

## **How Basic Income Entered the Mainstream**

**An interview with Jack Perry, Malcolm Torry**

August 13, 2020

Interest in basic income as a potential remedy for the social, economic and environmental concerns of the present moment have gained traction across Europe and the world over the past five years, and particularly since the onset of the Covid-19 crisis. Jack Perry speaks to basic income writer and general manager of the Basic Income Earth Network, Malcolm Torry, about the recent surge in interest in basic income and the idea's future and merits in the current context.

**Jack Perry: Your first book on basic income was entitled *Money for everyone: why we need a Citizen's Income* and was published in 2013. Can you describe the context of the basic income debate at the time, and why you decided to write such a book then?**

**Malcolm Torry:** I wrote it because there hadn't been a general introduction to the subject since 1990. Other people were talking about it but it wasn't a very widespread conversation. The mainstream press, in the UK and beyond, hadn't put anything about basic income in articles for years. The British press had published absolutely nothing on the idea since the early 1990s. There had been books that had large chunks in them about the idea (Guy Standing had written a number of books, and so had Philippe Van Parijs) but these tended to fairly niche academic books. What was missing was a general introduction that was affordable.

**How do you account for the rise in interest in basic income since, both in the UK and globally?**

The factors driving the debate since the 1980s have become significant such as the concern that technology will abolish jobs and an increasingly fragile and insecure job market. A basic income would provide a secure layer of income, which will be increasingly attractive as all other sources of income become less secure. A secure layer of income would help with persisting poverty and inequality.

The internet is, of course, extremely important. Ideas can travel much more quickly than they used to. From the early 2000s onwards, conversations on ways of reorganising our lives were increasingly taking place online. I think the way that basic income organisations' websites were fairly actively managed was particularly important. Regular email updates sent at the time attracted a wide readership.

Another factor is the basic income pilot projects in Namibia from 2008 to 2009 and India from 2011 to 2013 which caught people's attention. They were highly successful and did much to promote the debate.

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The Swiss referendum on basic income in June 2016 was also an important stimulus. There were a number of

unfortunate aspects, but I don't think that mattered in some ways. It was driven by skilled publicists. I know one of them – he's an artist and you could tell from the campaign as it was all big ideas. The referendum failed but it was nevertheless a clever public relations exercise with an international impact.

More recently, the Finland experiment in 2017-18 stimulated much useful debate and, oddly, a lot of fake news too. The Finnish trial was a very small, randomised experiment in which 2000 unemployed individuals from all over the country were picked out and their unemployment benefits were made unconditional for two years. In many ways, it was a very minor project. But right from the outset, the message got out that Finland was giving a basic income to everyone. That message spread and – certainly in the UK – it had an effect on the debate.

**You have long been involved in the Citizen's Basic Income Trust in London and the Basic Income Earth Network. Can you tell us more about these organisations?**

The Basic Income Research Group (now the [Citizen's Basic Income Trust](#)) started with a small group of us getting together in a room in Bedford Square, London in 1984. Since the end of the 18<sup>th</sup> century, the idea of basic income had emerged occasionally then disappeared again. Thus, the group took on the role of keeping the debate alive through research and educational activities. This ensured that the next time there was an uplift in interest, there would be material out there and one would need not start from nothing all over again.

Overall, the strategy has been fairly successful. The Citizen's Basic Income Trust is not an actively campaigning body: it was designed to facilitate an intelligent debate. It has always been an educational charity. I think that's made it quite effective.

In 1986, the Basic Income European Network (now the [Basic Income Earth Network](#)) was convened by some academics around Europe who were interested in the idea. BIEN connected different parts of the global basic income community with each other. Once every two years (now annually), it held an international congress that allows activists to meet each other, initially somewhere in Europe and then later in places such as Brazil and South Africa. BIEN now runs an active website and send out monthly email bulletins to highlight important developments.

BIEN runs entirely on voluntary labour, as does the Citizen's Basic Income Trust. Over time, both initiatives have enabled a fairly coherent and intelligent global debate to take place.

**Who attends the BIEN congresses? Does it still tend to be academics and researchers?**

Yes, there are still academics and researchers but the contingent of activists and campaigners has grown. This shift has been a feature over the last few years, and in my view, a very positive one. We've now got a greater diversity of activity.

The European Citizen's Initiative on Basic Income helped expand the community. If you look at the UK, [Basic Income UK](#) was set up to take part in the first European Citizen's Initiative on Basic Income. All over Europe, small organisations were created to collect signatures. They didn't get the number of signatures required but the campaign stimulated a lot of debate and ongoing activity. A [new initiative](#) has just started and that will again stimulate new campaigning activity.

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The 2019 congress was in India. The Indian basic income debate is an interesting one for several reasons. First, India has intense poverty at the same time as having actually quite substantial resources. Second, India is a genuine democracy. Additionally, India is a very federal state. If an individual state wanted to implement a basic income, it could. I'm not a betting man but if I were, I would put my money on an Indian state being the first place for a genuine basic income.

### **How compatible is basic income with a Green New Deal and policies aimed at improving the environment?**

One argument put forward is that people cannot focus on the future of the planet if their incomes are insecure. Insecure incomes create anxiety. Basic income would eliminate this anxiety, and in turn, improve people's ability to think about other things, like the environment.

While this link between basic income and the environment is positive, other links are much more ambiguous and depend on the nature of the particular basic income scheme. Important research conducted at the London School of Economics and elsewhere show that if you equalise incomes more than they are, then you will damage the planet. Underlying this is the fact that the propensity to consume in low-income households is higher than in high-income households. Consequently, for the same amount of additional income, more new consumption will be created in a low-income household than in a higher-income household and that has environmental effects.

But much remains unknown and that's why they're difficult to discuss. For instance, it is often theorised that if people had a basic income, then their employment patterns would change. We can't know the true extent of this impact on work until we have implemented a basic income. It might mean that the kinds of activities that don't damage the environment would increase, and the activities that do damage the environment would decrease.

### **How would a basic income be funded in a way which was compatible with governments' environmental objectives?**

Most of my research is based on funding a basic income from the existing income tax system because that's the most likely journey to an initial basic income.

But basic income can be funded in a variety of ways and carbon taxes are one option. A carbon tax of any real value will damage the disposable incomes of the poorest families. Transport and fuel costs will go up. A general increase in costs is likely because most things depend on energy from fossil fuels. A basic income can mitigate this impact.

To some extent, Canada understood this in ways that France didn't. The proceeds from Canada's tax on carbon was recycled into dividends to households. There are various ways in which this policy isn't a basic income, but it is not far off. It meant that people with lower disposable incomes had their incomes protected. Their costs have increased but so have their incomes. What President Macron didn't understand was that if you're going to raise fuel prices, then you do have to protect the incomes of the poorest households. It is no surprise that the yellow vests took to the streets, causing him to row back on his carbon taxes.

### **Some have suggested that a response to the Covid-19 crisis should prioritise jobs, while others suggest that a basic income would undermine the dignity of work. How would you respond to these arguments?**

It is the means-tested system that ensures that paid work is not properly rewarded, thereby eroding work ethic, and ultimately, compromising the dignity of work.

Both the Namibian and Indian pilot projects saw an increase in economic activity amongst the people with the lowest incomes because for the first time they had something that they could rely on and were able to take risks.

They had this secure layer that would never, ever be taken away. That's what would be different between basic income and means testing. Basic income would never be withdrawn as earned income rose and so would incentivise work. It would incentivise people to form their own businesses and it would incentivise self-employment.

**What about the idea that you should target social security at those who need it?**

Basic income would be an effective means of targeting everyone. What matters is that those who need it most definitely get it. At the moment, the means-tested benefits system does not necessarily do that.

You could impose taxes on the wealthy to render the fact that they receive a basic income irrelevant; they would end up getting less.

**Alongside basic income, other new ideas have been promoted as potential remedies to the current crisis such as modern monetary theory. How compatible do you think basic income is with these ideas?**

Modern monetary theory is brought into the picture by some people who argue that government should simply create money in order to pay a basic income. There has long been an argument – Thomas Piketty being one of its proponents – that because automation has been providing a higher proportion of income to capital than to labour, the proceeds of production are no longer tracked by earned incomes. This explains the gap between gross domestic product and the total of earned incomes in the economy. The modern monetary theory argument goes that you can fill that gap with money creation without creating any inflation. Recent quantitative easing measures provide some evidence in support of this claim.

The problem is, you can only inject new money until you've filled the gap. You might be able to fund a temporary basic income. But I don't see how you can fund a permanent one using money creation.

**In the UK, an array of basic income proposals have been put forward since the onset of the current crisis, plus the feasibility study into pilots in Scotland. What gives you most optimism of a breakthrough for basic income in the current context?**

My [recent research](#) shows how expensive a recovery basic income of a reasonable size would be. If you were to go with a basic income at a level corresponding to the [minimum income standards research](#) by the Joseph Rowntree Foundation and Loughborough University, then you end up with an annual cost of 236 billion pounds, and that's after raising income tax rates by five percentage points. This is not cheap, and you could only do it for a few months.

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A possible outcome of this particular crisis – an important protective measure at that – could be the establishment of a database for making direct payments to citizens. If there is a crisis of a similar nature in the future and you're going to protect people's incomes properly then you're going to need a mechanism like that. At the moment, we just can't reach everyone.

In the UK, there's still this feeling that everyone needs to look after their own income and make sure they get it for themselves – as if somehow the benefits of past production by our ancestors, the national infrastructure, and the

vast natural resources we have don't belong to all of us and instead belong to the few.

*We're likely to see a breakthrough in a small country first.*

We're likely to see a breakthrough in a small country first. Take the Republic of Ireland. Over the years, its government has twice seriously considered a basic income. Nothing happened in those cases, even though it reached the legislation stage. Scotland, on the other hand, represents an opportunity: if Scotland either becomes independent or has to be given fiscal autonomy to keep it in the United Kingdom, then I'm quite sure that we'd see a basic income there.

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Jack Perry is a trustee and secretary of [Citizens' Basic Income Network Scotland](#). He writes in an individual capacity.



Malcolm Torry is the general manager of Basic Income Earth Network and was until recently a visiting senior fellow at the London School of Economics. He is a renowned expert in the financial feasibility of Basic Income schemes and previously served as director of the Citizen's Basic Income Trust. He is a priest in the Church of England, and for thirty-four years served full-time in South London parishes.

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