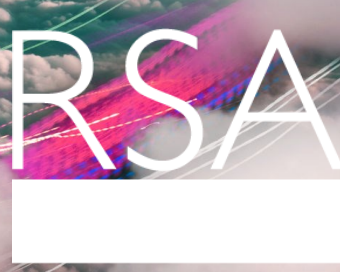


POWER TO CREATE



CREATIVE CITIZEN CREATIVE STATE

*The principled and pragmatic case for a
Universal Basic Income*



Anthony Painter
RSA Director of
Policy and Strategy

UNIVERSAL BASIC INCOME

“ *The welfare state has become incredibly complex whilst locking those it seeks to help in a vicious circle of low pay, insecurity and an intrusive state. The RSA doubts the current system can be fixed.*

A system of Universal Basic Income is the best alternative to help people improve their own lives over time – it provides better security to support people’s need to work, learn, set up a business or care for their family.

To this end the RSA is proposing a new Basic Income model which is a genuinely progressive tax system.

It will offer support for everybody, including low-income families who are currently receiving benefits, unleashing their creativity and truly enabling their power to create. ”

THE CHALLENGE

Today, governments right across the world are faced with two huge dilemmas.

Technology, automation and the emergence of the “gigging” economy means that retraining, swapping jobs or taking on a portfolio of skills and activities is increasingly the norm. At the same time, our aging population will mean that caring for friends, neighbours and relatives is likely to become an ever-larger part of our lives – already three out of five of us will be a care-giver at some point.

At best our current benefits and pensions system is ill-equipped to foster the flexibility and freedom required to meet these twin challenges. At worst it is actively standing in the way of a solution to these issues.

The old post-war system of benefits grounded in hierarchy and solidarity is increasingly strained. We believe there is a better way: a **Universal Basic Income**.



WHAT IS UNIVERSAL BASIC INCOME?

Our model of Universal Basic Income proposes a simple structure of payments given to just about everyone, regardless of age or employment status.

There’s no tax credits, no signing-on, no sanctions, no complex and intrusive web of declarations—and working on the side is positively encouraged!

Our model of Universal Basic Income is based on the peer-reviewed Citizen’s Income Trust model, and although it isn’t quite cost neutral, we believe the long-term benefits of simplification, empowerment and flexibility far outweigh the upfront costs.

By replacing a host of benefits, pensions and state spending we believe our model of Universal Basic Income is affordable, realistic and deliverable within a single parliamentary term.

RSA UNIVERSAL BASIC INCOME AT A GLANCE

- Basic Income of £3,692 for all qualifying citizens between 25 and 65
- Pension of £7,420 for all qualifying citizens over 65
- A Basic Income for children aged 0-4 of £4,290 for the first child and £3,387 for other children aged 0-4
- Individuals have their entitlement fall beginning at £75,000, with complete withdrawal at £100,000

WHY UNIVERSAL BASIC INCOME?

Universal Basic Income can, at first sight seem illogical – even immoral. What is progressive about giving someone earning nearly three times the national average wage exactly the same level of benefits as someone who is looking for work?

We believe that Universal Basic Income would represent a major and progressive step forward in the way we think about taxation, pensions and the welfare state. Our model of basic income will:

- End the perverse incentives of our current system that often see low-earning workers endure marginal tax rates of over 70 percent as their benefits are withdrawn
- Redistribute money from high earners to families with children
- Strongly encourages citizens to supplement their universal basic income – without the fear of losing out
- Ensure claimants are registered on the electoral role and are committed to making a difference in their communities, boosting participation and citizenship
- Sweep away the current ‘spaghetti junction’ of benefits, credits, claw-backs and declarations



FIT FOR THE FUTURE

Most importantly, our model of Universal Basic Income is fit for the 21st century.

As we see a revolution in the way we work, who we work for and how many jobs we have in the course of our working lives, we’ll need a benefits and welfare system that can cope with this change.

Universal Basic Income can provide the support we need in the modern world – going beyond the limitations of our current system and unleashing the creativity and risk-taking that our economy depends on for growth.

With Universal Basic Income citizens will be enabled to start their own businesses, retrain in growth industries, take the job that suits them, study, work, care and bring up a family.

It’s about freedom, empowerment and bringing the power to create to all.

GLOBAL TRAILBLAZERS TO LOCAL PLACE-MAKERS?

All across the globe, variants of Universal Basic Income are in the process of being tried, tested and rolled out. Our research shows it is correlated with a host of positive factors, from boosting entrepreneurship to increasing the health and wellbeing of participants.

From experiments in Canada and US cities and states to a large-scale pilot in Finland, cities, regions, states and nations are exploring whether Universal Basic Income is right for them.

But Universal Basic Income isn’t all about top-down national level programmes. We believe that power should be as close to the citizens as possible. When combined with social housing rental budgets, Universal Basic Income is the perfect policy for local or regional application; either as part of a pilot for national roll-out or as way to boost creativity across a city-region - helping to put the power to create into regional power-houses.



WHAT’S NEXT?

You can get our full Creative citizen, creative state: the principled and pragmatic case for a Universal Basic Income paper [here](#).

We see our new report as the start of a conversation. But, as our current system faces the twin challenges of an aging population and the profound impact of the technology revolution, it’s a conversation we will need to have soon.

We’re asking for your comments, ideas and feedback.

Join the conversation on **Twitter** or **Facebook**, or to find out more about how you can support the RSA’s vision of a welfare state that’s fit for the 21st century visit our project page [here](#).

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