPPR announced that a new Centre for Economic Justice is to be established to continue the work of the Commission. The benefits system should be on its agenda, along with options for its reform.

A blog post

A new blog post by Karen Buck MP and Declan Gaffney asks whether a Partial Basic Income might be 'a practical response to our society's widening inequality'. (<https://leftfootforward.org/2018/09/the-practical-response-to-our-societys-widening-inequality-a-partial-basic-income/>)

We make no apology for quoting a large proportion of this important post:

For supporters, a Basic Income promises to address a host of problems at one fell swoop – poverty, the impact of technological change on jobs, income instability linked to precarious work, the complexity, harshness and unfairness of the benefit system, with such a heavy reliance on conditionality.

For sceptics it simply ignores obvious problems: the need to raise tax receipts to unprecedented levels, the continuing need for social security benefits, to address housing costs and the needs of long term sick and disabled people particularly, the effect on work incentives and the extent to which those most in need are the real beneficiaries.

But perhaps it doesn't have to be so divisive. The idea of an unconditional, universal flat-rate payment potentially has wide appeal: after all, this is what child benefit was until the coalition government took it away from higher earners. And as the Fabian Society is always pointing out, the income tax personal allowance and the threshold for employee national insurance contributions are also similar to universal unconditional flat-rate payments for anybody earning enough to benefit from them in full.

So we have UBI-like elements in the tax and benefit system already.

The feasibility problem with most UBI proposals lies in the payment level they are pitched at and the ambition to replace existing social security. If we put on hold the idea that UBI can, on its own, provide enough for everyone to live on – something we are unlikely to agree on – then the idea of a partial basic income arguably has a role to play in creative reform of taxes and benefits.

Imagine, for example, the income tax personal allowance being replaced by a flat-rate payment of the same value (*i.e.* £11,850 times the 20% basic rate, a bit less than £50 a week) that goes to everyone, whatever their income level. The highest earners would continue to benefit, as now, but so would the lowest earners and those with no earnings at all. Then, if a chancellor decided to raise the personal allowance, they could say quite accurately that they were helping the poorest – as they tend to say, but inaccurately, today. Social security benefit rates would be adjusted to reflect the new payment.

A partial basic income of this type certainly wouldn't solve all the problems UBI advocates say their proposal would. It is doubtful any single policy could do that.

But depending on how it was designed it could help in several ways:

- getting more people off means-tested benefits. If partial basic income is taken into account in benefit entitlement, then the level of earnings at which people can be floated off means-testing could be reduced without lowering their living standards.
- addressing the gender imbalance in the benefit system: the UK has a mainly individual-based tax system and a mainly household-based benefit system. A partial basic income would introduce an individual-based element which would particularly benefit the main carer in couple families – giving them an entitlement in their own right, and helping to address the punitive benefit withdrawal rates that can make work not worthwhile.
- dampening income fluctuations: with more and more families experiencing earnings volatility from week to week, even from day to day, the benefits system is hitting the buffers in terms of its ability to respond in a timely manner.

So there is an idea worth exploring here, even if the initial benefit is, in itself pitched well below subsistence level.

Of course there would also be serious questions to answer: What would be the net additional cost to the Exchequer? What would be the technical and administrative challenges? Who would be the winners and losers? Are there better ways of addressing the problems mentioned above than a partial UBI? The kind of questions any tax and benefit reform proposal would have to answer.

Even for those who are irredeemably sceptical about the idea of a full-blown UBI, a partial UBI along these lines might be seen as meriting serious consideration.

UBI advocates might see it as a step in the right direction, offering a foundation on which they could hope to build something more radical in the future. They might even be right.

But as there continues to be disagreement on ultimate aims and objectives, we need to move the debate on to practicalities. A partial basic income, working with rather than replacing the social security system, is a good place to start.

This is of course precisely the kind of Citizen's Basic Income scheme that the Citizen's Basic Income Trust has been researching since 2014 and publishing in its introductory booklets. The most recent working paper can be found here:

<https://www.euromod.ac.uk/publications/update-correction-and-extension-evaluation-illustrative-citizen's-basic-income-scheme>

Main articles

BIEN Congress, Finland, August 2018, Closing Reflections

by Annie Miller

The Citizen's Basic Income Trust's Chair, Annie Miller, was invited to give the closing reflections at the BIEN Congress in Finland that took place from the 23rd to the 26th August 2018. We are printing the reflections here to give readers who were not at the Congress a flavour of the event, and to give to readers who were there a record of a session that was much appreciated.

Links to videos of the plenary sessions at the Congress can be found on our website.

I am not just going to give my own reflections of various plenaries or particular parallel sessions of the last four days. It would be pointless. You all have attended them and already have your own reflections.

Since I had the privilege of attending the first BIEN conference in Louvain-La-Neuve in September 1986, I would like to give my reflections on how things have changed over 32 years. I have here a list of mainly theoretical research papers, that were presented in 1986. They covered a fair range of topics. We have a paper on definitions by Philippe Van Parijs, a paper on BI and women by myself. We have two sessions on basic income and different ideologies, in which Jan Otto Andersson's name

appears; another session on Political Strategies including Alexander de Roo's name, (as does that of Neils Meyer, co-author of the 1978 *Revolt From The Centre*); a session on aspects of labour, with a paper by Guy Standing; a session on Basic income and the Claimants' Movement, and finally a session on the state of the debate in different countries with contributions from Walter Van Trier and Robert Van De Veen, all of whom (except Neils Meyer) have attended BIEN 2018.

When we compare 2018 with 1986, we see that the basis of the congress is still a broad range of theoretical research papers, but usually in more depth now, and that the topics have extended to include, for instance, BI and ecology, BI and disability, alternative currencies, a world-wide BI, trades unions and the theoretical aspects of BI experiments. I would like to see more papers about constitutional safeguards for BI systems, and legal protections for recipients – from debt-collectors, for instance.

In addition to the continuing adverse effects of climate change, globalization and the financial crisis of 2008, there has been growing concern about the increasing effects of artificial intelligence and new technologies on wages and unemployment. While some have pointed out that old jobs have been replaced by ones in the new technologies, it ignores the decades of misery before they catch up. Automation does not present a new concern. It is merely one more cause of poverty and inequality which is the driver for so many of us in this movement, and which has beset too many people, especially women and children, for far too long. However, one optimistic aspect of this phenomenon is that, since automation and precarious employment is now encroaching on the professional and middle classes, we might hope to attract more powerful allies to our cause.

At a conference in London in 2014, a British politician advised us that the main Westminster parties are aware that the UK's contributory National Insurance and means-tested Social Assistance systems are broken, but none knows what to do about it, and none will put their necks on the block until it has been made safe to do so. Safety entails two requirements.

Firstly, it must involve some empirical experimental evidence – not just to show that it brings about the anticipated good outcomes, but, even more importantly, (even though one cannot prove a negative), to show that no disastrous unintended consequences will follow. Now, we are seeing increasing activity in this area in this congress, with

further testing of past data, the ongoing experiments around the world, and the planning of new ones. Karl Widerquist has often said that research is not enough. And he is right about that. But it is also true that our research must be exemplary. Good quality research is a necessary condition for change to take place, but it is not sufficient on its own to influence evidence-based decisions. We need activists also.

The second requirement is that an informed public must be demanding that a BI scheme be implemented. Even more importantly, the informed public must reclaim their democracy, and engage with and teach their elected representatives, who will be the ones who will vote on whether BI schemes are implemented in the future. These are important educational and campaigning roles for BI activists. It has been pleasing and educational to me to hear about the dissemination technique of framing and the importance of narrative in persuading people to be open-minded to new ideas. These are completely different from the skills of the academic; the two communities are complementary and must work co-operatively to change attitudes and power relations in society.

Thus, we can see that there are layers to the movement, with theoretical research forming a broad base. Empirical research forms another layer, mapping the topics in the theoretical layer, and the activism is a further layer, influencing the public and opinion-formers, policy-makers and politicians. I know that I am not alone in struggling to map out a comprehensive structure into which to insert my own BI ideas and facts. There seem to be too many inter-related parts. Maybe three layers could help to simplify the schema?

Another enormous change since 1986, is that of the technology at our fingertips. Now many of us have access to word-processing programs, sophisticated statistical techniques, microsimulation software and, for many of us, access to official data sources – not always the data that one wants or in the form in which one would like it, but, nevertheless, an enormous improvement. Many of us now have access to information online, that previously was only available by consulting books and journals in a library. In addition, we all are now connected by fast and diverse communications. One innovation in this congress has been the inclusion of a film festival, which is fantastic. And I have not had time to attend any of it.

There is always so much going on, and, in spite of being involved in this debate for over thirty years, I am still learning. My one gripe about BIEN

Congresses is that I feel frustrated at missing out on so many interesting parts. There are always several competing papers in each of the parallel sessions that I would like to attend, but until I learn how to be in two places at once, I shall continue to miss out on so much. What is the solution? One might be able to read all the abstracts, but for someone who is dyslexic, like me, it is so much easier to listen and discuss things face to face.

Another difference between 1986 and now is that we used to call it 'Basic Income'. Now it is called UBI. What is this all about? It seems to be a generational phenomenon. What is the difference between BI and UBI? And is it universal or unconditional, and what about individual? Really, it should be UIUBI. And so BIEN would become UIUBIEN. If we wish to use superfluous adjectives and initials in order to educate the public about BI's defining characteristics, let us be really pedantic and base it on the BIEN definition. It is a *periodic cash* payment, so it should be PCUIUBI. Please starting practising 'PCUIUBI'. Or why not just use plain 'BI'?

And, talking about the characteristics that define a BI – when the structural faults of the means-tested Social Assistance system are addressed and corrected – the couple or household assessment becomes individual-based, targeting is replaced by universalism, differential levels of payment become undifferentiated except that they could be age-related, and the conditionality designed to influence behavior melts away. Thus, out of the wreckage of the old system, the BI emerges like a flower.

In the past year, I have been accused both of being a communist and of getting into bed with billionaires. Strangely, this makes me feel quite optimistic, since it implicitly recognizes that BI is not a one-horse system. It will not have just one outcome, but a range of possible objectives – equity, efficiency and liberty – that appeal to both left and right, although with different priorities. This emphasizes that fact that, while the majority of delegates here would not demur at being described as left-wing, we must also be able to speak in an inclusive way to people with right-wing leanings. I find that when I talk with people about the broad objectives that a BI could help to fulfill directly – to respect and value all individuals and emancipate them; to prevent or reduce poverty and increase wellbeing; to redistribute income, creating a more just and inclusive society; to restore the incentives for paid work which means-testing destroys; and to simplify the administration of benefits and make it less intrusive – there is little – apart from perhaps redistribution – that right-wingers disagree with. It is important to discuss BI with those

who have a different perspective, so that a broad coalition of political opinion can take the BI movement forward.

I was accused of getting into bed with billionaires at a recent lively session on BI at the Edinburgh International Book Festival. At one stage, the chair asked the audience how many would be willing to pay up to 50% income tax in order to pay for a BI, and about three-quarters of them raised their hands!

Talking about billionaires, I have often wondered what makes the 0.1% richest and most powerful of the world's seven billion population tick. They control governments, own banks and the media, and seem to have undue influence in too many pies. They seem like an alien breed to me. I note that they don't seem to be prepared to share responsibility for anyone else, which smacks of immaturity. They must have enormous inferiority complexes that can only be assuaged by being rich and powerful. They seem to distrust everyone – is this part of a guilt complex? And finally, they don't seem to be able to empathise with other people, especially with the misery of poor people. We call people like that sociopaths. While damaged children might deserve a certain amount of sympathy, they are also very destructive, and they should certainly not be given powerful toys to play with. How come that it appears to be people with potentially severe personality defects that control much of the world?

An aspect of BIEN congresses that makes it special for me is the composition of delegates. There seem to be more young people here this year, or is this just a matter of my age, and everyone seeming to get younger as I get older? This is *your* future that we are trying to create, and it is important that you become engaged in the debate. I love the fact that you are inter-disciplinary, and that you bring such a breadth of understanding to the congress. I love the fact that we are so international, but it leaves me feeling inadequate, because I am a monolingual Anglophone. I am so grateful to all of you who come here speaking English as a second language, which makes things so much easier for me, but puts an extra strain on many of you. Please believe me, we do not take it for granted. Finally, we are a mixture of skills and experience – academics, activists, civil servants, politicians, journalists, film-makers, and people at the sharp end who have experienced the shortcomings of our social security systems at first hand, and some who have even experienced the difference that a BI can make.

The icing on the cake for me is that I have always found the BIEN congresses very friendly. It is

wonderful to be among like-minded people, and to feel part of a warm and caring family. Although we are just ordinary folk with the usual range of strengths and weaknesses, I have always found that there is something else special about us, and that is that *'we walk our talk'*. We are not so much wanting just to change our social security systems, but to start a revolution, *a velvet revolution*, to make the world a place fit for humans, while also protecting the other species that comprise the ecosystem. We hold dear the values of compassion, justice, liberty and solidarity and we try to act them out in our own lives. It must be obvious to us all, that if we are part of a movement to implement BI, it can only be possible if it is underpinned by a deep love of humanity. We should be able to look at the most despicable, wretched or evil person and say, 'I may not like you, but I will not judge you, and I respect and care about you enough to want you too to have the blessing of a basic income'.

People like us, who are prepared to walk our talk, could change the world. So, to borrow a Buddhist phrase, please, 'go forth abroad the world with bliss-bestowing hands'.

(Compiled, and augmented slightly, from the notes on which the talk was based.)

As with all material in the Citizen's Income Newsletter, this material can be republished on condition that the original source is acknowledged.

State of the Pilot Projects for CBI

By James Rolls

CBI Pilot Project vs CBI Experiment

I shall employ the same distinction between a CBI pilot project and CBI experiment that Charlie Young employed in a paper presented at the 2018 BIEN congress:

- 'Pilot: A full basic income pilot adopts all of its principles [...] Pilots will, however, be temporally limited and may be applied to only a subset of the wider population eg a town, city or region.
- Experiment: Experiments are not full pilots as they may not be universal (eg they will target a particular cohort), have elements of conditionality, or do not meet the criteria of other principles laid out in the following sections. This is often due to financial, political and legal constraints.' (Charlie Young, *Realising Basic Income Pilot Projects in the UK*, RSA, 2018)

This is important to note as some of the 'pilot projects' described will be CBI experiments, as they will focus on a particular section of the population, whilst others will be fully fledged pilot projects where the results can be taken as more representative of a CBI's effects.

Principles of a Basic Income

Before evaluating the state of each of the pilot projects, the principles of a Basic Income need to be established so that each pilot project can be compared. Charlie Young suggests the following principles:

1. Basic Payments
2. Regular Payments (at least once per month)
3. Unconditional Payments
4. Universal Payments
5. Non-withdrawable Payments
6. Equal and Individual Payments (exc. Children)
7. Payments do not leave anyone worse off
8. Ceteris Paribus – other things held constant

Do the pilot projects fit these principles?

Using Charlie Young's principles, the following can be concluded:

	Basic	Regular	Unconditional	Equal and Individual	Non-withdrawable	Universal	Better off	Test group size
Current								
Ontario, Canada	✓	✓	✓	X	X	X	-	4,000
Finland	✓	✓	✓	✓	✓	X	✓	2,000
Kenya	✓	✓/X	✓	✓	✓	X	N/A	21,000
Historical								
Seattle-Denver (US)	✓	✓	✓	X	X	X	X	4,800
Dauphin, Manitoba (Canada)	✓	✓	✓	X	X	✓	-	3,000
Gary, Indiana (US)	✓	✓	✓	X	X	X	X	1,800
Madhya Pradesh (India)	✓	✓	✓	✓	✓	✓	N/A	6,000
Otjivero (Namibia)	✓	✓	✓	✓	✓	✓	N/A	930

(Table from Charlie Young, *Realising Basic Income Experiments in the UK*, RSA, 2018)

(In the context of this table, 'unconditional' has a restricted meaning. It means 'not work tested'. It does not mean that the payment is not withdrawn as earnings rise.)

Reviewing Historical and Current Projects

Historical Projects

1. Seattle-Denver, Dauphin (Manitoba) and Gary (Indiana): The 1960s/70s

These experiments were large-scale trials of a Minimum Income Guarantee in various places in Canada and the United States. Here, the structure of each experiment and the findings will be described.

Structure

All of the experiments focused on a Minimum Income Guarantee (MIG) system, and thus were experiments rather than pilot projects. A minimum guaranteed income was set for each household type, below which benefits would be paid to bring people

up to this guaranteed income, and then withdrawn at a specified rate, so that a 'breakeven point' was reached, when the family would stop receiving benefits and start paying income tax.

All of the families involved in the Seattle-Denver experiment had at least one dependent member and each single-parent family had an income of no more than \$11,000, or \$13,000 for 2-parent families.

In the Gary, Indiana, experiment, the subjects were predominantly black, single-parent families living in the local area. Similarly, urban and rural participants with incomes below C\$13,000 from Winnipeg and Dauphin formed the 1,300 families that were involved in the Dauphin 'Mincome' experiment in Canada.

Findings: Labour market effects:

Experiment	Work reduction amongst the following groups (% of hours p.a.):		
	Husbands	Wives	Single mothers
Seattle-Denver	9%	20%	25%
Gary, Indiana	3% - 6%	0%	26% - 30%
Dauphin, Manitoba	1%	3%	17%

Clearly, work reduction took place in all of the experiments, bar 'Wives' in the Gary, Indiana experiment. However, Karl Widerquist highlights four key areas where these experiments may not be representative of the national impact if a CBI were to be introduced:

Firstly, the payments were offered to families on low incomes: In both the Seattle-Denver and Dauphin experiment, all of the families involved had a relatively low income. Therefore, the effect of the payments on their net incomes, and their ability to reduce their working hours, would have been disproportionately high.

Secondly, due to the relatively small size of the sample groups, and thus the relatively small reduction in labour market supply, the increase in wages would have been negligible. Yet, on a national level, the increase in wages would have been much larger, thus attracting workers, and so lessening the reduction in average hours worked.

Thirdly, Widerquist highlights how the large decreases in hours worked suggests people may have completely dropped out of the labour force; however, he finds that this drop was actually caused by workers taking longer to find their next job, thus having the positive effect of reducing underemployment.

Finally, the rise and falls in the macroeconomic labour market appeared to contribute to the changes in hours worked. For example, in some experiments, the hours worked actually increased as the macroeconomic labour market grew whilst the experiment took place. In the table above, the values are calculated with reference to a control group who were not provided with the Basic Income, and so it may be the case that those in the control group were forced to take less appealing jobs in order to earn the same level of income as those receiving the MIG payments. This would have the effect of decreasing worker satisfaction and so the figures here can be seen to support a Basic Income, as it allows workers to choose more satisfying and stimulating work.

Non-labour Market Effects:

Although not the focus of the experiments, the non-labour market effects of the experiments provided promising reading. For example, quality of life indicators such as school attendance, teacher ratings, and test scores, all increased during the experiment. Moreover, children were found to stay in school longer as a result of the experiments, and more adults re-entered education. Moreover, there were reduced incidences of low-birth-weight babies and both food consumption and nutritional content of the participants' diet increased.

The effect of the payments on divorce rates (increasing them in the Seattle-Denver experiment) was widely reported. Some claimed this to be a negative consequence of a Basic Income, as it allowed family break-up to occur, but others claimed that the Basic Income freed women from financial dependence on their husbands and thus gave them the ability to live a dignified life.

Conclusion

Changes in the poverty indices highlighted the benefits of the payments, and the experiments demonstrated that the decrease in labour market participation was within an acceptable and sustainable range. However, the reports at the time focused on the work disincentive – taking the figures from the experiments and assuming that they would be representative of a national Basic Income (which they were not suggested to be) – and also the divorce rate increase. Thus, the experiments were not able to support Richard Nixon's efforts to implement a MIG in his Family Assistance Plan sufficiently for it to pass into law, so the idea decreased in popularity until the 2000s.

2. Otjivero, Namibia: 2007-2009

Namibia was a particularly poignant location for the next of the large Basic Income experiments, given that two-thirds of the population live below the poverty line and that it has one of the most unequal income distributions in the world.

Structure

All residents below the age of 60 years involved in the programme received an unconditional Basic Income of NAD100 per person per month. Given this universality, it can be seen as being the first ever universal cash transfer programme, and thus the first of the experiments to resemble a true Basic Income.

Findings

Firstly, the community responded surprisingly by establishing an 18-person panel that advised local residents on how they could best use their cash transfer. This highlights the importance of Basic Income in both bringing the community closer together and mobilizing it, so that it can have a more promising future.

Secondly, in the first 6 months of the trial, the number of underweight children fell from 42% to 17%, a remarkable statistic given the time frame. Similarly, the number of parents paying school fees and buying school uniforms doubled during the first 6 months, whilst the school drop-out rate fell from 30-40% to just 5%.

Thirdly, the majority of people in the experiment were able to increase their working hours, and the total income of the Otjivero community increased by a greater amount than the grants given, thanks to a number of new enterprises beginning as a result of the Basic Income.

Fourthly, health clinic attendance increased by five times more than at the beginning of the trial, as more people could afford to pay the NAD4 fee for an appointment. A similar trend appeared when looking at the quantity of ARV treatment for HIV/AIDS, thanks to Basic Income enabling residents to access both government health services and good nutrition.

In addition, the Basic Income resulted in the formation of a committee aimed at shutting taverns on the day of the grant, thus lowering the chances of alcoholism. The number of transactional sex cases also fell as a result of the Basic Income, whilst economic and poverty-related crime fell by 20%.

Conclusion

The funding for the Basic Income was provided by the Evangelical Lutheran Church, but the funding ran out after two years. Responsibility for the failure to implement a national Basic Income following the experiment lay with the Namibian government, which claimed that a Basic Income might 'make people lazy and dependent on hand-outs'. The Namibian government also claimed that 'we can't dish out money for free to people who do nothing'. It seems that again a powerful group has focused on preconceived ideas surrounding a Basic Income, rather than looking at the research itself. Unfortunately, this seems to be a hard pattern to change.

3. Madhya-Pradesh, India: 2010

India trialled an 'unconditional cash transfer', or Basic Income, among 22 villages in Madhya-Pradesh. The universality of the transfers, as Guy Standing has highlighted, starkly contrasts with the social assistance targeted at the poor by the Indian government. Cost saving and effective distribution were seen to be two of the potential benefits of a universal cash benefit, given its simpler administration.

Structure

Two pilot projects took place in the rural areas of Madhya-Pradesh, largely thanks to the Self Employed Women's Association (SEWA) in partnership with UNICEF. The experiment was split, with the Madhya Pradesh Unconditional Cash Transfer (MPUCT) involving 8 villages who received the grant, and 12 who did not (and so acted as a control); whilst the Tribal Village Unconditional Cash Transfer (TVUCT) involved 1 tribal village receiving the transfer and 1 as a control. Thus, for 18 months, over 12,000 individuals were tested as part of the trial, 6,000 of whom received the cash transfer.

It is interesting to note that, unlike the American and Canadian experiments of the 1970s, which were focused on labour market effects, the Indian pilot project was designed to 'identify the effects of basic income on individual and family behaviour and attitudes, and on community development'.

The table below shows the different amounts received by participants in the pilot projects:

Pilot Project	Amount an adult received (Rupees per month)	Amount a child received (Rupees per month)
MPUCT (first year)	200	100
MPUCT (after one year)	300	150
TVUCT	300	150

Conversion of these figures shows that the average family received the equivalent of \$24 or £15 per month. This was a quarter of the income of median-income families in India, just above the official poverty line, and enough 'to make a difference for basic needs'.

Any income destined for under-18-year-olds was paid to the mother, in a move to further emancipate and empower women under this scheme. Similarly, as with a Citizen's Basic Income, this pilot paid the income individually in order to increase personal freedom and bargaining power, particularly for women, the elderly and the disabled in the household.

Findings

- *Implementation and fiscal inclusion*

93% of participants received the cash grant in the first month of the pilot. This highlights the administrative feasibility of a CBI, as a majority of participants in the pilot successfully received the income. Although paying the grant into a bank account presented SEWA officials with challenges during the first few months, meaning that cash was still being distributed, the transfer from cash to bank account payment was successfully achieved within a few months, by which time almost all participants had a bank account set up.

- *Housing, Sanitation and diet*

The Final Evaluation Survey (FES), conducted shortly before the end of the pilot, highlighted the fact that recipients of Basic Income grants were significantly more likely to make improvements to their dwellings. Specifically, in tribal villages, the grant was used to repair old houses, switch to better drinking water sources, and shift to better lighting, as well as 10% of the grant being used to build entirely new houses.

Diet similarly benefitted, as the weight-for-age score for children improved significantly, thus supporting similar findings in the Otjivero study. The cash grants also caused an increase in spending on fruit and vegetables, whilst those receiving the cash grants were no more likely to increase spending on goods such as alcohol and tobacco, again supporting the findings of the Otjivero study.

- *Health*

Many health benefits as a result of the cash grant were found, for example:

1. Lower incidences of common illnesses
2. More regular medical treatment and taking of medicines, particularly in the TVUCT pilot
3. Higher levels of immunization

4. Significantly more cash grant households acquiring health insurance compared with those who did not receive the grant

The improvement in health was mostly attributed to the increased affordability of medicines, thanks to the grant; however, many households also mentioned the higher consumption of better food, and lower anxiety resulting from the grants.

- *Schooling*

The two key statistics in terms of schooling were the 12% increase in enrolment rate in villages that received the cash grant, and the 29% increase in school attendance, also in these villages, compared with a 13% increase in the villages that did not receive the grant.

- *Economic Activity*

Cash grants, contrary to the preconception, were associated with an increase in labour and work, and also resulted in households that received the grant being twice as likely to increase their production work than those not receiving it. This also resulted in a switch from waged work to own-account farming and small-scale business, thus elucidating the entrepreneurial benefits of a CBI. All of this culminated in the households in receipt of the grants being more likely to increase their income from work than those not in receipt.

Furthermore, the cash grants also enabled some people with disabilities to become economically active. For the entire disabled population who participated, the grants also provided greater access to food and medical assistance, as well as a greater voice in how household income was spent.

- *Debt and Savings*

Finally, the grants improved a household's chances of escaping from the poverty trap by providing an income to pay off existing debt or accrue savings. Those receiving the grant were twice as likely to reduce their debt, whilst the accounts the grants were paid in to were often utilised as savings accounts, thus providing more liquidity in the local economy.

Conclusion

The findings of both the MPUCT and TVUCT proved especially supportive of the introduction of a CBI, highlighting improvements in housing, sanitation, diet, health, schooling, economic activity, and savings. Guy Standing has highlighted how an unconditional income allowed people to meet their own needs by choosing their own spending priorities. Similarly, he suggests how beneficial a Basic Income

would be for Indian families, as it would enable them to gain greater control over their lives. Although there are challenges in implementing a larger CBI in India, such as the large rural expanse and the cost of the project, the government is looking into such a proposal.

4. Current Pilots

a) Ontario, Canada

The Ontario government, in Canada, has decided to stop an experiment involving 4,000 low income people aged 18 to 64 at three sites within Ontario: Hamilton, Thunder Bay, and Lindsay. Withdrawing the payments as earned income rose, and basing the payments on households rather than individuals, made the experiment a trial of a (non-work-tested) means-tested benefit. However, the results from this experiment, that paid C\$16,989 p.a. less 50% of earned income to singles, and C\$24,027 p.a. less 50% of earned income to couples, could still inform the debate surrounding a Basic Income's impact on low income households. With a withdrawal rate of 50% of earned income, and payments differing in relation to household size, the usefulness of the experiment's results will be limited if they are used to predict the effect of an individualised Basic Income.

Unlike an individualised, non-withdrawable CBI, the experiment provided relatively less for couples living together, thus creating an incentive to live apart. The potential motivation behind this, perhaps to provide a Basic Income Grant at low cost, is understandable, although the effects must be considered when evaluating the results.

b) Finland

KELA, the Finnish social insurance body, is conducting a 2-year study involving 2,000 participants aged between 25 and 58. The participants have been randomly selected from a nationwide group all receiving unemployment benefits. The experiment replaces the €60 per month unemployment benefit with a Basic Income of the same amount. Interestingly, the Finnish government made participation in the CBI trial mandatory for those selected. The reason for imposing the unemployment criterion is a lack of funding for a larger and more expansive CBI.

Such a low CBI has the advantage of being directly comparable with the unemployment benefit that it is replacing. Given this match, the effects of a CBI in one of its most hotly debated areas, the unemployed section of society, can be usefully tested. The focus of the experiment is stated to be 'the effects of a Basic Income on employment', a focus very similar

to the studies in the United States and Canada 40-years prior. However, whilst the preconceptions of the 1960's and 1970's experiments were that a CBI would decrease employment, Finland is approaching these experiments with a long-term unemployment problem which they are looking to solve. Finland's long-term unemployment insurance eligibility criteria are said to be causing a disincentive to work, and so the results of the CBI experiment will hopefully point towards CBI being a partial solution to the problem, as opposed to the pessimistic attitude adopted following the first CBI trials in America and Canada.

c) Kenya

GiveDirectly, a US not-for-profit organization, is establishing an experiment in Kenya involving tens of thousands of local participants across numerous villages for several years. As a charitable organization, it has raised a lot of money through celebrity endorsement and is particularly keen to analyse the effect of cash, as opposed to other infrastructural aid programmes, on developing economies. The proposed CBI amounts range from US\$0.50 to over US\$1 per day, which may seem small, but given that the average income in some of the villages involved in the experiment is less than US\$1 per day, this is a significant amount. The study will show how a CBI will impact less developed nations.

d) Other potential studies

Y-Combinator Research (YCR), a non-profit section of a technology company, is planning a CBI project in the USA involving payments of US\$1,000 per month to 1,000 individuals for 3-5 years. Again, the participants will be households with below-median incomes for their local communities, and will have individuals aged between 21 and 40 years-old. Like the Finnish pilot, there is no withdrawal rate, and so a true CBI is being tested.

The Netherlands, concerned with the harsh sanctions imposed by 'active labour market' policies, are trialling a welfare scheme in which some 'job requirement' conditions are removed, and some benefits remain in place when a participant, previously unemployed, finds work. The local experiments involved in the trial were made possible by a 2015-ruling that allowed experimentation of such a scheme at municipal level.

Stockton, a city in California, has, like YCR, secured private funds to provide a CBI of US\$500 per month for 100 people over 18 months. The impetus behind the trial is like YCR's: the threat of technology to

jobs within the California area, given the close location of Silicon Valley.

Other areas such as Scotland (working with the Royal Society of Arts), Barcelona (employing a Minimum Guarantee model with differing conditions), and British Columbia, are all planning future CBI projects.

In a different vein, filmmakers have raised enough money to provide 20 US citizens with a CBI of US\$231 per adult and US\$77 per child, and are planning to follow the participants across 2 years, with the goal of producing a feature film entitled 'Bootstraps'.

Sources:

This article draws on Charlie Young, *Realising Basic Income Experiments in the UK*, RSA, 2018, <https://www.thersa.org/discover/publications-and-articles/reports/realising-basic-income>

Sources for pilot projects:

1. Seattle-Denver, Dauphin (Manitoba) and Gary (Indiana): The 1960s/70s

For an overview of the 1960s and 1970s experiments, see:

<https://basicincome.org/news/2017/12/basic-income-guarantee-experiments-1970s-quick-summary-results/>

For a detailed analysis of the Seattle-Denver trial, see:

<https://aspe.hhs.gov/report/overview-final-report-seattle-denver-income-maintenance-experiment>

2. Otjivero, Namibia: 2007-2009

For a brief overview of the Otjivero (Namibian) study, see:

<https://basicincome.org/news/2018/02/big-pilot-project-namibia-positive-impact-2008/>

Alternatively, for an in-depth analysis of the outcomes of the Namibian study,

see: https://basicincome.org/bien/pdf/munich2012/haarman_n.pdf

3. Madhya-Pradesh, India: 2010

For a description of the Madhya-Pradesh study, see Guy Standing's analysis:

https://www.guystanding.com/files/documents/Basic_Income_Pilots_in_India_note_for_inaugural.pdf

Alternatively, please see the official website for the trial:

4. Current Pilots

For a discussion of the current CBI experiments, please refer to Karl Widerquist's blog post:

<https://basicincome.org/news/2018/07/current-ubi-experiments-an-update-for-july-2018/>

News

The **Citizen's Basic Income Trust** has published a new poster for students. On one side there is a history

of the UK's social security system, and on the other an introduction to Citizen's Basic Income. The poster can be downloaded from the website at www.citizensincome.org. Printed copies are available. Please write to info@citizensincome.org to enquire. The poster is particularly suitable for students undertaking undergraduate or graduate degrees in social policy, welfare economics, politics, etc.. www.citizensincome.org

The organisers of the **Finland experiment** have published news about the experiment's evaluation: 'The main goal of the analysis is to help understand how receiving a basic income affects the income and employment status of the participants. The impact of the basic income on the participants' general well-being will also be investigated. The experimental group of 2,000 persons is compared against a control group comprised of individuals who were not selected for the experimental group. ...'. A longer article, *What experiments in Finland can tell us about basic income*, says this: 'Definitions and simulations do not tell how an unconditional BI affects the recipients' behaviour. Does it activate people in job seeking? How much does a BI increase activities outside the labour force, such as studying, taking care of children at home, or participating in voluntary work? When the designers have defined the model, the next step is to start experimenting with it.' <http://citizensincome.org/news/recent-news-from-the-finland-experiment/>

The **London School of Economics** has published a new article, *Why benefit sanctions are both ineffective and harmful*, based on research about the UK's sanctions regime: '... Without a major rethink, millions of claimants (both in and out of work) are likely to continue to experience the adversity that the threat of sanctions brings. Fear of sanctions is set to drive fervent, but often counterproductive compliance with ineffective interventions at the cost of more meaningful work-orientated or life-enhancing activities. Those who receive sanctions may face avoidable crises relating to worsening mental and physical health, poverty, hardship, unmanageable debt, insecurity or eviction. This also holds a potent political risk since resentment is set to grow.' <http://citizensincome.org/news/an-article-about-sanctions-from-the-lse/>

Paul Spicker has written a new blog about problems related to Universal Credit:

The problems that he lists include

- the muddled system for verification, which cannot be done online

- the demand for instant assessment, rather than basing claims on previous, known income
- the unpredictability of a system where entitlements can be revised at short notice before payment date
- the use of individuated payment dates
- the lack of effective coordination with taxation
- the confused treatment of self-employed people
- the high taper rates
- the alterations to work allowances, which mean among other things that contact will no longer be maintained
- the effect of fluctuating entitlement on household management, particular evident in the treatment of rent
- the impact of the system on housing finance, and
- arrangements for transition that lead to major income loss.

Beyond that, in terms of the overall design of the benefit, there are several systemic flaws:

- the complex means test
- the reliance on digital systems
- the reliance on immediate access to information that people cannot know about
- the high tapers
- the failure to individuate claims
- the lack of flexibility, and
- the central confusion about employment and job-seeking – once the system is fully rolled out, most claimants on Universal Credit will not be seeking work.

‘The operational problems are all difficult, requiring a rethink of policy and administration to make the system work. However, even if they were all to be resolved, the fundamental defects in the system would remain.’ <http://citizensincome.org/news/the-problems-of-universal-credit/>

Some recent correspondence between **Paul Spicker** and Malcolm Torry, relating to whether a Citizen's Basic Income would be safe from being conditionalized, can be found on the Citizen's Basic Income website at <http://citizensincome.org/research-analysis/a-correspondence-between-paul-spicker-and-malcolm-torry/>

The Scottish Herald has published a report on a debate held in Edinburgh: ‘Proposals to hand everyone in Scotland a basic, flat-rate income are an attempt to “euthanise” the working class as a political concept, a think-tank director has said. Tom Kibasi, director of the left-wing Institute for Public Policy Research (IPPR), insisted the scheme was to the UK's economic problems “what snake oil is to medicine”. He argued it would mean “getting into bed with the billionaires” by letting capitalism off the hook and entrenching power inequalities.’ <http://www.heraldsotland.com/news/16437958.universal-basic-income-is-attempt-to-euthanise-the-working-class-as-a-concept/>

A research report entitled ‘Stress, domination and basic income: considering a citizens’ entitlement response to a public health crisis’ has been published on the relationship between stress and Citizen's Basic Income: ‘In 2015/16, stress was found psychologically to be responsible for 37% of all work-related illnesses and 45% of all working days lost due to illness in Great Britain. Stress has also been linked to long-term chronic health conditions—including heart disease, stroke, cancer, type 2 diabetes, arthritis and depression—responsible for 70% of NHS England spend, 50% of GP appointments, 64% of outpatient appointments and 70% of inpatient bed days. It is apparent that medical responses to stress-related illness contribute to the NHS funding crisis without resolving underlying causes. It is necessary to address the *social* bases of this public *health* issue. We argue that one of the primary causes of stress stems from a basic assumption of modern economics: that hierarchies are essential to organizational success. We argue that the combination of hierarchy and possibility of destitution inflicts domination on individuals. We then consider the potential contribution of universal basic income (UBI) to dealing causally with this public health problem. This marks a new development in both the public health and UBI literature studies. We conclude that future trials and studies of UBI ought to measure physiological effects on stress as part of a holistic evaluation of the policy.’ <https://link.springer.com/article/10.1057/s41285-018-0076-3> (£); <https://labourlist.org/2018/08/universal-basic-income-can-directly-reduce-work-related-stress/>

In a new report, the **Work and Pensions Committee** warns that single household payments of Universal Credit could put claimants living with domestic abuse at risk of harm. Heidi Allen MP, Committee Member, said: ‘One of the key improvements of Universal Credit over legacy benefit systems is the way it seeks

to proactively support individuals. So it can't be right that payments are made by default as a single block to a household. In the 21st Century women deserve to be treated as independent citizens, with their own aspirations, responsibilities and challenges. Good Government develops solutions that are dynamic and responsive to the individual as well as offering value for the tax payer, so I urge the DWP to show what I know to be true – that it can deliver both.' <http://citizensincome.org/news/the-work-and-pensions-committee-questions-universal-credit-household-based-payments/>

Book reviews

Charlie Young, *Realising Basic Income Experiments in the UK: A typology and toolkit of Basic Income design and delivery*, Royal Society of Arts, 2018, vi + 217 pp, 1 911532 24 8. The report can be downloaded from <https://www.thersa.org/discover/publications-and-articles/reports/realising-basic-income>

This report builds on previous research and activity by the Royal Society of Arts, and particularly its 2015 report *Creative Citizen, Creative State: The principled and pragmatic case for a Universal Basic Income* and its work with four local authorities in Scotland.

The report begins with a discussion of some of the problems facing the current benefits system, and some of the income security and emancipatory advantages of Citizen's Basic Income. A review of opinion poll findings leads to the suggestion that now is a good time for practical experiments. We are then offered the important distinction between pilots and experiments, the former adopting all of the Citizen's Basic Income principles of unconditionality, universality, nonwithdrawability, individual, and so on; and experiments allowing elements of conditionality. In a detailed discussion of the different principles, a distinction is made between pilots that are universal within a saturation site – that is, everyone within a pilot community receives Citizen's Basic Incomes – and such non-universal experiments as the current experiment in Finland. The former can generate 'collective efficacy', whereas randomly selected recipients across a country cannot do so. As Young rightly suggests, there is a 'wide space' between the conditionality of the current benefits system and the unconditionality of Citizen's Basic Income, and experiments anywhere within this space might have useful lessons to offer.

The report contains much detail about past, current and possible future pilots and experiments; recognises that the only genuine Citizen's Basic Income pilot projects have been those in Namibia and India; and also recognises that Finland has got closer to this ideal than any other 'Western' experiment.

The challenges that would be faced by a pilot project in the UK are then honestly faced. Perhaps the two options at either end of a spectrum could have been more clearly stated – that either HMRC and the DWP adapt the tax and benefits systems for the pilot sample so that the pilot reflects a Citizen's Basic Income scheme that could be affordable and otherwise feasible for the country as a whole, or the tax and benefits systems are left as they are, additional money is provided to pay the Citizen's Basic Income, and the scheme would not be affordable if rolled out across the entire population. As Young shows, there are many possibilities between these two extremes – and here the report offers a wealth of detail - but it is still true that only a pilot project with HMRC and DWP firmly on board could be replicated countrywide. This in turn suggests that in the current political context only a UK government would be able to organise such a pilot project.

A most useful chapter is on the many different parameters of an experiment: sample size, duration, sample selection mechanism, and so on. Rightly, community engagement is emphasised, as is the collection, interpretation, and communication of the results. The following chapter offers four scenarios for experiments in the UK: a midscale saturation site; a targeted cohort (as in Finland); a microsite; and a combined version. Details and potential hypotheses to be tested are then offered for each scenario. The final chapter proposes an assessment and evaluation framework for Citizen's Basic Income experiments, and here the report offers a wealth of useful detail, both in the treatment as a whole, and in the case study on employment effects.

A couple of clarifications. Readers will need to take care with the definition of 'unconditional' employed in this report. It does not mean that the payments are not withdrawn as other income rises, so 'nonwithdrawable' has to be added to the list of Citizen's Basic Income principles. And Malcolm Torry is not a professor.

Two caveats.

Young employs the term 'Basic Income-type experiment' to denote an experiment in which the payments bear some resemblance to Basic Incomes, which is useful: but he then uses both 'Basic Income-

type' and 'Basic Income' to describe the now terminated Ontario experiment. It certainly was not a Basic Income pilot project – and it was quite wrong of the Ontario government to call it one - and it is difficult to see how it could even be described as 'Basic Income-type'. The payments were household-based, and were withdrawn as other income rose.

Secondly, saturation sites and randomised control trials are regarded as alternatives because an assumption is made that the subjects selected for a randomised control trial are randomly selected individuals from across a population. The Indian pilot project was a randomised control trial using saturation sites, with the trial villages matched with similar villages in order to provide the controls.

A comment that relates more generally to the RSA's work on Citizen's Basic Income, rather than directly to this report: Microsimulation is the use of a computer programme, into which are coded tax and benefits regulations, along with financial data drawn from interviews with a large sample of a population, to work out such effects of policy changes as net cost, changes in poverty and inequality, and the number and size of household losses at the point of implementation. Young correctly recognises that microsimulation lacks the ability to model and take account of behavioural change, which is why pilot projects are so important: but he also recognises the important role that microsimulation ought to have in preparing for any pilot project. The RSA's 2015 report – referenced by Young - told us that if the RSA's proposed Basic Income scheme were to be implemented, then some families might experience losses: but because the scheme was not tested with microsimulation, we do not know how numerous and how large those losses might be. They are likely to be considerable, because the scheme described in the 2015 report would have removed both the Income Tax Personal Allowance and in-work means-tested benefits, and it would not have been possible for a Basic Income pegged to the value of Jobseeker's Allowance to fill the gap left by the loss of both means-tested benefits and the Personal Allowance. Three years later we are still waiting for the RSA's proposed scheme to be microsimulated, and for the number and size of losses to be reported. Without that information we cannot judge whether the scheme is feasible, and Young ought not to be employing it in his report.

But these are all minor issues in relation to the usefulness of the report as a whole. It is thorough, well-researched, and grounded in the real world. Any future discussion of pilot projects will need to take note of it.

Peter Taylor-Gooby and Benjamin Leruth (eds), *Attitudes, Aspirations and Welfare: Social policy directions in uncertain times*, Palgrave Macmillan, 2018, xix + 317 pp, 3 319 75782 7, hbk, £79

What do people *expect* from their welfare state? That is the question that this edited collection attempts to answer, both in general and in detail. To answer it, the book's contributors employ 'democratic forums': forums in which cross-sections of the public can define both the structure and the content of the conversation. As the editors suggest, this is to employ populism in the service of social policy.

The editors' introductory chapter provides a concise 'state of the continent' summary. It discusses the challenges facing European welfare states – the financial crisis, governments' responses to it, labour market changes, immigration, and a neoliberal individualist agenda - and then existing responses to those challenges, such as active labour market policies, and the rise of populist politics. Existing evidence on public attitudes is discussed. Welfare states remain popular, as does redistribution, but benefits for able-bodied people of working age are less popular.

The researchers' research method is then described. 'Democratic forums' took place in Denmark, Norway, Germany, Slovenia, and the UK. Each one consisted of thirty to forty individuals, and discussion took place over more than a day, in both plenary and breakout sessions, with little moderation. Participants could request information, which was then provided by independent experts. Pre-coded interviews took place both before and after the forums so that researchers could evaluate attitude change. Such democratic forums (which the editors call 'mini-publics') have been used in a number of settings – for instance, in setting local budgets – but the editors believe that this is the first time that they have been used to discover attitudes towards welfare states.

Chapters 2 and 3 discuss what the forum conversations taught the researchers about individualism and welfare nationalism, and then subsequent chapters tackle attitudes relating to particular issues: inequality and redistribution; intergenerational solidarity; responsibility for care; healthcare systems; and labour market challenges. From the wealth of detailed evidence provided, the editors draw a number of conclusions: Welfare states are still popular, but neoliberal individualism has resulted in an increasing stress on personal responsibility in relation to the labour market, pension provision, and other social policy fields. The deserving/undeserving distinction remains popular, as

do policies based on it. There is a general lack of confidence that governments are able to protect and sustain welfare states. The editors find that welfare state regime types correlate with attitude patterns, particularly in relation to inequality, responsibility, and labour market issues. The 'intergenerational contract' remains strong throughout Europe. In the UK, 'liberal individualism fits with anti-immigration strategies and disquiet about state capacity' (p. 21); there is anxiety about the sustainability of the welfare state; and a strong sense of individual responsibility underlies a social division between those with paid work and those without it.

It might be of interest that Basic Income entered the discussions of the democratic forums in Germany and Slovenia, but not elsewhere (p. 39): but of more significance might be the method that the researchers employed – a method that could be appropriate to the discovery of public attitudes to Citizen's Basic Income, because it enables people to think round the issues at length rather than respond immediately to a list of questions. Of even more significance might be some of the editors' conclusions, particularly in relation to the UK. The two important questions that this book raises are these: Is it possible to frame Citizen's Basic Income as promoting individual responsibility, as sustainable, as benefiting the deserving more than the undeserving, as a deterrent to immigration, and as representing intergenerational solidarity? The answer would be 'yes' if a residence requirement were to be implemented. And would Citizen's Basic Income, once implemented, shift some of these attitudes in a more solidaristic direction? The answer is again 'yes'.

This is an important book. It describes an important method, and some important results.

Michael J. Murray and Mathew Forstater (eds), *Full Employment and Social Justice: Solidarity and sustainability*, Palgrave Macmillan, 2018, ix + 264 pp, 3 319 66375 3, hbk, £88

In their introductory chapter the editors and authors of this volume seek

to eliminate the opportunity gap for women and minorities, promote environmentally sustainable methods of production and consumption, and rebuild local economies through education, training, and community redevelopment programs:

and they believe that the way to achieve these aims is a federally funded, locally operated, Job Guarantee program ... that puts all those with the

willingness and ability to work into paid employment. (pp. 1-2)

The editors list advantages of this approach as promoting macroeconomic stability (because during a recession the publicly-funded scheme could expand), putting a floor under private sector wages (because in order to hire labour the private sector would need to pay more than the job guarantee programme would), encouraging skills enhancement through training provision attached to the guaranteed jobs, strengthening local economics, and promoting a 'green economic' system.

Chapter 2 suggests that a job guarantee programme could act as a brake on urbanisation, globalisation, economic growth, and social and economic change. Chapters 3 and 4, which are rather too alike, outline a 'degrowth' economy, and argue that a job guarantee program would 'dissolve the contradiction between economic and ecological prosperity' (p. 63), and chapter 4 additionally suggests a reduction in working hours, recognises that trades unions would need to be a lot stronger to achieve this, and offers no other mechanism for meeting the desire. Chapter 5 describes Iranian public works programmes, and unusually for this book calculates the cost; and chapter 6 finds in Buddhism the inspiration for a co-operative non-capitalist economy. Chapter 7 proposes a combination of local currencies, local taxes (payable in the local currencies), and local jobs that pay wages in the local currencies. Chapter 8 proposes a job guarantee for American Indians; chapter 9 suggests that a job guarantee fits nicely with conventional US politics; and chapter 10 offers a rather too long history of the Argentine economy and prescribes an employment guarantee programme as a means to economic stabilisation. Chapter 11 argues that a job guarantee programme 'would animate the non-invidious re-creation of community, challenge the hierarchy which permeates social and economic relations, and facilitate an institutional adjustment toward a more inclusive provisioning process' (p. 239) by challenging 'the institution of ownership and the price system' (p. 252).

This book is variations on a theme, and the theme is a job guarantee. As often happens in such edited volumes, each author writes from within their own interests, some address the theme more directly than others, and there is a fair amount of irrelevant material (- some of the technical economics could easily have been cut). No linear argument emerges, but what the editors and authors do manage to achieve is a persuasive cumulative argument for job guarantee programmes. However, it might only be persuasive because important issues are sidestepped,

and objections are ignored. For instance, the administrative complexity and easily compromised accountability of long term job guarantee programmes are not discussed; and nowhere do we find reference to Paul Gregg's research on the subject, which is a pity. In an article published in 2009 he concluded that job creation schemes 'have produced little in the way of useful output and have in some instances actually delayed job entry and subsequent job retention rather than promoted it'.¹

A job guarantee is sometimes proposed as an alternative to a Citizen's Basic Income. There are at least two significant differences: a Citizen's Basic Income would offer much that a job creation scheme would offer because it would increase employment incentives and would create a more efficient employment market, whereas a job guarantee would not pay a Citizen's Basic Income; and whereas a job guarantee will always be expensive and difficult to administer, a Citizen's Basic Income would not be.

This debate needs to be had.

Ian Greener, *Social Policy after the Financial Crisis*, Edward Elgar, 2018, vi + 217 pp, 1 78643 610 8, hbk, £75. (The eBook is priced from £22 from Google Play, ebooks.com and other eBook vendors, while in print the book can be ordered from the Edward Elgar Publishing website.)

The context assumed by this book is the world's post-financial crisis 'fragile and angry state' (p. 1), and a widespread perplexity that governments are still in thrall to the economic system that caused that crisis and its political consequences. Following an introductory chapter, the book begins by suggesting that Bill Clinton's presidency and Tony Blair's 'Third Way' were not in fact particularly 'progressive', and that the financial crisis 'has cast doubt on the way the West has organized its economies since the 1980s' (p. 25). Chapter 3 employs a conceptual framework that evaluates governance in terms of economics, social policy, scale of government, and mode of government, and finds that economics has shifted towards an amalgam between a competition model and a far from competitive financial services industry that now controls governments; that workfare has subordinated social policy to economic policy; that national governments have ceded power to

¹ Paul Gregg (2009) 'Job guarantees – easing the pain of long-term unemployment',

Public Policy Research, 16 (3): 174-179, p. 175. A working paper can be found at www.bristol.ac.uk/media-library/sites/cmpo/migrated/documents/jobguarantee.pdf

supranational and subnational institutions; and that governance is now by a relatively closed oligarchy. Chapter 4 employs insights from behavioural economics to suggest that we are not economically rational and socially reasonable beings; finds that the way in which options are framed can significantly influence how we perceive and make choices; discusses the 'paradox of welfare' – that our wellbeing depends on us making good choices, but we aren't in fact very good at that; that getting genuinely hard choices wrong can have significant detrimental effects; and that one-off decisions can be particularly important and particularly difficult. Chapter 5 begins to put together the insights of chapters 3 and 4. The combination of the power of corporations and our inability to make good decisions suggests that national governments need to regulate more; our inability to make good decisions, combined with the inequality and poor public services that tend to follow the subordination of social policy to economic policy, suggest that decisions about public services need to have longer term consequences in view; the power of capital and corporations does not mean that national governments are powerless; and raising taxes and better funding for public services remain viable options.

The second half of the book builds on the more general chapters of the first half by studying particular policy areas. Chapter 6 studies economic governance, and finds that the prevailing economic model, based on corporate dominance, results in demands for flexible labour markets and in governments serving corporations rather than vice versa. In this context, and in an era of growing inequality, public services are regarded as drains on the economy rather than as contributors to it. However, it remains possible for governments to enforce competition and tax laws; and if inheritance were to be tackled then inequality could be restrained and governance could become less oligarchic. Equality of opportunity and the stewardship of diminishing resources will be important components of the different economy that we need.

Chapter 7 applies the book's general treatment to healthcare, and chapter 8 to education, but the more detailed chapter in which readers of this review might be most interested will be chapter 9 on social security. This chapter shows that the poorest have suffered stagnant living standards and greater labour market insecurity since the 1970s; that 'corporate welfare' – government support for corporations - has privileged corporations over individuals; that benefits for individuals are stigmatised whereas corporate welfare is not; and that benefits enable companies to

reduce wages. (More might have been said here about the way in which means-tested benefits are dynamic subsidies, because they rise as wages fall, whereas unconditional benefits are static subsidies that do not rise as wages fall and thus have a smaller wage-depressing effect.) Increasing migration and other post-national trends challenge the stability and legitimacy of social security systems; increasing inequality drives increasing means-testing with all of its stigmatising consequences; and if we broaden the concept of 'welfare' then we find higher earning groups doing quite well out of prevailing low pay levels and the economic stabilising effects of unemployment benefits. (More might have been said here about the equivalence between income tax allowances and social security benefits.) Behavioural elements of social security are the framing of recipients as scroungers; the conflict between 'customer' terminology and the ways in which benefits systems control recipients; the complexity of benefits systems making choices hard to make; and previous bad decisions resulting in unwanted relationships with stigmatising benefits systems. When Greener discusses Basic Income as a possible response to this situation he quotes the Royal Society of Arts research that cannot show that there will be no net losers among low income households rather than the research from the Institute for Policy Research and the Institute for Social and Economic Research that shows that there are illustrative schemes that could avoid net losers. A little more research would have improved this section.

By combining a theory of governance with behavioural insights, this book offers an original perspective on the context in which social policy is done, on the challenges that social policy faces, and the on the options available. Chapter 9 in particular could be employed as a useful stimulus to further research on the feasibility and effects of Citizen's Basic Income.

Claire A. Dunlop, Claudio M. Radaelli, and Philipp Trein (editors), *Learning in Public Policy: Analysis, modes and outcomes*, Palgrave Macmillan, 2018, xxi + 360 pp, 3 319 76209 8, hbk, £129.99

The book opens with a series of questions - 'what exactly do we mean by learning in the context of comparative public policy analysis and theories of the policy process ... ? ... what do we know about the causes of learning, its mechanisms, how it develops in different policy processes, within and across countries? ... what are triggers and hindrances of mechanisms of learning? ... what are the

consequences of different types of learning for the efficiency of public policy as well as for the normative criteria of the democratic theory we adopt?' (p. 2). It follows with a working definition: learning is 'updating of knowledge and beliefs about public policy' (p. 3); with a history of the study of policy learning that recognises that policy learning always takes place in a context of shifting policy goals and of the incomplete information that results in 'satisficing' (p. 7); and with a statement that today's more theoretical approach to the subject works with four themes: 'learning and democratic governance; the designing of governance tools to enable policy learning; the link between learning and policy change; and learning as an element of other theories of the policy process' (p. 15).

Chapters discuss different kinds of learning; different ways to design research; understandings of learning as causal of policy change, and of policy change as causal of learning; comparisons between countries, between policy configurations, between case studies, and between individuals in the policy process; and different methods for analysing policy learning. There are numerous case studies.

The two chapters in the book in which readers of this *Newsletter* might be most interested will be the one on pensions and the one on 'active labour market' policies.

In chapter 4, Christos Louvaris Favois asks to what extent Belgian pension reforms have been due to European Union co-ordination mechanisms, and to what extent to policy learning, particularly via networks of experts and through relationships between researchers and policymakers. The author concludes that policy learning is a prominent causal factor in policymaking where the political tradition is Europhile and consensus-seeking. He suggests that more Eurosceptic countries would be less likely to benefit from policy learning.

In chapter 14, Jan Helmdag and Kati Kuitto review the diversity of active labour market policies in OECD countries, and ask about the extent to which different models are diffused. They find that little research has been done in this area, but they are able to conclude that policymakers learn from others' experience of active labour market policies where the institutional settings are similar and where countries employ the same welfare state regime. The authors suggest that this shows the continuing relevance of distinguishing between different welfare state regimes. They also suggest reasons for policymakers learning from countries with similar welfare state regimes: the approach does not challenge path

dependency, whereas learning from countries with different welfare state regimes might do so; and it is easier to predict political acceptability of proposed changes where welfare state regimes, and therefore public perceptions of welfare provision, are similar.

For those interested in the Citizen's Basic Income debate, and particularly in questions of feasibility and implementation, these results and conclusions offer three lessons. Firstly, in the absence of a Citizen's Basic Income in any OECD country, it will be difficult for any OECD country to implement one. Secondly, if any OECD country does implement a Citizen's Basic Income, then it is most likely to be followed by countries with similar existing welfare state regimes. And thirdly, if OECD countries with differing welfare state regimes implement Citizen's Basic Incomes, then we can expect rapid implementation across OECD countries.

This well-researched book tackles a significant aspect of policymaking. Its price will mean that few students will be buying it, but it will surely be essential for their libraries to make it available to them so that future policymakers understand the ways in which policy learning takes place, and the ways in which it doesn't.

Michael Adler, *Cruel, Inhuman or Degrading Treatment? Benefit sanctions in the UK*, Palgrave Macmillan, xii + 171 pp, 3 319 90355 2, hbk, £44.99

The title of this timely book comes from Article 5 of the Universal Declaration of Human Rights. A similar phrase, 'inhuman or degrading treatment or punishment', appears in Article 3 of the European Convention on Human Rights (ECHR), which in 1998 was incorporated into UK law. As Adler points out in his first introductory chapter, the right granted by article 3 of the ECHR is 'absolute', and so cannot be qualified by any other right; it refers to 'treatment' as well as to 'punishment'; and the 'or' between 'inhuman' and 'degrading' implies a low threshold. The European Court of Human Rights has not yet been asked whether the UK's benefit sanctions constitute 'inhuman or degrading treatment'. This book proves that they are.

Chapter 2 sets out from Ken Loach's film *I, Daniel Blake* (with a comma), asks why benefit sanctions are not more of a public concern than they are, and suggests that the reason for that is public disapproval of benefits claimants. The following two chapters relate a history of the increasing scope and severity of sanctions.

Chapter 5 is of particular relevance to the Citizen's Basic Income debate because it offers a wide-ranging discussion of rights, responsibilities, and conditionalities. Adler provides a list of three types of conditionality: category conditionality, circumstance conditionality, and conduct conditionality - and finds that the third now takes centre stage. He then employs T.H. Marshall's categorisation of rights as civil, political, and social, and finds civil rights such as due process being denied to benefits claimants. He also finds that the balance between rights and responsibilities has shifted too far in the direction of responsibilities. A Citizen's Basic Income would, of course, behave very differently from sanctions-infested means-tested benefits, because a Citizen's Basic Income would function as a civil, political, and social right, and it would shift the balance towards rights functioning as an invitation to responsibility.

In chapter 6 Adler finds that sanctions are generally ineffective, that they cause a considerable amount of suffering, and that hardship payments are inadequate; and then in chapter 7 the book turns in a more clearly legal direction, as the series title, 'Palgrave socio-legal studies', suggests that it will. Adler begins with a distinction between substantive justice and procedural justice - that is, the justice of the process through which substantive justice is administered; he discusses administrative justice - that is, justice in decision-making; and he lists some recent changes in administrative methods, and their consequences for administrative justice - for instance, claimants who wish to challenge a sanction now have to submit to a bureaucratic 'mandatory reconsideration' process before an appeal to a tribunal can be made. This is just one example of a general shift from a juridical model of administrative justice to a bureaucratic model. Chapter 8 concludes that

violations of economic and social rights - including the right to social security - are widespread and are not currently subject to any effective remedies in the UK ... it would appear that justice was not the primary consideration for those who were responsible for the design or implementation of benefit sanctions. (p. 112)

Chapter 9 finds that benefit sanctions compare badly with court fines - 'they are disproportionate to the seriousness of the offence and they cannot be adjusted to take account of claimants' changing circumstances' (p. 127); chapter 10 concludes that benefit sanctions do not comply with a number of principles of the rule of law; and chapter 11 makes suggestions as to how the sanctions regime could be made more just, and discusses arguments for and against a Citizen's Basic Income. In the final chapter

Adler concludes that benefit sanctions are more cruel, inhuman and degrading than they need to be, and that 'in terms of justice, the UK benefit sanctions regime undoubtedly fails the test' (p. 151).

This well-evidenced, well-argued, and comprehensive book offers precisely the kind of evaluation of benefit sanctions that was required. Ministers, shadow ministers, members of parliament, civil servants, and anyone interested in the UK's benefits system, should read it.

Jane Millar and Roy Sainsbury (eds), *Understanding Social Security*, 3rd edition, Policy Press, 2018, xviii + 273 pp, pbk, 1 4473 3947 2, £28.99

Some new editions are slightly updated versions of their predecessors, whereas some are newly written from scratch. This third edition of *Understanding Social Security* is in the latter category: and in that category it is always instructive to compare the contents list of the new edition with that of its predecessor. Part 1 of the new edition, 'People and policies across the life course', fulfils the same function as part 2 of the second edition. The new word in the contents list is 'gender'; and it is not insignificant that 'welfare to work' has been replaced by 'social security and work obligations'. Part 2 of the new book, 'Issues in policy and practice', fulfils a similar function to parts 1 and 3 of the second edition, 'Foundations and contexts' and 'Users and providers'. Here, although some of the content of the chapters is similar to the content of the chapters in parts 1 and 3 of the second edition, all of the chapter titles, apart from 'Social security in a global context', are new: 'Who benefits and who pays?', 'Public attitudes to "welfare"', 'Everyday life on benefits', 'Jobcentres and the delivery of employment services and benefits', and 'Making it simple? Universal basic income'. The titles reflect substantial changes in both the social security system and the academy's interest in it. It is no surprise that scattered through the book there is plenty of material on Universal Credit, but it is a bit of a surprise that there is no chapter dedicated to this important new benefit and its difficulties. One further caveat relating to the book as a whole: Several authors suggest that Child Benefit has been either reduced or taxed for high earners. It has not been. High earners in households receiving Child Benefit are having to pay additional tax, but that is an importantly different matter with a variety of unfortunate consequences. But apart from those two reservations, the book's chapters are a reliable guide to the current state of social security and to the challenges that the system faces.

Of particular interest to readers of this review will be Luke Martinelli's chapter on Universal Basic Income. Here he discusses the problems with the current benefits that Basic Income is designed to address; arguments against Basic Income; the 'different forms' that it can take (by which he means different kinds of Basic Income scheme), and some of the experimental and microsimulation evidence.

Three caveats. 1. The Negative Income Tax (NIT) proposed by the Adam Smith Institute does not fulfil the definition of Universal Basic Income with which Martinelli begins his chapter, so it should not be called 'a form of Basic Income' (p.237); and when later he discusses NIT, perhaps he ought to have mentioned the significant administrative problems associated with NIT as compared to the radical administrative simplicity of Basic Income. 2. The TUC has not supported the idea. This myth has resulted from a resolution in the 2017 congress's preliminary list of resolutions. As often happens, only part of that resolution was then combined with other resolutions, and the TUC voted on a composite resolution that did not explicitly support Universal Basic Income. 3. Perhaps Martinelli ought to have recognised the different approaches of different microsimulation experiments. In his own experiments, Martinelli chooses a variety of schemes and tests for their effects. Torry 2016b, Torry's subsequent working papers, and to some extent Reed when he follows Torry, select a set of constraints and then test to see if there is a Basic Income scheme that can satisfy them. There is: and that scheme does not result in the losses for low income households that Martinelli finds for his schemes. The Torry scheme also takes a significant number of households off means-tested benefits, and for each of those households work incentives are improved and administrative simplicity is obtained. The bottom left hand box of the table on page 247 should contain 'x/√' and not just 'x'.

But these are minor reservations. The chapter is generally a very good summary of the issues, and Martinelli's discussions of objections to Basic Income and possible responses are very fair. Of special importance are the conclusions that Martinelli draws at the end of the chapter. These should be required reading for anyone involved in the Citizen's Basic Income debate as they set precisely the questions that now need to be answered.

In their concluding chapter, the editors recognise that when the previous edition of *Understanding Social Security* was published in 2009 they would not have predicted Universal Credit, the Bedroom Tax, the benefits cap, retrenchment in disability benefits, or

that Basic Income would become a serious policy debate. They rightly bemoan the derogatory language in which social security is now discussed; and quite sensibly they decide not to predict what changes will have occurred by the time a fourth edition of their most useful book is written in a few years' time.

Malcolm Torry, *Why we need a Citizen's Basic Income*, Policy Press, 2018, xxii + 279 pp, 1 4473 4317 2, £24.99

This is an important book for three reasons: on its own account; as an update to Malcolm Torry's previous publications on Basic Income – especially *Money for Everyone: Why we need a Citizen's Income* (Policy Press, 2013), *101 Reasons for a Citizen's Income* (Policy Press, 2015), *The Feasibility of Citizen's Income* (Palgrave Macmillan, 2016), and *Citizen's Basic Income: A Christian social policy* (Darton, Longman and Todd, 2016); and as a contribution and indicator of the rising tide of interest in this concept. While it is a book unashamedly advocating the introduction of a citizen's basic income, the strength of its contribution lies in the forensic analyses of the failings of the current systems for welfare and social protection, the inequities of the labour market and their lack of capacity to address poverty and inequality.

As with companion volumes in this field, the book opens with a detailed exploration of the terminology inherent to considering the social security system and then continues throughout with a professional and academic approach to examining the causes of poverty, the possibilities for change and the potential for a citizen's basic income to start tackling some of society's ills. He begins, however, by inviting those of us who have well-paid jobs and pensions to imagine how life is for those made redundant, unemployed, the lone parent who must navigate their way through the benefit system; or for those who can recall their own families' earlier struggles. Then he proposes a different world where a different value system, and so society, can be allowed to flourish. By encouraging the reader to contrast the imagined country with the failed context of today, he is reorientating the discourse away from merely critiquing the Anglo-Saxon neoliberal welfare state towards their own vision of what a humane and nourishing environment would offer. The role of a basic income is then introduced to that analytical framework, presenting this as an instrument of support and redistribution.

The discussion evolves through exploring the development of the current social security system, the economic and labour market context in which we live

and work, with its deterioration into precarious employment for many, and the impacts on and changing circumstances of families and individuals. This establishes the case for how a basic income could transform lives, with an improved and much more efficient administration of social protection, focused on delivering a socially and economically superior distribution of income, wealth and power. The feasibility, challenges and implementation issues associated with differing models of basic income are presented and examined, with descriptions offered of experiments from around the world. With the number and range of pilots rising, the cataloguing of their varying levels, coverage and types demonstrates the capacity to answer many of the research and practical questions that are inherent to considering wider implementation. Many of these analyses, however, are small scale and time-limited so necessarily restricting the understanding and knowledge creation they generate. Reviewing interactions between basic income and taxation at different levels of income, across occupations and family types can only be attempted through modelling, borrowing from mainstream partial economic analyses of tax and benefit changes, and other indirect means. Nevertheless, the chapter on 'objections' and a technical appendix introduce how some of these affordability elements to the introduction of a basic income for all could be investigated and analysed.

The brief Afterword then reminds us of the opposition to the state supporting raising children through family allowances, and could have added in a host of other barriers to the provision of compulsory secondary schooling, universal health care, etc. Malcolm Torry argues that basic income is a concept whose time has come and implementation should follow, soonest. This is not a book written as a manifesto from one of the fanatic 'cranks and utopians' but rather a well-written, accessible and convincing introduction to the concept, rationale and challenges of a basic income. It also offers an entry for the lay person, academic and engaged practitioner and policymaker into the literature and discourse that is increasingly illuminating and promoting this contribution to a better nation and world.

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