

Heseltine Institute Working Paper

Universal Basic Income as emergency measure and enduring reform

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Executive Summary

Universal Basic Income – or UBI – is being promoted across the political spectrum as a potential emergency response to COVID-19. It is being discussed by many around the world as a more effective way of addressing immediate needs, in the wake of business closures, job losses, falling incomes and rising destitution and inequality, as well as a possible stimulus package for economic recovery as restrictions on mobility and consumer spending are eased in the following months. It has great potential to not only provide a safety net during the pandemic but also give people the economic security they need to flexibly seek out new employment, training and entrepreneurship opportunities or continue important care work.

Part of its appeal is its simple administration as a universal payment to all citizens without costly and complicated means-testing. It could provide emergency income support quickly to all those who need it – plugging the gaps in the patchy coverage offered by the Government's existing support schemes. In the long run, studies show that UBI can deliver a number of benefits – notably eradicating poverty and homelessness, dramatically reducing inequality, alleviating stress and mental illness, reducing crime and domestic violence, and empowering employees to demand better working conditions and seek more meaningful and socially valuable work, even providing an alternative source of sustenance in the purported transition to a fully-automated post-work society.

However, the evidence is mixed and based on partial experimental data. Studies demonstrate that UBI cannot do everything expected of it by its very diverse proponents with political visions pulling in divergent directions. The multiple benefits imputed to UBI are often in direct tension with one another. These tensions mean that it is unlikely UBI can be delivered effectively whilst also remaining affordable and without compromising its celebrated ability to simplify the tax-benefit system.

This working paper explores the potential pitfalls of institutionalising UBI as both emergency measure and enduring policy. It was originally written for the Lib Dem Business and Entrepreneurs Network taskforce as a briefing on the role UBI may play during and after the crisis, but speaks to wider debates about its origins, efficacy and prospects. The paper argues that emergency basic income seems necessary to protect livelihoods during the crisis – but that questions remain over what form it should take, how much, how long and how universal.

If used too hastily during the pandemic UBI could pose health risks in encouraging people to start spending too soon, increasing exposure to the coronavirus. If used as economic stimulus coming out of the lockdown, it could consolidate prevailing trends in consumer behaviour and working patterns to strengthen the competitive position of large online retailers and tech giants like Amazon, threatening small businesses.

Although UBI would have a positive impact on the growing consumer debt crisis – precipitating a debt jubilee – it cannot alone reform the underlying structural causes of mounting debt, falling real wages and diverging income shares between asset-owners and

workers. UBI risks becoming a public subsidy for asset-owners – especially Silicon Valley and the emerging platform corporations of the digital economy to continue exploiting gig workers and zero-hour contractors while extracting value from the free labour that produces data and avoiding paying the taxes required to fund a UBI in the first place.

UBI could offer the financial support people need to continue doing the socially valuable yet under-valued work of caring for children, the elderly and vulnerable, as well as domestic labour in the home and volunteering in the community – work often done by women. But UBI does not necessarily lead to greater gender equality, a more equitable division of labour or a revaluation of the paid and unpaid work done in society. Other, more structural reforms to work, tax and welfare systems are required.

This working paper argues that an alternative in the form of Universal Basic Services (UBS) could probably deliver much more effectively many of the benefits often claimed for UBI. UBS is a more direct way of providing for basic human needs – shelter, food, transport and digital connectivity, alongside healthcare and education – through publicly-funded services, coordinated democratically through socialised markets at the local level.

For UBS to make the impact hoped for, it would need to be complemented by considerably enhanced state investment in Universal Basic Infrastructure (UBIS), technological innovation, place-based industrial strategy, lifelong education, skills training and jobs creation. UBI can then act as a short-term measure to deal with immediate epidemiological and economic crises, and medium-term transitional bridge towards a more long-term vision for a renewed public realm and entrepreneurial state.

An emergency response to crisis

In late 2019 the British press ridiculed the Labour Party's manifesto for its "[naked bribery](#)" of voters, for "[giving away free stuff for everyone](#)" – including apparently free money. Perhaps Labour's most controversial pledge – free broadband notwithstanding – was for a pilot of Universal Basic Income (UBI), an unconditional, non-means-tested, regular cash transfer from the state to all citizens, as a right of citizenship, regardless of employment, income or demographic status. Had Labour been elected, then Shadow Chancellor [John McDonnell intended](#) to roll out UBI trials in several English cities – in the Midlands, Sheffield and Liverpool.

This is a policy long championed by the Green Party – a feature of both their 2015 and 2017 manifestos – and especially the Liberal Democrats (Sloman, 2018). Some form of UBI was Liberal Party policy in the 1940s and 1950s; given new life as a 'citizen's income' under Paddy Ashdown's leadership from the late 1980s. The Scottish National Party is now seed funding UBI trials in four Scottish local authorities, including Glasgow and Edinburgh; while the Welsh Assembly has also expressed interest. Although not a policy historically associated with the Labour Party or indeed the labour movement – for potentially undermining the relevance of work – the Trade Union Congress (TUC) nonetheless passed a motion endorsing UBI at their 2016 Congress.

That same year, a petition for UBI in Switzerland gained enough signatories to force (an ultimately unsuccessful) national referendum, while multiple pilot UBI programmes were undertaken around the world. Leading UBI advocate Guy Standing – who was later commissioned by McDonnell to author [the report](#) that would inform the Labour Party's UBI policy pledge – heralded 2016 as "the year of the pilots." Evidence from pilots in [Kenya](#), [Canada](#), [Finland](#) and [the Netherlands](#) will soon be added to earlier experimental data from Namibia in 2008 and India in 2011 (Sloman, 2018). Pilots are putting into practice what other studies are modelling statistically, with fully-costed proposals published by left-leaning think tanks including the RSA, the Fabian Society and Compass (Reed & Lansley, 2016). By 2017, as McDonnell remarked, UBI seemed an "[idea whose time may well have come](#)." Recent events have proved him right, though not in the way he could have imagined.

UBI has never been traditional Tory territory. In February 2020, then Tory Chancellor Sajid Javid [rejected](#) proposals for a UBI trial in Hull – led by Lib Dems in Hull City Council. Yet by March, with COVID-19 causing chaos, Boris Johnson was [openly entertaining the idea of introducing UBI](#) to protect people's livelihoods following a letter signed by over [170 MPs and Lords](#) calling for a UBI response to the pandemic. The new Chancellor Rishi Sunak has since announced an unprecedented programme of government support for workers' incomes, pushing a Conservative Government precipitously close to UBI; just as new Labour leader Keir Starmer [rejects the idea](#). Meanwhile, the British press have moved from ridicule to enthusiasm in a matter of months, criticising the Government for [not going far enough](#) to protect the self-employed.

With COVID-19 wreaking havoc to work, welfare and healthcare systems across Europe, [reports are emerging](#) that the Spanish government is taking steps towards implementing a UBI as a “permanent instrument” to help counter the economic fallout in Spain. In the UK, calls for an emergency UBI have since been issued by new think tanks [The Institute for the Future of Work](#) and [Autonomy](#), alongside more established organisations such as the [RSA](#). A growing group of [over 500 leading academics and political figures](#) calling for a global emergency UBI add to the urgency. A cross-party group of MPs including Ian Blackford, Ed Davey and Caroline Lucas are [calling for a recovery UBI](#). Even sceptics have renounced their concerns over the long-run efficacy of universal cash payments to [call for an emergency £1,000 per person per month](#) as an immediate response to the crisis in Britain. This would cost a fraction – just £66bn a month – of the £500bn bank bailout of 2008. Yet used in the wrong way – particularly as an immediate economic stimulant – UBI could do more harm than good. The usefulness of UBI for tackling the interlocking crises caused by COVID-19 – to welfare, work, and the economy – varies dramatically with timeframe and target policy problem, as explored in the following sections.

Plugging the gaps in welfare

Although Sunak’s incomes support schemes are welcome, they fall short of the universality, punctuality and sufficiency required to meet the immediate challenge. The [COVID-19 Self Employment Income Support Scheme](#) may appear to extend support to the millions of self-employed people who desperately need it – promising monthly transfers of 80% trading profits for a quarter – but comes with a five week payment delay and exclusionary conditions attached, notably the submission of an Income Tax Self-Assessment return for 2018-19. This excludes new start-up businesses and entrepreneurs, the gig workers who are effectively-if-not-technically self-employed, as well as all those on zero-hour contracts – those groups that need it most.

Many members of this emerging class of precarious workers – what Guy Standing (2011) has dubbed ‘the precariat’ – have seen their working hours and incomes reduced during the pandemic to a point below subsistence. Many are forced onto Universal Credit, which pays just £317.82 per household per month – [less than a third of the minimum wage](#) – and imposes bureaucratic hurdles, exclusionary conditions and a punitive sanctions regime. Those unfortunate enough to catch the coronavirus may claim statutory sick pay of just £94.25 per week.

With [over a million new claimants in under a month](#) creating additional strain, the pandemic throws into stark relief how grossly inadequate, unjust and anachronistic the UK’s conditional welfare system really is, casting a favourable light on UBI as both a transitional crisis measure and more long-term policy alternative. A range of organisations – from the [TUC](#) and [Citizens Advice](#) to the [New Economics Foundation](#) (NEF) and [openDemocracy](#) – are now calling for some form of non-means-tested minimum income guarantee for all those who apply for it, to fill the gaps in current schemes, cancel conditionalities and deliver more genuinely liveable support faster. Such proposals, though open to anyone to apply, are targeted at those under a certain income threshold, and are thus not strictly unconditional

or universal, but may prove more effective and resourceful – and less expensive – than issuing a genuine UBI.

Revaluating and transforming work

For the longer term, COVID-19 is forcing us to collectively reconsider the meaning and value of work – both paid ‘productive’ work and unpaid socially reproductive labour outside the factory or office. Many of the undervalued jobs previously overlooked, ignored or actively marginalised have suddenly revealed their true value: providing essential services, delivering basic goods or otherwise keeping society functioning and flourishing. ‘Key workers’ have been consciously categorised as such and given assistance to do their necessary work. Alongside nurses in the NHS, of course, are shop assistants and managers, logistics operatives, and couriers and delivery drivers – many of whom ‘self-employed’ gig workers. Parents forced to look after their children as they attempt the impossible of simultaneously ‘working from home’ are made viscerally aware of the invaluable contributions of childcare and teaching professionals.

This revaluation of work highlights the need to equalise pay across occupations and improve working conditions for the kinds of jobs often highly socially valuable yet suffering from low pay, long hours, precarious contracts and poor conditions. A simple first step towards fixing this, as we stumble out of mutually-assured self-isolation, is to institute a UBI, to raise income floors and empower people to refuse inadequate work. A common argument made by UBI enthusiasts is for the empowerment and liberation of underpaid key workers such as cleaners and carers to be able to turn down those extra hours and thus lower the labour supply, raise demand – and raise pay – across these sectors.

At the same time, the crisis may also accelerate the structural transformations to work that the automation theorists suggest are already underway. One of the principal arguments for instituting a basic income voiced by both left and right is to provide people with some source of sustenance as we transition into a world of new, technologically-augmented jobs or else into a post-work world in which most jobs have been automated out of existence. [The current crisis only speeds up these trends](#) – as businesses scramble to adjust and restructure, shifting from office to home working, digitising manual tasks, moving operations online and redesigning or simply cancelling jobs – at the same time as increasing the clamour for some form of UBI.

Helicopter money to the rescue?

A UBI could constitute ‘helicopter money’ – money issued by the central bank without creating debt – aimed at ordinary people rather than banks and big business, as we saw in the quantitative easing of 2008. The latter failed to kick-start the economy: banks lent less than envisaged. [Some economists](#) think that if targeted at consumers to spend directly on goods and services it would have a bigger effect on economic recovery. In the USA and Australia, several high profile [economists](#) and [politicians](#) are calling for ‘helicopter drops’ of emergency money to help people get through the crisis – of around US\$1,000 and AUS\$750. [Hong Kong has taken the lead](#) in giving all its citizens a one-off per capita payment of HK\$10,000 (about 1,140 Euros).

However, these one-off sums risk being spent all at once and are woefully inadequate and, moreover, inappropriate and potentially dangerous measures for dealing with a pandemic in action. Incomes need protecting, true, but the point is to meet basic human needs, such as health, nutrition and shelter, not inject the market economy with liquidity at a time when there is not that much supply and when buying goods could endanger vulnerable groups and increase mortality rates. Such dangers underline the crucial difference between one-off helicopter drops – designed as much for boosting the economy as saving lives – and the sustained regular payments of UBI.

When an economy freezes up – cooling down lending, spending and investing – a cash injection could get it flowing again. But when governments purposefully put the economy on ice, to chill out while this pandemic passes, the last thing it needs is to be artificially warmed up. As things begin to thaw and production heats up, helicopter money in the form of UBI might be exactly what is needed to get people spending and companies investing again. However, with most people's purchasing power currently constrained by generalised self-isolation, there is likely to be a boom in consumer spending when lockdowns lift and people can use their saved incomes.

A modern debt jubilee

A more useful role UBI could play in averting imminent economic collapse and speeding recovery is through cancelling debt – [tantamount to a modern debt jubilee](#). Long before the corona-crisis, the global economy – and particularly the US and UK – had been suffering from financialisation with inadequate demand and investment, in large part due to high (and rising) consumer debt. This trend is a long time in the making, originating in the late 1970s when the Fordist-Keynesian consensus collapsed and income shares between capital and labour began to diverge (Benanav, 2019). Over the last few decades, divergence has only widened, causing huge polarisation in the labour market, the stratospheric enrichment of the 1%, falling real incomes among the working and lower middle classes across the North Atlantic economies and, crucially, consumer demand increasingly shored up through commercial credit.

The problem is this: in our credit-based monetary system, money is created by banks when they issue loans and is effectively extinguished when those loans are repaid. Because consumers are leveraged with loans to saturation point, and because productivity growth and investment in new productive enterprise is sluggish, fewer loans are created than repaid, leading to shrinkage in the money supply, recession and depression. We are approaching a state of 'debt deflation' – in which debt runs away faster than the money supply required to pay back – because the interest tied to bank loans cannot be repaid for those reasons outlined above.

The 'velocity of money' counter-argument suggests that debt deflation can be avoided if the money paid back to lenders is then invested back into the economy for debtors to continue spending. However, banks tend not to invest in what we call the 'real economy' of goods and services but rather in stocks, bonds, other financial assets and fictitious capital in the hyper-inflated financialised economy. This is where the money supply ends up over time, and is what helps inflate periodic financial bubbles and collapses as we saw in 2008. UBI

could avert the coming financial crisis as we exit the pandemic, by providing the helicopter money needed for consumers to pay off their debts – [a debt jubilee to wipe the slate clean](#) – and begin spending again in a context of overleveraged debtors.

In sum, as a short-term response to crisis, UBI appears to make most sense in terms of providing the rapid financial support needed for individuals losing their incomes and struggling with additional childcare and adult and community care duties. As an economic stimulus during or immediately following the pandemic lockdown, its likely effects are at best ambiguous, at worst harmful. As a response to more structural crises in the economy which COVID-19 is revealing and exacerbating – notably the personal debt crisis – it seems especially useful.

However, all such interventions would be temporary and withdrawable once emergencies abate. This may pose problems for those then used to the additional support, making withdrawal of an emergency UBI a politically problematic decision. Would a UBI still make sense in the long-term beyond this transitional period? If a UBI is to be a more permanent fixture of policy, what are the social, economic and political implications? To answer these questions we need to understand the historical and ideological origins of UBI, the arguments for and against, and how existing evidence stacks up.

So what's the big idea?

UBI is an old idea – often traced back to Thomas More's 1516 satire *Utopia* and Thomas Paine's 1797 *Agrarian Justice* – waxing and waning in political popularity over the centuries and perhaps now never more fashionable. Under various historical guises and variants – from a 'vagabond's wage' through 'state bonus', 'social dividend', 'demogrant', 'citizen's income' and 'new social contract' (Purdy, 1994; Sloman, 2018) – basic income has been supported by prominent philosophers and social reformers, including John Stuart Mill, H.G. Wells, George Bernard Shaw, John Kenneth Galbraith, Martin Luther King, and Bertrand Russell (Bregman, 2016). Its proponents span the full breadth of the political spectrum, from Friedrich Hayek to Erik Olin Wright (2010) and Kathi Weeks (2011). Support for a universal basic income is increasingly universal yet also divided between ideologically divergent positions and approaches, outlined in turn below.

The Automation theorists

Since the 2010s, a post-capitalist techno-utopian line of thinking has propelled UBI as a panacea for the problem of technological unemployment and a transitional measure towards a post-work society in which new technologies around robotics, data analytics and AI transform production and make human labour redundant. This is associated with writers influential on the far left of the Labour Party such as Paul Mason (2015) Nick Srnicek (2015, with Williams) and Aaron Bastani (2019) – the co-founder of Momentum's unofficial mouthpiece Novara Media – who argue UBI would provide an alternative source of income as jobs are automated, and release humanity from the drudgery of everyday toil into more meaningful, creative and life-supporting activities; all paid for by the democratic redistribution of surplus value produced by technological progress.

Post-capitalist visions of *Fully Automated Luxury Communism* (Bastani, 2019) are mirrored by more mainstream theses on the coming of the 'fourth industrial revolution', *The Second Machine Age* (Brynjolfsson & McAfee, 2014), and *The Rise of the Robots* (Ford, 2016) – ideas devoured by global management consultancies, prominent politicians and tech giant plutocrats (Morgan, 2019). Unlikely bedfellows in the campaign for UBI include Mark Zuckerberg and Elon Musk, who thinks it "increasingly necessary" (Benanav, 2019). Such prophecies have seduced Barack Obama and his former 'Ambassador of Global Entrepreneurship' Andrew Yang, who ran his recent Democratic candidate campaign on a UBI platform 'Humanity First'. Yet these so-called 'automation theorists' and their acolytes are relative newcomers to the UBI scene.

The Egalitarian mainstream

The most established ideological approach is perhaps a centre-left egalitarianism foregrounding equity, fairness and wellbeing. This positions UBI as a solution to the crisis of the welfare state and rising poverty and inequality associated with deindustrialisation and the flexibilisation and polarisation of the labour market. UBI's foremost exponent Belgian philosopher Philippe van Parijs (2004) has been a central figure, alongside Guy Standing and others, in popularising the movement globally, with the establishment of the Basic Income European Network (BIEN) in 1986, becoming the Basic Income Earth Network in 2004. They campaign for a sufficient UBI to plug gaps in patchy welfare coverage, lessen the stigma attached to

receiving benefits, reduce the bureaucratic burden of both claiming and administering welfare, save people from falling into ‘unemployment traps’ and ‘benefit traps’ and, most importantly, eliminate poverty overnight and with it all its associated damaging effects to health, wellbeing, social cohesion, civic participation and economic security.

Neoliberal ‘negative income tax’

A conservative, neoliberal argument aims at reducing the red-tape of welfare claims, releasing citizens from the tight grip of state bureaucracy to become more entrepreneurial, and expanding the role of money and markets in the provision of goods and services. In 1962, in *Capitalism and Freedom*, Milton Friedman proposed a ‘negative income tax’, a partial, inverse basic income channelled through the tax system, to rid us of the ‘welfare trap’ and state bureaucracy. His was matched and raised by ultra-right libertarian Charles Murray’s support for a minimal basic income to replace almost all public service provision.

Four local and state experiments with negative income tax were conducted in the US between 1968 and 1982. Some of these were successful enough for President Nixon to propose a negative income tax nationally through his [Family Assistance Plan](#). But this was opposed politically; some trial sites had found increased divorce rates – from empowering people to choose their domestic arrangements – posing a threat to ‘American family values’ (Arnold, 2018).

The social reproduction alternative

From the opposite end of the spectrum are those on the radical left who might support a UBI as a necessary response to the contemporary ‘crisis of care’, or social reproduction, caused by the interlocking crises of social democracy (with parties of the left losing legitimacy to protect the welfare state), of work (when labour market flexibilisation, precaritisation, underemployment and automation threaten jobs or undermine working conditions) and of the wage (no longer sufficient to meet basic needs without utilising credit and debt) (Lombardo & Pitts, 2019). UBI could be an institutional foundation for alternative forms of social reproduction found in ‘real utopias’ such as cooperatives, sharing economies, commons and practices of solidarity and mutual aid across society (Wright, 2010).

This is rooted in Marxist, feminist and anarchist thinking (Weeks, 2011) about properly valuing the ‘hidden abode’ of domestic labour and liberating women especially from traditionally gender-specific roles, promoting autonomy and dignity at work, finding meaning in life beyond work, and weakening the hold of the ‘Protestant work ethic’ over capitalist society and its tight grip over personal identity and collective culture. Related to this strand is an environmentalist critique of the productivist mentality that underpins capitalist growth and ecological destruction. As such, UBI is also associated with the Degrowth movement (Lawhon & McCreary, 2020).

Republican ‘freedom from domination’

Finally, a Republican position reaching back to classical thinkers from Aristotle and Rousseau to Thomas Paine and Thomas Jefferson to Mary Wollstonecraft, places freedom from domination front and centre – specifically freedom from ‘wage slavery’ (Casassas & De

Wispelaere, 2015). UBI is promoted by many neo-republicans, notably Philip Pettit, as the best way to guarantee socioeconomic independence and thus freedom for it frees individuals from an unequal work relation with employers by providing an alternative income to the wage.

Although from a liberal perspective the work contract is entered into freely by both parties, for radical Republican thinkers this is a false freedom masking a form of structural domination in which labourers are compelled to work for a wage in order to access the things they need to survive, having been separated under capitalism from both the means of subsistence and the means of production (Gourevitch, 2013). UBI removes dependence on employers and empowers employees to refuse particular employment contracts, thus removing the exercise of arbitrary power and petty abuse in the workplace, and strengthening the bargaining power of labour vis-à-vis capital.

Communitarian 'citizen dividends'

Related to the Republican approach is the liberal-communitarian tradition envisioning societal membership as if a shareholder of an enterprise (Purdy, 1994). By virtue of contributing towards the productive wealth of society, citizens are entitled to a share its assets, paid out through a dividend or a UBI – an idea supported by diverse thinkers from Bertrand Russell to guild socialism theorist G.D.H Cole. The wealth created by society is seen collectively as the shared product of social organisation, the division of labour, state-funded scientific discovery and the stores of knowledge and assets accumulated through successive generations. This justifies the idea of a 'property-owning democracy' proposed by John Rawls and Nobel economist James Meade in which society's assets are widely distributed and form the foundation for democratic participation (Casassas & De Wispelaere, 2015).

Meade's work in the 1930s built on G.D.H Cole's proposal for a 'social dividend' to distribute the profits of industry but argued for a counter-cyclical version to pay out higher sums to citizens during economic slumps, and lower dividends during booms, to counteract boom-bust cycles (Sloman, 2018). The most widely cited example of a citizen's dividend along these lines today – although lacking Meade's market regulating aspect – is the Alaska Permanent Fund, a \$60bn fund created out of the state's oil wealth in 1982, in which around a quarter of oil and gas royalties are invested, and which pays every Alaskan adult and child an annual dividend of around \$1,400 (Suskind, 2020). The world's largest sovereign wealth fund is Norway's – worth over \$1 trillion – something which the UK could have emulated had Thatcher's plans not won out.

Revolutionary Liberals

In the late 1980s, running up to the formation of the Liberal Democrats, their forerunners the Liberal Party and Social Democrat Party (SDP) experimented with radical ideas around citizens' trust and social dividends (White, 2009). James Meade's (1989) ideas for a 'partnership economy' and 'national asset fund' created from resource extraction profits (such as North Sea oil) and paying out a social dividend or income grant to each citizen were taken up by the Liberals Party and SDP (White, 2009). Liberals and social democrats sought to respond to Thatcherism stealing liberalism's clothing (with such policies as the right to buy for a property-owning democracy) through support for the state taking a large stake in

industry (without running it) and investing its share of profits in a Citizen's Trust, as proposed by the SDP. In the end, such 'revolutionary liberalism' (White, 2009) failed to gain traction in the newly formed Lib Dems, although their leader Paddy Ashdown continued to champion ideas for a 'citizen's income'.

This is not the first time the Liberals have flirted with UBI. In the 1940s, as the new post-war social contract was still being negotiated, Liberal politician Juliet Rhys-Williams proposed a conditional basic income tied to a commitment to work, to resolve the unemployment trap and simplify the tax-benefit system and to appeal to feminists such as Eleanor Rathbone's 'wages for housewives' campaign (Sloman, 2018). But the more modest UBI proposal eventually adopted by the Liberal Party in 1950 was overshadowed by Beveridge's more radical social insurance plans which, under Labour, institutionalised the modern welfare state but so too a more productivist ethos of citizenship rooted in the traditionally 'male breadwinner' domain of industrial labour.

In his latest book, Guy Standing (2020) consciously positions UBI as the next big reform on a par with the innovation of the welfare state. Invoking Beveridge's (1942) quest to slay the five giants of his time – disease, idleness, ignorance, squalor, and want – Standing claims a global UBI can battle the eight global challenges of our time: inequality and polarisation; economic insecurity; debt, particularly consumer debt; stress and mental illness, precarity and rising underemployment; robots and the disruption of automation; climate breakdown, ecological catastrophe and the threat of extinction; and rising populism and neo-fascism, whose support grows through insecurity, debt and uncertainty about the future.

Arguments and evidence, for and against

The extent to which UBI can meet the eight contemporary global challenges – inequality, insecurity, debt, precarity, automation, extinction, and populism – all depends on the detail of how it is implemented, at what scale, for what purpose, and with what funds. The questions over the efficacy, viability and legitimacy of UBI coalesce around five main issues: first, partiality of existing evidence – how much small-scale or partial experiments can really teach us about scaling up and rolling out truly universal basic income programmes nationally; second, the all-important cost issue – whether an adequate UBI is really affordable and how we might fund it; third, the contributory principle – whether ‘getting something for nothing’ is justifiable; fourth, the automation debate – whether UBI as an income alternative to lost jobs is necessary; and, fifth, the issue of creeping commodification and monetisation of everyday life – how UBI potentially turns us from ‘wage slaves’ into ‘data slaves’. Each are explored in turn below, before turning to an alternative to basic income in the form of universal basic services.

Disentangling the data

Existing empirical evidence on UBI is relatively new, radically open to interpretation and difficult to translate into policy. This is split between *ex post* experimental data, which trials UBI on people in the real world, and *ex ante* microsimulation, which simulates the effects of a proposed policy on micro units, such as households, through computer modelling (Martinelli, 2019). From the latter, several fully-costed proposals demonstrate the benefits to individuals and society across multiple dimensions, as well as the costs to the tax system (Widerquist, 2017). For instance, the Compass findings show how UBI can eradicate homelessness and increase the net income of the poorest by as much as a third (Reed & Lansley, 2016). However, such models are snapshots of costs and benefits taken in time and cannot capture the dynamic feedback effects on behaviour which will affect these results. Such issues are explored in more depth in the final section on cost.

Experimental trials, on the other hand, can get around these problems by observing complex interrelations between policy, work and benefits as they unfold in social reality. The earliest such experiment, conducted from 1974 to 1978 in the Canadian town of Dauphin, Manitoba, was a state and federal government-funded programme for a ‘Mincome’ paid to a thousand of its poorest residents – 30% of the town’s inhabitants (Bregman, 2016). The monthly cheques were calculated so that recipients would not fall below the poverty line, translated into about US\$20,000 per household in today’s terms. Researchers, including sociologists and anthropologists, analysed impacts on everyday life, nutrition, education and health but after four years, the incoming conservative national government cancelled the programme and the data was boxed up and archived.

Researchers rediscovered the data in 2009 and began analysing outcomes against available statistics for comparable towns across Manitoba. They found that Mincome teenagers completed an extra year of schooling, with raised academic performance, over their counterparts, hospitalisation decreased by 8.5%, mostly in mental health incidence and accidents, and crime and domestic violence also fell (Calnitsky & Gonalons-Pons, 2020). Allaying concerns that a basic income would encourage high dependency, worklessness and

larger families, the findings confirmed young adults delayed getting married and birth-rates dropped, and working hours only dropped marginally as people used some of this time for study, volunteering or childcare.

The Mincome experiment has inspired a number of pilot projects in Canada and around the world. The [Ontario provincial government is currently funding a three year experiment](#) to provide 4,000 people with 75% of the poverty line, about CAN\$17,000 per annum for single people and CAN\$24,000 for married couples. This is explicitly an anti-poverty mechanism designed by a conservative former senator aimed at reducing the associated harms of poverty and bureaucratic costs.

This reflects a trend for changing applications of UBI – becoming a replacement for traditional welfare-to-work schemes or instrument for targeting poverty – against the grain of its radical vision for a liberated society. In a recent two-year experiment involving 900 people in 10 Barcelona neighbourhoods – called [B-INCOME](#) – the Young Foundation found that although it helped clear household debt and improved sense of wellbeing, it failed to help people find jobs, as was intended, partly because of the lack of jobs in Barcelona at the time. This highlights contradictions between UBI visions – for a post-work alternative to disappearing jobs under automation – and the aims of UBI testing, which are often about assisting the under- and unemployed to find employment.

It also reveals the shifting frames with which UBI has been justified over time, moving from notions of equality and fairness in or out of employment, in the 1970s and 1980s, towards a more ‘workfare’-oriented idea of incentivising the unemployed to find jobs today (Koistinen & Perkiö, 2014). The most advanced trial to date was conducted in Finland from 2017 to 2019, led by the national social-insurance institute Kela, who randomly selected 2,000 Finns from across the country aged 25–58 already on unemployment benefits, unemployed for at least a year or with less than six months of work experience, to receive a monthly unconditional income of €560. Critically, while those on traditional unemployment benefits have them withdrawn if they make an income, the UBI trial was designed to allow recipients to earn additional income.

This was the world’s first statutory, nationwide and randomised control trial of UBI. Researchers measured outcomes against a control group in terms of participants’ employment prospects, health and wellbeing, their experience of bureaucracy and perceived impacts on their own lives. [Preliminary results show](#) positive impacts on health and wellbeing, with fewer stress symptoms than the control group, increased trust in other people and in societal institutions, such as politicians, parties, police and court, and rising confidence self-reported by recipients in influencing their own lives, financial security and employment prospects. [Final results, published May 2020](#), show that basic income over a year slightly increased the number of days in employment by an average of six compared to the control group, as well as leading to greater life satisfaction, decreased mental strain, improved cognitive functioning and more positive perception of economic welfare.

These findings, though positive, tell us little about what might result from a genuinely universal and enduring unconditional income because this – like all of the pilot programmes

to date – was time limited and targeted only at a select group of people. Operational problems raise further questions. The Finnish trial size was cut to a fifth of what was originally envisaged – purportedly [too small to be scientifically viable](#) – and the government [rejected a request from Kela](#) for further funding to expand the programme to people in work. The shortcomings of the Finnish experiment demonstrate the difficulty in designing UBI pilots that can accurately measure impacts at scale and across society.

Such small UBI trials are inherently limited in terms of their replicability of results at a larger or more universal scale. Most scientific or clinical trials are conducted in more controlled environments. For instance, a cancer drug trial on 13 adults will have same effect as if tested on 13,000 (Arnold, 2018). Not so for UBI, which has compound and interactive feedback effects as the sample size expands, from a number of households or community, to a city-region or a nation-state. These effects may be more pronounced as UBI concentration rises, as experiments move from diffuse penetration among scattered recipients towards more genuinely universal programmes, in which recipients live side by side. Each jump in scale or density may produce dramatically different results depending on how cumulative societal impacts create new conditions.

Much of the recent interest in trialling UBI in particular places has been driven by philanthropic and development organisations as a poverty alleviation and economic development tool in the Global South (Fouksman & Klein, 2019). Trials in Namibian villages in 2008-09 reduced poverty rates from 86% to 68%, child malnourishment from 42% to 10%, crime by 36.5% with average earned income rising by 29% (D’Mello, 2019).

The NGO GiveDirectly ran a project of unconditional cash transfers for poor rural households in Western Kenya from 2011 to 2012, through the mobile money system M-Pesa. Results from a randomised control trial found that transfers increased asset holdings by 58%, provided a boost for small businesses, with 48% increase in animal husbandry revenues, increased spending on food and medicine, with food intake rising by 20%, reducing hunger by 30%, with no evidence of increased spending on alcohol, tobacco or gambling, and raised levels of happiness, female empowerment, and reduced domestic violence (Haushofer & Shapiro, 2013).

However, evaluation of a 2011 trial in the Indian state of Madhya Pradesh, funded by UNICEF and the Self-Employed Women’s Association, with small regular payments to individual in selected villages made over three years, found that cash payments alone could not achieve emancipation from poverty or debt, which rested on the development of collective voice, advice with managing money and other forms of public support (Coote & Yazici, 2019).

Although such schemes generally produce positive results for cash transfers tackling poverty, they offer almost no insight for understanding the challenges of long term viability, translating into more industrialised contexts, or scaling up into national programmes. Such experiments conducted in global international development, whilst instructive for understanding its potential as a policy tool, tend to frame UBI in a limited light as a

technocratic solution to poverty without having to structurally reform the capitalist structures that cause inequality.

In the Global North, too, cash transfers are great at solving poverty and helping people out of homelessness. In 2009, a project run by Broadway, a London-based aid organisation, focused on helping 13 homeless men off London streets through cash transfers (Bregman, 2016). Estimates on the annual cost borne by the state for each of these individuals run as high as £400,000 in police expenses, court fees and social services. Each was offered just £3,000 in cash and 18 months later, 9 of the 13 were off the streets living in their own home and all were enrolled vocational classes or in rehab or back in touch with their families. The *Economist* concluded that the [“most efficient way to spend money on the homeless might be to give it to them.”](#) This and countless other bespoke projects across the Global North but especially in the Global South are cited by UBI advocates such as Rutger Bregman (2016) as evidence of UBI’s efficacy to solve poverty. But it leaves unanswered why support should come in the form of UBI rather than more conditional and targeted programmes.

The cost dilemma: an affordable UBI is inadequate; an adequate UBI unaffordable

Perhaps the highest hurdle to surmount for a workable and sufficient UBI is the costing. [Critics often point](#) to the exorbitant costs associated with delivering a decent income to every single citizen – quoting figures higher than a third of GDP. The French political economist Yann Moulier-Boutang’s (2012) proposal for an expansive UBI to contest the growing power of what he calls ‘cognitive capitalism’ is for each citizen to receive €1,100 a month in addition to existing benefits. This would cost France €871 billion – 35% of GDP. Estimates for the US put living wage level UBI schemes at 20-35% GDP; others at \$3 trillion per annum (Widerquist, 2017).

However, such estimates confuse gross cost with net cost and thereby grossly overestimate the true cost. This is because calculations for a UBI usually assume a simple sum of annual payment (of say \$10,000 per person) multiplied by number of recipients (300 million Americans) to reach a gross figure (\$3 trillion). But this obfuscates from the fact that UBI is unlike any other transfer or benefit scheme in that it targets everyone, including net contributors to the tax system, and not just net recipients. It is, therefore, partly ‘self-financing’, as many tax-payers who will receive a basic income will pay this back in tax (Martinelli, 2019). A further implication is that a sufficient UBI will replace large parts of the existing welfare system and therefore save money here too. The result is that the net cost of most UBI estimates are actually only between a third and a sixth of gross cost, depending on the size and structure of the proposal (Widerquist, 2017). But this rests on some big assumptions about who has to pay for it.

Nonetheless, even the net cost of adequate programmes is expensive. This points to a stubborn dilemma at the heart of UBI, encapsulated in 2017 by then Secretary of State for Work and Pensions David Gauke in his speech on the 75th Anniversary of the Beveridge Report: [“an affordable basic income would be inadequate, and a basic income that’s adequate for all would be unaffordable.”](#)

An inherent trade-off between controlling costs (affordability) and meeting needs (adequacy) plagues any attempt to implement UBI (Martinelli, 2017). From the left, progressives critique conservative proposals for a minimal UBI to replace welfare – such as negative income tax – as simply inadequate to address poverty and liberate people from wage slavery. From the right, conservatives critique progressive proposals for being unaffordable due to the higher levels of basic income imposing burdens on tax systems and disincentives to work, thereby undermining productivity and tax receipts.

A possible way out of this impasse resides with ‘partial’ schemes which run parallel with existing welfare programmes at a much lower payment level, creating a better balance between cost and sufficiency. But this threatens to undermine one of the core reasons for introducing a UBI in the first place: that of simplifying and streamlining the welfare system and removing bureaucratic burdens and complexity. This, therefore, leads UBI onto the horns of a ‘trilemma’: torn between affordability, adequacy and advantage (Martinelli, 2019).

Take for example fully-costed Compass scheme (Reed & Lansley, 2016), whose authors have conceded elsewhere that the ‘full scheme’ they modelled – one which replacing most benefits with a substantial UBI programme – [“would be either too expensive, or create too many low income losers, and is therefore not feasible in the current circumstances.”](#) The alternative ‘modified scheme’ that was also modelled was to leave most of the existing benefit system intact. Although this would be feasible and deliver some significant benefits – such as cuts in child poverty of 45% and a 20% drop in families claiming means-tested benefits – this fails to simplify the welfare system, only made more complicated.

The often unsaid fundamental assumption underpinning the favourable calculations of net cost compared to gross cost is this: that in order to satisfy the egalitarian aims of UBI – to provide significant material benefits to poorer recipients – tax rates must be raised at the higher end of the income scale, in order to pay for the benefits accruing to those who need it, and lowered at the lower end, to avoid work disincentives. The task of recalibrating the tax system is made trickier by dynamic interactions with behavioural responses to UBI. Marginal tax rates must be kept low enough at the lower end to avoid creating undue disincentives to work, which would undermine the capacity of the system to absorb the costs due to falling productivity and tax receipts. But such a progressive recalibration – in which higher earners effectively pay back all of (and probably more than) that which they receive in basic income – flies in the face of the very concept of universality and unconditionality, potentially making it a harder sell politically, particularly for conservative voters who want to see a flatter tax system out of it.

This underlines the difficulty of building a constituency and coalition of support for UBI – one of those “rare policy proposals that make the political spectrum bend back in on itself, with people on opposite ends meeting in violent agreement” (Susskind, 2020: 181). This is difficult task at the best of times, with support stretched out across the political spectrum, made fragile by the divergent demands placed upon it (De Wispelaere, 2016; Martinelli & Pearce, 2019). Progressive ‘redistributive’ schemes (geared towards benefiting the worst

off) pull in opposing directions to conservative ‘aggregative’ programmes (aiming at keeping costs low and distributing benefits broadly) (De Wispelaere & Stirton, 2013).

As the nuts and bolts of a workable programme are painstakingly put together through utilising tools to tweak policy, the concessions and compromises required to make the new tax machine run smoothly will inevitably threaten the very integrity of UBI as a concept. An Ipsos Mori poll conducted for the University of Bath’s Institute for Policy Research in 2017 found an impressive 50% of respondents in favour of UBI, with only 26% opposed; but support fell to 30% when it was suggested tax rises would have to pay for it, with opposition rising to 40% (Martinelli & Pearce, 2019). The poll found that tweaks to the UBI design polarised and divided its support base in opposite directions based on political party affiliation: Conservative support grew with knowledge it would be funded by cuts to existing benefits but fell for Labour supporters. The compromises required to guarantee a broad enough base of support lead us back towards a more complicated, partial scheme and onto the horns of the trilemma. Such machinations, reducing UBI to a compromised shadow of its full visionary self, prompt critiques from the likes of UBS theorist Ian Gough (2019) as [a powerful new tax engine pulling along a tiny cart](#).

UBI advocates celebrate its magical ability to not only eliminate poverty but to make red tape all but disappear. First, many supporters overlook the additional costs created by ‘churning’: the complex and pointless shifting of money between accounts as the tax system simultaneously pays out UBI and taxes it back at varying differential rates according to earnings, thereby creating bureaucratic complexity (Martinelli, 2019). Second, such complexity is intensified by the administrative decisions required to make any UBI scheme operate efficiently and fairly. Administration is conveniently ignored by many UBI advocates as if separate from the realm of politics; a neutral execution of political policy (De Wispelaere & Stirton, 2013). Implementing a UBI, however, entails many of the same administrative challenges as other income maintenance schemes. Administrators must set the rules and standards that determine eligibility; gather the information required to identify those eligible; and design systems that ensure payments are disbursed. This is both a technical and moral exercise.

First, although UBI automatically dispenses with many of the difficult ethical decisions ordinarily governing eligibility requirements for conditional benefits programmes, such as where to draw the line for means-testing, needs, family background, employment and employability tests, the thorny question of nationality or residence remains. Citizenship based on nationality is an easy way to draw the line, but this excludes migrants and long-term residents. Residency conditions may lead to welfare migration. Any condition attached to some form of citizenship or residency throws open deeply ethical conundrums over how to define the population of a territory and why that territorial inhabitation justifies benefits.

Second, although universality seems simple to administer, including everyone requires more administrative effort – and cost – than deciding who to exclude. Although UBI does not require expensive monitoring systems to ensure claimants are eligible, it does require the gathering of information about all individuals in a given territory. Such a ‘cadaster’ of the entire population may be constructed out of national identity card databases (where they

exist), voter registrations, social security databases but these do not cover everyone. Problematically, those that need UBI the most – the homeless, the unemployed, those working in the informal economy, or without bank accounts – are by the far hardest to reach or identify. Asking the population to sign up or register themselves on a database created from scratch appears to resolve much of the problem.

Third, disbursing payments faces similar cost problems and bureaucratic challenges. Delivery of UBI through the tax system involves complexity associated with churning and misses those who survive outside the formal economy. Those without bank accounts would be hard to reach. One possible alternative is for a bespoke debit card to be issued to all and periodically topped up by the state. This has the benefit of being a visible symbol of universality. Monitoring effective disbursement and the maintenance of debit card schemes requires considerable resources. The lack of any need for a monitoring apparatus associated with means-testing makes cross-checking if payments have been received successfully a difficult task.

Paradoxically, universal schemes may thus be more difficult to administer than selective programmes (De Wispelaere & Stirton, 2013: 925). Just as with the trilemma facing UBI designers, there are trade-offs in administrative design and implementation. Single, unified systems ensure simplicity but may fail to provide adequate coverage of the population, whereas multiple overlapping systems (debit cards and tax system integration) back each other up in the case of failure but introduce greater complexity and cost – a trade-off between ‘target efficiency’ (maximising coverage of the hardest-to-reach) and ‘programme efficiency’ (minimising bureaucratic costs).

Getting something for nothing?

Critics suggest UBI would compromise the contributory principle that underpins our reciprocal and meritocratic society – receiving something for nothing rather than reward for valuable contribution – potentially leading to a society of work-shy slackers. This could be a huge problem, for UBI is on all accounts expensive and would require additional taxes, some of which from income earners. If fewer people choose to work and taxable incomes fall and, worse, if productivity drops as a result and surplus value creation contracts, threatening taxable corporate profits, then UBI becomes self-defeating.

Even if such issues around financing are resolvable, moral issues remain. UBI solves the distribution problem, sharing out wealth more evenly, but ignores the contribution problem – how to avoid the exploitation of the industrious by the lazy and the resentments arising over contravention of this widely held notion of justice (Susskind, 2020). Concerns over erosion of the contributory principle have led [some researchers](#) to propose a ‘Contingent Basic Income’ or a ‘Conditional Basic Income’ (Susskind, 2020), which, rather than being unconditional is contingent upon some contribution to society such as agreeing to undertake services for the community, regular skills training, or retraining if unemployed. This would help a basic income fulfil its role as a transitional measure to tackle technological unemployment, boost productivity and underpin the principle of reciprocity.

Some experimental data supports the efficacy of conditional payments. In 2008 the Ugandan government distributed almost \$400 to 12,000 young people aged 16-35 on the condition that they submit a business plan. Findings after five years suggest that beneficiaries were inspired to invest in their own education and business ventures, with 50% boosts to personal incomes and 60% increase in chance of getting hired (Blattman, Fiala, & Martinez, 2014).

However, the evidence from various trials around the world suggest imposing conditionalities may be unnecessary. [Study](#) after [study](#) demonstrates the benefits of UBI in enabling recipients to pursue more risk-taking entrepreneurial activities or to contribute more to their communities through volunteering and social action. In several pilots, UBI incentivised people to work more – not less. Evidence on Alaska’s Permanent Fund Dividend suggest it increased consumer spending and led to 17% increase in part-time work (D’Mello, 2019). The original Mincome experiment in Manitoba in the 1970s also found that employment rates stayed constant (Arnold, 2018). The evidence suggests that a basic income does not create disincentives to work but rather supports people to find more meaningful work – that is, if it’s available.

Psychological research on entrepreneurship suggests people possess intrinsic motivations to seek out entrepreneurial and creative work if given the opportunity (D’Mello, 2019). Studies of the open source software and peer production movement have shown that members work for free to create common assets such as Wikipedia, Linux and Apache just by virtue of the pleasures of the activity itself, the sense of purpose and efficacy this brings, alongside collective identity and social status benefits (D’Mello, 2019). Social entrepreneurship – of which these movements are an example – is a notoriously privileged arena favouring white, male, educated people with wealthy family backgrounds (Steiner & Teasdale, 2016) and so UBI would help level the playing field and give those currently unable to work for free, or those excluded or dissuaded from entering unpaid fields of civic action due to class, gender, and racial inequalities, the initial foundation to do so.

Giving people money to materially support the unpaid work they do will not necessarily resolve the lack of social esteem, status and value attributed to those roles. UBI is often conceived as a means for empowering women and rebalancing the often still gendered division of labour in the home – but there is a dearth of empirical research on UBI’s implications for gender equality (McKay, 2001). By reforming the welfare system, which is weighted towards men in being linked to formal paid employment and failing to recognise the provisioning and caregiving roles traditionally performed by women, UBI goes some way towards equalising the formal gender relations of welfare. But the establishment of formally equal rights to income does not necessarily lead to equality of outcome (McKay, 2001). The question of how much domestic labour women contribute compared to men will continue to be determined culturally and within households; UBI may even act to reinforce (by subsidising) gendered divisions of labour without bringing about a revaluation of these roles in wider society.

In sum, instituting a UBI will not eradicate class divisions or the stigma attached to receiving benefits, as many advocates hope, for the goalposts will simply move with the field, leaving

exposed to a heightened sense of stigma and shame those who receive a UBI but who choose not to – or cannot find – work, or those who undertake socially valuable labour which society fails to value as such and which UBI does too little to rectify.

Will robots really take our jobs?

A large part of UBI advocacy is about achieving freedom from work or, at least, responding to the inevitability of an automated post-work world. Many object to this on moral and cultural grounds of losing the dignity and personal and collective identity gained through work, important for wellbeing. The workplace is where we engage in social life beyond our friends, families and neighbourhoods; where we get exposed to different ideas and attitudes; often a place where we meet our life partners; and a place of collectivity and solidarity. Whether work is good or bad for the human spirit is mostly a cultural question left open to debate – and does not help us determine whether work will indeed be automated out of existence.

One of the central arguments for UBI – at least since 2010 – is as a necessary policy intervention to ensure people have some kind of income in increasingly automated and thus jobless societies. The ‘automation theorists’ argue that recently accelerating advances in technology – especially in computing, AI and robotics – are complementary and synergistic in that they compound the power and progress of each other (Brynjolfsson & McAfee, 2014; Ford, 2016). So-called Moore’s Law has proven fairly accurate: we have seen the doubling of processing power of computers every two years since IBM founder Gordon Moore first formulated this rule of thumb. Such acceleration in computing power leads to huge drops in the costs of computers and associated technologies, which incentivises employers to substitute human labour for technology in a process of automation (Institute for the Future of Work, 2020). The automation theorists argue that as the processing power of big data begins to ‘speak to’ and mutually enhance the fields of deep learning in AI and mobile robotics, automation intensifies.

For the automation theorists of the post-capitalist left (Mason, 2015; Srnicek & Williams, 2015), these tendencies are revealed by an obscure (but now infamous) section in Marx’s *Grundrisse* known as the ‘Fragment on machines’ in which he prophesied that as capitalists are driven by the search for profits and compelled by laws of competition to raise productivity by replacing human labour with machines, production increasingly draws on the knowledge and ‘dead labour’ stored in machines and technology rather than direct ‘living labour’ (Pitts, 2017). This liberates humanity from working for a wage and severs the connection between labour time and the exchange value of a commodity.

The rise of the digital economy further weakens the link between the wage, work and profit, such that information-rich goods can be reproduced and replicated for a cost approaching zero – the ‘zero marginal cost’ society (Rifkin, 2014). This not only creates huge abundance and frees workers to partake in social organisation outside of capitalist production but so too short-circuits the logic of capitalism, potentially triggering a post-capitalist transition (Mason, 2015). These ideas have circuitously informed the Labour Party’s interest in UBI through such platforms as Momentum’s *The World Transformed* (Pitts, 2017).

Those closer to the political mainstream are less convinced by this faith in the intrinsic tendencies for capitalism to destroy itself, suggesting we may instead be moving towards an ‘automated feudalism’ (Ford, 2016). This highlights the danger of humans being made redundant with no means to make a claim on the profits accumulated by technology-intensive firms. UBI is thus framed as a necessary means of survival by automation theorists of divergent ideological bent. In the words of a policy expert I interviewed at the Liverpool City Region Local Enterprise Partnership in 2017, automation now threatens to summon a “tsunami” of technological unemployment that will evacuate much of the service sector of jobs, such as retail, as it has done and continues to do so for manufacturing.

Apocalyptic or utopian prophecies of a world without work, however, are not supported by the evidence (Morgan, 2019; Spencer, 2018). A literature review prepared for the parliamentary Future of Work Commission, chaired by Tom Watson in 2017, which will be published by the Institute for the Future of Work, (2020) suggests that predictions about the imminent automation of jobs are premature and exaggerated. Automation has contributed to the deep polarisation of labour markets hollowing out middle income jobs in advanced capitalist economies over the last several decades – alongside deindustrialisation and demographic and cultural changes. The result is the rise of poorly paid and precarious work in the service sector – the precariat (Standing, 2011). Yet so-called ‘low-skilled’ jobs such as crop harvesting and manual labour on construction sites require dexterity and sight amongst other human capabilities which technology is simply too immature or expensive to match. Changes to the labour market, such as increasing supply of cheap migrant labour, dampens incentives to automate still further. High skilled, professional and especially relational jobs, such as care work, remain extremely difficult, undesirable even, to automate.

However, even if certain routine *tasks* are automated at an ever-increasing rate, there is no consensus that this will necessarily lead to a loss of *jobs*. The most famous study modelling the impacts of automation and computerisation found in 2013 that 47% of jobs in the US were at ‘high risk’ (Frey & Osborne, 2017). The model was applied to the UK economy in 2015, finding that 35% of jobs were at high risk of automation; 28% at medium risk; 37% low risk.

The study’s methodology – involving first analysis as to whether tech could replicate task structures, then matching tasks to existing occupations, before presenting to experts to ask about their expectations of technological duplication – was criticised for using too many proxies and conflating tasks with jobs (Morgan, 2019). What the study – and others like it – appears to demonstrate is not that entire occupations are at risk but that certain core activity structures may be replaced by machines, which will likely “simply change *what people do* in their jobs, rather than *displacing* their jobs altogether.” (Institute for the Future of Work, 2020: 37).

Moreover, other experts believe that the automation of tasks, and of some jobs, may produce as many new jobs as it displaces (Autor, 2015). Historical evidence suggests that the rate at which new jobs are created by technological change outpaces that by which they are lost by around a factor of four; with 4.9 new jobs currently created for every one lost to

automation (Institute for the Future of Work, 2020). Automation is thus not the cause of low demand for labour, which is more the product of a stagnant and stalling capitalist economy.

Fears of automation – as well as discourses around UBI – have been a near-constant feature of capitalist history, periodically piqued during moments of technological transition, such as in the 1830s, 1930s, 1950s, 1980s and 2010s (Benanav, 2019, 2020). Current trends in automation are not linear or teleologically-oriented towards some end-state or ‘singularity’ of total technological unemployment but rather transitional and momentary – a product of historical waves in successive modes of production based on different technological innovations. There have been at least five such ‘Kondratiev waves’ driving capitalist history (named after the Soviet economist) based on coal and steam (around 1770-1850); steel and rail (1850-1900); electricity and chemistry (1900-1940); petrochemicals and automobiles (1940-1970); information and communication technologies (1970-2020); and, potentially from the 2020s, a new wave of artificial intelligence, smart and nano-technologies.

Moments of crisis following the peak of each wave, created by over-accumulation of capital and its consequent devaluation and creative destruction, are accompanied often by violence, war, depression, mass unemployment, rapid social and technological change and deep collective uncertainty over the future of work. Unsurprisingly, these crises also precipitate an upsurge of interest in UBI or its relatives – from the earliest wave in the late 18th century to the contemporary peak: surges likewise described as waves by UBI historians (Sloman, 2018).

The panic around low demand for labour frequently imputed to automation is more accurately understood as a product of crisis in the global capitalist economy (Benanav, 2019, 2020). Whilst unemployment is partially caused by automation in the race by firms to increase productivity in fiercely competitive markets, falling demand for labour is more generally the result of a lack of investment in new productive opportunities. This in turn has been caused by the divergence between productivity and wages such that labour has seen its income share falling vis-à-vis capital. Credit has been extended to prop up consumer spending, but with debt at saturation point, the global economy is facing a crisis of over-accumulation and a ‘productivity paradox’ such that real output was lower in 2017 than in 2010. The economy has effectively stalled, thereby depressing investment in existing and new jobs, while capitalism continues to turn to automation as it has done its entire history.

UBI represents a zero-sum transfer of income share from capital to labour in order to kick-start consumer spending – that is, if taxes on corporate profits, assets and wealth are raised to pay for it. But this does nothing to structurally reform the capitalist economy required to generate the new jobs and new technologies promised by the fourth industrial revolution. Only a radically reconfigured settlement between capital and labour, and renewed state investment in technology, industry and services can unleash the dynamism of the next Kondratiev wave.

The challenge, then, is not one of adapting to a world without work, but rather of transitioning to a world with different kinds of work; of upskilling people to find new work

by investing in the creation of new jobs as well as skills training. We will still need people to design, build, maintain, program, legislate for and communicate with the robots – and of course mine and transport the raw materials to manufacture them – even *if* they do most other work for us. At the same time, the labour-intensive relational work of education, care and entertainment will only become more important.

This is a point picked up by economist William Baumol (2012) who identified '*why computers get cheaper and healthcare doesn't*' as a factor of increasing productivity gains in manufactured goods driven by technological innovation compared with the inherently people-intensive service industries such as education, arts and entertainment, and notably healthcare, which depend on direct human connection and relationality. Baumol warned against knee-jerk reactions to rising healthcare costs – estimated to swallow 60% of US GDP, [and 50% of UK GDP](#), by the end of the century at current rates of increase – as this can be paid for by technologically-induced productivity gains. This suggests jobs will not simply be replaced by robots and machines, but will be displaced and freed up for additional work opportunities in education, health and the arts. The challenge remains in how to capture the surpluses made by productivity gains in the technology-intensive sectors for redistribution into these more foundational and human-centred sectors that will employ the vast majority, in order to pay for rising costs.

The fact that growing labour-intensive work in the service and especially care sectors has seen stagnant or falling real wages and rising precarity shows that we have not found a way to crack this problem of value redistribution. UBI is one possible policy solution but cannot by itself ensure the creation and proper valuation of new jobs in relational services or technological innovation. For example, the recent Finnish trial found a [non-significant impact on employment](#) while the B-INCOME experiment did not help people find new jobs, as was intended, due to the lack of new jobs in Barcelona. This underscores the point that UBI is not a panacea but one of many complementary policy tools, including [place-based industrial strategy](#), large-scale state investment in technological development and social innovation, seed funding for start-ups and lifetime education, required for the transition to a new economy of more meaningful work.

From wage slaves to data slaves

There is a peculiar paradox to UBI in simultaneously reducing bureaucracy and freeing welfare claimants from state-imposed conditionalities while also making everyone more dependent on the state for their livelihoods. UBI would set up a direct relationship between individuals and the state, thereby displacing and mediating the point of contact between employer and employee, and making it much more difficult, if not impossible, to challenge and contest the power of capital through strikes and industrial action. This erodes class consciousness formed through the social relations of work as well as circumvents the bargaining power of labour. It empowers the state as ultimate wage payer for all, centralising and creating dangerous concentrations of power with which citizens only have limited, formal means to contest or shape through periodic elections and their political representatives.

Marxist scholars argue that this simply replaces dependence on capitalists – or ‘wage slavery’ – with dependence on state handouts, while leaving us ever more vulnerable to the whims of markets to meet our basic needs (Lombardozzi & Pitts, 2019). In other words, UBI strengthens the power of the two fundamental mediators of capitalism: the commodity form (money) and the state, further weakening our collective capacity to contest capital’s unquenchable thirst for growth at any cost – not least through intensified extraction of common resources, colonisation of lifeworlds and, ultimately, ecocide.

By strengthening the role of money in everyday life, UBI would privatise consumption and atomise social relations. 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 – needs which could be met more directly through Universal Basic Services, as outlined below. With greater universal spending power, prices for certain goods and services are likely to rise to match it unless the state imposes complicated price limits and rent controls.

Whilst the prices of consumer goods and commodities produced for sale in highly competitive global markets are relatively safe from inflation, owing to international trade flows and intense competition for market share between multinationals, other goods with more localised production footprints or limited reproducibility, notably land, would come under huge inflationary pressures. With more cash in our pockets, what would stop landlords and other rentiers from simply hiking up rents? UBI effectively separates income from work but fails to separate income from assets, inflating the asset-based – and debt-based – economy of rentierism still further (Benanav, 2020).

A critical concern with our current consumer habits, especially since lockdown, is the growth of online shopping and deliveries over the high street, shifting income away from diverse small businesses towards large online retailers and platform oligarchs like Amazon, which pay little to no tax. This might seem like another question of cultural preference but represents a big problem for making UBI stack up financially – new taxes need to be generated from somewhere, ideally the tech giants that stand to gain so much but are prepared to pay so little. In this context, UBI would subsidise Silicon Valley and give the tech giants a free(r) ride (Fouksman & Klein, 2019; Mathers, 2019).

Silicon Valley currently profits from the collective confusion attendant to our transitioning into a new mode of production that radically reconfigures, if not entirely transcends, capitalism. This goes by various names such as *Cognitive Capitalism* (Moulier-Boutang, 2012), *Platform Capitalism* (Srniczek, 2016), *Surveillance Capitalism* (Zuboff, 2019), and ‘vectoralism’ (Wark, 2019) but all coalescing around one central point: that the data economy is breaking down the conventional boundaries between work and play, production and consumption, to make us all producers of value all of the time, at least while we are plugged into the internet.

In 2016 the data economy was worth £250 billion to the EU alone and by 2020 represents over 4% of the EU’s GDP (Mathers, 2019). The free labour provided by digital denizens underpins the huge profits made by the tech giants in Silicon Valley. As early as 2011, Facebook reported \$1 billion annual profits, with only 4,000 paid employees – but 64 billion

hours of free labour from users. By 2016, the companies with the highest market capitalisation were for the first time ever tech firms: Apple, Alphabet (Google's parent company), Microsoft and Amazon.

These companies are parasitically dependent not only on the free labour of users but also on the creators of their technologies: Google's android phones use Linux for their operating systems – an open source project collectively created and maintained for free by the global free software movement. If these trends continue towards data becoming an increasingly central source of wealth creation, UBI will merely act as a subsidy for data platforms to continue extracting profits by providing us data producers with an income to interact online, to create content and post it for free and even engage in collective projects for innovating new open source technologies.

No wonder Silicon Valley entrepreneurs are amongst the most vocal proponents of UBI (Fouksman & Klein, 2019). The tech start-up incubator Y-Combinator is funding a [\\$60 million experiment](#) in UBI: \$1,000 per month for 1,000 participants in two states and a 2,000 strong control group receiving just \$50 per month, over both a two and five year period. Facebook cofounder Chris Hughes is funding another pilot project. While Google's Foundation google.org is a major funder of GiveDirectly's UBI pilots in Western Kenya, where 21,000 adults across hundreds of villages will receive around a third of average income for 12 years – the longest and largest trial ever conducted (Arnold, 2018).

UBI accords with the libertarian-philanthrocapitalist culture of Silicon Valley: philanthropy sustains the myth of the genius heroic entrepreneur and altruistic billionaire solving problems not of their own making, obfuscating their use of creative accountancy, offshoring and tax havens to hide profits, and their role in perpetuating poverty and unequal class relations, while keeping beneficiaries in their place as passive recipients rather than politically empowered citizens, just as they are passive 'prosumers' (producer-consumers) of digital products. In short, UBI risks turning us from wage slaves into data slaves.

This argument about the unpaid value of collective data production equally applies to all kinds of activities that sustain commons with great collective value – from the creative arts and social entrepreneurship to community care and domestic labour – value subsidised by a publicly-funded UBI for private companies to capture in new markets. If UBI is to be the answer, then, this loophole between value creation and extraction needs closing, not only to make UBI ethically legitimate and politically palatable but to make it financially viable too.

Many of the cost dilemmas – and trilemmas – thrown up by UBI proposals may be solvable by the 'robot tax' often touted by UBI advocates as an alternative funding source to income taxes. This has gained public attention following a Bill Gates interview in 2017: "[Right now, the human worker who does, say, \\$50,000 worth of work in a factory, that income is taxed... If a robot comes in to do the same thing, you'd think that we'd tax the robot at a similar level.](#)" Difficulties pertain to identifying what constitutes a robot (what about sensors, computers and drones?) and which robots to tax: many robots are labour-augmenting rather than labour-substituting making it an effective tax on jobs or, worse still, a disincentive to innovate new tech – 'protectionism against progress' as Larry Summers has

called it (Susskind, 2020: 176). But if we interpret it more expansively, a robot tax is simply shorthand for finding new mechanisms for the state to capture some of the profits from productivity gains currently monopolised by the owners of robots and big data.

The cognitive capitalism argument for UBI is thus more conditional: it requires other public policy interventions to ensure that productivity gains from new technologies are returned to those who freely labour to deliver them; alongside the democratisation of the internet as a 'communicative commons' (Mathers, 2019) through digital platform cooperatives, publicly-funded community-owned cloud-computing infrastructure and municipally-provided broadband networks as innovated in Barcelona for instance (Morozov & Bria, 2018). This underlines the need for two things: universal basic *services* – including digital infrastructure – to complement basic income (Coote, Kasliwal, & Percy, 2019); and [fundamental reform of the tax system](#), including taxes not only on earned income, corporate profits and financial transactions but so too on the patents, trademarks and rights claims over data that increasingly give Silicon Valley a free ride.

What's the alternative?

Universal Basic Services (UBS) provides some answers to many of the questions raised over the adequacy, affordability and advantage – the trilemma – of UBI. This is a concept directly inspired by UBI, developed by the Social Prosperity Network at UCL's Institute for Global Property in 2017 (Portes, Reed, & Percy, 2017). It involves taking out of the commodity sphere all those goods and services deemed essential to meeting basic needs and providing these universally and freely without any need for monetary transaction (Gough, 2019; Lombardozzi & Pitts, 2019). The Social Prosperity Network defines UBS as:

1. Services, meaning collectively generated activities that serve the public interest.
2. Basic, meaning essential and sufficient, rather than minimal, in that these collective activities enable people to meet their needs.
3. Universal, meaning that everyone is entitled to services that meet their needs, regardless of ability to pay. (Coote et al., 2019: 7)

In practice, this means extending the principles underpinning the UK's education system and NHS to additional domains deemed fundamental to human flourishing, namely shelter, nutrition, transport, and information, with potential to extend to childcare and adult social care. As a step in this direction, the initial Social Prosperity Network proposal was for £13bn to be spent on social housing at zero rent; £4bn on free meals for 2.2m households in food poverty; £5bn on extending free bus passes to all ages; and £20bn on free phone, TV and broadband for all (Portes et al., 2017).

Underpinning UBS is a moral theory of human needs and capabilities. Basic needs can be discerned universally across all cultures as those functional capabilities that enable a minimum level of health, autonomy and participation in social life and which if left unmet result in the harm of compromised agency (Gough, 2019). Basic needs are met through the satisfaction of intermediate needs: both material factors like water, nutrition and shelter, and non-material factors such as security and education. Intermediate needs are not inexhaustibly demanding or limitless but can be sated when a certain level is reached required to meet basic needs of participation, health and autonomy. This suggests there is a 'sufficient' level of support needed to reach threshold for each individual against which UBS or UBI can be designed.

These needs are plural and non-substitutable in that they cannot be aggregated and summarised as a single monetary unit and cannot be traded off against each other: more education cannot resolve malnutrition. Certain 'packages' are required that satisfy determinate threshold levels of each intermediate need. This starkly contrasts with 'bundles' of goods in consumer preference theory where one bundle can be exchanged for another at the right price (Gough, 2019), suggesting that UBI as a medium for accessing bundles of goods is maladapted to the task of meeting essential human needs.

Serving the foundational economy

Basic human needs are met primarily through what economists at the University of Manchester's Centre for Research on Socio-Cultural Change (CRESC) have recently – and fittingly – labelled the 'foundational economy' (Bentham et al., 2013; Foundational Economy

Collective, 2018). This is an often overlooked and taken for granted economic domain comprised of those mundane and everyday activities crucial for the maintenance of human life and societal functioning. The foundational economy thus comprises “that part of the economy that creates and distributes goods and services consumed by all (regardless of income and status) because they support everyday life” (Bentham et al., 2013). The material and non-material factors of intermediate needs translate, respectively, into ‘material infrastructure’ (utilities, transport networks, digital connectivity, retail banking and food production) and ‘providential services’, including education, health and social care. These are delivered through a branch and network infrastructure that entails significant public investment and regional or national coordination, as opposed to more free-flowing commodity exchange.

Yet much of the foundational economy, such as large food retailers and railway companies, is currently in the private sector. Adopting UBS as a state programme would not necessarily entail bringing all of the foundational economy back into public ownership but it would mean introducing new publicly-funded not-for-profit mutualised or cooperative corporations into these sectors to either compete with private firms (in the case of food and banking retailers) or replace monopolies (such as water, energy, rail and broadband) in order to ensure people have their needs met in these domains. It might also mean raising levels of public accountability, imposing tight constraints on profit maximisation, publicly funding certain sectors and introducing procurement markets that favour not-for-profit suppliers.

Doing what UBI does, better

UBS more directly addresses conditions underlying the ‘crisis of care’ (Lombardozzi & Pitts, 2019) that separate individuals from the means of social reproduction. It ‘cuts out the middleman’ to provide subsistence goods and providential services without recourse to money, avoiding the transaction costs associated with it. This makes UBS a potentially more effective form of UBI. By providing a ‘social wage’ (Gough, 2019) in the form of free essential services UBS minimises the need for cash spending, saving individuals money otherwise spent on rent, bus tickets, school meals and broadband. Workers are similarly empowered to refuse work and demand better conditions as their UBI counterparts, with similar effects in raising incomes, eliminating poverty and providing a financial foundation for the pursuit of socially valuable, innovative and entrepreneurial activities.

UBS is ‘pro-social’ (Portes et al., 2017: 24) in that it strengthens the ties of reciprocity, mutuality, solidarity and sociability that help bind society into a functional and cohesive whole. By pooling resources and governing shared public services as a commons, UBS would enhance social citizenship, increase interaction and raise levels of trust in society both between citizens and with the state. Renewed investment into basic services would save lives and money and solve social problems in the long run, by channelling resources into prevention rather than cure, resolving problems upstream before they can flood our clinical and frontline services with unmanageable levels of demand. Crucially, UBS would enhance resilience by dramatically increasing the capacity of the state to respond to sudden crises

such as global pandemics – as well as begin to tackle complex multi-scalar challenges such as climate breakdown.

UBS brings the ‘hidden abode’ of production out into the visible public sphere through public provision of childcare, adult and social care, thereby creating the conditions for the revaluation of care – work traditionally dominated by women. UBS provides the material foundations for gender equality in ways UBI only formally does. In terms of childcare, UBI individualises and privatises the problem of delivering adequate provision, providing material support for each household to manage internally, under whatever gendered division of labour, rather than seeking collective solutions such as municipally-coordinated childcare facilities as a universal service.

UBS entails less cash channelled into those digital platform corporations that increasingly meet our needs through atomised forms of consumption. Similar amounts of publicly-collected funding as for UBI can instead be invested in forms of collective consumption that bring people together to access and maintain basic services and participate in a reinvigorated public sphere with renewed public purpose.

The loop between public investment and return on investment, through tax returns, jobs and social value creation, is much tighter and more transparent than a UBI-fuelled cash economy in which market intermediaries find loopholes to extract value out of the system. This becomes a self-expanding cycle of reinvestment in which UBS begins to become self-financing. If we can afford UBI we can certainly afford UBS.

UBS maintains the contributory principle of working for a wage – money is not given away for nothing, but rather services justified on the basis of maintaining a minimum level of human flourishing and societal functioning. By preserving the wage, the direct relationship between employer and employee remains a relevant and important arena of social struggle over working conditions and income shares through trade unions and industrial relations.

This means the problem of creating employment remains a salient issue. But this need not be an insurmountable problem in an economy in which technological progress creates as many new jobs as it replaces, albeit with gaps and lag times in disruptive periods of economic transition. To tackle transitional unemployment, UBS would require complementary measures to guarantee basic incomes for those without work. These might include a form of UBI – a Minimum Income Guarantee – alongside more intensive state investment in lifelong education, retraining, and the creation of new jobs through a more proactive and interventionist [place-based industrial strategy](#).

UBS itself is a source of new job creation: providing employment in many of the basic services funded by the state: food growing and distribution, housing construction and management, social care, digital infrastructure design and maintenance, transport and logistics, alongside expanded positions in health and education. The foundational economy already employs a large proportion of the population: nearly 37% of the Italian workforce (17.9% in material infrastructure and 19% in providential services), over 41% of the German workforce (17.2% material; 24.1% providential) and over 43% of the British workforce (17.6% material; 26.2% providential) in 2017 (Foundational Economy Collective, 2018). As

automation replaces jobs in other sectors, notably manufacturing, the foundational economy will only become a more important source of employment – especially if backed up by state-funded programmes.

A state-funded foundational economy need not be delivered top-down by a centralised structure but rather outsourced to local and regional not-for-profit organisations such as social enterprises, cooperatives and charities. A highly decentralised and competitive yet also democratic and publicly-accountable form of market coordination of UBS can be achieved through progressive public procurement that favours firms demonstrating efficient service delivery, value for money, social value creation and multiplier effects for local jobs and investment in the local economy. There are multiple cases of innovative coordination of foundational and social economies at the municipal scale, in recent experiments with new municipalism and community wealth building, such as the Preston model (Thompson, 2020).

This highlights the always place-embedded nature of any UBS – or UBI – programme, whose impacts will be determined by complex interactions with specific contextual conditions. In so uneven an economic geography as the UK's, the effects of such policies would vary significantly between localities – Liverpool and London for instance – with opposing socioeconomic problems, decoupling economies and diverging labour market trajectories. The benefits of developing devolved place-based programmes, rooted in local economic democracy, must be weighed up against the simplicity and universality of a more generic national scheme.

Investing in Universal Basic Infrastructure

Proposals for UBS are often complemented by Universal Basic Infrastructure (UBIS), which extends the idea of state funding and large-scale coordination of public services to public infrastructure (Lombardozzi & Pitts, 2019). UBIS is a response to the Industrial Strategy Commission's findings of severe under-investment in both hard (rail, energy, broadband) and soft (human capital) infrastructure, which is significantly hindering and undermining the UK's productivity, technological innovation and overall economic development (Industrial Strategy Commission, 2017). A basic income cannot buy a transport system or a digital network for a city; this requires more coordinated investment.

The need for greater state-coordinated investments in infrastructure is all the more acute in the context of meeting the eight global challenges set out by Standing (2020), especially the automation and ecological giants. An industrial strategy can create enough new jobs if investment is targeted at technological innovation rather than left to the whims of the profit motive. The digital tech theorist [Evgeny Morozov argues](#) that we need to rethink and expand received categories of infrastructure to incorporate emerging technologies such as AI. Artificial intelligence is a public good whose underpinning knowledge is non-rivalrous and non-excludable, assuming property rights are not artificially claimed, and whose network effects multiply benefits across society, drastically reducing costs of further innovation.

The smartphone is the classic case cited by Marianna Mazzucato (2013) as a composition of technologies including the internet and GPS first invented and developed by the US state and gifted to the world for free. Yet AI research is currently dominated by 10 competing

companies – five Chinese, five American – each investing \$10-12 billion a year and replicating results. Such wasteful replication and unhelpful competition could be transformed by more coordinated state investment. If jobs are to be created in these emerging sectors, we need to revolutionise industrial strategy; the starting point could be investment in an expansive, digitally-oriented UBIS. A similarly high hurdle needs surmounting for climate change, with vastly greater investments required in green technologies, and associated jobs, to decarbonise the economy.

Conclusion

For many, UBI is a policy whose time has come. The COVID-19 pandemic and economic crisis has thrust UBI into the limelight. Countless experts, academics, politicians and research institutes are calling for an emergency UBI to meet extraordinary need. Some kind basic income intervention is necessary to ensure those who have lost their jobs in the coronavirus crisis, whose businesses have closed, or who cannot get to work due to illness or caring responsibilities, are adequately provided for. But it remains unclear how suited UBI is to the task.

A more effective proposal during the pandemic might be for a more targeted approach such as a Guaranteed Minimum Income (MIG). Anything more universal beyond delivering support to those who need it to feed and sustain themselves risks becoming an economic stimulus that may do more harm than good, by encouraging people to either spend money in shops and increase the risk of spreading the coronavirus, or increasing unnecessary consumer spending online thereby putting delivery operatives at risk and pulling custom away from small businesses.

As we emerge from mutually-assured self-isolation into an impending economic disaster, some kind of UBI may get consumer spending and thus investment in the productive economy going again. But the evidence is unclear as to whether UBI is the right response. The longstanding consumer debt crisis will cause a drag on economic recovery and UBI has the potential to clear debts. But in the long run, UBI leaves intact the unequal ownership of productive assets that polarises incomes in the labour market and underpins the structural conditions for further financialisation through credit and debt expansion. Deployed as an emergency fix to falling real wages and credit-limited consumer spending, UBI may act in the short term to rebalance diverging shares in income between capital and labour to get the economy moving again; but in the long run, cash transfers work in vain to repair structural flaws in the economy.

Beyond the immediate crisis, UBI can produce a number of significant benefits for society and in particular for marginalised and disadvantaged groups. It can eradicate poverty and homelessness overnight. It can empower gig workers to demand better working conditions by refusing precarious contracts. It can give people an alternative source of income as automation threatens their jobs and a platform to find more meaningful work. It can reduce crime and domestic violence, empower women, and fund domestic labour and care work that otherwise goes unpaid. It can provide financial foundations for entrepreneurial, creative and caregiving endeavours. It can streamline the tax-benefit system and potentially reduce bureaucratic burdens and complexity. It can save society costs in the long run. It can ameliorate the stigma attached to receiving benefits. It can reduce the stress, mental illnesses and health problems associated with debt, insecurity and precarity. It can facilitate the transition to a decarbonised economy of more sustainable consumption.

As such, UBI is presented as a 'silver bullet' for addressing contemporary global challenges – yet relies on speculative theorising or partial empirical evidence that has never tested a full UBI at the scale of a nation-state. It relies for its political credibility on generating support

from across diverse and conflicting ideological perspectives. This makes it inherently fragile. It cannot possibly deliver all the things it promises at once – and this means its varied support base cannot be sustained in the face of inevitable administrative trade-offs and difficult design decisions. UBI is afflicted by a number of intractable dilemmas – or one major trilemma – between adequacy, affordability and advantage. This raises questions over the efficacy of maintaining the universal aspect of basic income proposals. Many of the same benefits outlined above can be realised through more targeted support aimed at certain groups or particular problems without the need for blanket coverage. Most of the policy problems for which UBI claims it is a catch-all panacea are more effectively targeted by bespoke interventions which may take more thought to plan and implement and which are less catchy of public opinion.

Two reasons motivate this emphasis on universal over conditional, targeted support: simplifying the welfare system so that the bureaucratic burden and stigma attached to claiming social support are relieved; and as a marketing device to sell the policy across the political spectrum on the back of its simplicity and equality. In the first, UBI comes up against the hard limits of the trilemma, and fails to resolve stigma, whose goalposts are shifted if not sharpened; the latter begs the question why political proponents choose not to argue the case for the societal benefits in which they profess to believe through more direct, targeted means, without the cloak of universality. UBI's universality remains attractive for the sake of parity between citizens – treated equally – but under the practical constraints of implementing a UBI that is sufficient *and* affordable *and* simple, the reality is that not all citizens would contribute equally, with tax hikes levied on the richer over the poorer. As a result, UBI is revealed as a policy whose central principle of universality is championed in bad faith.

If, like Guy Standing (2020), we see this moment as an historic opportunity to restructure society through radical reform – to slay the eight giant challenges of our time just as the founder of the modern welfare state William Beveridge did for the five 'giant evils' of his – then we should take heed of the Beveridge Report's call to arms: "a revolutionary moment in the world's history is a time for revolutions, not for patching" (Beveridge, 1942: 6). The question remains: will UBI deliver us the revolutionary changes to the state and capital, work and welfare, freedom and equality that its proponents promise, or will it act as the sticking plaster for a failed system to carry on stumbling?

Ultimately, UBI leaves the capitalist system unreformed to continue grossly uneven accumulations of capital, concentrating wealth and power in the hands of a few, polarising labour markets, reproducing inequalities and poverty and constraining the coordinated multi-scalar action beyond decentralised market mechanisms from tackling the global ecological crisis – not least by exhausting the state's resources. While UBI resolves the symptoms – poverty and poor working conditions – it cannot tackle the cause. An 'income-sharing state' (Susskind, 2020) with UBI at its centre could redistribute significant amounts of wealth, momentarily cancel debt and bring the poorest in society up to the bare minimum, but would fail to resolve the inherent inequalities in power and control dividing society, especially by underwriting Silicon Valley's economic dominance (Mathers, 2019).

Citizens receiving a sufficient basic income will be liberated from ‘wage slavery’ yet, ironically, made dependent on the state (and its capacity to tax wealth) for their sustenance. A sufficient UBI fully severs the weakening link – and then steps into the gap – between income and *wage work*; but it fails to separate the tightening connection between income and *asset ownership* (Benanav, 2020).

Only a ‘capital-sharing state’ (Susskind, 2020) can begin to redress the imbalance. This could take the form of citizen shares in financial capital, such as a social dividend like Norway’s or Alaska’s citizen’s wealth funds, or a national asset as proposed by James Meade, to which the Liberal Party and SDP, in their most radical moment, were deeply attracted. A societal share in the profits of the new digital economy would be one way to counter the growing power and control of tech giants over our lives and address the injustice of contributing data and digital labour for free.

Capital-sharing can be interpreted more expansively to include the human capital of education and the infrastructural capital of information. Most advanced industrial economies already invest in and share human capital throughout society through the subsidised or free provision of schools and universities. But more needs to be done to provide the infrastructure and share out the capital created by the new digital technologies of the fourth industrial revolution. A capital-sharing state might start with the idea of Universal Basic Services and Universal Basic Infrastructure made freely available to all through public funding, although delivered through a number of possible mechanisms of coordination, including socialised markets and devolved democratic governance via digital platforms (Morozov & Bria, 2018).

Together, UBS and UBIS are a more direct and effective, less mediated, way of doing what UBI does: putting more money in people’s pockets for meeting their basic human needs and for liberating time and imagination for thinking new ideas, engaging in social innovation and entrepreneurship, and stimulating economic productivity. Of critical importance, investment in UBS would build greater resilience into crucial public services and design in the flexibility and capacity required to deal with emergencies and crisis situations. As we have been made acutely aware, pandemics require slack or extra capacity in universally-accessible foundational systems to deal with additional demand, particularly on healthcare; less useful is cash for people to spend privately.

UBS avoids the perilous prospect of UBI: that it would only widen the distance between citizens, by empowering the mediator of money and encouraging individualised and privatised forms of subsistence and sociality, and further hollow out the institutional infrastructure between citizen and state, replaced with online systems of needs fulfilment owned and controlled by unaccountable global corporations. Take the case of knowledge. Do we want to access books through libraries funded directly under UBS and which provide good jobs on at least living wage; or would we prefer buying our books from Amazon whose zero hour contract jobs below subsistence wage levels are subsidised by UBI? We might prefer to see the proliferation of multiple small businesses, perhaps cooperatively owned, selling books through the dynamism of the market, but this ideal middle ground appears increasingly out of reach in our monopolistic age of platform capitalism.

One way to reform capitalism to favour more competitive markets, cooperative enterprises and widely-distributed profits is to rediscover a 'revolutionary liberalism' (White, 2009). James Meade's vision for a 'partnership economy' – of a democratic-socialist state taking a non-controlling stake in all profit-making enterprises trading in competitive markets to empower citizens as shareholders of common wealth – would radically redesign state-capital-citizen relations. At the centre of a contemporary partnership economy is an empowered 'entrepreneurial state' (Mazzucato, 2013) capable of advancing technological progress and capturing its productivity gains – through robust taxes on robots and data rights – for public reinvestment in UBS and UBIS, complemented by UBI when crises require it. Meade (1989) called his vision *Agathatopia*, a good if modestly imperfect place. UBI, by contrast, first imagined by Thomas More in the book that coined the concept, remains a *utopia* – an impossibly perfect place existing nowhere at all.

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