

**EMERGENCY BASIC
INCOME BRIEFING**

Security for All, Whatever it Takes

23rd March 2020

**Basic ———
——— Income
Conversation**

24th March 2020

The COVID-19 outbreak has sent shockwaves across our society which has seen the government take unprecedented measures to protect our health and save our economy. The crisis has exposed how insecure the vast majority of our modern lives have become and how inadequate the social security system is for many. It has led to a huge spike in interest in the idea of Basic Income, not only as an emergency measure in a time of crisis but long term as the foundation of a social security system fit for the challenges of the 21st century. This month, many people will have come to the idea for the first time. This briefing paper is an overview of the basic income debate looking at both the basic income-type proposals in response to COVID-19 and what it means for the long-term prospects for Basic Income.

This is for politicians, journalists and the wider public who want to see security for all, whatever it takes.

What is Basic Income?

Basic Income is a regular cash payment that every individual receives regardless of their circumstances. It has 5 characteristics, it is paid:

- In cash
- Regularly
- To the individual
- Unconditionally without means test or work requirement
- Universally

Why Basic Income?

Even before COVID-19, our society was becoming increasingly insecure and unstable from our work to housing, health to debt, and in our climate and politics.

Basic Income would guarantee an income floor nobody can fall below and act as a springboard for people to aspire to what they want for them and their families whilst investing in our local communities.

What's happened this month and who's talking about Basic Income?

Suddenly it feels everyone is talking about Basic Income. The calls for the implementation of a basic income in response to the COVID-19 outbreak has been made by hundreds of thousands of people during this last week. As of 24th March:

- Over 170 MPs and Lords [signed a letter](#) to Chancellor Rishi Sunak urging him to consider an Emergency Basic Income.
- An [early day motion](#) in parliament has been signed by 90 MPs from all opposition parties, from all four nations.
- All party leaders from the UK's opposition parties are now in favour of some form of Universal Basic Income.
- A [parliamentary petition](#) has hit over 100,000 signatures and a [38 Degrees petition](#) has been signed by more than a quarter of a million people.
- Over 500 public figures and academics signed an [open letter](#) calling for an Emergency Basic Income.
- [Prime Minister Boris Johnson responded](#) to the call for an Emergency Basic Income by Ian Blackford MP during PMQs.
- The Prime Minister confirmed Universal Basic Income was [“one of the options”](#) the government was exploring in the crisis.
- An [open letter](#) in *The Times* to the government, signed by 98 leading economists and directors of progressive think tanks, urged the government to pay an unconditional income to the self-employed within days, and to remove means-testing from all welfare benefits. Full listing [here](#).
- Globally, other countries are taking similar measures. The United States is drawing up [plans](#) for an emergency cash transfer programme which has drawn support from across the political divide from Representative Alexandria Ocasio-Cortez and Presidential candidate Bernie Sanders to Senator Mitt Romney and Treasury Secretary Steven Mnuchin.

But in a time of crisis, what should be the priorities?

To minimise the impact of this crisis on individuals, the priorities should be:

- Ensuring people have the economic security to self isolate and follow public health advice.
- To prevent people getting into debt during this period.
- To protect the supply side of the economy, keeping small businesses and the self-employed afloat.
- To deliver income support in a manner that does not damage mental health and well-being.
- When appropriate, to deliver additional income to stimulate an economic demand boost.

Do Chancellor Sunak's proposals on Friday 20th March go far enough?

The measures announced on Friday 20th March are very welcome, but do very little for the people most in need of immediate access to income. The groups highlighted as most financially vulnerable in the calls for an Emergency Basic Income were overlooked by these policies.

These groups are:

- The self-employed and sole traders
- The unemployed - particularly those who have lost work as a direct result of the current crisis
- Zero hour contract employees
- Those without earnings who have opted out of the benefits system because of excessive conditionality
- Unpaid carers
- Renters

Emergency Basic Income: How can it be delivered and how much?

The government must now take urgent steps to provide relief to these groups of people and the simplest and quickest way is to implement an Emergency Basic Income.

The delivery of this income support is urgent for these highlighted groups. Every day without income support is pushing people into impossible and ultimately dangerous situations. Time is of the essence. Therefore, an Emergency Basic Income should be delivered using existing systems in the short term and be delivered as universally as possible. Proposals for delivery mechanisms include:

- **HMRC** for the self-employed, reverse payments to get cash to self-employed quick
- An amended, unconditional **Universal Credit** system with removed wait times for the unemployed
- **PAYE** for employees on zero hour contracts and people who have recently been made unemployed but who are still on payroll
- For those who don't have bank accounts, the government must work with agencies to find alternative methods of delivering the money, for example through the **Post Office** or supporting people to set up bank accounts.

The Emergency Basic Income should be delivered at a liveable amount. [UBI Labs](#) have called for £500 per month per working age adult and £200 per month per child for 3 months, followed by a further £1000 per adult and £500 per child for a further two months. Daniel Susskind in the [Financial Times](#) proposed £1000 per month per adult and Labour Leadership candidate [Rebecca Long-Bailey](#) called for it to be set at a Living Wage rate.

[Autonomy](#), the [RSA](#), and [UBI Labs](#) have all published in-depth proposals and delivery mechanisms of how this can be done.

Emergency Basic Income alone is of course not a silver bullet and it must sit alongside other measures to support people. These could include all or a combination of increased statutory sick pay, increased housing benefit, turning Universal Credit hardship loans into grants, support for renters, increased paid parental leave and a pause to existing work-search conditions and sanctions within UC.

What next? Medium Term

In the coming 6 to 8 weeks, the government and parliament must act fast to put in place mechanisms to develop a proper Universal Basic Income that can be delivered as an economic demand stimulus when this initial stage of the Coronavirus has abated. This would require the Chancellor bringing together HMRC, the Bank of England, the major banks and the DWP to develop a homogenous and fit for purpose universal system, with a first step of collecting people's bank account details. Once a system is ready, Basic Income should be the bedrock of an economic recovery.

What next? Long Term

Longer term, the need for a permanent, Basic Income has never been clearer. If there had been a Basic Income in place before this unexpected crisis, the impact on individuals, communities and businesses would have been far less significant. Whilst we must do whatever it takes to navigate this crisis now, we must take this opportunity to design systems for the future that prevent a repeat of its unnecessary impacts. Basic Income should form the foundation of a modern social security system that can meet the challenges of this century.

[Compass](#), the [RSA](#), and Prof. [Guy Standing](#) have produced detailed studies of how this could be done. The Compass report shows that even a modest Basic Income would be affordable and feasible, and would cut poverty, inequality and means-testing. This year the outputs of the Scottish Basic Income experiment feasibility study will be published in a final report. It will be the most comprehensive analysis of the practicalities of basic income ever done in the UK context. This is a robust and timely foundation for the long term work.

Evidence for Basic Income

A full Basic Income has never existed anywhere in the world. Therefore, evidence on basic income comes from trials and unconditional cash transfers from [around the globe](#) including the United States, Canada, Finland, the Netherlands, Brazil, India and Kenya.

- Existing evidence largely shows there is little or no reduction in the amount of paid work that people do when receiving a Basic Income, and at times they work even more
- Evidence suggests a basic income would:

- o have a positive impact on people's health
- o improve educational performance
- o improve parental and parent-child relationships
- o reduce crime
- o reduce hospital admissions due to accidents and mental health issues
- Basic income review study in the Lancet:
[https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667\(20\)30005-0/fulltext](https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667(20)30005-0/fulltext)

Where might Basic Income happen in the UK?

The case for piloting Basic Income has increased in recent years. The Scottish Government invested £250,000 into a Feasibility Study led by four local authorities in Scotland to explore what pilots would look like. The Feasibility Study will clarify what the institutional and legislative barriers to implementing a Basic Income pilot are. [This research](#) will provide a basis for other regions to invest and build on.

Local Authorities in England have also passed motions calling for their area to trial the idea, including [Liverpool](#), [Sheffield](#) and [Hull](#).

How to get involved?

If you'd like to discuss this briefing further, you can email Michael Pugh, Director and Co-Founder of Basic Income Conversation on michael@compassonline.org. You can find out more on our website www.basicincomeconversation.org

You can follow other brilliant organisations on social media including [UBI Labs](#), [Basic Income UK](#), [Citizen's Basic Income Network Scotland](#), [Citizens Basic Income Trust](#), and [Centre for Welfare Reform](#).

Thank you

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