

# PATHWAYS TO A BASIC INCOME

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# Introduction

- Pathways towards a Basic Income System
- A proposal for Ireland

# Pathways

- All-at-once approach
- By groups approach
- Partial basic income
- One step at a time approach
- Gradual approach

# All-at-once

- Complete removal of current system
- Immediate implementation of basic income system
- Advantages:
  - Quickly eliminates current system
  - Quickly realises benefits of basic income
- Disadvantages:
  - Change may be too drastic
  - Could be too disruptive

# By groups

- Introduce basic income payments to certain groups in society, one after another.
- Advantages:
  - Level of change less disruptive
  - More political feasibility?
  - Could help shift public opinion
- Disadvantages:
  - Winners and losers
  - Resentment between lifecycle groups

# Partial basic income

- A partial basic income initially introduced for some citizens.
- Gradually expand and increase over time.
- Advantages:
  - Less disruptive
  - Could allow for smooth transition
- Disadvantages:
  - Mix of conditional and unconditional regimes over extended period
  - How will partial basic income interact with other payments?

# One step at a time

- Long-term process
- Incremental steps towards a full basic income system
- Advantages:
  - Space to test new approaches with minimal disruption
  - Allow a basic income to garner political and social support
- Disadvantages:
  - Very long lead in time – difficult to keep on agenda
  - Not everyone benefits
  - Problems associated with present social protection system unresolved

# Gradual implementation (1)

- Specific time period
- Gradually dismantle existing system
- Establish a basic income system separately from existing systems
- Gradually phase out existing tax and social protection system
- Gradually phase in basic income system



# Gradual implementation (2)

- Advantages:
  - Challenge of reforming present system overcome
  - Distributes and benefits and costs of a basic income system equally
  - Avoids disruption of 'all at once' approach
  - Allows gradual adjustment and ongoing evaluation
- Disadvantages:
  - Requires detailed planning and political support
  - An education and information strategy required



# **PROPOSAL FOR IRELAND**

# Ireland - reforms

- Deliver a structure to support a basic income system
- Two reforms required:
  - Introduce a Universal Pension
  - Introduce Refundable Tax Credits
- All necessary elements for a structure to support a basic income system would be then be in place.

# Universal pension

- A guaranteed minimum level of income for every citizen aged 66 and over
- Would replace the State Contributory Pension and State Non-Contributory Pension
- Would act as Ireland's first tier pension
- Reform could be implemented in one year

# Refundable tax credits

- Refund of unused portion of tax credit from State to low paid employees
- Main beneficiaries low paid employees (full time and part time)
- Straightforward and cost effective
- No administrative cost to employers
- All employees entitled to this minimum level of income

# A basic income system for Ireland

- Five year gradual approach - one Dáil term
- Year 1 – Universal Pension
- Year 2 – Refundable Tax Credits
- Year 3 – Introduce 1/3 basic income system
- Year 4 – Introduce 2/3 basic income system
- Year 5 – Introduce a full basic income system

# Conclusion

- Demonstrate that the structure of a basic income system can be developed.
- Make the case not only for the affordability and feasibility of a basic income, but also that the transition to a basic income system can be smooth, gradual and operable.



# Thank you

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