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Basic Income: Sufficient Evidence, Now Politics

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In 1942, as people started to think about remaking society after the war, William Beveridge wrote a report for the British government that was to shape the welfare state in Europe. He wrote, ‘It is a time for revolutions, not for patching.’ What he meant was that it was useless to make minor changes to the old system. A new system was needed. The evidence was clear.

Today, we are at a similar juncture. The social policies of the twentieth century are outdated. Selective schemes for so-called ‘contingency risks’, such as a spell of unemployment, an illness or an accident, do not deal with the defining challenges of our age. We live at a time of ‘rentier capitalism’, in which more income goes to owners of property – physical, financial and intellectual – while less goes to those who rely on labour and work for their incomes.

Coupled with this trend, a new class structure has taken shape: a tiny, absurdly rich plutocracy faces a growing precariat experiencing chronic insecurities and an erosion of social, civil, economic and political rights.

Above all, we are in an age of chronic *uncertainty*, portrayed in terms of ‘unknown unknowns’. Millions face constant anxiety and stress due to a high probability of being hit by unanticipated shocks, not knowing if they will be able to cope with the consequences or recover from them.

This is why basic income has moved to the centre of progressive social thinking. Sensible policy makers and commentators realise that most people are ‘at risk’ and that insurance schemes are inappropriate for responding to uncertainty. A healthy society is one in which as many people as possible have basic security, and that is simply impossible at the moment.

It is not good enough for governments to say that, if you become poor, aid will be provided. Means-tested assistance fails to offer a real safety net. Too many people are excluded, recipients face a big poverty trap because extra earnings lead to loss of benefits, and there is no certainty about what will be received.

However, in what amounts potentially to a revolution by stealth, and particularly since Covid, there has been an acceleration in the number of basic income pilots and experiments around the world.

Remarkably, most have been taking place in the United States, where there has long been little support for basic income. Over 100 cities in 32 US states have ongoing, planned or completed experiments, led by the Mayors for a Guaranteed Income initiative. But those mayors are not alone. There are over 50 other experiments in states as different as Arkansas, California, Connecticut, Georgia, New Mexico, New York and Texas. In California alone, there are more than 40 schemes (including the city experiments) giving over 12,000 people basic incomes, costing upwards of \$180 million in public and private funds.¹ Several schemes are paying a

¹ J. Kuang, ‘More than 12,000 Californians are getting cash from guaranteed income experiments’, CAL Matters, 4 February 2023.

guaranteed income to youth leaving foster care, similar to a pilot in Wales, where the devolved Labour government is giving a generous basic income to hundreds of young people. I am proud to be a technical adviser to that scheme.

There have also been pilots in Africa, Asia, Latin America and Europe. Results from evaluations are pouring in. The evidence is so clear that we can say with confidence that we have sufficient. The challenge ahead is political.

Overwhelmingly, regardless of the design or selected group for the experiment or pilot, a key result is improved mental and physical health. This is relevant given that the era of uncertainty has seen rising mental illness in many countries, while morbidity and mortality rates have increased in Britain and the USA.²

Another common finding is improved housing security. Property owners are more prepared to rent to people with an assured income, and basic income recipients are more prepared to take the risk of renting. Projects in Vancouver, California and Colorado, drawing on the success of one in the City of London in 2010, have also shown the homeless moving off the streets.

Children are major beneficiaries. A pilot in Washington DC found baby health improved. One in Mississippi found mothers were spending more on school supplies. Most telling are the findings from an inadvertent experiment in North Carolina: children in families receiving a basic income (from distribution of casino earnings to members of the Eastern Band of Cherokee Indians) were on average one year ahead in school by age 16.

Many recipients use their basic income to reduce life-constraining debt, testified by a raft of individual stories. In Austin, Texas, half the recipients did so, a majority by 75% or more.³ There is also anecdotal evidence that paying a basic income to individuals rather than households has enabled women to walk out of abusive relationships and women in general to have more financial independence.

Finally, contrary to prejudiced commentary, there is considerable evidence that basic income results in more work (paid and unpaid), not less. Part of the reason is that recipients have more confidence and energy. Partly it is because there is no poverty trap and precarity trap; people retain the basic income if they increase their earnings.

Although an experiment in Ontario, Canada, was deliberately aborted midway through, and although the provincial government tried to suppress the evidence, the data showed that recipients had continued economic activity and many had increased it.⁴ This was replicated in a widely publicised experiment conducted by the government of Finland between 2017 and 2019, in which 2,000 randomly selected unemployed people received €560 a month.

Typifying the prejudice of the mainstream media, in Britain the Guardian newspaper and the BBC, among others, claimed in mid-2018 that the experiment had been abandoned as a failure. This was false. It ended precisely two years after the start, as planned at the outset. Rigorous evaluation showed that the unemployed did not reduce their economic activity and experienced

² <https://www.economist.com/leaders/2023/03/09/britain-has-endured-a-decade-of-early-deaths-why>

³ UpTogether, July 2022. <https://connect.uptogether.org/central-tx/housing-stability.html>

⁴ D. Takema, 'People kept working, became healthier while on basic income support', CBC News, 5 March 2020. <https://www.cbc.ca/news/canada/hamilton/basic-income-mcmaster-report-1.5485729>

an improvement in mental and physical health.⁵ Even though a new centre-right government introduced an ‘activation’ scheme to pressure the unemployed to take jobs, at the end of the pilot the employment rate of the basic income recipients, who had not been subject to that pressure, was no lower than for those threatened with sanctions.

There is not space here to deal with other findings. But in developing countries as well, pilots have found increased work, improved nutrition, health, schooling and sanitation, and an emancipatory effect among women, minorities and those with disabilities.

In short, if governments were genuine in saying they will apply ‘evidence-based policy’, we would have a basic income system already. It is this that demands our campaigning attention now. Most politicians are not real leaders. They follow what they think is the public mood or what they think will improve their re-election chances. They are opportunistic rather than principled.

Fortunately, some are not like that. They should take heart. Polls in many countries show majorities in favour of basic income. And whereas ten years ago, most people did not know what ‘basic income’ meant, now many do.

Prejudice still comes in newspaper articles and in hasty comment on social media. But more people are able to counter that prejudice. Young, educated members of the precariat are speaking up. Some can point to Gyeonggi Province in South Korea, where 125,000 youths are receiving a basic income. Others can cite the results from all the pilots and experiments taking place.

I end this article with a prediction, of a domino effect. When a few countries introduce a basic income, more will quickly follow. It is eminently affordable. I believe the best way to finance it is by creating Commons Capital Funds.⁶ The nucleus for this route already exists.

Two very different countries have announced they will be introducing a form of basic income in the near future – Barbados and South Africa. Perhaps they will be the first dominoes to fall. People’s health and happiness, and the political stability of their countries, will be dramatically improved. Let us build the momentum and a civilising future.

⁵ O. Kangas et al. (eds.), *Experimenting with Unconditional Basic Income* (Cheltenham: Edward Elgar, 2021).

⁶ G. Standing, *The Blue Commons: Rescuing the Economy of the Sea* (London: Pelican, 2022).