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## A False Promise

Contribution to GTI Forum [Universal Basic Income: Has the Time Come?](#)

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Universal basic income is a policy rather than a fundamental value or goal of collective action, unlike freedom, equality, well-being, or sustainability. It is one very specific route to such values or goals and should be evaluated accordingly. With that in mind, I want to question the coherence of UBI as a policy strategy and the values which it purports to pursue.

### What Is UBI?

In a way, this is the central question. In his [opener](#), Guy Standing defines BI (no longer UBI) as “providing every legal resident of a country with an equal monthly sum of money, without conditions, as an economic right.” This is usually qualified as a “modest sum,” though the original idea was “a basic amount on which every citizen can survive.” For example, the UK Green Party proposes “a guaranteed, non-means-tested income, *sufficient to cover basic needs*, payable to every woman, man and child legally resident in the UK.” The reliable Loughborough Minimum Income Standards research finds that a decent participatory income in the UK today would amount to some 80% of the median income, i.e., about £200 per person per week or £10,000 per person per annum.

To my knowledge, no one, anywhere in the world, is seriously proposing a full UBI. For instance, the Citizen’s Income Trust has ruled out the possibility of a full citizen’s income for everyone as far too expensive. So all extant pilots, experiments, and plans in the rich, developed world are for what might be called a minimal BI. This is the case for the UK Royal Society for the Arts scheme, Andy Stern’s US plan, and Philippe Van Parijs’s Euro-dividend of €200 a month.

## Affordability: Benefit and Fiscal Costs

So we must start with actual proposals. The latest UK report advocating UBI by Stewart Lansley and Howard Reed proposes an annual basic income of £60 per week (£3120 pa) for adults aged 18-65, £40 (£2080) for children, and £175 (£9100) for people over 65.<sup>1</sup> This would provide, for example, £10,400 pa for a couple with two children. The gross costs would be £300bn, or about 15% of GDP. This would be partly paid for by abolishing child benefit and the state pension, but all existing means-tested benefits would be retained. In addition, the personal tax allowance would be abolished, saving £101bn. But this still leaves a shortfall of £81bn, which they propose to cover by raising income tax rates by 3p in the £ and charging national insurance contributions on all incomes rather than capping them as at present.

This radical shift would achieve certain progressive gains: according to their model, the incidence of child poverty falls from 29% to 18%. But the overall impact on poverty is small: working-age poverty falls only from 20% to 16%. Moreover, the proportion of households in the poorest decile claiming means-tested benefits would fall by a tiny amount from 76% to 70%. These are meager rewards from a program proposing to reorient 15% of GDP.

UBI advocates typically respond by asserting that there is plenty of money available if only it were tapped. Guy Standing in his latest book lists seven: raising tax levels to the OECD average; abolishing personal tax allowances, tax reliefs on higher pension contributions, and exemptions to capital gains tax; closing tax loopholes and reducing tax avoidance; building a People's Quantitative Easing program; and establishing a Commons Fund financed by a land value tax. I would love to see all this happen. But surely the revenues of such a fiscal revolution should not all be dispersed as a partial BI, which will remain inadequate, fall far short of ending poverty, and leave reliance on means-testing pervasive.

### “To Each According to Their Needs”

In the early years of the BI movement, BI was labelled “the capitalist road to communism,” a shortcut which would obviate the need, according to Marx and Lenin, for a messy in-between stage of “socialism.” So let us begin with Marx's famous definition of communism: “from each according to his ability; to each according to his needs.” Providing everyone with an income—if

sufficient to live on—would seem a clear route to this radical goal. Indeed, providing all citizens with basic economic security is a profoundly good idea. It echoes the idea that social wealth is collectively produced and that it is unjust that owners of land and capital are able to exploit the vast bulk of citizens and lay claim to this surplus.

But BI contradicts Marx in at least two respects. First, it focuses solely on money income as the route to meeting needs. By strengthening the role of money in everyday life, a UBI would privatize consumption and leave present social relations untouched. Giving people money to spend on goods and services to meet their needs is an indirect, circuitous, and potentially self-defeating route to meeting those needs.<sup>2</sup> Even contemporary welfare states comprise more than that: national health services (except in the US) and public education fulfill critical social consumption and social investment functions.

Second, BI ignores the first part of Marx's famous definition, "from each according to their ability": the idea of a social and foundational economy to which all who are able contribute their labor and care. Such social obligations are missing from most proposals in the belief that providing a basic income will somehow call forth a range of participatory responses. From a human need perspective, participation in productive and reproductive activities, as well as contribution to collective welfare, is essential for self-respect, cognitive development, and purposeful socialization.

## Ecology, Sustainability, and UBI

BI has been promoted by green parties and degrowth advocates since the 1970s. Yet it is remarkable that many green supporters of BI rarely advance a specifically green or environmental case. Guy Standing devotes only two paragraphs of his 2017 book to these questions. One claim is that a BI would encourage people to shift some of their time from resource-depleting labor activities to "resource preserving reproductive activities." Related to this is the claim that it would encourage shorter working hours. But there is growing evidence that dispersing money in this way would raise, not lower, carbon emissions.

Similarly, degrowth advocates frequently promote BI as a route, but again with little evidence. The coupling of UBI with degrowth reveals a dilemma at its heart: an expanded and fiscally more demanding state is superimposed on a shrinking economy. The pressing need will be for a radical

investment strategy to attain a just transition to a sustainable economy: for the decarbonization of production and consumption, for climate adaptation programs, and for social consumption rather than individualized consumption.

One possible link concerns reducing emissions via carbon pricing. Recognizing that this would have a regressive impact, a BI would make carbon pricing or taxation more equitable and acceptable by recycling the revenues raised to pay “green dividends” to everybody. But the tax-and-compensate case has dwindled in recent years in the face of growing evidence that monetary compensation is an inefficient way of securing a just transition to a low-carbon society.

## Conclusion

The overriding task today is keeping within planetary limits—addressing climate breakdown, species extinction, and other existential challenges—while at the same time shifting from a greed-driven to a need-driven economic system. The central slogan should be a “just transition” from the present to a future green, equitable, and sustainable world. And this transition has to be very rapid—it must start now.

No single policy instrument can achieve this. UBI proponents who recognize this always then list a series of adjunct proposals or add-ons, without which it cannot achieve its aim. But as the add-ons multiply, what becomes the role of the central thrust to achieve a UBI? UBI would divert, not augment, energies and movements for a just transition.

Many supporters see UBI as a waystation to a different society: a powerful mobilizing theme to bring about more radical change. There is no real-world evidence for this. The only example is the Alaska Permanent Fund, which pays on average \$1400 per person per year depending on oil revenues. Similar proposals have been made every few years for the last forty years and have gone nowhere. Nor will they in the future.

What is the alternative? There is a growing movement advocating Universal Basic Services that recognizes the multifarious nature of human needs and the role of collective services alongside money income, pays proper attention to planetary limits and sustainability, and argues the need for an integrated suite of policies to transform the current economic system. We should focus our energies there.

## Endnotes

1. Stewart Lansley and Howard Reed, *Basic Income for All: From Desirability to Feasibility* (London: Compass, 2019), <https://www.compassonline.org.uk/publications/basic-income-for-all-from-desirability-to-feasibility/>.
2. Matthew Thompson, "Universal Basic Income as emergency measure and enduring reform," Heseltine Institute Working Paper," 2020, <https://www.liverpool.ac.uk/media/livacuk/publicpolicyamppractice/workingpaperseries/UBI,working,paper,final.pdf>.

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## About the Author



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