

# Introducing BI by the backdoor in a recession

The case for an adequate and universal Basic Income (BI) is overwhelming; it is right and just, it reduces divergence between rich and poor, it reduces bureaucracy, it has support from across the political spectrum, it is financially possible. It is beginning to make it onto the statute books in Brasil, Mexico City, Alaska and Namibia.

But we would be fooling ourselves to imagine that general success is imminent. The Spanish Parliament voted against it overwhelmingly after a debate, and in the US Congress, the proposer of a BI Bill was hard put to find a seconder. The Dublin conference documents included a Green Paper commissioned by an open minded Irish Government in which its evaluation of BI was very much put in the balance by the question of its impact on economic activity.

As for the man in the taxi, when I explained BI to a very decent taxi driver on the way to the BIEN conference, his immediate response was the question: "Why should anybody work?".

It is the perception that BI is simply a pie in the sky recipe for a "Shirker's Charter" that means that we still face a long uphill struggle in persuading, first the chattering classes, then the politicians, and finally governments, that BI is a great idea.

To make matters worse, we are just entering an economic depression which promises to be both global and deeply challenging. Unemployment will be high, and stagflation (diminished economic activity combined with inflation) is likely. Furthermore, politicians and economists will (or should) be preoccupied with making a transition from an oil-addicted economy to one securely founded on renewable energy. In these circumstances, our call for what is perceived as an expensive and risky experiment in social justice might find itself falling on even deafer ears than normal.

For this reason, I propose that we should consider the gradual introduction of BI "through the back door" by introducing the "earnings disregard" aspect of BI (the component that allows recipients to work while still receiving benefit, which allows

people to break out of the unemployment trap), and applying it to those types of work that are constructive to society and environment.

It works like this: first, the government sets up regional tribunals which are competent to judge whether the product and process of any economic group (any concern, from private enterprise to local authority) is beneficial to society and environment. "Process" refers to matters such as the energy efficiency, health & safety and corporate social responsibility policies of the company.

Manufacturers of arms and air freshener manufacturers need not apply. Here is a list of those that might be successful:

- 1 energy conservation
- 2 renewable energy technologies
- 3 energy efficient goods manufacture
- 4 pollution control technology
- 5 waste minimisation
- 6 repair
- 7 recycling
- 8 water management
- 9 sustainable agriculture
- 10 forestry and timber use
- 11 countryside management
- 12 housing - new building and refurbishment
- 13 improvements to visual environment
- 14 public transport
- 15 education and training
- 16 counselling, caring and healing
- 17 community work
- 18 leisure and tourism

19 innovation, research and development

20 any business which passes a certain threshold in its environmental audit.

This list of activities might be termed the Green Sector of the economy. I identified between one and two million potential new jobs in this sector of the UK economy in 1996, at a time when there were between one and two million people on the unemployed register (Bills of Health, Lawson R, Radcliffe Oxford 1996, ISBN 1-85775-101-9)

On receiving approval by the tribunal, the company can go to the local unemployment centre and take new workers into their workforce. The workers bring their benefit into work with them, just as they would under BI. The new employer tops up their wages to the going rate for the job. Their benefit is behaving in this sense as a BI, and also as a wage subsidy, stimulating growth in the green sector. There is no time limit on the subsidy. The only condition is that the employer cannot displace the existing workers with subsidised labour. If they do, the disgruntled discharged worker can complain against his ex-employer to the tribunal, who have powers to revoke accreditation.

In this way, unemployed people gain useful employment, and employers in the green sector gain a valuable boost to their productivity. The scheme poses no extra charge to the exchequer for the duration of the recession, since they would be paying the benefits in any case, but the economy gains from the growing activity in the green sector, particularly in the energy conservation, efficiency and renewable energy sector, which will help to achieve carbon dioxide reduction targets.

This Green Wage Subsidy scheme is not a full basic income, since it is not universal, but it creates the political conditions for implementation of the full BI, by making people and politicians realise the economic value of having a full earnings disregard on benefits. It would certainly be difficult for government to withdraw the scheme after the recession is over. As the economy becomes more and more green, the scheme would cover more of the workforce. The overall impact in public perceptions will be similar to the way women obtained the vote in the UK at the beginning of the 20th century: they had a cast iron political case, and waged a high profile direct action campaign, but it was after they demonstrated their ability to do "men's jobs" during the war years that they actually succeeded. In the same way, the Green Wage Subsidy scheme will change the debilitating emotional rejection of BI on account of the false perception that it is giving "something for nothing".

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