

Basic Income Empowered Communities/Empowered People?

Jamie Cooke, Head of RSA Scotland
@JamieACooke

**May you live in
interesting times...**

Basic Income

- The journey so far
- Why Now?
- Scotland as an experiment
- Basic Income for Scotland
- Pathways to Basic Income
- Now What?
- Questions

What is Basic Income?

- Direct payment from the state to each individual
- Universal
- Unconditional
- Regular and Secure

The journey so far...

- Ailsa Mackay, Annie Millar and other thinkers
- Fairer Fife Commission, 2015
- The RSA, Angus Millar Lecture, Early 2016
- Global interest
- Glasgow and more, November 2016 onwards
- Programme for Government, September 2017
- Feasibility, April 2018 onwards
- Omidyar, January – May 2019
- Standing Report 2019

Why now?

- 2014, 2016 and the opportunities of having referenda...energy for change
- Ingrained challenges – unemployment, health, poverty
- Changing nature of work
- Technological change – automation, AI
- Scotland – Social Justice

Why now?

- **New economic models – Wellbeing Economy Alliance, Economics of Arrival, Inclusive Growth**
- **Limited fiscal resources/control – but using to take a different approach, £100 million p.a.**
- **Scotland – Innovation Nation**
- **Global Leadership – and cover**

Empowering Communities and Individuals

- Breaks away from traditional dichotomy of individual or state – still aim for top down paternalism
- Our system has been turned into one of mistrust – time for us to push back against that
- What impact would placing greater trust in people have on society?
- Impact on economic insecurity could be huge – one of the biggest challenges faced by people

Scotland as an experiment

- **September 2017 Scottish Government announced Programme for Government**
- **£250,000 for feasibility work**
- **Led by the four Local Authorities, Scot Gov and NHS Scotland**
- **Not commitment to policy, but commitment to potential of policy**

Feasibility Stage

- In-depth design and feasibility stage – learn from other pilots
- Where and how?
- Collaboration – global movement/interest just now, how can we work together?
- Multi-authority approach
- Interim report was recently launched

Timeline

- May 2018 Beginning of Feasibility Stage
- May 2019 *A Basic Income for Scotland*
- April 2020 Feasibility report and Pilot Model
- 2021 Begin Pilot
- 2024 Complete Pilot
- 2025 Release Evaluation Report
- ??? Basic Income as Scottish policy?

The image shows the front cover of a report. The background is a photograph of a stone coastal fortification, possibly a sea wall or a small harbor, extending into the sea. The sky is filled with dramatic, colorful clouds in shades of purple, pink, and blue, suggesting a sunset or sunrise. The sea is a deep blue. On the left side, there is a vertical blue bar. The RSA logo is positioned in the lower-left quadrant, with the title and authors' names below it.

RSA

Research and Strategic Analysis
Scottish Council on Social Research

**A Basic Income
for Scotland**

Dr. Anthony Gordon
James Lindsay, John
Dunfield and John
Munro

May 2014

A Basic Income for Scotland

- Report carried out in Fife, working with stakeholders and residents
- Critical to get the experiences and views of those facing the reality of the system
- Recommendations around two systems of basic income and longer term planning for social security in Scotland
- Critical aspect – it is achievable, but change is required

A Basic Income for Scotland

- Two models outlined – interim and longer term
- Higher and lower rates of basic income, combined with different relationships with existing structures
- Variety of funding opportunities – this is not, and shouldn't be, cost neutral, it is an investment in our future

Table 1: Horizon 3 model

Parameter	Value per annum
Basic Income (18+)	£4,800
Basic Income (child)	£3,000
Universal Basic Pension (66+)	£8,780
Income Tax personal allowance	£1,500
Income Tax rates (gross income)	19 percent (£1,500-£14,549)
	21 percent (£14,549-£24,944)
	23 percent (£24,944-£43,430)
	42 percent (above £43,430)
	50 percent (above £75,000)
National Insurance rates	
Primary threshold	£1,500
Rate between primary threshold and upper earnings limit	12 percent
Upper Earnings Limit	£43,430
Rate above Upper Earnings Limit	4 percent

Table 3: Impact of Basic Income schemes on poverty*

Group	Households	Children	Adults	Pensioners
Baseline (actual system)				
Number in relative poverty	479,249	184,929	550,429	162,206
Total number in group	2,543,235	1,028,566	3,460,912	1,000,410
Proportion in relative poverty (percent)	18.8	18.0	15.9	16.2
Horizon 2 system				
Number in relative poverty	438,556	167,279	487,367	148,259
change relative to baseline	-40,693	-17,650	-63,062	-13,947
Proportion in relative poverty (percent)	17.2	16.3	14.1	14.8
change relative to baseline (percent)	-1.6	-1.7	-1.8	-1.4
Horizon 3 system				
Number in relative poverty	343,487	123,739	354,808	108,183
change relative to baseline	-135,762	-61,190	-195,621	-54,023
Proportion in relative poverty (percent)	13.5	12.0	10.3	10.8
change relative to baseline (percent)	-5.3	-5.9	-5.7	-5.4

*BHC relative measure (households below 60 percent median income in the sample year)

Table 4: Impact of Basic Income schemes on destitution (JRF measure)

Group	Households	Children	Adults	Pensioners
Baseline (actual system)				
Number in destitution	52,875	1,697	76,372	2,516
Total number in group	2,543,235	1,028,566	3,460,912	1,000,410
Proportion in destitution (percent)	2.1	0.2	2.2	0.3
Horizon 2 system				
Number in destitution	28,106	207	33,752	2,356
change relative to baseline	-24,769	-1,490	-42,620	-160
Proportion in destitution (percent)	1.1	0.0	1.0	0.2
change relative to baseline (percent)	-1.0	-0.1	-1.2	0.0
Horizon 3 system				
Number in destitution	0	0	0	0
change relative to baseline	-52,875	-1,697	-76,372	-2,516
Proportion in destitution (percent)	0.0	0.0	0.0	0.0
change relative to baseline (percent)	-2.1	-0.2	-2.2	-0.3

Challenges

- Political Upheaval
 - Brexit
 - Independence
- Immune System responses
- Devolution – DWP and HMRC
- Finances – how does Scotland pay for Basic Income
- Social Barriers – universality, unconditionality, level of payment

Changes across the UK

- No longer just Scotland
- Universal Credit
- The Shadow Chancellor
- The North of England
- Wales

Pathways to Basic Income

- Experiments and Pilots
- Public Discussion
- The role of the media
- Chaos and opportunity
- Changes of government, changes of politics

Pathways to Basic Income

- Other policies – competition or collaboration?
 - Universal Basic Services
 - 4 Day Week
- Compromise – UK Basic Opportunity Fund
- New angles – mental and physical health and wellbeing, space for research
- Unifying approaches – social justice and automation

Now What?

- Continue with feasibility work amidst the chaos
- Uncertainty but also need – Think Like A System, Act Like An Entrepreneur
- Thinking – Carnegie report, RSA work, Universities
- Global collaboration and global support
- World Congress 2021
- We need you!

Jamie Cooke

jamie.cooke@rsa.org.uk

@JamieACooke

@theRSAScotland

www.thersa.org