

## **Basic Income in Scotland: Progress in a Time of Chaos**

**Article by Jamie Cooke**

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Rising homelessness and child poverty have risen sharply in the United Kingdom in recent years, as changes such as universal credit have forced people into hardship and insecurity since first introduced by the Conservative government. Yet despite ongoing austerity and Brexit uncertainty, new ideas for positive change are still finding space to gain ground. In Scotland, universal basic income has forced its way onto the agenda and councils and the Scottish Government are looking at trials. Jamie Cooke, head of the RSA Scotland, asks where interest in basic income comes from and what it might mean for Scotland, the UK, and the global basic income movement.

Astute readers might have noticed a degree of chaos in the United Kingdom just now. As we grapple with the ongoing Brexit mess and growing interest in a second referendum on Scottish independence, it would be fair to guess that fresh ideas for social progress would be off the table as we hunker down and attempt to make it through the coming months.

Fascinatingly this is not the case. Instead, new ideas for changing lives in Scotland and the UK for the better are continuing to develop. This discussion has partly been fuelled by the realisation of how much the British social security system, universal credit, is fundamentally flawed. First announced in 2010, universal credit was intended to streamline the multitude of social security payments in the UK into a single payment. However poor design and deliberate political choices around the severity of sanctions and waiting periods undermined the system from the beginning.

Reports from agencies as varied as the [National Audit Office](#) and the [United Nations Special Rapporteur](#) on extreme poverty and human rights Professor Philip Alston have savaged universal credit on a series of levels, particularly its inability to meet the very targets it was supposedly created to meet. Universal credit is a system founded on mistrust and punishment. Sanctions are meted out to [claimants for the slightest infringement](#) and its design is so off-putting and unintelligible that [many people give up on accessing](#) the support they are entitled to. Change is therefore necessary – if universal credit is doomed to failure, then what should replace it?

In Scotland, a key part of this discussion has centred on the idea of a basic income. Building on previous work in Scotland from economists such as Annie Miller and the late Ailsa MacKay, and in particular, growing out of the work of the [Fairer Fife Commission of 2015](#), basic income has rapidly moved from being a fringe concept to one debated at the highest levels and across civil society. The Scottish Government committed 250 000 pounds towards feasibility work to explore the potential for basic income pilots in Scotland. Four areas of the country – Glasgow, Edinburgh, North Ayrshire, and Fife – have come together as [potential test sites](#). There is now an opportunity to take the discussions forward to explore what a basic income could mean for Scotland and Scottish First Minister [Nicola Sturgeon has welcomed](#) the innovation being shown. The Feasibility Group just released their [interim report](#), and in 2020 will publish their final report and recommendations on what sort of experiments, if any, can be carried out in Scotland.

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Basic income has attracted this interest for several reasons. As a small, broadly progressive nation, Scotland offers a realistic space for social change. Alongside that openness, Scotland has deeply entrenched issues around inequality and poor health in some areas that have proved resistant to the social policy approaches taken over the past decades. This has opened up both a desire for change and a willingness to experiment with new, seemingly radical, ideas. Our work at the RSA has shown that a basic income in Scotland, even at a modest level, could have significant impacts on poverty and destitution. At a slightly higher level, it would eliminate destitution altogether in Scotland. This potential, not even factoring in positive effects on behaviour and wellbeing, is an exciting area to explore in a country like Scotland.

## **Universal credit: a new, broken system**

So far, so positive. There is no doubting the openness to basic income which exists in Scotland, and the opportunity that this offers to consider it in a realistic way, with potential for genuine change in future. However, a number of challenges stand in front of progress, which will need to be addressed (or circumvented) moving forward.

The most critical aspect is the devolved nature of Scotland within the wider United Kingdom. Currently around 15 per cent of social security spending and decision-making is devolved to the Scottish Parliament, whilst the bulk remains under the control of the UK Government. In terms of introducing or testing new systems such as basic income, or indeed in changing the failings of the current system, the Scottish Government and Members of the Scottish Parliament are limited in what they can do. Although a new Scottish social security agency has been set up with the additional powers devolved to Scotland following the 2014 referendum on independence, it is currently focused on changing the harsh language used around benefits and attempting to mitigate the worst impacts of universal credit. The Scottish Government is spending around 100 million pounds per year alleviating the effects of UK benefit cuts. At this stage, fundamental change remains difficult.

The UK Government Department of Work and Pensions (DWP) is a significant hurdle for basic income experiments. Given that the department runs the British social security system, it would have a critical role to play in any experiments. If it were to take a hostile approach to basic income (as remains likely given the stance of the current UK Government), then large-scale experiments would be virtually impossible to deliver from an ethical perspective. The impact on participants who were removed from the universal credit system, and then left to try and re-join upon completion of an experiment, would be significant. Even if the DWP took a laissez-faire approach and did not remove participants (perhaps by protecting their benefit status for the experiment's duration), there would still be significant challenges delivering a basic income and ensuring no detriment to those taking part.

On top of the complex devolution settlement as it stands, universal credit itself is still in the process of being rolled out. This implementation has taken place to differing degrees in different places and, in some areas, the interaction between new and legacy benefits is a mess. With the system in chaos and those on the frontline having to work flat out to prevent harm to their service users, the space for innovation around topics such as basic income is restricted. Finding paths through that space is an important task for everyone looking to create new ideas around the social contract we wish to see.

## **The opportunity in constitutional uncertainty**

The ongoing political chaos cannot be overlooked as a barrier to large-scale social experiments. Brexit uncertainty, with the social and economic impacts that it brings, makes it difficult to do more than simply stay afloat. Likewise, the prospect of a second referendum on Scottish independence also presents a challenge. Constitutional flux makes arguing for large experiments harder and innovation scares both sides in the debate, as neither wants to be seen to get something “wrong”. Given that this uncertainty may be around for years, the political complexities of pushing through experimentation and change are significant.

This outlook may sound negative, and there are certainly numerous difficulties confronting us. But, that does not mean that progress is impossible, or indeed not already underway. As mentioned, the very fact that basic income is talked about across the country is a huge positive. The current chaos is encouraging charities, residents, and others to question the status quo and ask what sort of society we wish to see. In many ways, it chimes with the reactions from civil society that are starting to emerge around the climate crisis – a refusal to accept that things must continue as they always have done. This harnessing of civic creativity and connectivity is a good thing – it removes basic income from being a party political issue, and instead allows it to be connected to research and real-world experience. It can also help keep the discussion ‘honest’ and that the interests and expertise of groups working in areas such as poverty reduction or gender equality are not lost from the wider discussion.

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The political and constitutional chaos also opens up opportunities for new coalitions of interest. Basic income in Scotland is not a policy of the status quo – something would need to change in the devolution settlement for Scotland to have the power to introduce it. Yet, whilst independence is one avenue to achieve that, there are also arguments which could be made for a more federal UK, or further devolution of powers to Scotland. These possibilities mean that whilst a potential referendum on independence might slow the delivery of ideas for larger experiments, it might allow a vibrant space for discussion across the constitutional divide. With a general election set for December 12th, there is also the potential for change at Westminster. The Shadow Chancellor John McDonnell has indicated that a British Labour government would support basic income experiments. A Conservative government facing the collapse of universal credit and requiring public support could also conceivably be open to new approaches to social security in the UK.

## **Growing global momentum**

The growth of interest in basic income across the UK is strengthening the case for finding opportunities for progress. No longer is Scotland a lone area of interest – now activity is building elsewhere. A network of activists across the north of England has driven motions by city councils in Sheffield and Liverpool to support basic income experiments and is using UBI Labs to develop and share skills and knowledge. In Wales, the First Minister Mark Drakeford has indicated interest in basic income experiments before, and the activist network Basic Income Wales is pushing forward the debate. The global interest is important too, as the work in Scotland connects with similar ideas in Canada, the US, Finland, and elsewhere.

It is these connections that offer the best next steps for basic income development in Scotland. With the complexities, political and structural, outlined above, it is time to reset expectations around basic income experiments. The reality is that even large-scale experiments can’t ‘prove’ basic income – at best, they can demonstrate some of the effects that the policy can have within whichever timescale the experiment is delivered in. Yet, experiments are useful – they provide some indication of impacts and are opportunities for politicians to engage with ideas without feeling that they have to fully commit to them. Furthermore, experiments allow civil

society and communities to shape what is important within the policy.

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In light of this, the experimental stages of basic income in Scotland most likely look at smaller, or micro-scale, experiments, potentially run for short periods of time with small groups of people. Whilst these would provide limited data, they would permit careful, and realistic, testing of the mechanics of basic income payments; the supporting structures or services that might be required alongside a basic income; and some potential impacts on areas such as health.

Moreover, networking these opportunities (possibly carried out with community organisations and their members) with the wider movement can make them more valuable. A small experiment run with 20 people in Glasgow might not provide much data – but if that experiment is connected and analysed alongside others taking place in Sheffield, Leeds, Porth in Wales, and Hamilton in Ontario, Canada, you suddenly create a much richer source for debate. These micro-experiments, as long as they are clear about their limitations, could be relatively low cost and simple to deliver, creating models that could be used in a variety of settings. Driven by the people directly involved and affected, they would ensure that, whilst academically rigorous, they were not detached from real life – but rather were expressions and responses to the needs and aspirations of people living in our communities.

There are significant opportunities for the basic income debate to continue to move forward, even in the face of numerous complexities. It is possible that the interim and final reports of the Scottish working group may suggest other ways forward and address some of the issues outlined above – the joy of such a situation is that the micro-experiments and network building could sit constructively alongside them; and if the answers are not there then they offer a way for progress to continue.

In amongst the chaos and the uncertainty, people in Scotland, working with colleagues in the rest of the UK and across the world, are choosing to not accept the status quo but to dream, and deliver, a better world. It is an exciting movement to be part of and a reminder that progress is possible even in the most challenging of times.



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