

The definition of a Citizen's Basic Income

Citizen's Basic Income Day

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London School of Economics

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The exercise: Characteristics of a Citizen's Basic Income

Characteristic	Importance	Negative Income Tax	Tax Credits (real ones)	Minimum Income Guarantee
aaaaa				
bbbbb				
ccccc				
ddddd				
eeeee				

Fill in characteristics of a Citizen's Basic Income

A Citizen's Basic Income is

- **‘Unconditional’**: It would vary with age, but not otherwise
- **‘Automatic’**: Someone's Citizen's Basic Income would be paid weekly or monthly, automatically.
- **‘Nonwithdrawable’**: If someone's earnings or wealth increased or fell, the Citizen's Basic Income would not change.
- **‘Individual’**: Citizen's Basic Incomes would be paid on an individual basis, and not on the basis of a household.
- **‘As a right of citizenship’**: Everybody legally resident in the UK would receive a Citizen's Basic Income, subject to a minimum period of legal residency in the UK, and continuing residency for most of the year.

(Citizen's Basic Income Trust, www.citizensincome.org)

A Citizen's Basic Income is

a periodic cash payment unconditionally delivered to all on an individual basis, without means-test or work requirement.

- **Periodic:** paid at regular intervals (for example every month).
- **Cash payment:** it is paid in an appropriate medium of exchange, allowing those who receive it to decide what they spend it on.
- **Individual:** it is paid on an individual basis—and not, for instance, to households.
- **Universal:** it is paid to all, without means test.
- **Unconditional:** it is paid without a requirement to work or to demonstrate willingness-to-work.

Basic Income, Citizen's Income ...

A Citizen's Basic Income is sometimes called

- a Basic Income (BI)
- a Citizen's Income (CI), or
- a Universal Basic Income (UBI)

Citizen's Basic Income

Either assumed or stated

- Unconditional
- Nonwithdrawable
- Paid to each individual
- Paid regularly
- Paid automatically
- Unvarying (but upratable)
- Varying with recipient's age

Conditionalities

Type 1:

- Enquiry has to be made
- Complex administration

Type 2:

- No enquiry required
- No administration required

(Names for these two types?)

- Type 1: Labour market status, household structure, etc.
- Type 2: Recipient's age.

Type 2 is permitted. Type 1 is not.

Ontario experiment definition of 'Basic Income'

The payment will account for other income and ensure a minimum level of income is provided. Participants will receive:

- Up to \$16,989 per year for a single person, less 50 per cent of any earned income
- Up to \$24,027 per year for a couple, less 50 per cent of any earned income
- Up to an additional \$6,000 per year for a person with a disability.

(Ontario)

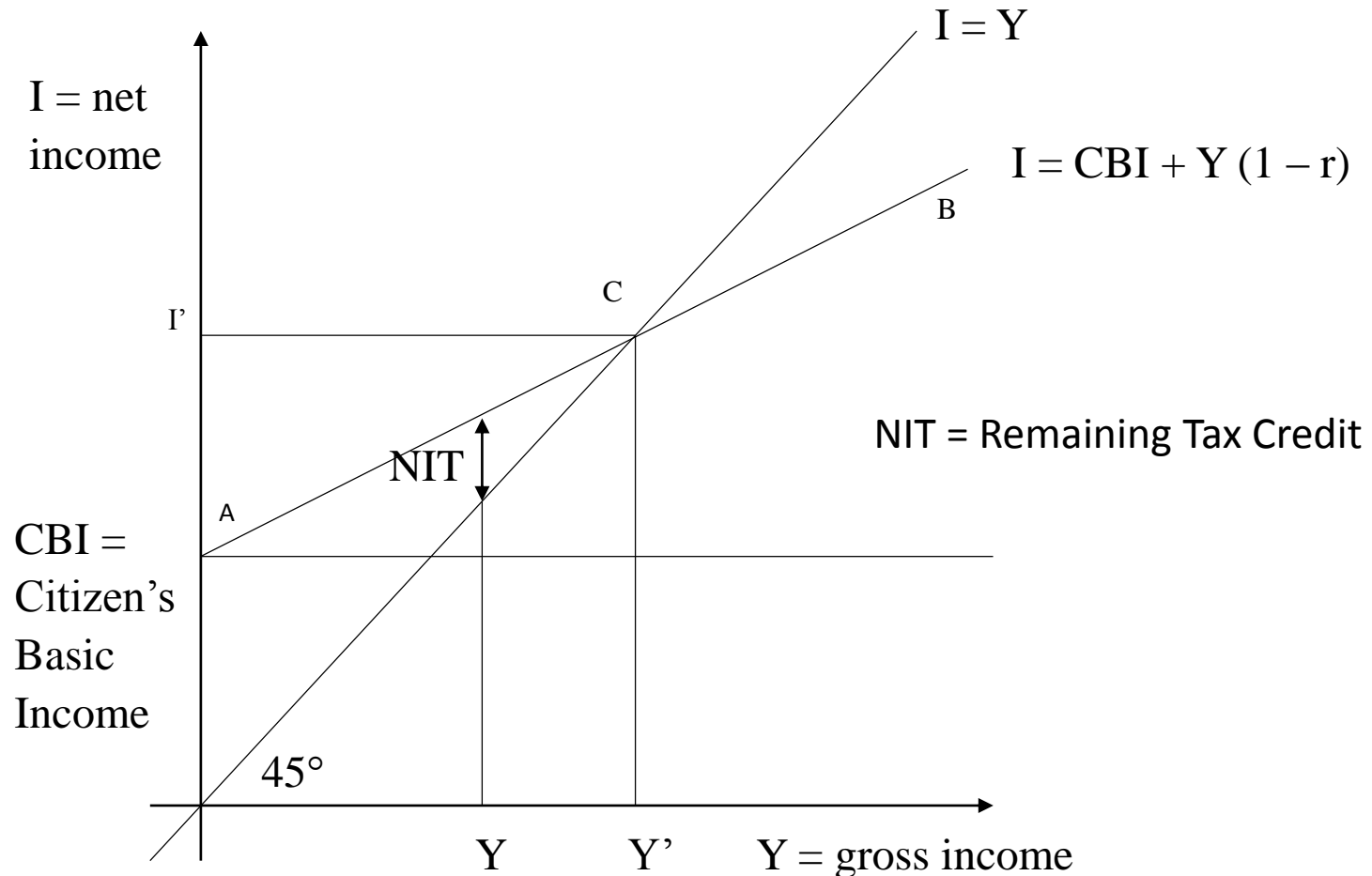
The amount of the payment?

The amount of the Citizen's Basic Income?

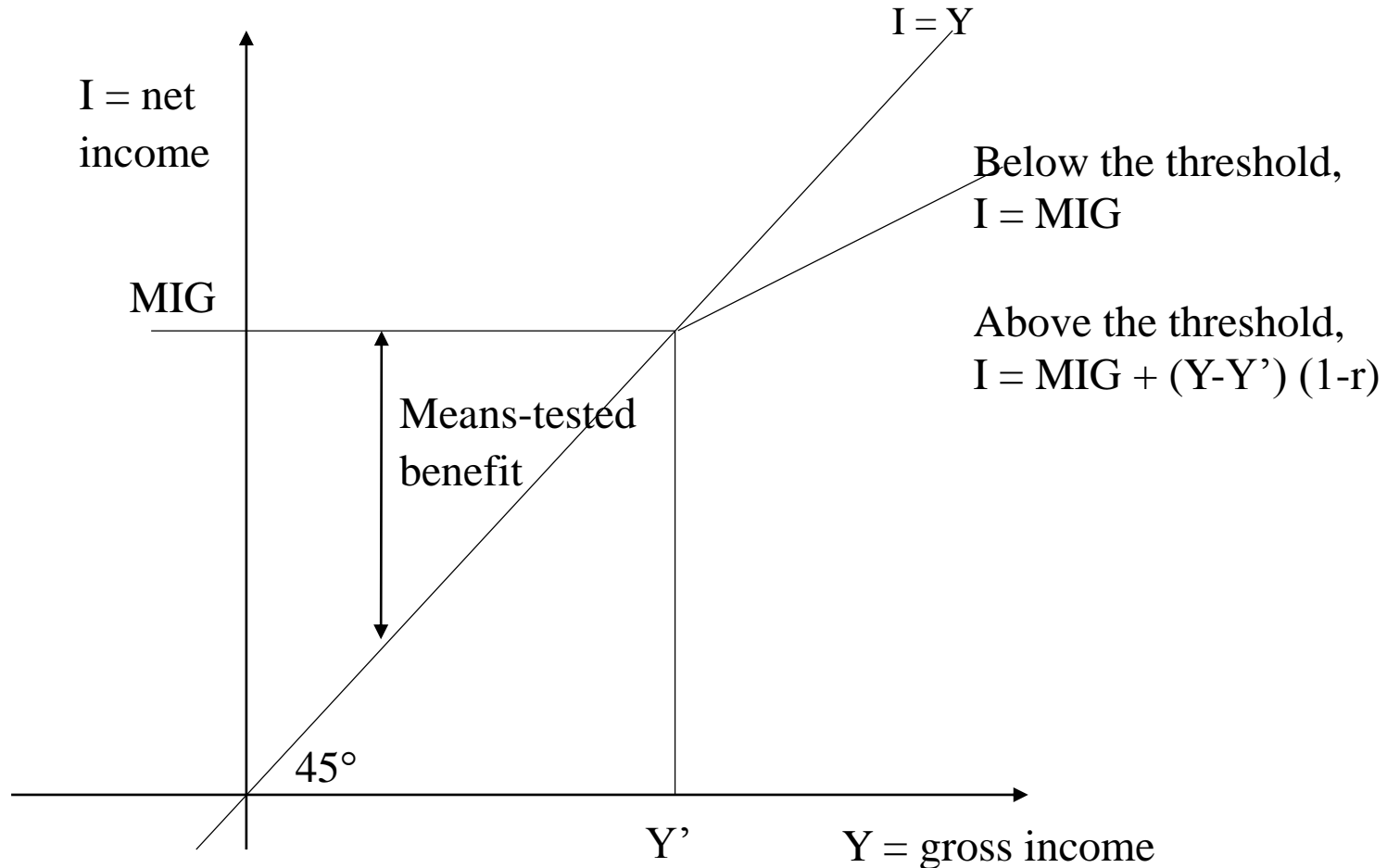
- a) Some individuals and organisations insist that 'enough to live in' (sometimes defined in some way, sometimes not) is an intrinsic part of the definition.
- b) Some individuals and organisations call a Basic Income of any value a Basic Income.

The only way to preserve an agreed definition is for groups and individuals in a) to talk about 'a Basic Income that is enough to live on', and groups and individuals in b) to talk about 'a Basic Income that might or might not be enough to live on'.

Citizen's Basic Income, Negative Income Tax, Tax Credits (real ones)



Minimum Income Guarantee



The exercise, continued

Characteristic	Importance	Negative Income Tax	Tax Credits (real ones)	Minimum Income Guarantee
aaaaa	5	✓	✓	
bbbbb	2			✓
ccccc	1			
ddddd	4			
eeeee	3			

- Put a number 1 in the second column against the characteristic that you believe to be the most important, a 2 against the next most important characteristic, and so on.
- Then in the next column place a tick against those characteristics shared by a Negative Income Tax. Do the same for Tax Credits and Minimum Income Guarantee.

The exercise, continued

When you've finished, for each of the last three columns: replace each tick with the number in the 'importance' column, put 6s in the blank spaces, then add up the numbers.

Characteristic	Importance	Negative Income Tax	Tax Credits (real ones)	Minimum Income	Guaranteed
aaaaa	5	5	5	10	
bbbbb	2	10	10	2	
ccccc	1	10	10	10	
ddddd	4	10	10	10	
eeeee	3	10	10	10	