

Impact case study (REF3)

Institution: University of Bath		
Unit of Assessment: C19 Politics and International Studies		
Title of case study: Improving understanding of the political and financial feasibility of Universal Basic Income among policymakers and the public		
Period when the underpinning research was undertaken: 01/04/2016 - 2020		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
Nick Pearce	Professor of Public Policy and Director of Institute for Policy Research (IPR)	December 2015 - present
Luke Martinelli	Research Associate, IPR	May 2016 - September 2017; October 2017 – September 2020
Period when the claimed impact occurred: 2016 - 2020		
Is this case study continued from a case study submitted in 2014? N		
1. Summary of the impact		
<p>The research undertaken by the Institute for Policy Research at the University of Bath examining the case for a basic income has influenced political understanding and policy development in the UK and internationally:</p> <ol style="list-style-type: none"> Informed government policymakers in the UK and Estonia of the likely fiscal and distributional effects of Universal Basic Income (UBI), and the practical challenges in this area of policy development, by providing detailed data on costs and distributional effects. Stimulated policy development and debate within UK political parties, think-tanks and international intergovernmental organisations, by providing an objective but critical perspective on UBI, by considering political dynamics, and by integrating UBI into a political economy / institutional framework of analysis. Improved public understanding of UBI through media engagement with high-profile outlets, particularly in the UK and US, and translation of complex research findings into an accessible narrative, including at conferences in the UK and South Korea. 		
2. Underpinning research		
<p>Universal Basic Income (UBI) is argued by advocates to be an efficient and equitable form of welfare provision for post-industrial societies. UBI has been posited as a solution to numerous current and forthcoming challenges to existing welfare state settlements in relation to growing labour market precarity and technological change. Concurrently, UBI is subject to deep scepticism from those opposed to it. One aspect of debate that has been relatively neglected relates to feasibility: the concrete issues of implementation barriers and policy design features, that are crucial to any assessment of UBI as a policy option.</p> <p>Addressing this, research undertaken since 2016 by the Institute for Policy Research (IPR) at the University of Bath explored the <i>feasibility</i> of UBI in three senses:</p>		

1. Politically - relating to the prospects for the establishment of a constituency of support for UBI at the public and elite levels;
2. Fiscally - whether schemes can be designed to be simultaneously affordable and desirable; and
3. Institutionally - relating to UBI's congruence with prevailing welfare systems and trajectories.

By focusing on questions of feasibility, the University of Bath research moves beyond abstract discussion of UBI's desirability that motivates much existing literature and engages more rigorously with concrete challenges of implementation. The Bath research also transcends treatment of UBI as a monolith, acknowledging variation in key policy design features and analysing how these affect the policy's political and economic dynamics. The broad approach follows a 'political economy' logic: thinking about winners and losers, and the manner in which their interests are articulated through political systems. This research has provided additional evidence of fiscal/distributional, political, and institutional barriers to implementation as a result of the 'persistent division' of UBI supporters into separate groups once specific concrete policy design features are taken into account.

The research has centred on a microsimulation-based analysis of the impact of different types of UBI, initially of the UK and then extended across the 28 member countries of the European Union, extending the scope of scholarly understanding of attitudes in these places (3.1, 3.2, 3.3, 3.6). The contribution that has generated impact is the identification and exploration of policy design and political trade-offs in relation to UBI. Findings have been conveyed to public and policy audiences via an appealing soundbite – 'an affordable basic income is inadequate and an adequate basic income is unaffordable' (3.3) – and a parsimonious framework for understanding UBI policy options as a 'trilemma'.

The research has been led by Professor Nick Pearce (Director of IPR) who has supervised the work of Dr Luke Martinelli (Research Associate, IPR). The research began in 2016, funded by an alumni donation from Eva and Van DuBose, a grant from Google Ireland Ltd, a further donation from Geoff Crocker, and was supplemented by an Independent Social Research Foundation Political Economy Research Fellowship for IPR policy fellow Dr Jurgen de Wispelaere who is now the research director of the 'European Basic Income Observatory', based in the Stockholm School of Economics in Riga, Latvia. The IPR research has formed the basis of outputs including a report (3.2), policy brief (3.3), journal articles (3.1, 3.5) and a working paper (3.6), a World Bank background paper (3.4), a Horizon 2020 research funding proposal and original polling of attitudes in the UK (through Ipsos Mori).

3. References to the research

- 3.1 Martinelli, L & Pearce, N 2019, 'Basic Income in the UK: Assessing Prospects for Reform in an Age of Austerity', *Social Policy and Society*, vol. 18, no. 2, pp. 265-275. <https://doi.org/10.1017/S147474641800026X>
- 3.2 Martinelli, L 2017, *The Fiscal and Distributional Implications of Alternative Universal Basic Income Schemes in the UK*. Institute for Policy Research, University of Bath. https://www.bath.ac.uk/publications/the-fiscal-and-distributional-implications-of-alternative-universal-basic-income-schemes-in-the-uk/attachments/Basic_Income_Working_Paper.pdf
- 3.3 Martinelli, L 2017, *IPR Policy Brief: Assessing the Case for a Universal Basic Income in the UK*. IPR Policy Brief, Institute for Policy Research, University of Bath. <http://www.bath.ac.uk/publications/assessing-the-case-for-a-universal-basic-income-in-the-uk/>
- 3.4 Martinelli, L, Chrisp, J, and De Wispelaere, J 2018, 'Varieties of Basic Income: Relating dimensions of UBI models to feasibility determinants'. Background paper prepared for the

World Bank Concept Note: *Levelling the Playing Field: Rethinking the Social Contract in Europe and Central Asia*, April 2018.

3.5 Martinelli, L 2020, 'A Basic Income Trilemma: Affordability, Adequacy, and the Advantages of Radically Simplified Welfare', *Journal of Social Policy*, vol. 49, no. 3, pp. 461-482. <https://doi.org/10.1017/S0047279419000424>

3.6 Martinelli, L & O'Neill, K 2019 'A comparison of the fiscal and distributional effects of alternative basic income implementation modes across the EU28' EuroMod Working Paper Series, no. EM 14/19, EM 14/19 edn, EUROMOD. <https://www.euromod.ac.uk/sites/default/files/working-papers/em14-19.pdf>

4. Details of the impact

1. Informed government policymakers

Scottish Government

The First Minister of Scotland and leader of the SNP was influenced by the IPR policy brief (3.3), which she cited in her article in *The Economist* dated 31 May 2018, in her decision to fund a feasibility study into the prospect of conducting more comprehensive pilots:

"As Dr Luke Martinelli noted quite succinctly in Bath University's report for the Institute for Policy Research, 'an affordable basic income would be inadequate, and an adequate basic income would be unaffordable.' A balance needs to be struck and it is an issue that Scotland would need to think very carefully about" [5.1].

Welsh Government

In June 2017 the Welsh Government invited IPR to present research on UBI at a seminar attended by Welsh Government Ministers and senior officials to help them *"become better informed about the case for and against UBI in order to be able to influence effectively the wider debate on this issue"*. IPR was subsequently invited to a meeting to help guide ministerial thinking regarding a pilot study, with the Chief Economist at the Welsh Treasury writing that the *"IPR reports stood out as providing balanced, objective evidence on issues of fiscal affordability and trade-offs with other goals"* [5.2]. He also wrote that IPR *"gave feedback on a 'long list' of policy options ... I used this advice in finalising options to present to the Minister"* [5.2].

Estonian Ministry of Finance

In September 2019 the Estonian Ministry of Finance invited IPR to provide detailed data to inform 'discussions of stakeholders about the feasibility of basic income' having read the microsimulation research (3.6). The data provided were *"noted as the major source of information in the material sent to the Committee"* and were used *"to inform the discussion in the Parliamentary Social Affairs Committee that brought together various stakeholders interested in Basic income (The Committee itself, Ministry of Finance, Ministry of Social Affairs and various third sector stakeholders)"*. It was also confirmed by an Analyst in the Fiscal Policy Department of the Ministry of Finance of Estonia that the Bath research *"will guide an attempt to look into more specific scenarios of basic income"* [5.3].

2. Stimulated policy development and debate

House of Commons Library and House of Commons Work and Pensions Select Committee

On 8 October 2020, the House of Commons Library released a Debate Pack briefing for MPs ahead of a debate on 'the introduction of a universal basic income' on 13 October 2020. The briefing notes that, *"In the UK, the most detailed work on UBI in recent years is probably the research undertaken as part of the University of Bath Institute for Policy Research (IPR) research programme Examining the case for a basic income"* [5.4]. On Wednesday 11 November 2020, Pearce gave invited oral evidence to the House of Commons Work and

Pensions Select Committee inquiry session on 'DWP's preparations for changes in the world of work' [5.5].

UK Labour Party

The UK Labour Party established a UBI working group in 2017 to explore policy options that could be incorporated into the party platform. IPR representatives were invited (16 March 2017) to attend the first working group meeting, at which the research was presented and subsequently distributed. Subsequently, IPR was invited to contribute to Labour's Social Security Commission, and the Shadow Secretary of State for Work and Pensions invited IPR to produce a position paper on UBI - titled 'Basic income: rationales, evidence, and impacts', which was submitted on 15 March 2018.

New Economics Foundation

IPR research has informed the thinking in publications on UBI by the New Economics Foundation (NEF), a British think-tank that promotes social, economic and environmental justice. A Principal Fellow at NEF writes that "*IPR's work in this area has been invaluable in provoking and informing wider debates on social policy reform and the politics of the welfare state... [the] research provides invaluable evidence in a clear and accessible format, and has advanced my own work – and the UK basic income debate more broadly – considerably*" [5.6]. IPR research informed flagship NEF publications and was then cited in a Royal Society of Arts report on Basic Income [5.7].

World Bank

In February 2018 IPR was invited to contribute a background paper for the flagship World Bank report '*Toward a New Social Contract: Taking On Distributional Tensions in Europe and Central Asia*'. IPR's background paper informed the thinking on UBI's heterogeneity that was represented in the World Bank report and the research was acknowledged in the final report, which stated that: "*Chapter 5 was written... with inputs from... Luke Martinelli (University of Bath)*" (pp. xvii-xviii) [5.8].

3. Improved public understanding of UBI

IPR research on Universal Basic Income has featured in high-profile publications including the *Financial Times*, *Independent*, *Nature*, *New Statesman*, *Wall Street Journal*, and *Washington Post* [5.10]. The *Financial Times* piece drew heavily on IPR's microsimulation findings (3.6), and the journalist has attested to the fact that the Bath research provided the clearest exposition of the issues he had found, describing them as "*the best and fairest analysis [he] could find*" [5.9].

Additionally, IPR has organised or hosted 11 events relating to UBI since December 2016, with approximately 800 attendees, and IPR representatives have spoken at 16 external events on UBI to a range of audiences including policymakers and the general public, with highlights including a two-day conference in 2018 with Yonsei University (South Korea), and an all-day virtual conference in 2020 co-hosted with the Bristol Festival of Ideas.

5. Sources to corroborate the impact

5.1 Sturgeon, N. 2018. 'Why universal basic income is worth a serious look'. *The Economist*. Available at: <https://www.economist.com/open-future/2018/05/31/why-universal-basic-income-is-worth-a-serious-look>

5.2 Impact Statement from the Chief Economist, Welsh Treasury 4 March 2020.

5.3 Email from Analyst in the Fiscal Policy Department of the Ministry of Finance of Estonia 30 October 2019.

5.4 Loft, P., Kennedy, S., Mackley, A. and Hobson, F. 2020. The introduction of a universal basic income. House of Commons Library briefing. Number CDP0096. 8 October. Available at: <http://researchbriefings.files.parliament.uk/documents/CDP-2020-0096/CDP-2020-0096.pdf>

5.5 Archived oral evidence session of the House of Commons Work and Pensions Select Committee. 2020. Formal meeting (oral evidence session): DWP's preparations for changes in the world of work. 11 November. Available at: <https://committees.parliament.uk/event/2656/formal-meeting-oral-evidence-session/>

5.6 Impact Statement from Principal Fellow, New Economics Foundation 5 March 2020.

5.7 Young, C. August 2018. RSA Action and Research Centre: Realising Basic Income Experiments in the UK. <https://www.thersa.org/globalassets/pdfs/reports/realising-basic-income.pdf>

5.8 Bussolo, M., Davalos, M.E., Peragine, V. and Sundaram, R., 2018. Toward a New Social Contract: Taking on Distributional Tensions in Europe and Central Asia. The World Bank. <https://openknowledge.worldbank.org/handle/10986/30393>, acknowledgement on p.xviii.

5.9 Tweet from *Financial Times* journalist. 10 May 2019. https://twitter.com/ChrisGiles_/status/1126806893937270785

5.10 Collected media coverage:

Agerholm, H. 2017. 'Universal basic income: Half of Britons back plan to pay all UK citizens regardless of employment' *Independent*. 11 September. Available at: <https://www.independent.co.uk/news/uk/home-news/universal-basic-income-benefits-unemployment-a7939551.html>

Bedingfield, W. 2019. 'Universal Basic Income, explained'. *Wired*. 25 August. Available at: <https://www.wired.co.uk/article/universal-basic-income-explained>

Giles, C. 2019. 'Should Labour support a universal basic income?' *Financial Times*. May 10. Available at: <https://www.ft.com/content/cf63e08e-725f-11e9-bbfb-5c68069fbd15>

Hannon, P. 2019. 'Experiment in Finland with guaranteed income creates less stress but no jobs'. *The Wall Street Journal*. 8 February. Available at: <https://www.wsj.com/articles/experiment-in-finland-with-guaranteed-income-creates-less-stress-but-no-jobs-11549650636>

Williams, O. 2017. 'A third of UK business leaders support a universal basic income as automation looms'. *New Statesman*. 21 September. Available at: <https://tech.newstatesman.com/news/uk-business-leaders-universal-basic-income>

Rosenberg, E. 2018. 'A city ponders whether \$500 a month, no strings attached, would help reduce poverty'. *The Washington Post*. 5 June. Available at: <https://www.washingtonpost.com/news/post-nation/wp/2018/06/04/a-city-ponders-whether-500-a-month-no-strings-attached-would-help-reduce-poverty/>

Arnold, C. 2018. 'Money for nothing: The truth about universal basic income.' *Nature*. 30 May. Available at: <https://www.nature.com/articles/d41586-018-05259-x>