Citizen's Income *newsletter*

2018, issue 3

Contents

Citizen's Income Newsletter
ISSN 1464-7354

Citizen's Basic Income Trust
286 Ivydale Road
London SE15 3DF

020 7635 7916

Email: info@citizensincome.org
Website: www.citizensincome.org

Registered charity no. 1171533

Director: Malcolm Torry

Editorials

The future of employment

So, what *is* the future of employment? Is new technology going to deliver a jobless world, or will there be plenty of new jobs to replace the ones that will disappear? This debate is sometimes described as if there are two opposing sides to the argument.

On the 'jobless world' side of the argument we might locate Scott Santens: [1]

> An ever-decreasing percentage of the population is employed, and for a majority of those left in the labor market, incomes decrease, hours worked increase, monthly income variance grows more extreme, time between jobs grows, jobs themselves become more akin to tasks, employer-provided benefits become more rare, and the bonds that hold society together begin to fray as inequality grows ever more extreme.

Santens provides evidence that suggests that we have already entered this world, and that we entered it in 1990, which is the year in which the number of routine manual jobs and routine cognitive jobs flatlined at the same time as the number of other kinds of job continued to rise. So yes, there is still job growth. The number of high-wage nonroutine cognitive jobs continues to rise, as does the number of low-wage nonroutine manual jobs: but everything routine is increasingly done by robots. This process isn't going to stop, and it has consequences. As a report from the National Bureau of Economic Research shows,

> one more robot per thousand workers reduces the employment to population ratio by about 0.18-0.34 percentage points and wages by 0.25-0.5 percent. [2]

And OECD research suggests that 14% of all jobs across the thirty-two countries that they analyse have a high risk of automation, and a further 32% of jobs might experience significant changes to the way in which they are carried out. [3]

On the 'plenty of jobs' side of the argument, Barry Eichengreen suggests that jobs will be transformed, and that

> transformed is not the same as threatened. Machines, it is true, are already more efficient than legal associates at searching for precedents. But an attorney attuned to the personality of her client still plays an indispensable role in advising someone contemplating a messy divorce whether to negotiate, mediate, or go to court. Likewise, an attorney's knowledge of the personalities of the principals in a civil suit or a criminal case can be combined with big data and analytics when the time comes for jury selection. The job is changing, not disappearing. [4]

[1] https://medium.com/basic-income/its-time-for-technology-to-serve-all-humankind-with-unconditional-basic-income-e46329764d28

[2] http://www.nber.org/papers/w23285 March 2017

[3] http://www.oecd.org/employment/future-of-work/Automation-policy-brief-2018.pdf

[4] https://www.socialeurope.eu/two-myths-automation

But perhaps neither of those two sides of the argument capture the reality. Branco Milanovic suggests that as tasks previously undertaken by full-time employees working for large organisations are increasingly carried out by 'amateurs', and our lives are increasingly commercialised – he mentions Airbnb as an example – we might find that 'no one would be unemployed and no one would have a job'. [5] Somewhat less optimistic is a draft of the World Bank's 2019 World Development Report. [6] It finds that in developing countries 'informality' is persistent even though economies are growing; that in more developed countries permanent employment contracts are becoming rarer; that new technology is fuelling growing inequality; that employment markets are generally becoming more fluid; and that there is wide variance in the estimates as to how new technology will affect employment. Recent research by the European Commission finds that 39% of employed individuals in the European Union are now self-employed or working with non-traditional employment contracts. It looks as if the future of employment will be characterised by diversity, fragmentation, and change, and it might be constituted by rather more different kinds of employment status than Matthew Taylor envisages. [7]

We can draw two conclusions: 1. We don't know what the future of employment will look like; and 2. Current evidence, and a growing consensus, suggest that whatever employment does look like in the future, employment patterns will be more diverse, fragmented and changing than they are now.

These two conclusions have important consequences for the Citizen's Basic Income debate: 1. We should hesitate before suggesting that we shall need a Citizen's Basic Income because technology will destroy jobs; 2. A strong argument for implementing a Citizen's Basic Income is that individual and household employment patterns will be increasingly diverse, fragmented, and fluid, that no means-tested mechanism to maintain household net incomes will be able to cope with that, and that the only viable response is a Citizen's Basic Income.

[5] https://www.socialeurope.eu/how-technology-can-eradicate-unemployment-and-jobs-at-the-same-time

[6] http://pubdocs.worldbank.org/en/816281518818814423/2019-WDR-Darft-Report.pdf

[7] https://www.gov.uk/government/publications/good-work-the-taylor-review-of-modern-working-practices

£10,000 for 25 year olds

On the 2nd April 2018, the Institute for Public Policy Research published a report, *Our Common Wealth*, [8] which recommends that a Citizens' Wealth Fund should be established, which by 2030 would pay a Capital Dividend of £10,000 to each 25-year-old. The dividend would be taxed, but there would be no controls on what it could be spent on. The report references the Royal Society of Arts' report, *Pathways to Basic Income*, [9] which was published in 2017, and which recommended

> a Universal Basic Opportunity Fund (UBOF): an effort to reimagine how society supports people to live meaningful, contributory lives. Its premise is simple: fund every citizen under the age of 55 with a £5,000 opportunity dividend for up to two years, taken at a time of their choosing over the course of a decade. The fund would initially last for ten years, with dependent children also eligible for the payment in the year a parent, or both, were receiving it. (p.3)

Payments would be 'on a monthly basis' (p.16), and again individuals would be free to spend the money as they saw fit. The RSA envisages the money being used by people 'to make major changes to their lives which they would otherwise be constrained from doing' (p.3).

On the 8th May, the Resolution Foundation published *The New Wealth of our Nation: The case for a citizen's inheritance*: [10]

> From 2030, the scheme would pay £10,000 to every 25 year old British national or person born (and resident) in the UK. … Grants would sit in government-approved interest-bearing savings accounts, and could be spent at a time of their recipients' choosing on any combination of four permitted uses: education and training (including paying off tuition fee debt), deposits for house rental or purchase, pension saving, or the start-up costs of new businesses being supported through recognised entrepreneurship schemes. (p.5)

This report references both the RSA and IPPR reports. A significant difference is the restrictions on how the £10,000 could be spent. Such restrictions are surely sensible.

[8] https://www.ippr.org/research/publications/our-common-wealth

[9] https://www.thersa.org/discover/publications-and-articles/reports/pathways-to-universal-basic-income-the-case-for-a-universal-basic-opportunity-fund

[10] https://www.resolutionfoundation.org/publications/the-new-wealth-of-our-nation-the-case-for-a-citizens-inheritance-2/

Also in May 2018, the Friends Provident Foundation published *Remodelling Capitalism: How social wealth funds could transform Britain*. [11]

> [An] unconditional capital grant of £5,000 – a 'next generation payment' – would be made to everyone on reaching the age of 25. This one-off lump sum … would come at an age when young people are planning their futures and help boost the economic prospects of young people. (p.31)

This report also references both the RSA and the IPPR reports, and, like them, does not mention constraints on how the grant could be spent.

Both the RSA and Friends Provident Foundation reports suggest that the grants to 25-year-olds should be seen as steps towards a Citizen's Basic Income (and if the payments were to be monthly then in many respects such a grant would be a Citizen's Basic Income). The Resolution Foundation, while mentioning that the RSA sees such a payment as a step towards a Citizen's Basic Income, does not explicitly see it that way itself. 'Basic Income' appears in the IPPR report only in the title of the RSA report in the bibliography.

It is a pleasure to see such lively debate over steps towards Citizen's Basic Income. The extent to which one-off dividends should be seen as steps towards a Citizen's Basic Income depends, of course, on whether a genuine Citizen's Basic Income follows.

Main article

Illustrative draft legislation for a Citizen's Basic Income

The Citizen's Basic Income Trust occasionally sets up working groups to tackle particular pieces of work. A recent working group – containing a solicitor, a tax accountant, a student of the philosophy of law, and the Director of the Trust – was asked to think about what legislation to implement a Citizen's Basic Income might look like.

We are publishing an outcome of the group's work – a draft Act of Parliament to establish a Fair Allowance, based on the structure of the Welfare Reform Act 2012 – as an educational exercise, and would be pleased to receive comments by email to info@citizensincome.org. We would be particularly interested to receive possible amendments to paragraphs, and on the reasons for suggesting such amendments.

The Trust is most grateful to members of the working group for the time that they have given to this exercise.

The Fair Allowance Act

20xx

An Act to make provision for Fair Allowance.

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows: -

Part 1

Fair Allowance

Chapter 1: Entitlement and awards

Introductory

1. Fair allowance

(1) A benefit known as Fair Allowance is payable in accordance with this Part.

(2) Fair Allowance may, subject as follows, be awarded to an individual.

(3) An award of Fair Allowance is, subject as follows, calculated by reference to –

(a) a standard allowance related to the individual's age.

2. Claims

(1) A claim may be made for Fair Allowance by an individual.

Entitlement

3. Entitlement

(1) An individual is entitled to Fair Allowance if the claimant meets the basic conditions.

4. Basic conditions

(1) For the purposes of section 3, a person meets the basic conditions who –

(a) is at least 16 years old,

(b) is in Great Britain.

(2) Regulations may provide for exceptions to the requirement to meet any of the basic conditions.

(3) For the basic condition in subsection (1)(b) regulations may –

[11] https://www.friendsprovidentfoundation.org/news/creating-britains-first-citizens-wealth-fund-powerful-new-economic-social-instrument/

(a) specify circumstances in which a person is to be treated as being or not being in Great Britain;

(b) specify circumstances in which temporary absence from Great Britain is disregarded.

(4) Except to the extent that regulations provide otherwise, no amount in respect of Fair Allowance is payable in respect of a person for a period during which the person is undergoing imprisonment or detention in legal custody.

Awards

5. Basis of awards

(1) Fair Allowance is payable from a prescribed date.

(2) Regulations may make provision –

(a) for a prescribed date,

(b) for different prescribed dates for individuals of different ages.

6. Calculation of awards

(1) The amount of an award of Fair Allowance is to be the standard allowance related to the individual's age.

(2) No amount may be deducted in respect of earned income or unearned income.

Elements of an award

7. Standard allowance

(1) The calculation of an award of Fair Allowance is to include an amount by way of a standard allowance for an individual.

(2) Regulations are to specify the amount to be included under subsection (1).

(3) Regulations may specify different amounts to be included under subsection (1) in relation to an individual's age.

(4) The Secretary of State shall establish a Fair Allowance Commission which may report to the Secretary of State on all matters relating to the Fair Allowance.

(5) The Secretary of State may make regulations for the establishment and operation of the Fair Allowance Commission.

Application of work-related requirements

8. Claimants subject to no work-related requirements

(1) The Secretary of State may not impose any work-related requirement on any claimant.

Chapter 2: Supplementary and general

Supplementary and consequential

9. Power to make supplementary and consequential provision etc.

(1) The appropriate authority may by regulations make such consequential, supplementary, incidental or transitional provision in relation to any provision.

(2) The appropriate authority is the Secretary of State, subject to subsection (3)

(3) The appropriate authority is the Welsh Ministers for –

(a) provision which would be within the legislative competence of the National Assembly for Wales were it contained in an Act of the Assembly;

(b) provision which could be made by the Welsh Ministers under any other power conferred on them.

(4) The appropriate authority is the Scottish Ministers for –

(c) provision which would be within the legislative competence of the Scottish Parliament were it contained in an Act of the Parliament;

(d) provision which could be made by the Scottish Ministers under any other power conferred on them.

(5) Regulations under this section may amend, repeal or revoke any primary or secondary legislation (whenever passed or made).

Fair Allowance and other benefits

10. Abolition and adjustment of benefits

(1) No benefits are abolished.

(2) Any power to make –

(a) regulations under this Part,

(b) regulations under the Social Security Administration Act 1992 relating to Fair Allowance, or

(c) regulations under the Social Security Act 1998 relating to Fair Allowance,

may be exercised so as to make provision for Fair Allowance to be included in the means to be taken into account in the calculation of awards of other benefits.

Recovery of benefit payments

11. Recovery of Benefit Payments

(1) The Secretary of State may recover any amount of the Fair Allowance paid in excess of entitlement.

(2) An amount recoverable under this section is recoverable from—

(a) the person to whom it was paid, or

(b) such other person (in addition to or instead of the person to whom it was paid) as may be prescribed.

(3) An amount paid in pursuance of a determination is not recoverable under this section unless the determination has been—

(a) reversed or varied on an appeal, or

(b) revised or superseded under section 9 or section 10 of the Social Security Act 1998, except where regulations otherwise provide.

(4) Regulations may provide that amounts recoverable under this section are to be calculated or estimated in a prescribed manner.

(5) An amount recoverable under this section may (without prejudice to any other means of recovery) be recovered—

(a) by deduction from earnings (in accordance with the Social Security Administration Act 1992, section 71ZD);

(b) through the courts etc. (Section 71ZE).

(c) by adjustment of benefit (Section 71ZF)

(6) Recovering benefits by deduction from the Fair Allowance is not permitted.

Regulations

12. Pilot schemes

(1) Any power to make –

(a) regulations under this Part,

(b) regulations under the Social Security Administration Act 1992 relating to Fair Allowance, or

(c) regulations under the Social Security Act 1998 relating to Fair Allowance,

may be exercised so as to make provision for piloting purposes.

(2) In subsection (1), "piloting purposes", in relation to any provision, means the purposes of testing —

(a) the extent to which the provision is likely to make Fair Allowance simpler to understand,

(b) the extent to which the provision is likely to promote—

(i) people remaining in work, or

(ii) people obtaining or being able to obtain work (or more work or better-paid work), or

(c) the extent to which, and how, the provision is likely to affect the conduct of claimants or other people in any other way.

(3) Regulations made by virtue of this section are in the remainder of this section referred to as a "pilot scheme".

(4) A pilot scheme may be limited in its application to—

(a) one or more areas;

(b) persons selected by reference to their age.

(5) A pilot scheme may not have effect for a period exceeding three years, but—

(a) the Secretary of State may by order made by statutory instrument provide that the pilot scheme is to continue to have effect after the time when it would otherwise expire for a period not exceeding twelve months (and may make more than one such order);

(b) a pilot scheme may be replaced by a further pilot scheme making the same or similar provision.

(6) A pilot scheme may include consequential or transitional provision in relation to its expiry.

13. Regulations: General

(1) Regulations under this Part are to be made by the Secretary of State, unless otherwise provided.

(2) A power to make regulations under this Part may not be exercised so as to make different provision for different cases or purposes except as provided in sections (12)(3) and (12)(4).

(3) A power to make regulations under this Part may be exercised so as to make different provision in relation to the age of the person.

(4) A power to make regulations under this Part may be exercised so as to make provision for Fair Allowance to be payable in respect of a person for a period during which the person is undergoing imprisonment or detention in legal custody.

(5) Where regulations under this Part provide for an amount, the amount may not be zero.

(6) Each power conferred by this part is without prejudice to the others.

(7) Where regulations under this Part provide for an amount for the purposes of an award, the amount may be different in relation to the age of the person.

(8) No regulation or regulations shall be made that will cause the amount of the net income of a household to be reduced below the amount of the net income of the household before the regulation or regulations had been made.

14. Regulations: procedure

(1) Regulations under this Part are to be made by statutory instrument.

(2) A statutory instrument containing regulations made by the Secretary of State under this Part is subject to the affirmative resolution procedure.

(3) A statutory instrument containing regulations made by the Welsh Ministers under section 9 may not be made unless a draft of the instrument has been laid before, and approved by resolution of, the National Assembly for Wales.

(4) A statutory instrument containing regulations made by the Scottish Ministers under section 9 may not be made unless a draft of the instrument has been laid before, and approved by resolution of, the Scottish Parliament.

Final

15. Financial provision

(1) There shall be paid out of money provided by Parliament—

(a) sums paid by the Secretary of State by way of Fair Allowance;

(b) any other expenditure incurred in consequence of this Act by a Minister of the Crown or the Commissioners for Her Majesty's Revenue and Customs;

(c) any increase attributable to this Act in the sums payable under any other Act out of money so provided.

(2) The Secretary of State shall report to Parliament on the net cost of Fair Allowance during the first full financial year of its operation.

(3) 'Net cost' in section (14)(2) shall be understood to be the total of –

(a) the cost of Fair Allowance awards, and

(b) the administrative cost of Fair Allowance

less the total of –

(a) additional Income Tax and National Insurance Contribution payments in respect of the reductions in the Income Tax Personal Allowances and National Insurance Contribution Primary Earnings Threshold consequent on regulations made in relation to this Act,

(b) additional Income Tax and National Insurance Contribution payments in respect of the increases in the rates of Income Tax and National Insurance Contributions consequent on regulations made in relation to this Act,

(c) reductions in the cost of awards of other benefits consequent on their recalculation consequent on regulations made in relation to this Act.

Paragraphs will follow on extent, commencement, and short title.

Additional paragraphs will be required in relation to:

- Electronic communications

- amendments to other Acts required to enable Fair Allowance to be taken into account when other benefits are calculated. A paragraph similar to paragraph to (13)(8) above will need to be included to ensure that no amendments to other Acts leave households worse off.

Issues not required to be included in this Act:

- Increases in Child Benefit can be dealt with in the usual way;
- Reductions in Income Tax Personal Allowances and the National Insurance Contribution Primary Earnings Threshold, and increases in Income Tax rates, can be dealt with in the usual way.

The Citizen's Basic Income Trust would be please to receive comments on this illustrative draft legislation at info@citizensincome.org

---

Research note

A second and distinct income tax

By Mark Wadsworth

Common criticisms of Citizen's Basic Income (CBI), assuming that most existing benefits and tax reliefs intended to alleviate poverty (primarily the personal allowance and tax break for pensions) were replaced with a flat-rate universal payment, are as follows:

a) the amount would not be enough to live on;
b) it would not cover housing costs, and it would not take into account special needs/disability and
c) it is a 'waste of taxpayers' money' to pay it to wealthy people.

We might refute these criticisms as follows:

a) how much a single adult needs to live on is open to debate anyway, but the illustrative schemes that the Citizen's Basic Income Trust publishes are designed to ensure that as few non- and low-earners as possible receive less than under the current system;
b) we would keep Housing Benefit/Local Housing Allowance (HB/LHA) and severe disability benefits as separate benefits and not roll them into the CBI; and
c) for wealthy individuals, the CBI is merely giving them back a small part of the taxes they pay and might also be a swap for a reduction in tax breaks for pension saving, which of necessity benefit higher earners most.

Nonetheless, these criticisms have a lot of political traction. An appropriate response is available. A CBI which replaced all benefits except severe disability benefits would actually only require one tweak to address the other criticisms. Instead of having a flat rate CBI with no withdrawal rate at all, we could pay out a larger basic amount and add a modest withdrawal rate as a second income tax – a 'CBI withdrawal tax'. For a given total pay-out, the higher the basic amount, the higher the CBI withdrawal tax, and it would be question of striking a reasonable balance.

We know that the available pot is big enough to pay every working age adult a flat rate CBI of £4,000 a year or so, which is slightly more than Income Support/Jobseeker's Allowance etc (IS/JSA). Based on HMRC's figures for taxpayers' income percentiles (https://www.gov.uk/government/statistics/percentile-points-from-1-to-99-for-total-income-before-and-after-tax) and an estimate of incomes of non-taxpayers, if the CBI is increased to £5,000, this would require a 5% CBI withdrawal tax to keep the total pay-out constant. If the CBI is increased to £6,000 then it would require a 10% CBI withdrawal tax. Additional rates are as follows:

CBI – required CBI withdrawal tax

£4,000	0%
£5,000	5%
£6,000	10%
£7,000	16%
£8,000	23%
£9,000	30%

A reasonable compromise seems to be paying £7,000 a year with a 16% CBI withdrawal tax. This would mean a combined income tax of just under 50% of earnings, i.e. 16% CBI withdrawal tax, 20% income tax, and 12% NIC for employees (assuming that the tax-free personal allowance and NIC lower earning thresholds are abolished to pay for the system). This sounds high but it would clearly be a vast improvement over a) the Universal Credit headline withdrawal rate of 63% of net income, an effective overall rate of about 75% for those earning more than the personal allowance, and b) the Working Tax Credit withdrawal rate of 41%, an effective overall withdrawal rate of 73% for those earning more than the personal allowance.

Such a modified CBI scheme would go a long way to addressing the four criticisms listed above:

Is it enough to live on?

£134 a week is clearly enough for a single adult to live on, excluding housing costs.

Housing costs – private tenants

With a basic CBI of £7,000 a year (£134 a week) there would be much less need for HB/LHA. Single adults aged 25 and over would receive £61 a week more than they currently do in Income Support/Jobseeker's Allowance. So if three adults are prepared to house share, this gives them a rent budget of about £800 a month (i.e. £61 x 3 adults x 4.33 weeks) which is enough to rent a small house in most towns in the UK outside London, with the same amount left over for other living costs as each receives under IS/JSA,

The position for a couple is even more favourable. They would receive £268 a week, £150 more than they currently receive in IS/JSA, giving them a monthly budget of £650 for rent, which is enough to rent a one-bed flat in most towns in the UK outside London, with the same amount left over for other living costs as a couple receives under IS/JSA.

So, while there would still be some need for HB/LHA (in London, for example), it would only cost a fraction of the current total paid out to private landlords (about £10 billion a year).

Housing costs – social tenants

Social rents are lower than private rents, so there would be even less need for HB/LHA for social tenants. Even better, instead of the merry go round where one branch of government pays rent to another branch of government, social rents could be set at a certain percentage of each tenant's income so that social housing is always affordable to all.

Disability related benefits

£134 a week is considerably more than Incapacity Benefit, and only slightly less than the maximum Disability Living Allowance plus higher rate Mobility Allowance, so the amount of top-up payments needed to ensure that nobody loses out (especially those also receiving Severe Disability Premium) would be negligible.

Children

The total Child Tax Credits and Child Benefit paid out each year is about £36 billion, which could be used to pay a flat amount of about £60 for each child under 18 still living with their parents. This is of course less than the maximum amount that Child Tax Credit claimants receive, which is about £84 a week for the first child, including the family element and Child Benefit, so the same principle applies – the basic amount could be increased and clawed back from parents via the tax system.

It is very difficult to calculate or even estimate what the withdrawal rate would have to be to be able to pay out higher amounts to non-earning parents, so I will not attempt it here.

The Child Care Element of Working Tax Credits is merely one kind of subsidy for childcare costs, and ideally would be merged with the other overlapping systems anyway, and is not considered here.

Higher earners

The full CBI of £7,000 would be clawed back from individuals with annual earnings in excess of £43,750 (i.e. they would pay back 16% x £43,750 = £7,000), just below the income level at which higher rate income tax is payable.

Administration

A modest CBI withdrawal tax of 16% does not require a parallel system of means testing as it can be done via the tax system. For example, employees would receive the full CBI and their PAYE codes would be adjusted so that that they repay some or all of their CBI depending on how high their income is. This means that the net amount received (CBI minus clawback) would adjust automatically to changing earnings.

Conferences

From the 23rd to the 26th August 2018 the **2018 BIEN Congress** will take place in Tampere, Finland. https://events.uta.fi/bien2018/

On October 11th and 12th 2018 the **University of Freiburg** in Germany will hold an interdisciplinary conference titled 'Basic Income and the Euro-Dividend as Sociopolitical Pillars of the EU and its Member Countries'. Organized by the Department of Economic Policy and Constitutional Economic Theory, the conference aims to gather relevant leading researchers and thinkers in Europe to discuss an EU wide approach to a Basic Income. http://citizensincome.org/wp-content/uploads/2018/04/Basic-Income-conference-Freiburg-October-2018.pdf

On the 14th January 2019, the **University of Cambridge** will be holding a conference on 'The Intellectual History of Basic Income'. 'The aim of the conference is to examine (1) the intellectual content of basic income as it emerged in the 20th century, (2) the specific contexts in which it has attained popularity, (3) the role of institutions and networks in its global dissemination, and (4) the relationship between UBI and wider debates about social justice.' https://inequalityandhistory.blogspot.com/2018/05/call-for-papers-intellectual-history-of.html

---

News

The **National Audit Office** has published a report, *Rolling out Universal Credit*: 'We think that there is no practical alternative to continuing with Universal Credit. We recognise the determination and single-mindedness with which the Department has driven the programme forward to date, through many problems. However, throughout the introduction of Universal Credit local and national organisations that represent and support claimants have raised a number of issues about the way Universal Credit works in practice. The Department has responded to simple ideas to improve the digital system but defended itself from those that it viewed as being opposed to the policy in principle. It does not accept that Universal Credit has caused hardship among claimants, because it makes advances available, and believes that if claimants take up these opportunities hardship should not occur. This has led it to often dismiss evidence of claimants' difficulties and hardship instead of working with these bodies to establish an evidence base for what is actually happening. The result has been a dialogue of claim and counter-claim and gives the unhelpful impression of a Department that is unsympathetic to claimants. The Department has now got a better grip of the programme in many areas. However, we cannot judge the value for money on the current state of programme management alone. Both we, and the Department, doubt it will ever be possible for the Department to measure whether the economic goal of increasing employment has been achieved. This, the extended timescales and the cost of running Universal Credit compared to the benefits it replaces cause us to conclude that the project is not value for money now, and that its future value for money is unproven.' https://www.nao.org.uk/report/rolling-out-universal-credit/

KELA, the Finnish social security agency, has published information that corrects erroneous news reports that the Finnish Basic Income experiment will be finishing early. This is not the case. 'There have been incorrect reports in the media about the Finnish experimental study on a Universal Basic Income. The experiment will run until the end of 2018 as planned. Many international media-outlets have published stories alleging that Finland is going to discontinue its basic income experiment. This information is incorrect. "The experiment is proceeding according to plan and will continue until the end of 2018", says Professor Olli Kangas, the leader of the research team at KELA (Social Insurance Institution of Finland). There are currently no plans to continue or expand the experiment after 2018. The effects will be studied after the experiment has ended. The employment effects across the whole experiment will be available by the end of 2019 or at the beginning of 2020. https://www.kela.fi/web/en/-/contrary-to-reports-the-basic-income-experiment-in-finland-will-continue-until-the-end-of-2018?inheritRedirect=true

The **Joseph Rowntree Foundation** has published a report, *Preventing Destitution: Policy and practice in the UK*. '…. a distinction is drawn between two kinds of factors that lead to destitution: 'chronic' factors, which weaken individuals and households and increase their vulnerability to destitution; and 'acute' factors, or triggers, which tip already vulnerable people into destitution. There are also two kinds of response to destitution: a 'remedial' response, which addresses the underlying problem and opens up the prospect of the person escaping destitution; and a 'palliative' response, which treats the symptoms. … The more specific objectives are: … to reform DWP and local authority procedures to reduce the extent to which the social security system is a chronic cause of destitution … to reform DWP procedures to decrease the frequency and strength of acute causes of destitution that arise there … The DWP should undertake a review of their [debt] collection practices … Benefit sanctions, the lack of access to disability benefit and the five-week wait for the first UC payment should all be reviewed in the light of their common role as an immediate trigger for destitution' (p.1). https://www.jrf.org.uk/report/preventing-destitution-policy-and-practice-uk

The **New Economics Foundation** has published a podcast in which Ayeisha Thomas-Smith explores the two ideas of Universal Basic Income and Universal Basic Services with Barb Jacobson, Co-ordinator of Basic Income UK, and Anna Coote, New Economics Foundation Principal Fellow. https://neweconomics.org/2018/04/weekly-economics-podcast-universal-basic-income-universal-basic-services/?_sft_latest=podcasts

Basic Income and the Left: A European debate, edited by Philippe Van Parijs, has been published by **Social Europe**. 'The Unconditional Basic Income (UBI) is one of the most hotly debated ideas of recent years on the left – and, indeed, right. The potential threat to millions of current jobs, posed by robotization and artificial intelligence combined with the rise of inequality, has contributed to making it a core element of the continuing post-crisis discussions on what it means to be on the left, or a social democrat, today and in the future. Is an unconditional basic income without means-test or work-test compatible with social justice and individual self-worth? Does it open up the space for an end to demeaning labour and a resurgence of voluntary work and cultural life? Is it affordable? This collection of short but compelling essays, all previously published in *Social Europe*, allows both proponents and opponents to make their case and is designed to extend this vital discussion to a wider audience. We are proud to have spearheaded the debate on an issue that is of vital and enduring importance for Europe and beyond.' For the contents list and to order the book: https://citizensincome.org/news/basic-income-and-the-left-a-european-debate/ (£12.99)

The Policy Press has published *Why we need a Citizen's Basic Income* by Malcolm Torry. This is a completely revised and updated new edition of his *Money for Everyone* (Policy Press, 2013): and sufficiently different from it to have been given a new title. 'In the five years since *Money for Everyone* was published the idea of a Citizen's Basic Income has rocketed in interest to an idea whose time has come. In moving the debate on from the desirability of a basic income this fully updated and revised edition now includes comprehensive discussions on feasibility and implementation.' http://policy.bristoluniversitypress.co.uk/why-we-need-a-citizens-basic-income

Rethinking Poverty has republished a blog post by the Joseph Rowntree Foundation's Chris Goulden: '… [Universal Basic Income] is not affordable, unpalatable to most of the public because of its 'money for nothing' tag and perhaps most importantly – it increases poverty unless modified beyond recognition. It fails to deal with the higher needs that many have because of rent, childcare, children or disabilities. …'. https://www.rethinkingpoverty.org.uk/rethinking-poverty/universal-basic-income-not-answer-poverty/

Nathan Heller has published an article in the ***New Yorker***, 'Who really stands to win from Universal Basic Income?' ' … People generally have a visceral reaction to the idea of a universal basic income. For many, a government check to boost good times or to guard against starvation in bad ones seems like an obviously humane measure. Others find such payments monstrous, a model of waste and unearned rewards. In principle, a government fixes the basic income at a level to allow subsistence but also to encourage enterprise and effort for the enjoyment of more prosperity. In the U.S., its supporters generally propose a figure somewhere around a thousand dollars a month: enough to live on—*somewhere* in America, at least—but not nearly enough to live on well. … '. https://www.newyorker.com/magazine/2018/07/09/who-really-stands-to-win-from-universal-basic-income

CNN has published an article, 'This California town will give a $500 monthly stipend to residents'. '… Stockton will give 100 residents $500 a month for 18 months, no strings attached. The nontraditional system for distributing wealth guarantees that citizens receive a regular sum of money. The goal is to create an income floor no one will fall beneath. … The project, expected to launch in 2019, hopes to use data to address the policy questions about UBI. For example, does a guarantee of a basic income affect school attendance and health, or cause people to quit their jobs or start new businesses? The project is also interested at looking at how the funds impact female empowerment and if it can help pull people out of poverty. https://money.cnn.com/2018/07/09/technology/stockton-california-basic-income-experiment/

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.' The Rt Hon Frank Field MP, Chair of the Committee, said: 'This is not the 1950s. Men and women work independently, pay taxes as individuals, and should each have an independent income. Not only does UC's single household payment bear no relation to the world of work, it is out of step with modern life and turns back the clock on decades of hard won equality for women. The Government must acknowledge the increased risk of harm to claimants living with domestic abuse it creates by breaching that basic principle, and take the necessary steps to reduce it.' www.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensions-committee/news-parliament-2017/universal-credit-domestic-abuse-report-publication-17-19/

An article in ***The Independent*** says says that 'Labour is set to include a plan for the radical policy of a universal basic income in its next manifesto for a general election, John McDonnell has told *The Independent.* The shadow chancellor – one of Jeremy Corbyn's closest allies in Westminster – said a Labour-commissioned review into the policy, which aims to transform the welfare state, is expected to be published in the autumn. ... Mr McDonnell revealed he had recently discussed the idea with former Labour leader Ed Miliband, who was "really keen" on getting a pilot of the scheme in the next manifesto. Asked whether he could envisage a pilot of basic income forming part of Labour's next blueprint for government, he replied: "It's one of those things I think we can get into the next manifesto and see, it's worth a try. …"' https://www.independent.co.uk/news/uk/politics/labour-universal-basic-income-john-mcdonnell-party-manifesto-corbyn-poverty-social-benefits-a8471616.html

---

Book reviews

Peter John, *How Far to Nudge? Assessing behavioural public policy*, Edward Elgar, 2018, xi + 173 pp, 1 78643 056 4, pbk, £25.

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.

What are governments to do when faced with such large and complex problems as climate change and inequality? The foundational insight of behavioural economics is that these problems are rooted in individuals' behaviours: so governments need to 'nudge', in order to shift behaviour patterns that damage both individuals and societies towards more beneficial behaviours. This insight has generated an industry of experiments in order to discover the roots of behaviours and the most effective nudging mechanisms. As behavioural economists understand the situation, the problem to be overcome is that for the individuals concerned there might be no short-term gain to changing their behaviour, even if many individuals changing their behaviours would benefit society as a whole and themselves as individuals. A secondary problem is that in an era in which governments are less trusted, a government explaining to individuals how changed behaviour would benefit themselves and others might be counterproductive. This situation requires governments to tailor messages so that they will be heard, and to adjust the 'choice architecture' facing individuals in such a way as to encourage more beneficial behaviour. So instead of telling people to keep their doctors' appointments, the message might state how much more money would be available to the National Health Service if everyone kept their appointments. Instead of telling people to pay their taxes on time, a government might inform taxpayers that nine out of ten people have already paid their tax, thus reinforcing a social norm. And to change the choice architecture for pension contributions from opt-in to enforced enrolment that allows for an opt-out might again reinforce an existing social norm.

This book studies the history of behavioural approaches, both in the academy and in policymaking; it discusses some criticisms of the approach (perhaps the most serious being that such policymaking can divert attention from potentially beneficial more interventionist policy), and it debates the ethics of nudge. The penultimate chapter asks about the difference between nudges that work without the nudged being invited to think (for instance, putting sweets next to the supermarket checkout), and nudges that require the nudged to think (putting fruit by the checkout). In this latter case, the thinking process is being facilitated by the kind of 'boost' exemplified by the 'five a day' slogan that has turned a more traditional policy prescription into an effective nudge. If this book has a message, then it is to encourage nudges that invite engagement and feedback on the part of the individual, and the kind of widespread public debate that has made it possible for governments to pass laws against smoking in public places and for those laws to be widely accepted and obeyed.

But there is a problem, referenced early in the book. Even though academics have often made their behavioural science as easy to understand as possible, and governments have publicly and institutionally committed themselves to behavioural approaches in policymaking, there can be institutional constraints to the extent to which policy can reflect behavioural insights, and policymakers, and those who implement policy, are as likely to behave irrationally as those for whom they are making and implementing policy. So, who will nudge the nudgers? And similarly: as John points out, alongside a shift in mainstream economics towards a recognition that we might wish to maximise others' utilities as well as our own, behavioural economics, by questioning the rational utility-maximising individual, has attacked the neo-classical economic model at its heart. Who will nudge the economists towards new economic theories and models? The behavioural sciences might have handed the wealthy and powerful elite yet one more means of controlling society to their own benefit; or it might, according to the author, have provided the internet-connected public with a means of nudging policymakers and public policy.

Peter John has written a most interesting introduction to the field of 'nudge'. What would be equally interesting would be an extended case study of one particular social policy field: perhaps of social security benefits, employment, and the relationships between them – subjects not tackled in this book. There would be plenty to discuss: for instance, Richard Thaler's finding that the certainty of not losing is felt to be preferable to uncertain gain or loss, [12] suggesting that a Citizen's Basic Income would always be preferable to a system containing only taxes and benefits that vary with uncertain earned income.

Lorenzo Barrault-Stella and Pierre-Edouard Weill (eds), *Creating Target Publics for Welfare Policies: A comparative and multi-level approach*, Springer, Cham, 2018, ix + 310 pp, 3 319 89595 6, hbk, £79

Every social policy has in view a 'target public'. Policymakers will relate in various ways with the different publics relevant to different social policies; the institutions of the welfare state will exhibit practices that target relevant publics; and those publics will react in a variety of ways. The editors have brought together a number of authors to tackle this agenda, and have ensured that the book offers comparative and diverse approaches, and references plenty of empirical research.

The first chapter, by the editors, introduces the agenda, outlines the structure of the book, and suggests that policy needs to be studied in relation to groups of people at multiple levels: high-level policymakers, street-level bureaucrats, and recipients. The editors identify an important shift during the 1980s from a 'universal' welfare state to a more individualized approach.

Chapter 2 finds that Italian Fascism emphasised trade union organisation and social protection policies that would promote the development of the middle class, and then mobilised that class; and chapter 3 finds that the middle class is a significant target of policy discourse and design. Chapter 4 might be particularly relevant for the readership of this review as it asks how in practice policymakers 'target' conditional cash transfers in the US and France, and important consequences of this practice are to expose the behaviours of the poor to public gaze and to structure social stratification – so counterintuitively, a significant target is the middle class. Chapter 5 finds that data mining and artificial intelligence aimed at the poor in France have increased the level of surveillance and thus of social control over disadvantaged households. Chapter 6 finds that a shift in understanding of disability, and in particular of autism, from a medical model to a social model, has loosened the boundaries around target publics, and has relocated psychiatry from constituting a medical model of disability to serving an educational model, which has limited the extent of the shift from a medical to a social model. Chapter 7 studies the different ways in which migrant women are integrated into society in France and Finland, and finds that the different effects have multiple roots. Chapters 8 and 9 study how street level bureaucrats draw boundaries around target publics by developing rules to enable them to allocate social housing.

The final chapter, by the editors, suggests that political sociologists as well as social policy academics should study target publics; asks for careful study of the relationship between policymakers' intentions and the effects of their policies; and asks that social and political effects should be studied together in order to understand policy feedback.

This is a most interesting and well researched book with a distinctive focus. The chapters' subject matters are of course determined by the research interests of the authors as well as by the agenda of the book, but they are none the worse for that. All of them contribute to the multilevel understanding of target publics with which the book will leave its readers.

Where the various authors use the term 'universal' to refer to a welfare state, a social security benefit, or a

[12] Richard H. Thaler (2015) *Misbehaving: How economics became behavioural*, London: Allen Lane, pp 33-4

public service, they mean that the institution, benefit or service is available to everyone who fulfils certain conditions. They do not imply that everyone will receive the benefit or service. This is important, because it means that the book contains no discussion of unconditional provision. Given the book's agenda, this is not a surprise. The concept of a target public implies that there are members of the general public who are not the target of the policy in question. Unconditional benefits or services are therefore by definition outside the scope of this book. What would now be interesting to see, possibly from some of the same group of scholars, would be a book that asks what the effects on society and on individuals would be of social policies that takes for their target public the entire general public of a particular jurisdiction.

Lee Gregory, *Exploring Welfare Debates: Key concepts and questions*, Policy Press, 2018, x + 272 pp, 1 4473 2656 4, pbk, £17.59

The assumption underlying this textbook is that the discipline of Social Policy is constituted by a set of ideas; and on that foundation Lee Gregory builds a substantial edifice that will provide a secure home for undergraduate students of the subject. To change the metaphor: the road *not* taken is the division of the subject into policy areas: education, health, social security, employment, housing, and so on: but all of these policy areas appear throughout the book, of course, within discussions of the concepts that underlie the subject as a whole.

Gregory offers chapters on the study of Social Policy; the definition and justifications of welfare; who receives welfare support, and for what; who should provide welfare support; universal provision; selectivity (which ought to have been in a chapter titled 'Selectivity', and not in one titled 'Is universalism sustainable?'); the experience of welfare support; crises of welfare; risk and the welfare state; social policy and social control; and policy analysis. Summary of the material offered would be impossible in a review of this length, and quite rightly so. Gregory does not attempt to minimise the complexity of the subject. What he offers is thorough debate of complex ideas, and thorough discussion of complex debates.

The concept that might be of most interest to readers of this review will be that of 'universalism'. Gregory studies the mixture of altruism, self-interest, equal needs, citizenship status, and social rights underlying universalistic social policy; he finds that universal provision can help to form the 'imagined community' that a nation state requires in order to thrive; he discusses universal provision of education and healthcare in the UK; and he recognises the high cost of universal provision, but also the cost of means-testing, and that progressive tax systems can ensure that those who are able to pay more towards the cost of the service will do so. As Gregory points out, universal provision makes dependency on the state respectable, and is based on the assumption that dependency is respectable: an idea challenged by some of today's political discourses. As we would expect, Gregory offers an alternative explanation for universal provision: politicians' wanting the middle classes to benefit from the welfare state, particularly when middle class votes might secure a parliamentary majority.

Gregory notes current challenges to universalism from a variety of directions: from the 'deserving/undeserving' distinction; from a recognition that different people have different needs; from fear of welfare dependency; and from a fear that people will become idle – to which Gregory responds with a useful discussion of the sociology and language of work.

One slip: Gregory writes that 'child benefit in the UK was historically provided to all families with children' (p. 88). It still is. In 2010, the new Conservative Government told us that Child Benefit would be means-tested for families containing a higher rate taxpayer. It never has been, because there is no way of connecting higher-rate taxpayers to Child Benefit recipients without the kind of bureaucratic intrusion into the intimate details of people's relationships that is currently reserved for households on means-tested benefits. What happened was a new question on everyone's tax return asking whether they are in a household that receives Child Benefit – and unfortunately the domestic disharmony to which the tax charge has given risen has resulted in some women withdrawing their Child Benefit claims.

The book's sections on universalism are followed by material on selectivity in general, on means-testing in particular, and on the administrative complexity to which these give rise; and the following chapter contains a discussion of stigma. An inevitable problem with textbooks is that subject matter has to be divided into chapters. To have been able to bring together these discussions into a comparison of universal and selective benefits would have been both interesting and helpful. Perhaps in a future edition.

This is a book about the concepts and debates underlying the welfare state as it is. Options for reform are not on the agenda, so there is no discussion of Citizen's Basic Income. The usefulness of this book to that debate is the framework of concepts and debates that it offers. It would be a useful project to employ that framework to evaluate Citizen's Basic Income. Perhaps the best author to do that would be the one who has constructed the framework.

Annie Lowrey, *Give People Money: The simple idea to solve inequality and revolutionise our lives*, W.H. Allen, 2018, 263 pp, 0 75354 577 5, pbk, £12.99

> Imagine a check showed up in your mailbox or your bank account every month. The money would be enough to live on, but just barely … It would come with no strings attached … (p. 4)

This book is a journalist's journey of exploration. The introduction, 'Wages for breathing', correctly defines a Universal Basic Income (UBI) as an unconditional income for every individual, asks how a UBI of $1,000 per month would affect people's lives, and recounts the author's experience of reporting on much of the evolution of the recent UBI debate. Chapter 1 recounts recent technological developments in a broad historical context, worries about the job-destroying potential of artificial intelligence, and recognises that wealthy entrepreneurs are giving time and money to research on Basic Income because they are concerned that job-destroying technological developments might make unsustainable the economic model on which they depend: but it also recognises that we cannot know how technology will evolve, nor how it will affect employment – which leads Lowrey to her discussion in chapter 2 of an evidenced contemporary problem - 'crummy jobs' – and to UBI as a means of empowering workers. Chapter 3 finds that UBI would liberate people into a broader definition of work – 'individuals would be liberated to do what they wanted, whether it was tackling hard work for low pay, starting a business, caring for a child, or doing something artistic' (p. 70). In chapter 4, Lowrey studies the Kenyan UBI experiment: and in chapter 5 she suggests that current adaptations of existing Indian welfare programmes might lead to a UBI. (She does not seem to know about the important UBI pilot projects that have taken place in India.) Chapters 6 and 7 describe poverty in the USA, and find UBI to be an obvious response. Chapter 8 understands the value of unpaid and poorly paid care work, and particularly of women's care work, and recognises that UBI would improve women's social and economic standing. Chapter 9 studies the Alaska Permanent Fund Dividend, and suggests that UBI would enhance social cohesion, but that it might also exacerbate antipathy towards migrants. Chapter 10 asks how a UBI of $10,000 a year could be financed: by reducing other welfare programmes, creating new money, taxing the wealthy, or implementing new forms of taxation – all of which Lowrey deems feasible. She reports on her attendance at the BIEN congress in Seoul in 2016, and on the way in which the debate continues to expand - 'The UBI idea has become a UBI movement' (p. 199): and she ponders a number of alternatives to UBI, and also some objections that need to be addressed. The concluding postscript is a flight with the Star Trek cast on the starship Enterprise.

The book contains a number of inaccuracies – for instance, suggesting that the eighteenth century Speenhamland experiment, the Canadian experiments of the 1970s, and today's Oregon experiment, are examples of UBI. They are not. But overall the book is accurate. And perhaps a slight problem is that the author has fixed on a particular level of UBI rather than recognising that a UBI of a lower amount could be more feasible to implement and could still be highly effective. There is an index, but no bibliography.

There are now numerous books on Citizen's Basic Income, and it would appear that every publisher needs one – or rather, every imprint needs one, because this is the same company that published Guy Standing's *Basic Income*. But this book is distinctive. It is effective journalism that draws the reader into its persuasive narrative. It should receive a wide readership.

Stewart Lansley, Duncan McCann and Steve Schifferes, *Remodelling Capitalism: How social wealth funds could transform Britain*, Friends Provident, 2018, 56 pp,

free to download from https://www.friendsprovidentfoundation.org/news/creating-britains-first-citizens-wealth-fund-powerful-new-economic-social-instrument/

The first lines of this report's introduction say it all:

- There is growing disconnect between the citizen and [the] state, which is seen as increasingly unable to provide for public needs.
- Wealth is highly unequally distributed, and the share of total wealth that is publicly owned has fallen sharply.
- Public assets have been badly managed in the past.

- We are proposing a new type of collectively owned investment vehicle aimed at social goals and held in trust for all.
- By spreading the ownership of part of the economy to all and ensuring that some of the gains from economic activity are equally shared across society, the funds would be a powerful pro-equality instrument (p. 4)

Sovereign wealth funds are usually set up by governments to invest the proceeds from the extraction of natural resources and to employ dividends from the fund for a variety of purposes. The authors propose that if such a fund were to be established in the UK then there might be three options to consider: a Citizen's Dividend Fund, the dividends from which would be used to make cash payments to all citizens; a Social Investment Fund, the dividends from which would fund adult social care or some other useful public service; and Urban Land Trusts, that would develop public land for social housing. If any of these funds were established it would begin to right the balance between private and public wealth and at the same time promote intergenerational fairness. The authors propose that the fund should be funded from wealth levies, the UK's top 350 companies, and a small increase in National Insurance Contributions, and they envisage the proceeds being used to fund new activity, and not to support current government expenditure.

This is a most thorough report. Chapter 1 studies some existing sovereign wealth funds and proposes mechanisms for ensuring that such a fund for the UK remains transparent and serves the public good, and, in particular, it proposes that if a 'Citizen's Dividend Fund' were to be established then it should be independent of government. Chapter 2 describes the aims of the funds in detail (tackling inequality, promoting intergenerational fairness and long-termism, and the 'remodelling of capitalism' – although 'adapting capitalism' might have been a more accurate description of what they propose). Chapter 3 explores a number of 'principles' of sovereign wealth funds (governance, investment decisions, distribution, funding, and hypothecated taxes). Chapter 4 provides details of how a fund large enough to make substantial payouts by year 10 could be funded, including 'all adults' making contributions, although this is not exactly what they mean. The proposal is for a small increase in National Insurance Contributions.

Chapter 5 takes the Alaska Permanent Fund as the model for the proposed Citizen's Dividend Fund that would provide the revenue stream for the small citizen's dividends and the one-off grants for 25 year olds that the authors envisage, with a view to providing a larger citizen's dividend in the future. Chapter 6 provides detail on the Social Care Trust Fund, and chapter 7 discusses Urban Land Trusts. Chapter 8 recognises that 'the models being advanced in our report are at the radical end of the possible range of proposals', but suggests that 'nevertheless … it is possible to build strong public support for [the] approach across the political spectrum'. Here the authors need an additional stage in their argument to show that the political contexts that have given rise to sovereign wealth funds in other countries bear relevant similarities to the political context in the UK.

The final chapter contains a list of recommendations relating to the three funds; and the appendix, as well as much of the rest of the report, contains relevant financial detail.

Anyone who has read Stewart Lansley's *A Sharing Economy: How social wealth funds can reduce inequality and help balance the books* (Policy Press, 2016) and Howard Reed's and Stewart Lansley's report, *Universal Basic Income: An idea whose time has come?* (Compass, 2016) will find much that is familiar in this new report: but they will also find three detailed proposals and some careful research on how sovereign wealth funds could work. This report therefore takes the sovereign wealth fund debate into the same territory in which we now find the Citizen's Basic Income debate: that is, into the field of public debates about ideas that are both radical and at the same time relatively minor alterations in the way in which we organise our economy. It is that combination of aspects that has helped to propel the Citizen's Basic Income debate to where it is today, and the same combination should help to do the same for the sovereign wealth fund debate.

Beth Watts and Suzanne Fitzpatrick, *Welfare Conditionality*, Routledge, 2018, vii + 200 pp, 1 138 11991 8, pbk, £28.99

This book is a comprehensive, comprehensible, and densely referenced exploration of welfare conditionality. No single simple message emerges. Conditionality is diverse, different kinds of conditionality have different effects, and the answers to the questions as to whether conditionality works and whether it is ethical depend on the characteristics of the particular conditionality in view, and on the context within which that conditionality operates. What the book does unambiguously show is – as the introduction suggests – that conditionality is intensifying in welfare systems across the world. It is this fact that makes this book timely and important.

It will be important for readers to understand some initial choices made by the authors:

Firstly, the introductory chapter tells us that it is 'Western' welfare systems, in 'Western democracies', that will be studied. The countries studied are the UK, a number of other European countries, the USA, Canada, Australia, and New Zealand. Interestingly, not Japan. In the context of Conditional Cash Transfers, Latin American countries are discussed. Unfortunately, the complex conditionalities of the Indian welfare state are not tackled. An important conclusion is that the UK has experienced a particularly high level of conditionality intensification. This conclusion relies on comparison with welfare states that are in many ways similar to the UK's, thus justifying the choice of countries studied.

A second set of choices made by the authors relates to the ways in which a number of words have been used. 'Welfare' is used to mean benefits systems, healthcare, education, and housing (particularly in relation to people who are homeless). This enables the connections between the different social policy fields and the relationships between their conditionalities to be studied, thus justifying the choice of such a broad definition. Three more words to which the reader will need to pay attention are 'conditionality', 'condition' and 'targeting'. 'Targeting' relates to who receives a benefit or service. Receipt is based on 'conditions', and three types are listed: status (for instance, the right to reside); need (relating to both the category to which someone belongs – unemployment, disability, etc. – and the amount of money required for a household to reach an income threshold); and conduct (meaning behavioural conditions, such as job search). 'Conditionality' generally applies to the third of these methods of 'targeting'. Again, it might have been helpful for these three words to have been clearly defined and distinguished from each other at the beginning of the book.

The first chapter raises issues to be discussed throughout the book: conditionality, social control, austerity, and public opinion. Chapter 2 studies the context in which conditionality operates: targeting (- as we have seen, a broader concept than conditionality); the generosity or otherwise of benefits and services; and entitlement – that is, whether someone is entitled to a benefit or service, or whether the provision is a matter of discretion. Chapter 3 introduces techniques of conditionality: behavioural requirements, monitoring, verification, sanctions, and incentives. Chapter 4 studies attempts to 'activate' people who are unemployed, and within that group focuses on young people and people who are sick or disabled. This chapter also studies conditionality related to social housing and homeless people; and, in a Latin American context, Conditional Cash Transfers. The fifth chapter discusses the behavioural assumptions underlying conditionalities; challenges those assumptions on the basis of behavioural economics, sociology, and the discipline of social policy; evaluates the 'scarring' effects and financial cost of conditionality; and finds the harshest conditionalities to be a method of social control applied to low income groups. This finding leads into the subject of the chapter 6: the ethics of conditionality. Discussions of rights, utilitarianism, contractualism, communitarianism, paternalism, and social justice, lead the authors to the conclusion that a variety of normative perspectives need to be employed in order to evaluate the ethics of particular conditionalities, and also to the view that from multiple perspectives there are serious ethical objections to benefit sanctions. The concluding chapter asks how relevant much conditionality is in a context of changing employment supply, contains a discussion of which normative ethical principles might be useful in which contexts, contains an equally useful set of questions to be asked about any particular conditionality, and redirects the reader's attention back away from conditionality and towards other forms of targeting, entitlement, and generosity.

One conditionality that we don't find discussed is household structure. Means-tested benefits are routinely conditional on the kind of household in which someone lives. For instance, a lone parent in receipt of an in-work or out-of-work means-tested benefit might lose that independent income if they move in with someone earning an income. This suggests that household structure can be just as important a conditionality as those discussed in the book.

The book mentions Citizen's Basic Income only once in passing. In one sense, this is fair enough, as the book is about conditionality, and Citizen's Basic Income is entirely unconditional in the sense in which 'conditionality' is used in the book. However, it would have been interesting to see a discussion of the likely effects of a lack of conditionality. Perhaps another book?