

Written evidence from UBI Lab York [PCW0039]

UBI Lab York, part of the Universal Basic Income (UBI) Lab Network

Introduction

The UBI Lab Network was started in Sheffield in 2016. It has 15 separate Labs (short for “laboratory”) as at June 2020. It exists to research and campaign for trials of Universal Basic Income in cities in the UK and beyond (there are Labs in Jakarta and Bucharest). Labs work with local councils and communities to discuss, engage and raise awareness of UBI as a potential policy and, to secure a mandate for local pilots to be carried out with the sanction and cooperation of national government and the DWP.

In January 2017 the House of Commons select committee on Work and Pensions sought the views of leading academics and researchers on Universal Basic Income and its merits as an alternative to Universal Credit. It concluded that while there were “many problems with the existing benefit system, [Basic Income] is an unhelpful distraction from finding workable solutions to them. We urge the incoming government not to expend any energy on [it],” (DWPC, 2017). It is fascinating, and testament both to the open-mindedness of the DWP and the vast problems facing the UK over the next decade, that three years later the idea of UBI is again part of this enquiry. I sincerely hope that this time it will be taken more seriously as part of the answer.

What are the main challenges that DWP faces as a result of the “Fourth Industrial Revolution”?
“The Fourth Industrial Revolution may look and feel like an exogenous force with the power of a tsunami, but in reality, it is a reflection of our desires and choices. At the heart of discussions around emerging technologies there is a critical and central question: what do we want these technologies to deliver for us?” [Davis, 2016]. During the Covid-19 pandemic, the decision was made to house – temporarily, it seems – all homeless people in the UK. The UK has had a fluctuating homeless “problem” for years and much time and discussion has been expended on how to deal with it. At a stroke, the issue was removed by a simple application of political will. The future of work is a more complex problem than that of homelessness, but the answer is the same. The paramount challenge faced by the DWP is in deciding how it wants the future of work and income to be. This decision is a matter *not* of finance, but of political will.

1. *What do we know about the possible likely impact on the labour market? For example:*
 1. *Are some sectors or types of jobs more likely to be affected than others?* It is impossible to be specific. However, there are two main clear effects on the labour market that are already apparent and which are likely to increase: **First**, many types of jobs disappear because they can be done more cheaply by technology – for example, picking and packing orders in despatch warehouses, and delivery-driving. **Second**, many jobs that are still done by humans will be dictated by technology – so the “market” for work will become faster-moving and more precarious for those involved. Income will also become less certain as increasing parts of the labour force become “just-in-time” elements in global production chains. The DWP has no direct control over global events and supply chains though of course the government of the day has some influence to exert through policy and legislation.

The only jobs that can be sure to survive are those where there is an element of care and emotional intelligence involved; jobs where people serve or look after other people, and where this is a central or at least essential part of the work and the experience that is being 'consumed': care work, healthcare, hairdressing, teaching – especially of younger children. But also, in a city like York, jobs in tourism and hospitality, as well as the city's two thriving universities, might be expected to be less affected by the Fourth Industrial Revolution [FIR] than many others. However, the other two major factors affecting the future of work - climate change and the effects of globalisation - can contract or close these sectors at a stroke, as has been seen in the past 3 months. By April 30th, spending in York had fallen by 50% and non-grocery shopping by 75%, with the main reasons cited the closure of universities and the end to tourism [*Source: York Human Rights City, 2020*]

2. *Are some groups of people more likely to be affected than others?* Yes. The young – those leaving education - the disabled and vulnerable, and those whose existence is more precarious normally and who therefore have fewer material or psychological resources to fall back on. As these people are low-paid, it can be expected that gender and ethnic inequalities will also make themselves felt. In addition, those whose identity is closely bound up with their work will be affected in a different way. A lot of semi-skilled or skilled jobs traditionally done by men are disappearing and these men face a loss of both status and income which can bring feelings of worthlessness, irrelevance and anger. If not acknowledged and supported, these people, who often have a sense of entitlement not generally shared by the young and vulnerable, can cause societal dislocation and family breakdown.
 3. *What new types of jobs and opportunities could become available?* Pandemics and climate change permitting, “jobs” – but we prefer to use the work “work” - that provide care and education for all ages and help strengthen communities need to be funded and their importance acknowledged. The work of parenting and caring for old and disabled relatives, and the general task of nurturing, is done predominantly by women and predominantly without remuneration. This work, often done imperfectly and under great stress, is what allows the visible economy – that measured in GDP figures - to survive. These are the jobs that cannot be replaced by technology and they are central to human civilisation. These are the new opportunities. To call them “service sector” is to undersell their importance.
 4. *Is it likely that there will be a reduction in the number of jobs available?* This depends on the political will of the government and DWP and their willingness to intervene in the labour market. It is very likely that there will be a reduction in the amount of paid *work* available. This does not have to mean a reduction in the number of jobs. The government can decide to create [some] jobs and can also decide how paid work is shared out. It is extremely likely that the number of secure 35-hour-a-week jobs will be drastically reduced. This will not happen gradually, but suddenly and traumatically, as by the effects of Covid-19 on employment. In 1928 John Maynard Keynes (Keynes, 1932) expected people in 2028 to work a 15-hour week. Perhaps it is time for that to be made a reality – or at least a viable possibility – for [paid] employment.
2. *Is there a need to consider new, long-term approaches to addressing change in the labour market: for example, introducing a Universal Basic Income (UBI)?*

1. *Is UBI an appropriate short-term response to shocks in the labour market?* Universal [Unconditional] Basic Income is both an appropriate short-term response to labour-market shocks, and an essential permanent/long-term measure to prevent future shocks – which are inevitable – from having the most damaging effect on people and society, upon which the economy depends [it is **not** the other way round. The economy only exists because people exist!] With a UBI in place, the economic panic caused by Covid-19 would have been much less extreme, and public health could have been put ahead of “the need to get the economy moving” at all stages. The impact of Covid-19 resembles a rapidly speeded-up version of the FIR and it would be well to learn from it accordingly. UBI offers both freedom and security – few policies do this. A UBI – like the NHS – would show citizens (or residents) of the UK that they are valued, that they belong, and that they are entitled to a share of the wealth produced not just by the country today, but by countless past generations - as well as more questionable colonial adventures and exploitation. UBI could be this generation's NHS.

2. *What can the Government learn from the international evidence on UBI?* It is important to be clear that strictly speaking, UBI cannot be perfectly trialled or piloted. Its universality and unconditional aspects cannot be mimicked by partial and limited-duration trial, so not all the effects of UBI will be evident from the Basic Income-style experiments conducted around the world. Experiments conducted in developing and middle-income countries such as those in India and Kenya possibly have less relevance to the UK's situation than those from Dauphin, a small town in Manitoba, Canada in the 1970s (the so-called Mincome experiment extensively documented by Evelyn Forget) and the Finnish experiment which reported in May 2020. The “Mincome” experiment found mixed effects on labour-market participation, but cases of withdrawal were explained by increased participation in education on the part of young men, and increased time given to childcare by young women (this was, after all, the 1970s). It also found an 8.5% fall in the use of healthcare services and this is an important example of the side-effects of labour-market and welfare policies. The Finnish study of 2017-18 found increased labour market participation in the second year of the trial, and a substantial rise in subjective well-being throughout among the group in receipt of the unconditional monthly payment. The effects on individual and societal wellbeing of exogenous shocks to work and income inflicted by the FIR will take years to become clear, but these two brief examples show that policies of work and income can shape society; they are not merely labour-market interventions. UBI offers solutions to many of the problems of precarity, uncertainty and dislocation threatened by FIR. It is not a panacea, but it is a vital element. It could be seen as a “pivoting reform” [Haagh, 2019].

3. *Are DWP Work Coaches well equipped to advise people who are looking for work on new and emerging sectors and jobs?* This section will be answered using evidence from the writer's son, who is 28. He is well-educated (2:1 from University of Manchester, 2015) and articulate. He has also suffered intermittent mental health problems focused on anxiety and depression. He became unemployed in October 2017 and moved in with his mother, who shortly afterwards was diagnosed with an aggressive cancer. He became – informally – her carer, as and when needed, while claiming Universal Credit and continuing to seek work. He found his work coach kind and understanding, but constrained by the system

under which she operated. His mother died a week before Christmas 2019 and his payments were cut off immediately, as he had failed to comply with an aspect of his undertaking with DWP. This is his account: **“Weekly [meetings at Job Centre Plus were] the default, but they had discretion to make it fortnightly or even by phone if they saw fit. Generally I'd be on weekly at first, and then if we got into a good rhythm then we'd move to fortnightly. Usually it would snap back if I missed one or if one of us had been away or something. But again, it seemed to be at the discretion of the work coach.**

“Any time there is a change in your claim, you have to 'accept your commitments'. These will be things that you've discussed with the person in the office but will generally follow a formula. My classification was generally "intensive work search", meaning that I was in a position to spend the full 35 hours a week looking for work, so my commitments generally ran along the lines of bullet points like 'I will spend 35 hours ... , I will use websites such as X and Y, I will seek professional help with my CV, I will report to my work coach if I am unable to attend meetings' etc, etc.

“Where I fell down on this was the most stupid [expletive deleted] thing - once you have discussed these commitments, you get an item in your to-do list in the online account entitled 'accept your commitments'. On this page there will be the info I've mentioned, and you have to click a box saying 'I accept'. No doubt some brainwave by IDS to improve accountability among the feckless undeserving poor. You get a token time limit on this, think it was 7 days, after which you have failed to engage properly with the process and get cut off - apparently without warning. As my meeting to discuss my new commitments was on December the 16th [his mother died on the 18th while on a trip to London] I basically didn't put aside any time to log in and tick that box before watching my mother breathe her very last, hundreds of miles from home.

“In better news, I did eventually get the money - again, no notification, but I logged into my bank one day and found myself £650 richer. Most of it went back into paying back the advance I had effectively been forced to take.

“Again, my experience would no doubt have been very different - and even more arbitrarily punitive - if I didn't sound posh and articulate. The office feels like a meat grinder and a production line and the guidance offered is extremely tokenistic, basically pointing you in the direction of any opportunities that come across their desk.”

These are the words of an engaged young man with much to offer, who now hopes to retrain as a lawyer. They can be seen as a powerful indictment of the present work-benefits system and how it fails most catastrophically at the worst possible times.

4.

1. How could DWP improve the training and advice it offers to jobseekers? Please see the above account for what it does *not* currently offer. It needs to find what jobseekers want to do and are – or can become – capable of doing, rather than find out what jobs are available and attempt to shoehorn people into them. The DWP should support people, not businesses. There are other government departments for that.

5. What support, advice and training should DWP offer to people who are looking to progress in work, or take up more hours? Is it the DWP's role to do this? Surely the DWP should be about providing [social] security, first and foremost? In the 1980s, this function used to be in its name! The definition of “work” with which it is now involved is a narrow one – *paid* work. While we have a market economy, paid work will largely be provided by that market

economy. It would appear hard, if not impossible, for the DWP to move quickly enough to provide appropriate advice, support and training quickly enough to meet jobseekers' needs.

6. *What is DWP's role in ensuring that young people have the skills they need to get into and progress in work?* The DWP needs to ensure that people have income at all times, so that they are not forced into ill-health and homelessness by the exigencies of the job market. While most jobs are provided by private organisations, which are guided by the interests of shareholders and stakeholders rather than the wider community, a foundation *must* be provided, below which no one can fall. It is much simpler to provide a Basic Income than a Job Guarantee, though the latter could be helpful for young people leaving education and with no experience of paid work.
7. *How could DWP work more closely with employers to ensure that claimants have the skills they need to find work in the future labour market?* This is the wrong question to ask! Matching skills to labour market requirements is extremely complex and constantly evolving, and quite possibly self-defeating! Instead, DWP needs to work with the education system to ensure that young people, rather than learning specific skills, for the most part, learn *how to learn*, and also that they do not lose all interest in learning because of the present structure of education. Young children are invariably interested, enquiring and eager, as long as their home life and access to schooling are secure. The current education system appears to take these appetites away by providing pliant supplies of labour for market. The labour market of course needs scientists and healthcare professionals, but most other jobs require so-called soft skills and the ability to learn on the job, which the present education system, like the DWP, is not set up to deliver.
8. *As the workplace changes, will it be necessary to change the legal definition of employment to ensure that people continue to have the appropriate legal status and protections? Might any other legal changes be needed?* Again, a complex question. "Work" and "income" for most people are tightly bound together. The only resource most people have is their labour (Sen, 1999, p.162). As demand for labour becomes more and more uncertain and unequally distributed in the UK, and the potential for vast and damaging inequalities grows still further, these concepts need to be detached – as they are for those lucky enough to have independent means or private income. At its most fundamental, UBI breaks that link. Many people in the higher social economic groups who do not *need* to work continue to do so, making valuable contributions to our lives. Why on earth should this not be the case for all of us? The UK needs a Universal Basic Income as a starting point, and the DWP needs to stop thinking about the "Labour Market" and instead concentrate on the work that needs doing to improve health and wellbeing in the UK.

References

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