

Citizen's Income *newsletter*

2019, issue 3

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Citizen's Income Newsletter

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Editorials

Some rather diverse reports

A number of reports were published in a short period of time at the end of April and the beginning of May.

On the 23rd April, Philip Alston, the United Nations Rapporteur on extreme poverty and human rights, published his report on poverty in the UK:

The philosophy underpinning the British welfare system has changed radically since 2010. The initial rationales for reform were to reduce overall expenditures and to promote employment

as the principal 'cure' for poverty. But when large-scale poverty persisted despite a booming economy and very high levels of employment, the Government chose not to adjust course. Instead, it doubled down on a parallel agenda to reduce benefits by every means available, including constant reductions in benefit levels, ever-more-demanding conditions, harsher penalties, depersonalization, stigmatization, and virtually eliminating the option of using the legal system to vindicate rights.¹

On the 7th May, the Progressive Economy Forum published Guy Standing's report for the Shadow Chancellor of the Exchequer: *Basic Income as Common Dividends: Piloting a Transformative Policy*:

The report recognises that a system with a basic income at its base would represent a principled reversal of the trend towards means-testing, behaviour-testing and sanctions that has evolved into Universal Credit. Accordingly, it includes a critique of that alternative, along with a critique of similar directions taken with regard to disability benefits.

It continues by briefly considering the main objections that have been made to basic income, and then turns to the main objective of the report, namely the proposal for the next government to implement a series of pilots, or experiments, to determine if a basic income would have the anticipated beneficial effects, if it would have any negative effects, what would make a basic income function optimally, and what indirect effects could be anticipated if implemented nationally.²

As for a Citizen's Basic Income

1. It would reduce poverty and inequality substantially and sustainably.
2. It would make nobody in the bottom half of the income distribution system worse off.
3. It would enhance economic security across the country.

¹ <https://undocs.org/A/HRC/41/39/Add.1>, p. 20

²

<https://www.progressiveeconomyforum.com/publications/basic-income-as-common-dividends-piloting-a-transformative-policy/> pp. 6-7.

4. It would not involve any dramatic increase in income taxation.
5. It would not involve any dismantling of public social services, and would be compatible with a strategy to achieve public service regeneration, desperately needed in the wake of the savage austerity era.
6. It would reduce the number of people dependent on, and subject to, means-testing and behaviour-testing.
7. It would contribute positively to the urgent fight against ecological decay.³

On the 8th May, the Royal Society of Arts published a new report: *A Basic Income for Scotland*:

The purpose of this report is to explore how, in Scotland, where there is significant interest in Basic Income and a willingness to consider alternatives to the status quo amongst policymakers and within civil discourse, a move to Basic Income can be explored experimentally in terms of the likelihood that it would be effective, desirable and feasible.⁴

On the 6th June, *Social Europe* published an article 'Why should governments give cash-handouts before providing free, quality public services to all?' by Rosa Pavanelli.

Until we manage to dramatically increase public revenue—something which the mega-rich have been fighting tooth and nail—then it is clear any UBI programme would necessitate huge cuts to key public services. ... The fact is free public services, such as health and education, are one of the strongest weapons in the fight against inequality. They benefit everyone in society, but the poorest most of all.⁵

First of all, it is simply not true that 'any UBI programme would necessitate huge cuts to public services'. There are perfectly feasible illustrative Citizen's Basic Income schemes that would not require any cuts at all.⁶

Secondly, we entirely agree that we need good quality 'free public services, such as health and

³ <https://www.progressiveeconomyforum.com/publications/basic-income-as-common-dividends-piloting-a-transformative-policy/> p. 7.

⁴ <https://www.thersa.org/discover/publications-and-articles/reports/basic-income-scotland>, p.3

⁵ <https://www.socialeurope.eu/universal-basic-income>

⁶ <https://www.euromod.ac.uk/publications/update-correction-and-extension-evaluation-illustrative-citizen's-basic-income-scheme>

education', and we also agree that they are 'one of the strongest weapons in the fight against inequality. They benefit everyone in society, but the poorest most of all'.

The same is true of Citizen's Basic Income, of course. The perfectly feasible illustrative scheme already referenced would both reduce inequality and 'benefit everyone in society, but the poorest most of all'.

A more balanced view from the New Economics Foundation, that recognises that the combination of Citizen's Basic Income and good public services would make a useful package, can be found in a recent article by Andrew Pendleton, discussed below.

On the 30th April, Public Services International published a report, by Anna Coote and Edanur Yazici of the New Economics Foundation, *Universal Basic Income: A Union Perspective*.

This briefing considers arguments for and against UBI and examines what can be learned from efforts to realise it in practice. It describes different meanings and versions of UBI, reasons why people are attracted to the idea, likely costs of implementing UBI, arguments against it, practical trials in poor, middle-income and rich countries, and what evidence they yield. It briefly describes a range of alternative policies for tackling today's urgent challenges, and ends by concluding that UBI is unlikely to fulfil the claims that progressive advocates make for it and that there are more effective ways of tackling the problems they seek to address. ...⁷

And on the 22nd May, Andrew Pendleton of the New Economics Foundation published a rather different article, *Imagining a new social contract*:

Two particular groups of solutions are gaining ground. One, Universal Basic Income (UBI), is generally understood to be the universal provision by the state of a sufficient, unconditional sum of cash paid to all. The other, Universal Basic Services (UBS), aims to create a collective, 'social wage' for all by expanding public services into areas such as transport and housing, and investing in areas which would bring down costs elsewhere—like preventative health reducing costs for the NHS. Both UBS and UBI can sometimes be seen by their supporters as goals in and of themselves. But we

⁷ http://www.world-psi.org/sites/default/files/documents/research/en_ubi_full_report_2019.pdf, p. 7

should really see them as parts of a new social contract that requires some mix of minimum levels of cash payments to households and ample service provision. Together these two areas of provision can blend the merits of unconditionality, universality and collectivism into a promise from the state in return for the payment of taxes and participation. The question is not an either or, but to what extent? ...⁸

Between them, these reports, all published within a few days of each other, represent very well the current state of the Citizen's Basic Income debate. The UN report is a devastating critique of the UK's current benefits system; the New Economics Foundation's two offerings represent two common attitudes to Citizen's Basic Income and a variety of other possibilities for remedying the situation, one seeing them in opposition to each other, and the other understanding that Citizen's Basic Income and a variety of other social policies could complement each other to positive effect; Guy Standing's report for the Shadow Chancellor contains its own critique of the current benefits system, a discussion of the likely useful effects of a Citizen's Basic Income, and descriptions of some possible pilot projects; and the RSA report encourages widespread public debate about Citizen's Basic Income and contains results of microsimulation research on feasible Citizen's Basic Income schemes for Scotland.

Longer quotations from the reports can be found in the 'news' section of this *Newsletter*. Anyone wanting a brief description of the current state of the Citizen's Basic Income debate in the UK might find it useful to read them, and also to read the reports by following the website links in the news section or in the references to this article.

Andy Haldane's participation income

The Guardian reports on a mini-manifesto on the future of civil society by Andy Haldane, the Bank of England's Chief Economist. Haldane predicts that

the role of civil society will, in the future, be the one that it has always played at times of great social change: to provide a stabilising force, and support individuals and communities displaced by technology. By civil society he means not just charities, but also faith groups, trade unions, volunteers, carers and grassroots movements for social change, like #MeToo or Extinction Rebellion. The sector's other task is to help to prepare citizens for the seismic eruptions ahead,

⁸ <https://neweconomics.org/2019/05/imagining-a-new-social-contract>

providing a sense of purpose and meaning – community glue, if you like – as an antidote to the conditions that have helped fuel Brexit and populism.

He is clear that civil society – neglected politically and financially – is not currently in a fit state to fulfil this role. 'The reason we have the triple threats of disconnection of people from society, mistrust of institutions, and the rising tide of populism is because we have structurally underinvested in [civil society],' he says, citing the book of former Indian central banker, Raghuram Rajan, *The Third Pillar*. 'We have let the local community pillar break down and wither.'⁹

Haldane suggests

a new framework for civic service, embedding volunteering in people's psyche at an early age in school, and nurturing it throughout their working life by treating it as a core part of a career progression, indivisible from paid work, and rewarded accordingly. ...

... The fourth industrial revolution will deliver billions of hours more free time to people who live longer, he says. But if we want the millions of people whose jobs are taken by robots to volunteer, how do we reward them? Does the social security system – obsessed with the seeking of paid work as a condition of receiving state benefit payments – accept that civic service might fulfil that condition? And what might be the implications for the paid labour market of a mass army of volunteers? Would there be a role for a universal basic income?

'I don't know what I think about universal basic income to be honest ... that's the god's honest truth,' says Haldane. He says he'd rather duck the issues of its feasibility and financing. But he is intrigued by its potential desirability. Work is valuable because it gives people a sense of purpose, and because it signifies to others that you are making a contribution to society. If a basic income was 'earned' through linking it to volunteering (which would be recorded on a digital civic service "passport") it would in theory meet both those requirements. ...¹⁰

While making an otherwise unconditional income conditional on voluntary activity at first sight appears

⁹ <https://citizensincome.org/news/andy-haldanes-version-of-a-participation-income/>

¹⁰ <https://citizensincome.org/news/andy-haldanes-version-of-a-participation-income/>

to be a route to encouraging voluntary activity, and to making the otherwise unconditional income palatable to a British public keen on what we might call front-end reciprocity – that is, the idea that someone has to do something for society before society will do something for them – we might find that it wouldn't be such a good idea after all.

First of all, it would turn voluntary work into paid work, would destroy voluntary activity as we know it, and would not build the kind of civil society that Haldane would like to see. The test for whether sufficient voluntary activity had been undertaken would require a significant bureaucracy, would impose intrusive questioning, would turn those supervising the now paid activity into gatekeepers to an income, and thus into street-level bureaucrats, and would turn all of us into claimants. It would be very different from an entirely unconditional Citizen's Basic Income, the recipients of which would see themselves as members of society receiving equal and unconditional social provision, in the same way that we see the National Health Service as a service provided for the whole of society.

Professor Tony Atkinson, who promoted the idea of a Participation Income, an income conditional on voluntary activity as well as on other 'participation' conditions, never factored in the difficulty of administering it. Research has shown that only about one per cent of the population would not fulfil at least one of Atkinson's participation conditions (Malcolm Torry, *The Feasibility of Citizen's Income*, Palgrave Macmillan, 2016, pp. 134–39). Participation Income amounts to a proposal for a vast bureaucracy that would enable street-level bureaucrats to impose intrusive detailed questioning on every member of the population in order to find out who was fulfilling the necessary conditions, and to exclude a tiny number from receiving the otherwise unconditional income: and an even smaller number if some of those initially excluded were then able to exercise creative compliance: that is, organisations would construct volunteering activities specifically tailored to fulfil the Participation Income conditions.¹¹ In his final book before he died, Atkinson still thought the idea to be a realistic proposition:¹² but interestingly the microsimulation results published in the book are for a genuine Citizen's Basic Income rather than for a Participation Income.

¹¹ Jurgen De Wispelaere and Lindsay Stirton, 'Why Participation Income might not be such a great idea after all', *Citizen's Income Newsletter*, issue 3 for 2008, pp. 3–8

¹² Anthony B. Atkinson, *Inequality: What can be done?* Harvard University Press, 2015, pp. 219–21, 297.

A further objection to a Participation Income is that the unpopularity of its administrative requirements would make it so unpopular that it would be quickly abolished, and that the experience would ensure that Citizen's Basic Income would be off the agenda until the experience had faded from memory.

Haldane's suggestion of a Universal or Citizen's Basic Income is a far better idea than his version of Atkinson's Participation Income. A genuine Citizen's Basic Income would provide a secure financial floor that would provide every individual with new options as to how to organise their time, and it would therefore encourage additional genuinely voluntary activity rather than imposing activity that was no longer truly voluntary as a condition for receiving an income.

Main article

Basic Income and cryptocurrency

By Daniel Mermelstein

Those who try to introduce change (into organisations or into any other community) know that it is wise to do it gradually and, if at all possible, while pretending that nothing much is actually changing. This is because they know that most people, most of the time, are resistant to change. Humans are conservative creatures and, as a species, this has served us well in the battle for survival. So, when you hear that there are people out there who are trying to combine the concepts of Citizen's Basic Income and cryptocurrencies into one package, you can't help marvelling at the enormous optimism and sheer ambition of the whole endeavour.

Citizen's Basic Income asks you to question a lot of very deeply (and probably unconsciously) held notions about the nature of work, of poverty and of fairness, among others. Cryptocurrencies ask the same of even more mysterious concepts such as money, value, trust, and even power. Putting the two together could leave you wondering if you know anything for certain about a lot of things you thought were incontrovertible.

Crypto-fest

Let's start with cryptocurrencies. The fact is that most of us, when we go for a loaf of bread at the bakery and hand over a £5 note to pay for it, never pause for a moment to think about the magic that has just happened. A total stranger, who got up at 3 a.m. to bake an actual loaf with real flour and water and yeast, is totally happy to hand you the fruit of her labour in exchange for a brightly-coloured piece of

paper (or plastic these days) and let you take it away. Try drawing a picture of the queen on a napkin and attempting to get the loaf in exchange for that brightly-coloured piece of paper!

The magic, of course, is the magic of trust. Apart from you and the baker, there is a third party in that transaction: a mysterious entity called The Bank of England, that imbues the brightly-coloured piece of paper with its magical properties. The baker knows that she can take the paper with her and trust that other people will accept it in exchange for flour and yeast - because the Bank of England says the paper has value, and we all believe that it does.

But what if there were no intermediary? Could you operate in an environment where there was no trusted third party to vouch for the supply, or to guarantee the value, of your money? In a digital world, where it is trivially easy to make endless copies of, say, a digital £5 note, this is hard. The problem of the double-spend has bedevilled attempts at online currencies in the past. Put simply, I could buy your real loaf with a digital token, but unless it is impossible for me to use that digital token again for something else (double spend), you will not be willing to take it in exchange for the loaf, because you do not know if it will have any value tomorrow. This is the problem that was so successfully solved by Bitcoin 10 years ago and that kickstarted the crypto explosion that we see today.

Bitcoin and Blockchain

Often the words bitcoin and blockchain come together. Bitcoin relies on a blockchain but they are not the same thing: there are many other blockchains and not all of them have to do with cryptocurrencies.

In simple terms, a blockchain is a ledger, or a database. You can think of it as a massive spreadsheet. In the case of cryptocurrencies, this ledger contains all the transactions made with the cryptocurrency. When Alice pays some cryptocurrency to Bob, the transaction (out of Alice's account and into Bob's) gets recorded on the ledger. When Bob gives some of that to Carol, that transaction also goes in the ledger, another row in the spreadsheet.

Every transaction has to be verified before it becomes 'official' (that is, someone needs to check that Alice has enough funds to pay Bob). These verifiers are powerful computers called 'miners'. They verify by gathering multiple transactions together into a 'block' and then racing against other miners to be the first to verify this block. They do this by doing some difficult cryptographic mathematics where the solution is very

hard to find but, once found, is very simple to check. Once a miner finds a solution, their newly verified 'block' gets added to the chain of other blocks, hence the name blockchain. Each new block has a reference to the previous one, so you can follow the chain of blocks into the past and back to the present. And the process starts again for the next set of transactions. The beauty of it is that the miners are compensated by the process itself. Every time a new block is added, it comes with some newly-created bitcoin that belongs to the miner who was the first to verify it.

This is, of course, a massive oversimplification of a much more complex process. But the amazing thing about the whole bitcoin ecosystem is that no one is in central control, but everyone is incentivised to be a 'good actor':

- Anyone can be a miner. All you have to do is install some open source software on a powerful computer and join the party.
- Anyone can have a bitcoin account. All you have to do is generate a valid account (known as a 'wallet') and people can start sending you bitcoin.
- The ledger of all the transactions (the blockchain) is public, so anyone can verify the history of all bitcoins.
- Because you need a copy of the ledger to verify transactions, there are hundreds of thousands of copies around. Bitcoin is virtually indestructible.
- Because every block in the blockchain is cryptographically related to the previous one, tampering with blocks is practically impossible without detection. Bitcoin is basically tamper-proof.
- Because the rate of creation of blocks is pre-determined (again, using some clever cryptographic mathematics), the supply of money is controlled, and known.

All of the above means that the baker could sell her bread for bitcoin safe in the knowledge that her bitcoin is as unique as a £5 note and that she would be able to spend it on flour and yeast tomorrow.

Bitcoin was, to a large extent, a libertarian, anti-statist project. It is de-centralised and trust-less by design. It is no coincidence that it emerged in the wake of the financial crisis of 2008. It questions the role and probity of banks, and even whether they need to exist at all in the process of making money and keeping its value. It makes us think about how value is created and stored and therefore about what makes the British

pound or the US dollar so special. Its borderless nature, and its focus on anonymity, challenge the authority of the state and its ability to control its own currency and collect taxes from its citizens.

And what about Citizen's Basic Income?

On a website and in a publication dedicated to the understanding of Citizen's Basic Income, the notion itself requires less explanation: but it is worth pointing out that Citizen's Basic Income is, in some sense, just as challenging a concept to large parts of society as cryptocurrencies are.

The idea that everyone should receive a regular amount of money without any strings attached is perhaps as foreign to most people as the idea that a piece of software, and not a committee of the Bank of England, should decide how much money is in circulation. In the case of Citizen's Basic Income, large segments of society sincerely believe that there ought to be a link between welfare and work. This is why most state welfare programmes require claimants to prove that they are actively seeking work or, alternatively, too sick or disabled to work.

Having said that, Citizen's Basic Income has a far longer history than cryptocurrencies and, inasmuch as it has been tried, a better track record. Cryptocurrencies have had a much rockier ride in their short history, having been associated with criminal enterprises and some major volatility in prices.

Not as foreign as you think

Once you look into them, however, Citizen's Basic Income and cryptocurrencies are perhaps not as alien as you might initially think. We have had universal benefits, like Child Benefit, before. Similarly, you may think that a cryptocurrency is odd, but you have probably dealt in 'currencies' generated by non-state actors without batting an eyelid. Your Nectar points, or similar loyalty card points, are a form of private currency, 'minted' by a consortium of businesses. They issue the tokens and they are accepted as a valid currency in certain places. And you have to trust that they won't suddenly and arbitrarily change the rules (which they often do). Similarly, with the Air Miles programmes of most airlines.

So why mix the two together?

For Citizen's Basic Income enthusiasts, there is an obvious appeal in cryptocurrencies – they are as universal as Citizen's Basic Income wants to be. No borders, no controls, no corrupt central banks or other middlemen. Given that a cryptocurrency can be created from scratch, Citizen's Basic Income

enthusiasts could design one that closely matches the aims that they want to achieve for Citizen's Basic Income. Once designed and launched, like Bitcoin and other cryptocurrencies, the rules are known and cannot be tampered with, reducing the likelihood of corrupt practices in the management of the currency.

For cryptocurrency lovers, there is the ubiquity appeal: if you could put even small amounts of a currency in the hands of many, many people, then would they start to use it on a daily basis? So far, cryptocurrencies have been the preserve of a relatively small group of currency speculators and enthusiasts (which goes some way to explaining their wild price volatility). These people have, for the most part, been hoarding it, like gold, rather than spending it, like a normal currency. I once tried to buy a camera with bitcoin and it turned into a nightmare. But if you started giving it away to everyone, could it turn into an instrument of daily trade?

So, is this a marriage made in heaven or a hellish union?

Only time will tell. So far, there appears to be only one functioning UBI cryptocurrency. It is called Manna (<https://www.mannabase.com/>). You can sign up on their website and start receiving a weekly stipend, the size of which depends on how many verified recipients exist that week. You can send your Manna to other Manna holders, and you can even trade it for US dollars on this exchange <https://www.southxchange.com/Market/Book/MANNA/USD>. The foundation behind Manna is working to get merchants to accept it as payment, and credit card issuers to allow you to store Manna in a debit card, then instantly spend it even at businesses that do not accept Manna or digital currency. In 2018, they raised \$100,000, and they claim to have more than 100,000 users already.

(https://archive.aweber.com/awlist5172279/7LJpZ/h/New_Year_s_Message_from_the.htm). They have ambitious plans for 2019. They are not without their critics, however. Some have pointed out (https://news.ycombinator.com/item?id=16515112&fbclid=IwAR1ybSH_glwiCglxh3KZyM0zL1uknEjgnTiK227unXIZ-edHn0tLz4rhL14) that the way the currency giveaway is structured is designed to make its creators extremely wealthy if it takes off (a sort of 'thin trickle-down effect').

Other Basic Income cryptocurrencies are well behind Manna. The people behind

<https://www.coinisseur.com> have recently produced a very good summary of these projects and it is worth having a look (<https://www.coinisseur.com/crypto-ubi-models-how-blockchain-will-decrease->

inequality/). The main takeaway from it, however, is that these projects are very much in their infancy. The majority are at the whitepaper stage, that is, there is no real implementation yet, and no way of knowing whether they will ever get off the ground. Some, like Swift and Value Instrument have some Alpha (very early stage) implementations that don't give much away in terms of their future potential.

Challenges ahead

Even if one of these cryptocurrencies were to start gaining traction, there remain serious challenges to widespread adoption, most of which have more to do with the current nature of cryptocurrencies than with Citizen's Basic Income itself:

- Citizen's Basic Income is designed to pay individuals, but cryptocurrencies are mostly anonymous (or at least pseudonymous) by design. The currency is in wallets and it is very difficult to connect a wallet to an individual. Any successful Citizen's Basic Income cryptocurrency would have to find a way to solve this issue, so as to avoid paying people more than once.
- If the aim is universal adoption (and with cryptocurrency this becomes possible), it will be the most-needy who will be harder to reach. Owning cryptocurrency requires a level of technological adoption (like access to smartphones, and basics like electricity, for example) which puts them out of reach of a significant chunk of the world's population.
- There is a big challenge around scale for any cryptocurrency. The volumes of transactions Bitcoin currently handles are putting a huge strain on the system. And the number of Bitcoin users is still tiny compared to the potential number of users of a fully-fledged Citizen's Basic Income coin. Lots of clever people are thinking hard about this problem at the moment, but there is no clear solution in sight yet.
- There is still a big question mark, as pointed out above, as to whether these cryptocurrencies can become daily instruments of trade. It requires enough people to have them, and enough merchants to trust them and accept them, for the virtuous cycle to be created. This will always be a challenge.
- And governance is always a big issue with cryptocurrencies. Although it is true, as mentioned earlier, that there are no middlemen and the rules are transparent, there is always a

core of people somewhere who govern the ecosystem (in the case of Bitcoin there is a core group of developers who have a lot of influence, for example). When a cryptocurrency becomes popular, the issue of who is at the core of the development becomes tense and contested. These tensions will inevitably be part of any Citizen's Basic Income-related cryptocurrency.

In sum, mixing two socially, economically and even psychologically disruptive concepts, and then trying to get acceptance for them, is always going to be tough. On the other hand, if either one of them starts to gain mainstream traction, it might serve to raise and validate the other. It is a risky gamble, but one that could pay off handsomely for both Citizen's Basic Income and cryptocurrencies.

Daniel Mermelstein is a technical architect and consultant

News

The **UBI Lab Sheffield** has published proposals for Citizen's Basic Income pilot projects in Sheffield. 'A UBI could help address multiple challenges, such as precarity, poverty, inequality, and loss of community. Sheffield – a city of communities, makers, innovation and change – is the ideal testing ground for a UBI. While there have been trials of UBI elsewhere in the world, most evidence comes from times and contexts which are very different from the UK in 2019. We propose a pilot of UBI in Sheffield that will generate knowledge and understanding about the practicalities and administration of a UBI, its effects on participants and impacts in the wider community. The UBI pilot will add to the academic evidence base on UBI, inform the policy debate about welfare reform, and raise awareness about UBI among the general public.' <https://www.ubilabsheffield.org/s/SheffUBI-proposal-working-paper-FINAL.pdf>

The Guardian reports that Sheffield City Council has expressed a wish to host a Citizen's Basic Income pilot project, based on the report by the UBI Lab, Sheffield. 'Sheffield has moved closer to becoming one of the first UK cities to trial universal basic income after the council formally lent its support to the idea. Last month, the shadow chancellor, John McDonnell, confirmed a Labour government would pilot UBI if it won a general election, identifying Liverpool and Sheffield as potential areas for pilot schemes. The plan would do away with the need for welfare as every citizen would be given a fixed sum to cover the basics, whether they are rich or poor, in work or unemployed. On Wednesday, senior city

councillors agreed to work to ensure a UBI “can be implemented successfully in Sheffield”.’
<https://www.theguardian.com/society/2019/jun/12/sheffield-council-backs-universal-basic-income-trial>

The European Centre for Minority Issues has published a working paper by Sonja Wolf and Craig Willis, *Universal Basic Income as a tool of empowerment for minorities*. ‘Minority empowerment is a relatively new approach on research and policy-making in the field of minority studies. At its core lies the ideal to remove the marginalisation of minorities by providing room for them to take agency on their own behalf. One policy that has been identified as having the potential to rapidly affect marginalised communities is the implementation of a Universal Basic Income; a monthly amount paid equally to all residents of an area without any means-testing or conditions. This working paper explores how these two fields of research can connect and identifies the key areas of everyday life that could be affected. This includes focus on employment, education, relationships and family life, community work, and government intrusion and social stigma; core elements for any individual and society, including minority communities. The analysis section finds that UBI has the potential to alter all of these aspects, but only if it is used to increase the existing standard of welfare and government services and not as an opportunity to reduce government spending by cutting the vital existing programmes.’

<https://www.ecmi.de/publications/detail/109-universal-basic-income-as-a-tool-of-empowerment-for-minorities-400/>

The Commission on Social Security UK has published a call for evidence. ‘The Commission is highly innovative in that all the Commissioners are people with experience of claiming benefits. The Commission’s aim is to produce a White Paper style document setting out a better system and building consensus.’ <https://citizensincome.org/news/a-consultation-on-the-future-of-social-security-benefits/>

The Green European Journal has published an article by Natalie Bennett, *Basic Income has always been a women’s cause*. ‘In a deeply gendered society, how might a basic income impact men and women differently? Could basic income be harnessed as a tool in the fight for women’s rights? Bringing a feminist perspective to the basic income discussion foregrounds a distinct set of concerns and virtues of the proposal. Natalie Bennett recalls the long 20th-century history of women’s struggles in the UK to make the feminist case for a universal basic income.’

<https://www.greeneuropeanjournal.eu/basic-income-has-always-been-a-womens-cause/>

The **World Health Organization** has published a report, *World Health Organisation Universal Basic Income report*, by Louise Haagh and Barbara Rohregger. ‘Over recent years, universal basic income (UBI) has become an important reference point when discussing innovative basic income policies as promising alternatives to address shortcomings resulting from the changing nature of traditional employment patterns and work. Related to this is the notion of new insecurities that have arisen, which existing welfare state arrangements are not in a position to adequately tackle. These aspects also resonate with the debate on health and well-being, emphasizing the role of income security – either through employment or social protection measures – in playing a key role in achieving more equitable health. More recently, this debate has gained momentum, as global and domestic factors are forcing a rethink of income security design, to generate conditions in which income support systems effectively counteract insecurity.’

<http://citizensincome.org/wp-content/uploads/2019/06/World-Health-Organisation-Universal-Basic-Income-report.pdf>. (Terminological note: Readers might wish to note that in this report ‘UBI experiments’ does not mean ‘experiments about Citizen’s Basic Income’, ‘UBI policies’ does not mean ‘Citizen’s Basic Income’, and ‘unconditional’ means ‘not work-tested’ and not ‘unconditional’.)

The Guardian has published an article, ‘Labour would trial Universal Basic Income if elected, John McDonnell says’, on the Labour Party’s plans for Citizen’s Basic Income pilot projects in Liverpool, Sheffield, and the Midlands. ‘Labour would trial universal basic income if it wins power, shadow chancellor John McDonnell has revealed. Pilot schemes would be held in Liverpool, Sheffield and the Midlands, McDonnell told the Mirror. ... “I’d like to see a northern and Midlands town in the pilot so we have a spread,” he said. “I would like Liverpool – of course I would, I’m a Scouser – but Sheffield have really worked hard. I’ve been involved in their anti-poverty campaign and they’ve done a lot round the real living wage. I think those two cities would be ideal and somewhere in the Midlands. ... Of course it’s a radical idea,” McDonnell said. “But I can remember, when I was at the trade unions – campaigning for child benefit and that’s almost like UBI – you get a universal amount of money just based on having a child. UBI shares that concept. It’s about winning the argument and getting the design right.” ... In the UK, charity Citizen’s Income Trust

has been encouraging debate for 35 years. But some critics fear UBI would be too expensive, including John Kay, former director of the Institute for Fiscal Studies. "If you do the numbers, either the basic income is unrealistically low or the tax rate to finance it is unacceptably high. End of story," he said. But McDonnell is convinced of the benefits. "The reason we're doing it is because the social security system has collapsed. We need a radical alternative and we're going to examine that. "We'll look at options, run the pilots and see if we can roll it out. If you look at the Finland pilot it says it didn't do much in terms of employment but did in terms of wellbeing – things like health. It was quite remarkable. The other thing it did was increase trust in politicians, which can't be a bad thing."

<https://www.theguardian.com/society/2019/may/12/labour-would-trial-universal-basic-income-if-elected-john-mcdonnell-says>

Talkshop has published a discussion kit about Citizen's Basic Income. 'This kit is designed for you to run a stimulating discussion in a small group of up to 6 people in a couple of hours. You will be able to order a set of cards for free, and download the rest of the material too. In return for providing this kit for free, we ask that you spend about 20 minutes after the event giving us feedback on how the event went, and telling us the key points you decided. You can also organise larger conversations by grouping people around tables, or in circles, of up to 6 – with each table having their own kit. We will help you put on events like this, and support you whilst you are organising and promoting it. You and your friends will gain much from joining in this discussion. They will learn more about the complexities of the situation and have opportunities to listen, to question and be questioned themselves. Research shows that by talking about issues, participants not only increase their understanding, but also reinforce their memory of the issues.' <http://www.talkshopuk.org/citizens-income/> (To order a kit, click on 'Get involved'.)

Conference report

Review of 'The Future of Working Time – a 4 day week?' May 2019 at the Trade Union Congress.

By Jay Ginn

Speakers at this TUC/NEF-sponsored meeting deplored the race to the bottom that has shifted the balance of forces in society against workers in the UK. This is evident in the intensification of long hours (42.3hrs average, the highest in Europe). The UK also has the shortest holidays in Europe and the fastest planned rise in state pension age. Flexibility in

hours has mainly served employers' interests, not those of workers; exploitative zero hour contracts and other forms of contract (for instance, those dubbed 'slaveroo') enable employers to escape their responsibilities. Employers have confiscated tips, charged workers for uniforms, and insisted on women wearing short skirts and high heels. The conference agreed that labour must reassert itself and trade unions must educate workers as to their rights. Examples showed how we can win better conditions.

In the last 40 years the wages share of GDP has dropped from 65% to 49%. Productivity in the UK is relatively low; long hours and insecurity contribute to this, partly due to the prevalence of stress sickness. Long hours are particularly pernicious in reinforcing the gender gap in pay and pensions, since those with caring roles are unable to manage long hours, often forcing them to take low paid local jobs.

A New Deal for workers is required, including shorter weekly hours, such as a four-day week. TUs must support this, reversing the trend to increasingly stressful, intensified work, asserting 'time sovereignty' as a human right, and forcing a change in the balance of power in the workplace.

Comment: The theme of the conference echoed the arguments of Standing (2019) that a Universal Basic Income would help rebalance power towards workers, making it more feasible to refuse poor conditions and low pay, and to combat chronic insecurity, precarity and the 'pandemic of stress and ill-health'. It would allow workers to refuse 'bullshit jobs' (Graeber 2019) that are socially harmful or merely useless, allowing more opportunities for community engagement, education, leisure, and self-provisioning. It would also rebalance power in households, providing an independent source of income for those whose caring work restricts employment.

References

Standing, G. (2019) *Basic Income as Common Dividends: Piloting a transformative policy. A report for the Shadow Chancellor of the Exchequer*, London: Progressive Economy Forum.

Graeber, D. (2019) *Bullshit Jobs: The Rise of Pointless Work, and What We Can Do About It*, Penguin Books.

Conference announcement

This year's BIEN Congress will be held in Hyderabad, India, from the 22nd to the 25th August. For further details, see the congress website: <https://indiabasicincome.in/congress/>

Book Reviews

B. Guy Peters, *Policy Problems and Policy Design*, Cheltenham: Edward Elgar, 2018, 1 78643 134 9, hbk, x + 172 pp, £65.

Governments design policies in order to solve problems: but, unfortunately, life is not that simple, and, by the time the reader has got to the end of the first chapter of this important book, they will recognise just how complex the situation is. Trust in governments is declining; governments often ignore available evidence; in a complex world, policies often fail, and they sometimes produce effects that are the opposite of what was intended. Policy design is political and ideological. It creates effects for human beings whose responses affect outcomes. Conflict is inevitable, different policy areas influence each other, and accidents happen. But as Peters points out, this complexity makes it even more important to be clear about the policy design process, because that will enable the relationships between designed policies and other social and political realities to be understood, and it will enable difficulties to be evaluated and the designs to be revised. He sets out a number of design stages (understanding the causes of the problem to be solved; selection of instruments; clarity about desired outcomes; and construction of implementation infrastructure); he recommends attention to institutions; and he suggests that, in a complex and changing world, design is a process and not a product.

Chapter 2 surveys the literature on policy problems, understands the subjective nature of the framing of problems, finds that lack of clarity about the structures and causes of problems can make it difficult to design policies to solve them, and suggests that persuading a government that a problem needs to be on its agenda is as important as defining the problem. Chapter 3 discusses 'wicked problems', for which there will be no definitive formulations and no easy ways to identify solutions or to test them for success. Super-wicked problems are problems that are both wicked and urgent, and that lack an obvious central authority that could solve them. The actors that cause a super-wicked problem are the only ones that can solve it, and the cost of solving the problem today feels more onerous than the higher cost of solving it tomorrow. Climate-change is an obvious example. Peters makes the interesting suggestion that wicked problems might best be tackled with simple solutions. A virtue of this approach is that it will be clear whether the intervention is working, whereas with a more complex set of interventions that won't be so obvious. A further interesting suggestion is that

an intervention that is described as an experiment might not be politically attractive:

Legislators tend to want programs that provide a guarantee, even if it is false, of success. Thinking in experimental terms may be beneficial for the policy analyst, but it may not be so beneficial for practitioners. (p. 83)

Chapter 4 asks about the instruments available to governments - laws, regulations, subsidies, and so on - and suggests a number of criteria for the selection of instruments. Peters suggests that both the efficiency and the effectiveness of the administration of an instrument are important factors, and in particular he finds that

means-testing can stigmatize potential recipients and prevent their taking up the benefit. The take up of means-tested benefits is often low because of that stigmatization and because of administrative complications in qualifying for the benefits. In some instances, it may be more effective for governments to provide universal benefits and then claw back the money from the more affluent through taxation. (p. 97)

For the first four chapters, policy design is understood as an 'engineering' task: that is, the policymaker asks how the policy machine needs to be adapted or mended. In chapter 5 policy design is understood as product design: that is, more innovation than adaptation. This requires a broadening of the vision, an attempt to design systems rather than objects, and an eye to the future as well as to the present. A final chapter suggests some guidelines for good policy design, among which appear future orientation, flexibility, and simplicity.

The one thing missing from this book is case studies, the inclusion of which would not have made it too long: but that really is the only thing missing. *Policy Problems and Policy Design* takes the reader on a journey that is both historical and conceptual, and towards an understanding of both the difficulties and the necessity of good policy design.

Anyone interested in social policy would benefit from reading this book; and readers of this *Newsletter* will find it particularly interesting, because they will experience constant echoes of the Citizen's Basic Income debate. In chapter 1, a useful set of 'design principles' (p. 6) suggests the following in relation to the design of a Citizen's Basic Income scheme:

Brief expression of the design principle	Implications for designing a Citizen's Basic Income scheme
Employ multiple disciplines	As many academic disciplines as possible must be employed
Work out the minimum conditions for success	Set targets for the scheme: poverty reduction, inequality reduction, employment market changes, etc., and test to see whether they are met.
Create safeguards against major errors	Implement slowly: either starting with a small Citizen's Basic Income, or implementing for one demographic group at a time.
The policy must fit into existing practices	Add Citizen's Basic Income to existing tax and benefits systems rather than replace them.
Work out how to defuse potential opposition	Design the scheme so that it counters all known objections
Borrow from policies that work	Borrow regulations from other unconditional incomes, such as Child Benefit
Continue to improve existing policies	After implementing a Citizen's Basic Income scheme, continue to adapt existing means-tested benefits and the tax system
Start with the most popular	Start with Citizen's Basic Incomes for children, older people, and young adults
Set goals and design the policy accordingly	Set goals for reducing poverty and inequality, avoiding losses for low income households at the point of implementation, and enhancing choice in the employment market.
Exercise good judgement	Never allow the Citizen's Basic Income to become something else. It will only work if it remains entirely unconditional.

And chapter 5, on policy design as product design, reveals the extent to which Citizen's Basic Income would conform to that analogy.

One comparison that we might draw between the book's approach to policy design and the Citizen's Basic Income debate's approach is that the book always begins with policy problems for which policy solutions are sought, whereas the Citizen's Basic

Income debate always seems to begin with the policy and then looks for the problems that the policy would solve. However, this difference is apparent rather than real. Those who find themselves advocating Citizen's Basic Income will normally have set out from a particular policy problem – the complexity of benefits administration, increasingly precarious employment, and so on – and will have found Citizen's Basic Income to be a useful policy response; and will then have found that the policy would solve other problems as well.

If Peters is thinking of writing a follow-up to this thought-provoking volume then a book that tests his ideas on the Citizen's Basic Income debate would be a most valuable addition to the literature.

Peter Dwyer (ed.), *Dealing with Welfare Conditionality: Implementation and effects*, Bristol: Policy Press, 2019, vii + 187 pp, 1 4473 4182 6, hbk, £75

If anyone wants to know how conditionality is working out in the UK's benefits system, then this is the book to go to. All of the chapters are based on mainly ESRC-funded research by PhD students who have recently completed theses or are about to do so. Every chapter is thoroughly referenced, and the original research reported in them is based on interviews with individuals who suffer from current benefits policy and with practitioners who relate to them.

The editor's introductory chapter introduces us to a four-stage definition of conditionality: to receive a service or benefit, a claimant must be in a defined category (for instance, unemployed); they must satisfy entitlement criteria (for instance, inadequate income); they must fulfil behavioural requirements in order to continue to receive the benefit or service (for instance, they must provide evidence of seeking employment); and they must satisfy front-line, street level bureaucrats' requirements (for instance, personal requirements set by job coaches). Perhaps we should add a fifth stage: the claimant must have sufficient health, intelligence and computer skills, to enable them to manage the benefits system, and must not have been so demotivated by the system that they no longer have the capacity to engage with it. Dwyer charts the global transition from a citizenship entitlement basis for receipt of benefits and services to an approach conditional on a claimant fulfilling behavioural requirements, and although he offers arguments both for and against this transition, it is not difficult to work out where his sympathies lie:

Opponents of welfare conditionality view its use as ethically unjustifiable, because it disproportionately punishes poor people, is socially divisive, and, by primarily focusing on the responsibility to undertake paid work undermines other valid forms of social contribution, such as informal care. They also argue that it is largely ineffective in promoting paid employment or personal responsibility, and that it exacerbates social exclusion among disadvantaged populations. (p. 4)

Following the editor's introductory chapter, chapter 2 finds that the conditionality and discretions embedded in Universal Credit prevent many of the most vulnerable from accessing the provision designed to assist them, and can contribute to their social exclusion. Chapter 3 studies women caught up in both the justice and social security systems, and finds that the conditionalities related to the latter are experienced as additional punishment, and as an additional barrier preventing positive behavioural change. Chapter 4 explores the combination of conditionalities experienced by individuals caught up in both the immigration and social security systems, and finds that life on the street can be experienced as a greater freedom and dignity than submission to a highly conditional benefits system.

On a similar theme, chapter 5 is based on interviews with third sector service providers, and finds that because homeless people can find it hard to fulfil the conditions of the benefits system, third sector support workers have to spend time assisting clients to navigate the benefits system, which prevents them from providing the support required, for instance, with finding accommodation, and with training and job search. The author also finds that a more conditional approach has started to displace the traditionally unconditional approach of third sector organisations, and that some of them are willingly facilitating the benefits system's conditions. The chapter makes the valid point that any organisation having to spend time helping homeless claimants to navigate the social security system is an indictment of that system. This point could legitimately be extended to suggest that any assistance required by anyone to navigate a benefits system is an indictment of that system.

Chapter 6 finds that Roma migrants, having moved to the UK to escape discrimination in their own countries and to seek employment, face difficulties accessing both formal employment and conditional social security benefits, and so find themselves in informal employment, reinforcing their marginalisation. Finally, chapter 7 studies the effects

of the Troubled Families Programme, and discovers that existing individual and social disadvantage can prevent sustained behavioural change, but that small positive changes can occur, particularly if they are not compelled. Families in difficulties need support, not coercion.

At the end of his introductory chapter, Dwyer emphasises the way in which increasing behavioural conditionality has spread across social policy sectors: social housing, social security, criminal justice, and so on; and, in his afterword, he holds neoliberal ideology responsible for the increasing conditionality. He concludes:

The overwhelming conclusion to be drawn from discussions in the preceding chapters of this book is that welfare conditionality is really about blaming and punishing poor people for their marginalisation, while simultaneously justifying their exclusion from ever-reducing support, offered via collectivised, publicly financed welfare rights. The behaviour change agenda is a smokescreen that obscures this much harsher reality. (p. 177)

This is the correct conclusion to draw from the wealth of evidence contained in the book's chapters. It is not the book's task to propose policy change, but the policy implication is clear. It is going to be difficult to reverse the trend towards increasingly conditional benefits. The task must therefore be to remove as many people as possible from the benefits to which conditionalities are attached, and to provide new layers of benefits and services that will be experienced as positive support. In the social security field, a new layer of unconditional benefits is the obvious way to do that.

Samuel Cogolati and Jan Wouters (eds), *The Commons and New Global Governance*, Cheltenham: Edward Elgar, 2018, xx + 350 pp, 1 78811 850 7, hbk, £110

The conundrum that sets the agenda for this book is the combination of capitalism as a global phenomenon, and human society as a nation state phenomenon: a conundrum even clearer as the UK leaves the European Union and nation states fragment. How, in this context, are the social forces required to control climate change and environmental degradation to balance the onward march of global financialised capitalism? What kind of global institutions might it be possible to create that would be up to the task? Understanding the essential global resources as 'the commons' is the editors' and authors' response, with the commons here understood

as global, rather than local, shared resources – a ‘common pool resource’ – of which such initiatives as software open source communities are a forerunner. But how are the institutions that will be required to govern the global commons to emerge, and how will they be governed? That is the agenda of this well-researched and interesting volume.

Much of the inspiration for the authors' attempts to discover feasible methods of governance for common resources stems from Elinor Ostrom's research, in which she showed that historically and in a local context ‘the tragedy of the commons’ was in practice avoided. Those who exploited such commons as common grazing land achieved sustainability by establishing rules to govern the resource domains on which they depended. People do *not* act as short-term selfish utility maximisers, but instead are capable of managing the commons for their own and others' long-term benefit. This fact matters because it means that it might be possible to develop the institutions required for ensuring that such essential commons as the seas and the atmosphere might be governed in such a way that they can continue to serve future generations, rather than everyone grabbing as much as they can in the short term and thereby destroying them.

The chapters of the book explore what kind of governance the global commons are going to need. The first section struggles with whether a global democracy is possible: – a ‘cosmopolitics’; the second part asks about the institutions required, and recognises that arrangements appropriate to local commons cannot be simply transferred to a global level; and the third part asks whether current international law is sufficient to protect the global commons from the kinds of enclosure and commodification that more local commons have often suffered. A concluding chapter asks whether methods that might be developed for governing the global commons might also be appropriate for global governance more generally.

In this volume, ‘universalism’ means universal capitalism and universal human rights. The word is not, in fact, applied to the global commons, although of course it might have been, as it might have been applied to the governance methods explored in the book, which would have to be universal if they were properly to govern the universal commons. This provides an insight as to how this book might be helpful to those interested in such universal income provision as a national Citizen's Basic Income or a future global Citizen's Basic Income. At least three connections immediately present themselves. The global commons belong to us all, and should be

governed on that basis, so any revenue generated by exploitation of the commons by individuals, states, or corporations, should be equally shared, which could mean that it should be shared in the form of a global Citizen's Basic Income. Where the commons have been commodified, access to them requires a monetary income, and as the commons belong to all of us, the logic of the situation suggests that a layer of income equivalent to the value of our need to access the commodified commons should be provided equally to everyone. And finally, both a national Citizen's Basic Income, and eventually a global one, would need to be governed by appropriate institutions: and the institutional wisdom developed in this book would have a lot to offer to those nation state and global actors constructing the required institutions for a Citizen's Basic Income.

This book is important. The global commons constitute the resources that will be essential to humanity's future, so how they are to be governed is an essential question. And, as we have seen, the governance methods that the book discusses could end up having a significance well beyond the immediate subject matter of the book.

Giliberto Capano, Michael Howlett, M. Ramesh and Altaf Virani (eds), *Making Policies Work: First- and Second-order mechanisms in policy design*, Cheltenham: Edward Elgar, 2019, xii + 215 pp, hbk, 1 78811 818 7, £85

It's all very well designing a policy with a particular outcome in view, but it can happen that the policy design intended to achieve the result in fact prevents the result from being achieved. The intention of this book is to alert policy practitioners and academics to this possibility, and to enable everyone involved in policymaking to design policies that will in practice achieve the results envisaged. In order to achieve their aim, the authors employ the concept of ‘mechanism’ – the definition of which is debated in the introductory chapter – as a means of exploring how processes and circumstances mean that policy designs affect human behaviours in the ways that they do. The editors conclude that in order to ensure that a policy design achieves the results intended, the design must take relevant mechanisms into account, and must influence those mechanisms in such a way that the policy's intentions are achieved. As the editors put it:

A mechanism-based policy design perspective will improve the capacity of designers to analyse policy tools and programs when policies are

under formulation and to better predict the impact on implementation. (p. 4)

The editors suggest that mechanisms occur in two stages: First-order mechanisms, that directly affect human behaviour; and second-order mechanisms, that result from the aggregated effects of first-order mechanisms, and that transform the policy context. The editors provide the example of research assessment exercises, designed to engender institutional competition and therefore better quality research. The first-order competition has occurred, but the expected second-order general improvement in research quality has not, because the process has encouraged risk avoidance and has therefore reduced the amount of more risky research: research that can sometimes generate more significant results than the safer more evolutionary kind.

Following the editors' introductory chapter, chapter 2 provides a review of policy process theories, which anyone coming new to the policy studies field would find useful. The authors then show how adding a consideration of mechanisms can enhance the usefulness of the theories.

The next few chapters explore first-order mechanisms. Chapter 3 considers how policy design can affect 'network mechanisms' that affect structural elements of the context; and chapter 4 is a case study that shows how the outcomes of an Italian policy to prevent food waste can be better understood via an understanding of the mechanisms in play. Chapter 5 shows how Indian healthcare policy has failed to achieve its intended results because it has not taken into account how weaknesses in the policy context affect the operation of first-order mechanisms. The chapter offers a warning to any government thinking of establishing public private partnerships. More hopefully, chapter 6 shows how policy entrepreneurs can enable first-order mechanisms to function, for instance by generating institutional commitment to a policy.

The following chapters study second-order mechanisms, with an emphasis on the second-order effect of policy learning that can result from implementing a policy. Chapter 7 studies this process in relation to impact assessment in the European Union; and Chapter 8 studies how weak regulation of the European Central Bank has prevented the expected accountability. Chapter 9 reviews case studies on public sector reform, and suggests that a mechanistic approach needs to be accompanied by a good understanding of the administrative context and of how specific social dynamics function within a broader social context.

The final part of the book explains methods for designing policy that take into account the book's mechanistic analysis of policy outcomes. Chapter 10 studies retirement savings decisions, works backwards from outcomes to policy design, and finds the situation highly complex. The final chapter envisages policy-making as successive loops that might enable policymakers to work towards policy goals.

Every policymaker and policy academic should read this book. It reveals not only the important role that mechanisms fulfil in the relationship between policy design and outcomes, but also the complexity of the situation that policymakers face.

The book should be of particular interest to anyone involved in the Citizen's Basic Income debate. While a Citizen's Basic Income would be radically simple, any Citizen's Basic Income scheme – with levels of the Citizen's Basic Incomes for different age groups specified, the funding method described, and any changes made to existing tax and benefits systems specified – would create a complex policy bundle, the effects of which could be difficult to predict. Understanding how first- and second-order mechanisms might work, and particularly how policy loops might function, will be essential to an understanding of the overall effects that any particular illustrative scheme might deliver.

Bea Cantillon, Tim Goedemé and John Hills (eds), *Decent Incomes for All: Improving policies in Europe*, Oxford University Press, 2019, xxiii + 314 pp, 0 19 084969 6, hbk, £48.99

Why have European governments failed to reduce poverty? This is the question underlying a European Union research project that has given birth to a variety of publications, of which this thoroughly evidenced book is the most recent.

The introduction finds globalization and technological change to be largely responsible for increasing inequality and poverty in Europe; the European Union's agreed social indicators to be useful for mapping poverty and inequality; and the open method of policy coordination to be partly to blame for the lack of progress in eliminating poverty. The book has been written to make a particular contribution to the policy process by showing what it means for households to live on an income below the EU's 'at risk of poverty' threshold (60% of median equivalised household income), and by proposing policies to address the problem.

Chapter 1 studies the relationship between the 'at risk of poverty' threshold and a set of reference budgets for social participation developed by the researchers to enable comparisons to be made across the EU. They find that the 'at risk of poverty' threshold underestimates child poverty and does not promise a decent living standard for low income households. Chapter 2 finds that employment growth needs to benefit job-poor households more than it currently does, if poverty is to be reduced, and that more adequate social protection mechanisms are required. Chapter 3 finds substantial differences between income levels among poorer households in different EU states, suggesting that cross-border redistribution is required.

The second part of the book turns to the effects of social and fiscal policies. Chapter 5 finds that social transfers have a major impact on poverty, and that the effects of social transfers differ between different countries. The authors outline important research that is still needed:

Another challenge, which we could not tackle here, is to test the estimation method in the context of a dynamic simulation model and/or a model that would take account of the interrelationships among the different transfers in a complex tax-transfer system. (p. 104)

One can only agree.

Chapter 6 finds that in the countries on the periphery of Europe, policies implemented since the financial crisis have often exacerbated poverty. Chapter 7 finds that in-work means-tested benefits have increased employment levels and reduced poverty among low-income households.

The third part of the book studies local policy experiments. Chapter 8 finds local social innovation to be a useful complement to the welfare state; and chapter 9 that different social investment policies can have different effects, and recommends an approach that includes redistributive policies.

The final part of the book asks about the traditional trade-off between poverty reduction and employment incentives. Chapter 10 finds that in Belgium, Denmark and the UK it would cost twice as much to raise all incomes above poverty thresholds without reducing employment incentives as it would to simply raise all incomes to at least the poverty level. Chapter 11 tests a variety of policy options for in-work benefits in Belgium, and finds that an individualised benefit would reduce employment incentives less than a household-based benefit would, but that a household-based benefit is better at

reducing poverty. Linking the benefit to hourly wage rate thresholds would provide the best combination of incentive enhancement and poverty reduction effects. Chapter 12 discusses EU governance; and the concluding chapter suggests that the research results indicate that a range of policies should be followed, if an impact is to be made on European poverty levels.

It is a pleasure to see EUROMOD, the EU's microsimulation programme, put to such good use in the research underlying the chapters of this volume, and to see such a wide range of income-enhancing policies considered. If further research is to be undertaken, then here are two suggestions. First of all, healthcare costs need to be given more than a passing mention. If in one country, such as the UK, healthcare is free at the point of use, and in another country, it is not, then the lack of free healthcare will impose additional poverty pressures in the latter country. Secondly, unconditional cash transfers might be given more attention. First of all, existing unconditional cash transfers, such as the UK's Child Benefit, are a significant buffer against poverty for low income families, because they are completely secure, and because they provide a higher proportion of total disposable income for poor families than they do for wealthier ones. Secondly, Philippe Van Parijs's suggestion of an unconditional EU-wide Eurodividend could reduce levels of poverty in every EU country and at the same time contribute to convergence between EU economies.

The book under review is an important contribution to what must remain an ongoing debate and research effort.

John Hudson, *The Robot Revolution: Understanding the social and economic impact*, Cheltenham: Edward Elgar, 2019, xx + 160 pp, 1 78897 447 9, hbk, £70

As Hudson points out early on, there is nothing new about innovation, and robots (which for the purposes of this book include artificial intelligence) have already been with us for a long time. So why the increasing interest in the subject, and why the increasing anxiety? The author provides some answers, some of which will encourage optimism about the future, and some rather the opposite.

Chapter 1 offers a history of innovation, from the discovery of fire, through the steam engine, to microchips. As Hudson suggests, innovation is often driven by curiosity or greed, and not always by a desire to benefit society. Chapter 2 is a history of robots, and of their presence in novels and films. Chapter 3 brings the history into the present by

describing the current diversity of robots: industrial, warehouse, caring, medical, bomb disposal, security, military, and agricultural robots; autonomous vehicles; robots in education; modular robots; and artificial intelligence, which this book regards as a robot because it sifts vast amounts of data. The chapter speculates about the future, and lists some significant challenges to be overcome, such as the difficulty that a computer faces when it tries to understand what a camera is looking at, or when it encounters human emotion. Chapter 4 discusses the science of robots, and particularly robots' manoeuvrability, awareness of position and location, intelligence, and artificial intelligence (the latter including the ability to learn), with all of these aspects functioning together to form an essential character of a robot: the 'perception to action' process (p. 60). It is at this point in the book that the more philosophical questions begin: for instance, 'Can robots think?'

Then follow chapters about the effects of robots. Chapter 5, on the impact on employment, unemployment, and wages, finds that regions with lots of robots increase employment, but at the expense of regions with fewer robots, which suggests that countries should increase the number of robots in their industries if they are not to be left behind economically. The chapter also finds that low-skilled and medium-skilled labour markets are likely to contract before the low-skilled market began to expand again. Chapter 6 continues this theme by offering three different possible future scenarios, from a 'traditionalist' scenario in which, after a period of adjustment, little will change, through a scenario in which robots remove a range of jobs and a new low wage equilibrium is established, to a 'death of capitalism' scenario in which there is no limit to jobs that robots can do and human beings are left to compete for fewer and fewer jobs, resulting in high unemployment, especially among younger generations.

In relation to all three scenarios, Hudson recognises that a Citizen's Basic Income might be required to maintain purchasing power, with the income paid for by taxing robot-employing companies, for which international agreements will be required. He predicts more extremist political parties offering simple solutions that then fail – although this is less a prediction and more a description of an existing trend. Artificial intelligence presents particular dangers, as it will enable a variety of media to present news stories slanted to match recipients' existing views, thus further polarising society and politics. As for changes to people and their relationships, the

smartphone is already changing those, and artificial intelligence will have similar effects. Hudson predicts that we will become physically and mentally less fit, and speculates that some of the humanity-destroying scenarios in science fiction might not be too wide of the mark.

Chapter 7 surveys our changing attitudes to robots, and finds them to be polarised, and the trend to be in the direction of our being less supportive. Chapter 8 explores policies to deal with the problems: regulations relating to how robots and artificial intelligence develop, clarity about legal status, and again Citizen's Basic Income. The possible political and social problems are reiterated, but, in a chapter that is meant to be offering solutions, it is both concerning and instructive that no real solutions are offered. A section on military problems doesn't look like good news, either. Hudson concludes the chapter by suggesting that national governments have no option but to encourage robotics, but that codes of conduct, ethics committees, licensing, and testing regulations, will be essential. The final chapter employs robotics as a case study of innovation, with a view to what has been learnt being employed in such other fields as nanotechnology. The roles of different sectors in innovation are discussed.

An appendix to chapter 3 contains a useful glossary, and there is a good bibliography, but the index is somewhat thin, and interestingly does not mention 'Universal Basic Income' which receives significant coverage in the book.

This is a really important book. Not all of its predictions might come to pass, but if even a few of them do then we're in trouble. It is no comfort that many of the consequences of robotisation listed in the book are already evident. Alongside climate change, robotisation, broadly conceived, might prove to be the most serious issue facing us. The book is timely, and should be taken seriously.