

Hanging On To The Edges:

Getting your head around the Universal Basic Income

Can we not find a method of combining [the advantages of anarchism and socialism]?
It seems to me that we can....The plan we are advocating amounts essentially to this:
that a certain small income, sufficient for necessities,
should be secured to all, whether they work or not

Bertrand Russell, *Proposed Roads to Freedom*

A host of positive psychological changes inevitably
will result from widespread economic security.

Martin Luther King, Jr., *Where Do We Go From Here?*

Today should be the best time ever to be alive. Thanks to many decades of increasing productive efficiency, the real resources available to enable us to do the things we value—the avocados, the bicycles, the musical instruments, the bricks and glass—are more abundant and of better quality than ever. Thus, at least in the industrialised world, we should be living in the Age of Aquarius, the age where the most urgent problem is self-actualisation, not mere subsistence: not ‘How can we live?’, but ‘How shall we live?’.

Why then, does it not feel like the best time ever? Contrary to the predictions of mid-twentieth economists, the age of universal wellbeing has not really materialised. Working hours are as high as they were for our parents, if not higher, and it is not obvious that the quality of work is higher for most people. Many people work several jobs they do not enjoy, just to keep a roof over their heads, food on the table, and the lights on. In fact, many people are unable to satisfy these basic wants despite being in work: the greater part of the UK welfare bill, leaving aside retirement pensions, is spent on supporting people who have jobs, not the unemployed. Thousands of people sleep on the streets of Britain every night. Personal debt is at unprecedented levels. Many people feel too harried to even think about self-actualisation.

Twin spectres stalk the land, and help explain the gap between what our grandparents hoped for and what has materialised. These are the spectres of inequality and insecurity. Insecurity, in this context, means not being able to be sure that one will be able to meet one’s basic needs at some point in the future, either because cost may go up, or income may fluctuate. Insecurity is psychologically damaging: most typologies put security as one of the most basic human emotional needs¹. Insecurity dampens entrepreneurial activity: one of the big reasons that people don’t follow up their innovative ideas is that these are by definition risky, and they worry about keeping bread on the table whilst they

¹ Maslow, A. H. (1943). A theory of human motivation. *Psychological Review* 50: 370-96; Griffin, J. and I.Tyrrell (2003). *Human Givens: A New Approach to Emotional Health and Clear Thinking*. Chelvington, East Sussex: HG Publishing.

try them out. Insecurity deters people from investing in increasing their skills: what if they cannot eat before the investment starts to pay off? It encourages rational short-termism: who would improve a house or a neighbourhood that might be taken away from them in a few months' time for reasons beyond their control? It also increases the likelihood of anti-social behaviour: I would not steal a loaf of bread if I knew there was no danger of going hungry anyway, but faced with the danger of starvation tomorrow, I would seriously consider it². Insecurity is a problem that affects those who have little to start with especially acutely: hence the link between insecurity and inequality.

Big problems require big ideas. Our current generation of politicians don't really have ideas big enough to deal with the problems of widespread insecurity and marked inequality. Big ideas come along every few decades. The last one was about forty years ago: neoliberalism, the idea that market competition between private-sector corporations would deliver the social outcomes we all wanted, as long as government got out of the way as far as possible. Interestingly, neoliberalism was not such an obviously good idea that politicians of all stripes 'just got it'. It took several decades of carefully orchestrated deliberate communication and advocacy, which was not at all successful at first, to eventually make it seem, across the political spectrum, that the idea was so commonsensical as to be obvious³. I don't think any of the early advocates of neoliberalism could possibly have dreamed that after thirty years of implementation of their big idea, available incomes would have stagnated or declined for the median family; public faith in corporate capitalism would have seeped away; even the UK Conservative party would have to concede that market mechanisms did not really work as envisaged⁴; or that the major UK political parties would both be advocating government-imposed price-caps in an area, the supply of energy, where the neoliberal market model had been followed to its logical conclusion. It feels like we are washed up on the end of one big idea, waiting for something else to come along.

Our current politicians propose to deal with symptoms piecemeal—a minimum-wage increase here, a price cap there, rent-control in the other place; tax credits for those people; financial aid to buy a house for those others. At best we are dealing with one symptom at a time. Each piecemeal intervention increases the complexity of the state; divides citizens down into finer and finer *ad hoc* groups each eligible for different transactions; requires more bureaucratic monitoring; and often has unintended and perverse knock-on effects. For example, helping young people to buy a house with government financial aid only maintains the high levels of house prices. Vendors can simply factor into the price the transfer from government that they will receive. The policy would be much less popular if millions of pounds of taxpayer money were just given directly to large property development corporations, but that might as well be what the policy did. No, something more systemic is needed; an idea with bigger and bolder scope. That big, bold idea just might be the Universal Basic Income.

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A Universal Basic Income (UBI) is a regular financial payment made to all eligible adults, whether they work or not, regardless of their other means, and without any conditionality whatever. Receiving it is a fundamental entitlement that comes with being a member of society: people can know that it will always be there, now and in the future. It should not be a fortune, but it should ideally be enough that no-one ever needs to be hungry or cold.

² A point made by Thomas More, in his *Utopia*, as long ago as 1516: "...no penalty on earth will stop people from stealing, if it's their only way of getting food". Presciently, More goes on to suggest that "[providing] everyone with some means of livelihood" is thus a way to deal with the problem of petty theft.

³ See Bregman, R. (2017). *Utopia for Realists: And How We Can Get There* (London: Bloomsbury) on this point.

⁴ For example: "We do not believe in untrammelled free markets", *Conservative and Unionist Party Manifesto*, 2017 general election, p. 9.

The arguments for the UBI are well summarised elsewhere, and so I will not repeat them at length⁵. All developed societies agree on the need to protect citizens from desperate want that may befall them, usually for reasons beyond their control. However, the ways we currently make these transfers are incredibly complex. Guy Standing reports that in the USA, there are at least 126 different federal assistance schemes, not to mention state-level ones⁶. In the UK, individuals have had until recently to be separately assessed for unemployment support, ill-health support, carer support, working tax credits (which amount to low-income support), and so on. The new Universal Credit system only partly simplifies this thicket. Each conditional scheme generates a bureaucracy of assessment and the need for constant eligibility monitoring, at vast expense.

Moreover, conditional transfers always generate incentive problems. If you go back into work after being unemployed, you lose benefits. If you are a carer and the person you care for recovers, you are financially penalised: you do better by keeping them ill. If your wages or hours go up, you lose out in benefit reductions. Under the UK's new Universal Credit system, the marginal tax rate (the amount you lose of every extra pound you earn in the job market if you are a recipient) is around 80%, and that scheme was a reform designed to increase the incentive to work! Moreover, the 80% figure does not factor in the fact that if you move briefly out of eligibility, for example for some seasonal work, you are uncertain about when and whether you would be able to get back in afterwards, should you need to. This is a disincentive for taking the work. It is very hard to eliminate these perversities within any system of conditional, circumstance-specific transfers.

The UBI, then, seems like a good idea. It is far from a new one. It has fragmentary roots in the eighteenth and nineteenth centuries. In the twentieth century, there was one wave of enthusiasm in the 1920s, and another in the late 1960s and 1970s. The second wave generated a positive consensus, specific policy proposals, and a certain amount of pilot activity, but other paths ended up being taken. The idea has never quite died, though. It is now back in political consciousness in a very big way.

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Why, when the UBI seems such a good idea, when it has been cognitively available to us for so long, when so many very clever people have modelled it and found it desirable, is there no developed society on earth in which it has been fully implemented? Partly this is because democratic governments, indeed societies in general, are poor at far-reaching systemic reform, instead finding it easier to tinker with and tune existing systems. It's only the political outsiders who dare propose massive change—they have less to lose. But it is also because human psychology is an obstacle to the UBI, and this is what interests me in this essay. As Pascal Boyer and Michael Bang Petersen have recently argued⁷, when we (non-specialists) think about how the economy ought to be organized, we don't derive our conclusions from formal theory, simulations, or systematic research evidence. No, we generally fall back on simple social heuristics, like 'if someone takes a benefit, they ought to pay a commensurate cost'; 'more for you is less for me'; or 'people should only get help when they are in need'. These simple social heuristics are all well and good for the problems they developed to solve—basically, regulating everyday dyadic or small-group social interactions. But they don't automatically lead us to the right conclusions when trying to design optimal institutions for a complex system like a modern capitalist economy.

Certain aspects of the UBI idea violate one of these simple social heuristics. In fact, the UBI sometimes manages to violate two different and contradictory simple social heuristics simultaneously, as we shall see. These violations are like notes played slightly out of tune: they just immediately seem wrong,

⁵ I recommend in particular Standing, G. (2017). *Basic Income: And How We Can Make it Happen*. London: Penguin, which also provides a history of the idea.

⁶ Standing, *Basic Income*, p. 53.

⁷ Boyer, P. and M. Bang Petersen (2018). Folk-economic beliefs: An evolutionary cognitive model. *Behavioral and Brain Sciences*.

before one has had to think much about it. Politicians are afraid of these reactions; they don't like going out to campaign and meeting the same immediate objections all the time. If you want to build a consensus for the UBI, you have to analyse these jarring notes with some care, and develop a counter-strategy. For UBI to go mainstream, a positive case will need to be made that *also* draws on easily-available simple social heuristics. If we can't make it make intuitive sense, it will be confined forever to the world of policy nerds.

Fortunately, the challenge can be met. Our simple social heuristics do not constitute a formally consistent system, like arithmetic (why would they?). Instead, they are a diverse bunch of often contradictory gut feelings each triggered by particular contextual cues. For example, we do have strong intuitions that people should not take a benefit without paying a commensurate cost, but these intuitions only get triggered when certain sets of features are present in the situation. These features include: the resource is scarce enough every additional unit of it is valuable to me; the resource was created by deliberate individual effort; the person taking the benefit is somehow dissimilar to me, so their interests are not closely tied in to mine; and it is feasible to monitor who is getting what at reasonable cost. The features do not always obtain: the resource might be more plentiful than anyone really needs; its acquisition might be mainly due to luck; the other people might be fundamentally similar to me, or their interests closely bound up with mine; or the cost of monitoring who got what might be prohibitive. In such situations, humans everywhere merrily and intuitively sign up to the proposition: the resource should be shared out somehow. There are a number of ways this can happen: pure *communal sharing*, where each qualifying individual just takes what they like, or *equality matching*, where every qualifying individual is allotted an equal share as of right. Every society has domains in which communal sharing or equality matching is deployed in preference to market pricing (the rule 'you should only take a benefit if you pay a commensurate cost')⁸.

Hunter-gathers deal with large game—chancy and producing a huge surfeit when it comes—by communal sharing. Even in the more private property focussed Western societies, communal sharing is ubiquitous. Households, for example. If I buy a litre of milk, I don't give Melissa a bill at the end of the week for whatever she uses. *Su casa es mi casa*. Communal sharing or equality matching happens beyond households too. It is anathema to suggest that the residents of Summerhill Square might charge passersby for the air they breathe whilst walking through. Very few people think that those who pay more taxes should get more votes. When proposals are made to move a resource from the domain of the communally shared or equality-matched to the domain of the monitored and priced, there is outcry: witness the response that greets proposals for road tolls in places where use of the roads is currently free; or to charge money at the gates of the town park. The case for the UBI is the case for moving part—no means all—of our money the other way, out of conditionality and into the domain of the equality-matched. Getting your head around it involves framing your understanding of our current economic situation in such a way as to trigger the appropriate equality-matching intuitions. Here as in many other political domains, those who determine the framing of the problem get to have a big influence on the outcome⁹.

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Whenever one talks about the UBI, one hears the same objections, namely:

1. How can we afford such a scheme?
2. Why should I give my money to people for them to do nothing in return?
3. Why would anyone work if they were given money for free?

⁸ See Fiske, A. P. (1991). *The Structures of Social Life*. New York: The Free Press.

⁹ Elcherath, G., Doise, W., & Reicher, S. (2011). On the knowledge of politics and the politics of knowledge: How a social representations approach helps us rethink the subject of political psychology. *Political Psychology* 32: 729–758.

4. Why should we give money to the rich, who don't need it?

The first of these objections is the easiest to dispose of. There have been detailed recent costings for the UK, which vary in their assumptions, but the consensus is that introduction of a modest initial UBI scheme would require surprisingly little disruption to our current tax and expenditure system; perhaps modest tax rises, perhaps no change, perhaps tax cuts¹⁰. If this surprises you, let me give you the following back-of-an-envelope calculations. There are around 65 million people in the UK, of whom 63% are aged between 16 and 64. Assuming that the over 65s will continue with their current pension arrangements instead of the UBI, that gives us at most 41 million adults to cater for, plus about 12 million under-16s. Let's say we want to give £80 per week to each of the adults. This would cost £171 billion per annum. And let's further say that we want to give £40 per week, to the mother or other caregiver, for each child under 16. That's another £25 billion, giving a nice round £200 billion in total.

Of course, £200 billion a year is an eye-watering sum. But UK government expenditure in 2017 was £814 billion¹¹, so we are only talking about one quarter of what the government spends anyway. Increasing government expenditure by one quarter might be a rather rash move, but this would not be the net increase, because the UBI would produce savings elsewhere. The welfare bill for 2017, less retirement pensions, was £153 billion¹². It's unrealistic to expect a UBI scheme to reduce this to zero: most UBI advocates argue for retaining some extra provision for the disabled, and also retaining, for the time being, means-tested benefits to pay housing rental in some cases (the cost of housing is so high in parts of the UK that many people would become homeless if this disappeared overnight). But certainly, we might hope to eliminate up to £100 billion, or 2/3, of the non-pensions welfare bill, including a very large part of the administrative cost. So we are already half-way there.

At present, most UK adults are taxed at a zero rate on the first £8,164 of earned income, 12% from £8,164 to £11,500, and 32% above £11,500. What this means, in effect, is that anyone earning £11,500 or more is effectively being given a freebie from the state of £3680, compared to being standardly taxed at 32% from the first pound. This figure—£3680 per year—is, you will note, not so very far off my proposed initial UBI of £4160 anyway! Personal tax allowances cost the government around £100 billion per annum in foregone revenue¹³. If my proposed UBI were to be introduced, it would be reasonable to ask people to pay their taxes from the first pound. For people like me who earn more than £11,500 per annum, the introduction of the UBI would then be largely neutral, my tax bill going up by around £4000, offset by £4000 coming separately into my bank account as UBI. So, if you will allow me very broad approximations, moving to a modest UBI would cost about £200 billion per annum, to be funded by about £100 billion of welfare savings, and about £100 billion from abolishing personal tax allowances—so pretty much fiscally neutral. And this is just a business-as-usual analysis of the likely financial consequences. What advocates believe is that there will be positive knock-on effects: people will be able to move to more productive and enjoyable jobs, or start entrepreneurial activities; people have no financial disincentives to take casual work or increase their hours; the expensive negative psychological consequences of insecurity (anxiety, depression, addiction, maybe even crime) will improve. Thus, what you end up with will be a net saving for the government, not a net cost. The money is not the reason for not doing it.

The initial scheme discussed above, and other proposals like it, are not immediately very redistributive (which is useful if you want to get the idea onto the table without frightening the horses). Those currently receiving full Universal Credit would only end up with about the same as their current

¹⁰ Torry, M. (2016). An evaluation of a strictly revenue neutral Citizen's Income scheme. Euromod Working Paper Series EM5/16, <https://www.iser.essex.ac.uk/research/publications/working-papers/euromod/em5-16>; Painter, A. and C. Thong (2015). *Creative Citizen, Creative State: The Principled and Pragmatic Case for a Universal Basic Income*. London: Royal Society of Arts.

¹¹ <https://www.ukpublicspending.co.uk/total>

¹² <https://visual.ons.gov.uk/welfare-spending/>

¹³ Standing, *Basic Income*, p. 131.

entitlement; and, as I mentioned above, for well-off people like me, the UBI would be almost exactly offset by the increase in my tax bill¹⁴. So what is the point of such a reform? The answer has to do with security. I see UBI not so much as an immediate solution to inequality (you would have to set it very high to have a big direct effect on the inequality figures), but as a prophylactic against insecurity. For a wealthy person such as myself, there's not much financial difference between getting a personal tax allowance and receiving a UBI, *until* my life is hit with a shock. I am well-off now, but I might not always be. Say I suddenly lose my job, or need to care for Melissa. I know the UBI will continue to be there, every week, without any action required of my part. I can factor it into my worst expectations. The same is not true of the transfer effected by my personal tax allowance. And this, briefly, is the best response to objection 4, 'Why should we give money to the rich, who don't need it?'. Well, as long as they remain rich, then they are net payers into the system, since their tax bill exceeds their UBI, so we are giving them money only in an accounting sense. But it is still better to have them make a large tax payment in and concurrently take a small UBI payment out, rather than just make their tax rate a bit lower, because they might suddenly become non-rich at any moment. The UBI is ready for that moment should it come. To counter objection 4, we need to activate the social heuristics: 'anyone could have bad luck' and 'everyone is potentially in the same boat'.

There is a large difference between the knowledge that £80 a week will always come into my bank account, this week, next month, and for the rest of my life; and the knowledge that, if things go badly for me, I can go to an office where I will be subjected to a humiliating and lengthy bureaucratic examination, following which, after a delay of up to six weeks during which I will receive nothing, about £80 per week may or may not start to appear in my bank account, could be withdrawn at any moment if I am ten minutes late for an interview, or am deemed not be sick enough or not be trying hard enough to look for work. It is ironic that the system we often refer to as 'social security' provides the exact opposite of that: it provides continual, unplannable-for uncertainty akin to a sword of Damocles. The insecure, such as those waiting for benefits decisions or enduring benefits sanctions, have short-term problems of liquidity. They lose their homes and possessions, or end up having to borrow money at very high interest rates. This is expensive and spirals them into abject poverty. Reducing insecurity could have an indirect effect on inequality, by stopping this spiral. And the health and wellbeing benefits observed in trials of UBI and minimum income guarantees, even over quite short periods, have been so massive that it is hard not to conclude that security does something interesting to human beings, out of all proportion to the monetary value of the transfer, just as Martin Luther King predicted¹⁵.

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What about objection 2 ('Why should I give my money to people for them to do nothing in return?'). The objection has two parts: there's a part about my money being *my* money, and a part about *giving to other people without them doing anything in return*. Both parts are important.

First, the *my money* part. All societies distinguish between individually-owned resources and communal resources, though they draw the line in different places. Across societies, alienating an individually-owned resource from someone is morally wrong; but depriving people of a communal resource is equally so. The kinds of cues that trigger intuitions of individual ownership are: my having transformed the material extensively through deliberate action; the resource having been given to me by someone in return for something specific; or the resource having been in my sole possession and

¹⁴ The group that would clearly benefit in income terms from a scheme such as this one is those just well enough off to lose benefit entitlements, but still financially constrained: Ed Miliband's 'squeezed middle'.

¹⁵ See inter alia: Widerquist, K. (2005). A failure to communicate: What (if anything) can we learn from the negative income tax experiments? *Journal of Socio-Economics* 34: 49–81; Forget, E. L. (2011). The town with no poverty: The health effects of a Canadian guaranteed annual income field experiment. *Canadian Public Policy* 37: 283–305; Basic Income Grant Coalition, Namibia (2008). *Basic Income Grant Pilot Project Assessment Report*. http://www.bignam.org/Publications/BIG_Assessment_report_08a.pdf; and Standing, *Basic Income*.

use for some time. The kinds of cues that trigger intuitions of communal ownership are: the resource being very abundant; its use being hard to monitor and police; a little of it being essential for everyone's survival; and the having of it being mainly due to luck. So I think a first move you need to make in making the UBI make sense is to loosen the hold of the individual ownership schema on the money in your wage packet.

The money in my wage packet certainly feels like a good candidate for individual ownership. I have worked hard to get where I have, and this leads to the intuition that every penny in my wage packet is mine, should not be given away to other people without a specific reciprocal service rendered. I supposed I should grudgingly admit that I have got *some* help from others in earning my salary as an academic—I mean it's not *quite* all my own sweat. Following the logic of individual ownership, I should really have paid for all these inputs at point of use, but somehow I didn't always do so. There's the statistical computing language R, the backbone of all my research; developed by people I didn't know and made freely available without me lifting a finger. Maybe 1p in every pound I earn is really owable to the R Foundation for Statistical Computing. Then come to think of it there is computer itself, developed by a mixture of public and private investment mainly before I was born. It's unthinkable that I could be a productive modern professor without this input available. So really I should attribute 2p of each pound I earn to having had that available. Come to think of it, I could not really earn anything as a professor without the existence of an affluent society in which enough people are freed from daily subsistence activities as to want to spend their time studying behavioural science. So I guess I owe the Industrial Revolution say 5p; and then another 3p to those Europeans who invented a rather good system of universities for students to come and study at. Oh, and I do use the scientific method rather a lot (say 4p distributed across a wide range of people in many countries over the last couple of hundred years, and another 2p specifically for the intellectual work of creating my discipline). And a couple of pence in the pound for the philosophers of the enlightenment; without them to make the world safe for my kind I would at best be a priest with low wages. And then there's the Romans. What did the Romans ever do for me? Well, there's the sanitation. And the roads....

As soon as we complete this exercise, we are forced to concede that what seems like *my money* only partly meets all the triggers for individual ownership (my individual labour produced it). In large part, it is a *windfall of cumulative cultural evolution*. I just got lucky to be born into a shared cultural and technological heritage. I can't pay back to all those parties whose cultural activities contributed to my luck, since many of them are long gone (and besides, they are innumerable and diverse). But accepting that what I earn is partly due to an abundant social windfall created by a whole society over time, whose use and scope is hard to monitor, and I acquired by sheer luck, loosens the hold of the intuition that all my money all belongs exclusively to me. It's a short step from '*a part of what I receive from society is due to our common, difficult to monitor, abundant social luck*' to '*a part of what I receive should be shared out*'.

So now we turn to the part about why I should give anything to strangers without requiring them to pay any particular cost in return. A popular pro-UBI argument here, which goes back to Thomas Paine, is that people should be recompensed for the natural heritage that has been alienated from them. The land has been enclosed and privatised; the water has been bottled and sold; you can't just chop down the trees, hunt game or build a house where you want, as you would have been able to do at the dawn of society. The UBI is this recompense—the royalty, if you will, on an inheritance that was once socially shared but has been taken away by civilization. This reasoning is fine, but a bit lofty and philosophical. I prefer a quiverful of different, more forward-looking arguments.

First, social transfers of some kind are necessary, and monitoring them under the current system is *really* costly. The UK government recently announced that it needed to review whether its rules on

disability benefit claims had been applied correctly to recent claimants¹⁶. This review is estimated to cost £3.7 billion. That's enough to give my proposed UBI to everyone in the town of Hexham for over 8 years. Not the cost of the benefit, not the cost of administering the benefit, just the cost of one review of whether the benefit has in fact been correctly administered, for a benefit that only a small fraction of the UK population claims anyway. Scale that up and you appreciate the madness of how we currently administer social transfers.

Second, I *do* derive all kinds of payoffs from the welfare of others, even strangers. What are they? Well, I enjoy strolling around my city. I enjoy living in a nice orderly street. I enjoy going to the theatre. If my co-citizens were so hungry and desperate that they turned to assaulting their fellows, smashing property, not tending their yards, and abandoning the arts, my personal wellbeing would be directly reduced. I like writing books and giving lectures. It's therefore in my direct interest that as many people as possible have the resources to read or attend these. Businesses can only flourish if there are people well enough off to be customers. This was the great insight of Henry T. Ford: he realised he could really make a lot more money once he paid his workers enough that they would be able to buy his cars. It's the kind of reverse Ponzi-scheme trick, or perpetual motion machine, of modern consumer capitalism: those at the top of the pyramid need enough money to get down to those at the bottom of the pyramid that those people can buy goods and services, which means that the money comes back up to them again. Otherwise the whole thing grinds to a nasty halt.

One way of thinking about this is to say that, in a community, because of the fundamentally social character of human life, the well-being of each individual creates a spill-over benefit from the others. It's what economists call a positive externality. Because of the changes in behaviour that will follow from my neighbour being not in completely dire straits, *my* life improves a tiny little bit as theirs does. This improvement is very real and substantial, but hard to tie to any one act my neighbour does, and hence hard to monitor or account for in a ledger.

Third, the marginal wellbeing returns to keeping all of my money are diminishing. Diminishing marginal returns mean that if the first few hundred pounds of income massively improve my well-being, then the next few hundred improve it slightly less, and so on. A few years ago, Karthik Panchanathan, Taze Rai, Alan Fiske and I produced a simple model of what resource distribution a selfish actor should prefer when there are positive social externalities, and diminishing wellbeing returns. We imagined a simple world where there are two actors, me and someone else. We put a value s on the positive externality that flows to me as the other person's well-being increases by one unit. Now we ask: if I can decide how all the available resources get divided up, what allocation should I prefer? The exact numerical answer depends on the value of s and the degree to which marginal returns diminish, but generally, the result is the following. I should want to keep everything up until the point where I myself have got off the steepest part of the increasing wellbeing curve. Above that, it becomes rational for me to want the *other* actor to have the next chunk of resource, since the positive social externality coming to me from their large increase in wellbeing (they are still on the steep bit of the curve, remember) outweighs the rather small increase in my wellbeing I get from keeping it (since I am on the flatter bit of the curve)¹⁷. There is no 'problem of cheating' in this model, since we assume that the positive externalities arise from behavioural changes that the other party will simply want to make anyway as their state improves. It's a model of mutual benefit, or interdependence, rather than tit-for-tat.

¹⁶ Government to review 1.6m disability benefit claims after U-turn. *The Guardian*, 29 January 2018. <https://www.theguardian.com/society/2018/jan/29/government-to-review-16m-disability-benefit-claims-after-u-turn>

¹⁷ Exactly, I should want the other actor to have the next unit of resource as long as $sb > c$, where s is the size of the social externality, b is the marginal wellbeing gain of the other actor, and c is the wellbeing gain I would receive by keeping the resource for myself. Nettle, D., K. Panchanathan, T. Rai and A. Fiske (2011). The evolution of giving, sharing and lotteries. *Current Anthropology* 52: 747-56.

This is the reasoning I would use with a well-off person to advocate funding a UBI from their taxes. The money you put into other people's UBIs will directly increase your individual wellbeing, because in a society where no-one is desperate, it's easier for the things you really value and derive benefit from to flourish. Furthermore, as already discussed, UBI offers security to you too. You may not need it right now, but you could do in the future. Both of these are self-interest arguments, where self-interest is construed sufficiently broadly. This is important, not because self-interest is the only human motive, but because having self-interest on side helps buttress nobler motives that may also exist. The long-term success of social policies is tied to the relatively well-off seeing themselves as getting something from them. Where schemes are perceived to benefit only an 'underclass', different in kind from the people footing the bill, support is easily driven away in the next downturn.

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Objection 3 ('Why would anyone work if they were given money for free?') is based on the reasonable intuition that conditionality is important in motivating others to do something. One does not generally say to the plumber: 'Here's £100. I'm hoping that at some point you will fix my tap'. However nice the plumber might be, the incentives are a bit wrong here. And if people withdrew their labour supply, the very affluence that can fund the UBI would be undermined.

I think the best way to loosen this objection is to remind one's interlocutor of two things. First, the UBI is *basic*, and people want more than basic out of life. If people's life ambitions were limited to gaining some modest level of income of £5000 or £10000 per annum a year and then stopping, then frankly, the behaviour of the vast majority of people in Western societies for the last century would be completely incomprehensible. Lottery winners almost universally continue to work, though often not in their previous jobs. Academics don't work less when they become full professors: they work harder. The very same critics who say that people won't do anything if given money for free also often advocate the awarding of huge salaries—millions of pounds per annum—to CEOs and other leaders. Never once have I heard the argument that if you pay CEOs too much, they will not bother to work so much. Instead, there seems to be a widespread belief that the motivation to work holds up, or maybe even increases, at all levels of income (at least for the right sort of people, but hey, maybe all people are the right sort).

Second, more important than the *amount* of labour people supply is the *productivity* of that labour. By this, I mean people choosing to do activities that are socially useful, in which they are happy, and that they are good at. That has to be key to maximising social wellbeing as well as economic stability in future. There is plenty of evidence from pilot schemes on the effect of the UBI (or similar policies) on labour supply. In the 1970s North American schemes, reductions in work hours were real but very modest. No-one stopped working altogether (and these were minimum income guarantee schemes, which provide stronger disincentives for work than a fully unconditional UBI)¹⁸. The slight reductions in labour supply overall were mainly explained by the behaviour of specific groups: parents took more time out of the labour market to look after their children; and young people were more likely to stay on in education, to improve their skills. Need I point out that these are all things that the state currently subsidizes people to do, at considerable cost, because they are felt to be socially desirable? In short, as Michael Howard has put it: "[In the pilot schemes] people withdrew from the labour market, but the kind of labour market withdrawal you got was the kind you would welcome"¹⁹. In more recent trials of a full UBI in India and Namibia, overall economic activity actually went *up*, as more people were able to afford to access job markets, or began entrepreneurial activities on their

¹⁸ See Widerquist, K. (2005). A failure to communicate: What (if anything) can we learn from the negative income tax experiments? *Journal of Socio-Economics* 34: 49–81.

¹⁹ Quoted in Standing, *Basic Income*, p. 163.

own accounts²⁰. I believe that under a UBI scheme, work would continue, and become better: innovation, worthwhile work, scholarship, and the arts would flourish, whilst degrading or miserable jobs would have to pay people more or treat them better. Hardly the end of civilization as we know it then.

If people persist with their intuition that UBI incentivizes people to do nothing, then the argument of last resort is the following: If you think it is stupid to give money to people even if they do nothing (UBI), then you ought to think it *really* stupid to give people money *only on condition that they do nothing* (the current means-tested benefits system). How much sense does that make?

§

There is one other great obstacle to acceptance of the UBI. People can't figure out whether it is a left-wing idea, or a right-wing one, so neither side takes it fully to its heart. At first it seems left-wing: making the welfare system more humane and less conditional, transferring money from those with most income to those with less, is the latest tool to further a long-standing socialist or social-democratic concern with inequality and social justice. The neoliberal big idea has failed. A big idea based on collective action must replace it, and the UBI is part of that idea.

But good UBI arguments have come from the right, too. Free-market economist Milton Friedman flirted with the idea, and the most serious Federal-level US policy initiative, the Family Assistance Plan (born about 1968, died about 1973) was proposed by a Republican president (Nixon) and largely killed off by the Democratic party²¹. The right-wing (or libertarian) argument is that UBI massively simplifies the state, and could facilitate it relinquishing a lot of its micro-control over our lives. For example, if a UBI is there providing a protective floor for everyone, does the state also need to regulate the minimum wages and conditions for paid work? Couldn't people—protected from dire exploitation by the UBI—make their own minds up about what paid labour they wish to do under what conditions? Perhaps, going further down this line, the UBI plus control of law and order, is pretty much *all* the state needs to do, internally at any rate. We've given everyone enough to avoid starvation and be able to participate in economic life in a minimally sufficient way. After that, they are on their own: they can contract for the goods and services they choose in the market. This argument makes UBI the missing piece that completes, not replaces, the neoliberal vision.

In another essay, I wrote about the difficulty of inter-disciplinarity²². Valuable integrative ideas can languish in the academic uncanny valley—not obviously biological, not obviously social—and thus fail to have their potential recognized by anyone. Ideas that are quite good from two points of view, perversely, end up being championed by neither side, and thus have less immediate success than ideas that only appeal to camp or the other. But what happens to the best of these ideas, in the end, is interesting: They go quite abruptly from all parties saying 'that makes no sense', to all parties saying 'well, everyone knows *that!*'. There's a similar adage in public policy: Important policy reforms are politically impossible, until just about the point where they are politically inevitable. We've seen plenty of examples of this in the slow and halting march of progress. Perhaps that is what will happen with UBI. We will look back and wonder what took us quite so long. Until then—and this is what scholars are uniquely placed to do—we have to keep the idea alive.

²⁰ Basic Income Grant Coalition, Namibia (2008). *Basic Income Grant Pilot Project Assessment Report*. http://www.bignam.org/Publications/BIG_Assessment_report_08a.pdf; Davala, S. et al. (2015). *Basic Income: A Transformative Policy for India*. London: Bloomsbury.

²¹ The Family Assistance Plan was not a full UBI—it was something closer to a negative income tax—but it did represent a move in the UBI direction.

²² *Waking up and going out to work in the Uncanny Valley*.