

WEN Café: Universal Basic Income

25th September 2020

Summary of discussion and outcomes

Chair: Catherine Fookes, Director, WEN Wales

Speakers:

Tchiyiwe Chihana, co-founder of UBI Lab Women

Joy Kent, co-founder of Reset Cymru

Victoria Winckler, Director of the Bevan Foundation

Universal Basic Income (UBI) is increasingly being suggested as a solution to inequality, particularly in the wake of the Covid-19 pandemic. UBI involves the state paying an unconditional income to each citizen. Speakers shared information on UBI and its potential impacts on gender equality and poverty.

The main outcome of the Café was speakers agreed that they would like to see a UBI pilot being run in Wales.

- A basic income can be **transformative for women**, their families, and their larger communities. It can afford women the **freedom to leave abusive relationships** and situations, both domestically and in the workplace.
- Women **bear the bulk of the cost of unpaid work such as caring**. There shouldn't be a price tag on caring for the people we love, but at the same time a basic income is something that can give people the means to provide that support by giving a base of financial security.
- **UBI can enable you to upskill**. UBI has empowered women to create start-up businesses, and once women are economically empowered the community is empowered by extension.
- UBI can **reduce the stigma** attached to people who claim benefits.
- The **building blocks of UBI exist** in our welfare system already, e.g. child benefit, state pensions for a substantial amount of people of working age. Where that goes wrong is the conditionality and the value of benefits. Thinking about UBI gives us a chance to design a better system.
- **If the value of UBI is set at a low level and replaces benefits, people would not have enough to live on**. Therefore, all the problems of the current benefits system would continue.
- **If UBI is set at a high level, we could see much more radical change**. Unless the value of the benefit is right, undesirable consequences are possible. By setting UBI at a high level, there is risk of women being disincentivised to work due to inequalities in the labour market. **At a very high level, UBI could be so costly that other services could be cut**.
- The principle of UBI is welcome but policy design is key in order to avoid unexpected adverse consequences.
- **UBI Plus is being developed by the UBI Lab Network to address some of these potential traps**. The intention with UBI is that everyone who needs it is able to access it, and **higher earners will pay it back through the tax system**. With the Universal Credit system, many people have fallen through the cracks.

- **UBI can increase entrepreneurship in women** by giving them the opportunity to take more risks. This has been shown in pilots in India, Kenya, and Minnesota in the US where women have set up their own small businesses.
- We are facing a huge crisis. **There are changes that should be made to Universal Credit quickly and within the current system** – splitting payments within households and having flexibility about the frequency, increasing the value of Universal Credit, changes to the work taper, and changes for ‘second earners’ who are more likely to be women.
- **Welsh Government could change eligibility for free school meals, enhance the discretionary assistance fund, and change arrangements for those in further education, many of whom are women.**
- UBI must be implemented with a gendered perspective to work.
- Options to fund UBI include:
 - o progressive taxation so that higher earners pay back their UBI in tax,
 - o closing tax loopholes,
 - o increasing corporation tax,
 - o a carbon tax.
- **There is no silver bullet. UBI should be part of a suite of measures to tackle poverty and inequality, and part of a much bigger re-set of the economy.**
- If the Speakers were First Minister they would
 - o introduce free part-time universal childcare (the current childcare offer penalises working women),
 - o equal parental leave that cannot be transferred,
 - o Put in place a trial of UBI.