

Universal Basic Income: notes of a talk by Natalie Bennett, Former Leader of the Green Party

3 July 2018

Universal Basic Income (UBI) is one of the core policies needed to fix the current situation; it is not a solution to everything but one of the pre-requisites.

It is a regular payment sufficient to meet a person's basic needs; previously it had been referred to in Green Party documents as a citizen's income but the more common Universal Basic Income is now being used.

The key arguments for it are:

1. human rights — the only way in which you can guarantee someone's right to life is if they have enough to live on
2. lack of security — zero hours contracts, short term jobs and benefit sanctions lead to a state of fear — UBI takes away the fear by enabling people to meet their basic needs
3. automation will lead to traditional jobs disappearing; how can we provide for the jobless?

The Green arguments, of which Clive Lord was a great advocate, are that:

4. fear results in people striving to have more — a bigger house, promotion at work, good holidays — which is unsustainable
5. in an unequal society, you fear where you will end if you do start to slide — homelessness.

These are negative arguments; the positive arguments are:

6. it will benefit artists/creative people by giving them the chance to develop their talents while living at a basic income and not being chased by the job-centre — of course, this may lead to lots of bad poets but bad poets have a low carbon footprint because they are not published! They may then decide to go and do something else but overall you end up with more creativity.

7. It will benefit those starting small businesses, for example, single parents without a family income to back them who often cannot take the risk, by allowing them to survive while they are developing the business.

The main arguments against Universal Basic Income are that:

1. people will do nothing — but most people can do voluntary work
2. how do you get people to do the jobs no-one else wants to do — well perhaps you will have to pay people more and maybe the really horrible call centres will close and we will all be better off.

The 2015 Green Party manifesto contained a fully costed proposal for UBI at £80 per week, half of which would come out of existing benefits. The administrative costs would be about 1% or what you are paying out to administer child benefit.

It cuts out a large amount of benefits, avoids benefit traps, allows people to take short term work with no loss of benefits and encourages people to work.

In Finland it was brought in by a right wing government to encourage people to work

There have been lots of trials but the problem with trials is that they are short term. One of the first trials was set up in Manitoba in Canada in the 1970s by a left wing administration but the subsequent right wing government locked up all the records of the trial. Once the records were released, it was found that two groups worked less with UBI: mothers with small children and young people who stayed in education for longer.

An analogous example is the Eastern Band of Cherokee who set up a casino and use the profits both to improve local facilities and to provide a basic income of \$10,000 to its members. Within a few years the higher level of mental ill health among poorer children had declined until it was the same as for other children. (Note that 25% of 14 year old girls in England today are diagnosed as clinically depressed.)

In Namibia and India there have been trials in particular villages but it is difficult to transfer those results to other situations.

Currently there are two significant trials going ahead:

1. in Scotland, they are trialling UBI in four localities, one each in Glasgow and Edinburgh and two in rural localities
2. in Finland there has been a two year trial initiated by a right wing government but they have abandoned it in the light of forthcoming elections in favour of an English style Universal Credit approach.

While it is unrealistic to expect that much change, it is also unrealistic to think that we can continue as we are now — that is environmentally, economically and socially unsustainable; we need a cure which goes with social change.

Real political change happens in big jumps as in the rise of neo-liberalism with Thatcher, Blair and Cameron. This has now failed; the *Economist* is now saying

that austerity has gone too far and is advocating the introduction of a wealth tax. The *Financial Times* is now running a weekly story about how water privatisation is a disaster.

The Tories are now suggesting three year rental contracts and cutting landlords' tax breaks — both of which were in the 2015 Green Party manifesto.

This raises the question as to whether UBI would allow landlords to increase rentals; in 2015 the Green Party realised that it had to keep Housing Benefit alongside UBI because of the large variations in rentals across the country. More generally, we need to get away from seeing housing as a financial asset to seeing it as security of accommodation.

The Green Party envisages that there would be a Living Rent Commission to ensure that people need to pay no more than 30% of their income in rent — we need to get rents to a sensible level.

In regard to the myths, for example, that people would sit on the sofa, students who have the nearest thing to UBI get extra jobs. People go to work for something, for example, to top up their student loan. (In practice, 72% of students will never pay any of the loan back.)

A lot of work which people do is not worth doing; we should pay people according to the value of the work which is not what they are paid for now. Lots of the most valuable work is not paid for; for example, there is a campaign in Sheffield to force the Council to change from a cabinet to a committee system; the people who have done this work have not been paid for it at all.

With UBI people are freed up for work that is worth doing as well as to get an income; for example, [Incredible Edible](#), volunteering and unpaid work such as bringing up children and caring for elderly relatives — this is the feminist argument for UBI.

In the 2015 Green Party manifesto, both Disability and Housing Benefits were retained alongside UBI.

Q&A

Mike: which benefits would stay and what about the state pension?

Natalie: in the 2015 manifesto, it was envisaged that children would get £40 a week, adults the adult level and pensioners — 16% of whom live in poverty — 60% of median income or £180 per week.

Freda: asked about taxing those receiving UBI and whether people would lose their tax allowances.

Natalie: Green Party policy is that there should be no means testing both because of the cost of administration and because people will not apply, for example, for Pension Credit because they see it as charity. So UBI will be paid to all but people will no longer receive tax allowances and so UBI may come back in tax.

Olly: asked about the Future Britain Fund and Natalie said that it would take time to build up before it would become effective in the same way.

Alaska has a Sovereign Wealth Fund from its oil revenues out of which they make payments to every Alaskan; it is now one of the least unequal states in the US — Natalie's only reservation is that it is a slightly random way of providing income.

In 488BC the citizens of Athens debated distributing the income from a newly discovered silver deposit to every citizen but decided in the end to spend the money on the building up the navy.

Kieran: mentioned that, at the Education Hustings in 2017, there had been a discussion about the Baccalauréat with its broader range of topics; UBI can cover people going back to education. Natalie added that it can support lifelong learning — the Open University is currently struggling — with UBI people can take another degree.

John: posed the question which Finn Jensen had wanted to ask but could not as he was absent: UBI never comes out in surveys as popular with the majority of the general public.

Natalie: said that most of the surveys are old when the level of public understanding was not as good; you would definitely get different results today. For example, she had been invited to speak to Coventry Skeptics in the Pub and 150 turned up as opposed to the normal 30–40; a similar thing happened when she spoke to Skeptics in the Pub in Cambridge. There had even been an article on UBI in the Mirror.

In relation to asylum seekers, we would keep the asylum system but, as soon as someone had been granted asylum status, they would receive UBI and be able to work. Currently asylum seekers are restricted by the Azure card in what they can do.

In relation to mental health, UBI saves people from the stress of working until their mental health has got too bad for them to work.

Asked to clarify how UBI would be paid for, Natalie said that half the cost would come from the existing benefits and their cost of their administration and half from taxation. She advised people to read Wilkinson, Richard and Pickett, Kate (2018) *The inner level: how more equal societies reduce stress, restore sanity and improve everyone's wellbeing* London: Allen Lane 978-1 84614 741 8, the follow up to Wilkinson, Richard and Pickett, Kate (2009) *The spirit level: why more equal societies almost always do better* London: Allen Lane 978 1 84614 039 6.

It would be great if UBI became global because people would then stay put in their countries; currently people move to avoid war, climate change and

poverty. With global UBI only people who wanted to would move. However, we cannot now have open borders.

In response to a question about the Jubilee 2000 Campaign for debt relief and Fairtrade, Natalie commented that the problem was that western companies are corrupt. She noted the 10% drop in the Glencore share price following the announcement of a US Justice Department investigation into paying bribes in foreign countries. Note that bribes in the global south tend to come from the global north.

Natalie said that there needed to be fair trade not free trade but the key was to build strong local economies rather than creating trade such as in flowers from Kenya which did nothing for the local economy. It would be better to focus on building local economies everywhere rather than us relying on other people's local economies and sending things around the world.