



Why there are dangers of Scottish UBI ending up in the wrong hands

George Kerevan

May 17, 2020

How do you fancy getting a sum of cash put in your bank account every week – enough to cover all of life’s necessities – gratis from the government? No form filling, no means test, no demands to pay it back if you change your job.

You would still be free to work and earn as you wished. But you (and everyone else) would be free from wondering where your next crust was coming from. Think of the positive impact on mental health. And, of course, if you fancy writing that novel you have in you, or just tending the allotment and contemplating the universe, you could do that too. Welcome to the idea of a universal basic income (UBI).

News came last week that the **SNP**’s Social Justice and Fairness Commission – chaired by former health secretary Shona Robison – is exploring a UBI as part of the party’s vision for **independence**. Mind you, the commission is only “considering” the policy and the announcement came gift-wrapped in the usual “get-out” clause:

“The bigger questions to resolve going forward are how this could be delivered, and at what level.”

But the UBI cat is definitely out of the SNP bag.

Meanwhile, at **Westminster**, SNP MPs have been demanding the Tory Government introduce a UBI as an emergency measure during the lockdown. Group leader **Ian Blackford** has championed the idea repeatedly at Prime Minister’s Questions, saying it would “ensure a strong economic recovery and a fairer society”. Presumably, what the SNP expect from Boris Johnson, it will be only too willing to provide in an independent Scotland.

Let’s just push the pause button here. I’m supportive of the notion of a UBI but it is not a universal panacea. As with all reforms, everything hinges on the fine detail of how it is introduced. I’m also mindful that a UBI has some strange bedfellows when it comes to its advocates.

For instance, there is the Thatcherite Adam Smith Institute. Writing back in 2013, the Institute’s Sam Bowman explained: “The ideal welfare system is a basic income, replacing the existing anti-poverty programmes the government carries out.” Why? Because in libertarian, neo-liberal eyes, a UBI lets you abolish most of the “paternalistic” state, scrap whole swathes of welfare

provision, and simply let citizens look after themselves. It's a case of "here's your money, get on with it".

And the next step would be mass privatisation of public services (such as health and **education**). After all, everyone would have the wherewithal to go to the market and buy, buy, buy. What a good way to train up passive consumers.

In fact, variations on UBI have had support on the libertarian right for longer than on the left. Milton Friedman, Mrs Thatcher's pet economic guru, was beating the drum for a UBI back in the 1950s. The father of neo-liberalism, Friedrich Hayek, argued for a "certain minimum income for everyone ... a floor below which nobody need fall even when he is unable to provide for himself".

America's premier libertarian think tank, the Cato Institute, is busy pushing UBI. The Cato Institute is funded by the borderline fascist-thinking Koch brothers.

UBI has also become an article of faith among the liberal (and libertarian) wing of American high-tech entrepreneurs. They include Facebook's Mark Zuckerberg and rocket man Elon Musk. For Zuckerberg and Musk, the advantages of UBI are clear: the spread of artificial intelligence systems is going to destroy millions of jobs and make tech entrepreneurs very rich. To persuade the soon-to-be unemployed masses to accept their lot, and ensure they can shop till they drop, something has to be done. Answer: the state should provide a UBI. That way, we can all stay plugged into our social media and buy things made and delivered by Jeff Bezos's robots. I can't think of a more hellish world.

It should come as no surprise that oily Richard Branson has also come out in favour of UBI – starting with himself. The island-owning billionaire wants the Government to bung him £500 million to save his loss-making Virgin airline, so what's a few bob every week for everyone else?

At this point, we should all start feeling a little nervous. A UBI in the wrong hands, or implemented in a paternalistic fashion, could easily become a new tool used by the right to discipline the population and turn us all into compliant consumers.

None of this is an argument against abolishing the much-hated and positively evil Universal Credit benefit system we have now. Or replacing it with a comprehensive right to some sort of non-means-tested citizen's wage. In the UK there is already widespread popular support for a UBI: 62% of people say they are in favour (though admittedly there don't seem to have been new polls since 2016).

However, it is very necessary for the left to frame the demand for a UBI in such a way as to ensure it does not become a (hidden) creature of neo-liberalism. For starters, a UBI that makes us passive recipients would be extremely dangerous.

It might also produce a popular backlash: the notion of "something for nothing" does not sit easily with Scottish working-class psychology. To avoid these pitfalls, the operation and setting of any UBI should be taken away from the Scottish Treasury and run by a democratic board which involves the participation of the various trades unions.

Next, how to pay for a UBI? If it is funded through taxation, there is the obvious danger that ordinary workers will end up paying for their own UBI. Yanis Varoufakis, the former Greek finance minister, has proposed a different approach.

He suggests funding UBI through “a universal right to capital income”.

In other words, through a tax on wealth rather than income. This could be achieved by a straight annual levy on wealth holdings (land, shares, and property). Certainly, a land tax is long overdue in Scotland. Alternatively, an independent Scotland could adopt a variation of the wealth transfer plan put forward by **Labour** at December’s General Election. This would involve businesses creating new shares every year and transferring them to a public holding company. Over time, this state holding company would own a substantial party of the **economy**, facilitating sustainable long-term investment. Share dividends would go to financing the UBI at an ever-increasing level.

Finally, support for a UBI must not be at the expense of other necessary demands. Most important of these is the guarantee of a job. If a UBI is simply the means of heading off popular resistance to mass, technological unemployment then it is a dead end. An independent Scotland must guarantee its daughters and sons a job – full stop. That will require substantial state direction of investment – which brings us back to a wealth tax of some sort, as a priority.

I look forward to the report from the Justice and Fairness Commission and to what it says about a UBI. But justice and fairness will only be achieved by seizing ownership of the economy from the Richard Branson’s of this world. Or taking back our land from those, like the Duke of Buccleuch, who claim “ownership” of the soil we stand on.