

The Feasibility of Citizen's Income, by Malcolm Torry (Palgrave Macmillan, 2016)

Abstract

A Citizen's Income (sometimes called a Basic Income) is an unconditional income for every individual as a right of citizenship. It would offer many economic and social advantages, and in our fast-changing society it would be the ideal replacement for means-tested and other forms of social security benefit.

The first chapter outlines the desirable effects of a Citizen's Income; subsequent chapters tackle a variety of different feasibilities: two different kinds of financial feasibility, psychological feasibility, administrative feasibility, behavioural feasibility, and political feasibility. Chapter 9 asks whether Citizen's Income could navigate its way through the policy process from idea to implementation; and chapter 10 draws together results on the different feasibilities into a general conclusion, and also asks about the possibility of policy accidents.

Chapter abstracts

Chapter 1: Is a Citizen's Income desirable?

This first of two introductory chapters summarizes reasons for wishing to see a Citizen's Income established. Someone receiving means-tested benefits finds that as earned income rises their benefits income falls making it less than worthwhile to seek employment or to look for a better job. A Citizen's Income would never be reduced, making it more worthwhile to seek paid employment or a better job. Households would be able to lift themselves out of poverty more easily. Citizen's Income would not interfere with personal relationships as means-tested benefits do; it would provide economic security in the midst of a more flexible employment market; it would deliver improved social cohesion; it would be simple and cheap to administer; and it would attract no stigma, errors, or fraud.

Chapter 2: Is a Citizen's Income feasible? And what do we mean by 'feasible'?

This second of two introductory chapters introduces the different feasibilities that will be tested in the following chapters, and asks how the different feasibilities might relate to each other, how they might combine to create a general feasibility, and how we might construct feasibility tests. Whether feasibility predicts implementation will be raised as a question to be tackled at the end of the book. At the heart of the chapter is the important distinction between a Citizen's Income (which is always an unconditional and nonwithdrawable income for every individual) and a Citizen's Income scheme (which specifies the levels of Citizen's Incomes for different age groups and the ways in which they will be paid for).

Chapter 3: Is a Citizen's Income financially feasible? Part one: Fiscal feasibility.

Financial feasibility is allocated two chapters.

Chapter 3 asks whether Citizen's Income is fiscally feasible – that is, whether it can be paid for. Two scenarios are discussed: i) Citizen's Incomes funded from within the current tax and benefits system with no additional public expenditure; and ii) Citizen's Incomes funded from new taxes or from government money creation. Feasibility under scenario i) is relatively easy to establish given

appropriate levels of Citizen's Income and related adjustments to existing benefits and tax allowances. The feasibility test is simply that no additional public expenditure will be required. Fiscal feasibility under scenario ii) is more difficult to establish. Throughout, the levels at which Citizen's Incomes are paid and the mechanisms employed to pay for them are related questions.

Chapter 4: Is a Citizen's Income financially feasible? Part two: Household financial feasibility.

Chapter 4 discusses a second type of financial feasibility: one related to households' finances rather than to governments' finances. If at the point of implementation of a Citizen's Income scheme low income households were to suffer losses in their disposable incomes, or any households were to suffer significant losses, then the Citizen's Income scheme would not be financially feasible. With a Citizen's Income it would be easier to turn additional earnings into additional disposable income than with means-tested benefits, initial losses would still be a problem. The chapter shows that Citizen's Income schemes that leave means-tested benefits in place and take Citizen's Incomes into account when means-tested benefits are calculated can pass this feasibility test, whereas schemes that abolish means-tested benefits struggle to do so.

Chapter 5: Is a Citizen's Income psychologically feasible?

Feasibility tests based on such presuppositions as 'the rich don't need it', 'if people earn more then their benefits should be reduced', 'people won't work if you just give them the money', are failed by universal benefits. It might be true that Citizen's Income would pass psychological feasibility tests based on existing universal benefits, but that would still not necessarily persuade individuals wedded to the embedded presuppositions. Multiple individual conversions would be required to shift public opinion, and to shift policy makers' mindsets. The chapter shows that this might be a possibility. Alternatively, the problem could be circumvented by establishing Citizen's Incomes for one age group at a time, beginning with those thought to be more 'deserving'.

Chapter 6: Is a Citizen's Income administratively feasible?

This is perhaps the easiest feasibility test for Citizen's Income to pass. In the UK, such universal benefits as Child Benefit and the Winter Fuel Allowance are the easiest type of benefit to administer; and among health services the universal 'free at the point of use' National Health Service generates fewer administrative problems than other kinds. This suggests that administration of Citizen's Income will be easy to achieve. The chapter shows that potential difficulties could easily be overcome, and that alternatives to Citizen's Income would all be more difficult to administer than Citizen's Income. A further feasibility test relates to whether it would be possible to administer the transition to a Citizen's Income scheme. Different schemes and different implementation methods can lead to different answers.

Chapter 7: Is a Citizen's Income behaviourally feasible?

This feasibility test requires households' situations to improve after implementation, which they would in relation to the secure financial floor that a Citizen's Income would create, the loss of bureaucratic intrusion into intimate relationships and household activity, the greater ability to turn increased earned income into increased disposable income, an increasing range of options in the labour market, a reduction in administrative complexity, increased social cohesion, and so on. A problem is that the test can only be applied after a Citizen's Income scheme's implementation. Evidence from natural and constructed experiments suggests that the test would be passed. If

implementation were to be one age group at a time then behavioural feasibility tested after one implementation could generate the psychological feasibility required for the next.

Chapter 8: Is a Citizen's Income politically feasible?

Because a Citizen's Income might take longer than a single parliament to legislate and implement, all-party support will be required. The chapter finds that every mainstream ideology can and does generate arguments for a Citizen's Income. The same arguments against a Citizen's Income can be found generated both in theory and in practice by most of the mainstream political ideologies. This suggests that arguments against Citizen's Income are not closely related to the core positions of mainstream political ideologies, and that they are psychological rather than political. This suggests that a Citizen's Income could be politically feasible. The chapter warns that advocacy for Citizen's Income by a minority political party might make more significant political feasibility more difficult to achieve.

Chapter 9: Is a Citizen's Income policy process feasible?

The feasibility test here is whether Citizen's Income can negotiate the journey through the policy-making process from idea to implementation. The policy process is constituted by policy networks and communities; think tanks and other institutional players; the Government, Parliament, the civil service, and trades unions; and such self-interested players as computer manufacturers and software writers. Whether the process is rational or chaotic is discussed, and evolutionary policy-making, path dependency, and incremental implementation are related to each other. The chapter concludes that it will be important not to compromise the characteristics of Citizen's Income, and that we can envisage Citizen's Income finding its way through the policy process if implemented for one age group at a time.

Chapter 10: From feasibility to implementation.

This chapter returns to the question of the relationship between the different feasibilities, and concludes that policy process feasibility is crucial and that the other feasibilities might also need to be in place for successful implementation. The chapter also recognizes that the policy process is not entirely rational, that new social policies that have not passed feasibility tests have sometimes been implemented, and that political accidents can enable untested policies to make the journey from idea to implementation. After surveying the results obtained in the other chapters, this final chapter concludes that implementation of Citizen's Income one age group at a time might enable Citizen's Incomes to be implemented for every citizen, and that implementation of a scheme all at once could be possible.