



Citizen Income: a dead end

The time has come to give proper attention to an analysis of the idea of a Citizen Income (aka Basic Income, CI), and I am happy to see that Compass & the RSA are engaged in this process.

Summary

The analysis that we need to increase social safety is correct. The conclusion that the way to do that is by distributing cash is erroneous.

Cash distribution *has to* sit on top of universal, public service delivery. To deliver those services properly requires all of the cash available from a sustainable tax burden.

CI will always end up arguing for cash distribution over public service provision – and fail.

3 Questions

There are three basic questions that I propose are fundamental to an analysis of the provision of social safety, and the viability of a CI:

- The bedrock of social safety is a set of universal services, including shelter, health, care, education, transport and legal services. *How much do they cost?*
- There is a maximum tax burden that a society can sustain, while still retaining a supporting economy. *How much is that?*
- The evolutionary inheritance of our species explains and dictates why social safety is necessarily service orientated, and why economic rewards are the necessary corollary of social safety. *Is CI aligned with that inheritance?*

Social safety services

You are not proposing that a CI would replace any social safety services. We clearly understand that education, healthcare, elder care, legal support, and a host of other essential public services, are best delivered as services – for both the public good, and for efficient, targeted delivery.

So let's be clear: *public services have priority over cash distributions.*

Given that these services are assumed to exist and continue under your CI proposal, it is important that we have a clear understanding of the cost of providing those services, before we can know how much money is available for a CI.

Available revenues

Where the money comes from to pay for social safety is a vital issue, and an area that is subject to much confusion. The clearest way to divine how much money is available to pay for the social safety that we deem to be essential to our modern society is to look at the *total tax take as a percentage of GDP*.

This ceiling on available revenues can be determined by reviewing the different models in use in modern societies around the world today. (The constraint of ecological sustainability, even survival, requires that we exclude GDP that originates from unsustainable sources: that means excluding fossil resource extraction, and demand theft/trade imbalances.)

We can, and must, raise more taxes than we do today to pay for our social safety. But there is a limit to that, and how to spend those extra revenues is the deeper question than their availability.

Human nature

While, as individuals, we like to think we have an infinite range of behaviours that we can voluntarily select, it is essential to understand that as a species, and as societies, we operate within the constraints of our [evolutionary inheritance](#).

Humans are social specialists, and that requires that we honour both the social safety required to sustain the group, and the creativity and freedom necessary to motivate the individuals in the group.

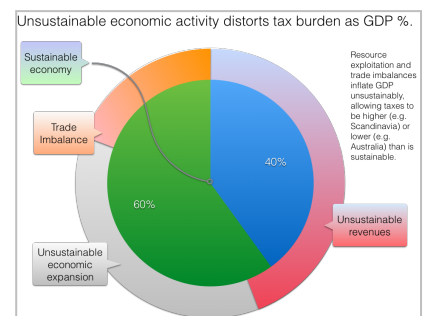
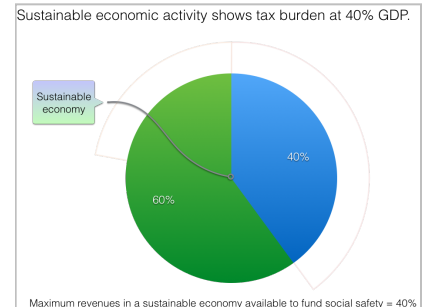
The essential requirement for social safety is the genesis of this discussion about a CI, but in order to provide a holistic solution we must retain an equal attention to the necessity to preserve individual motivation and contribution. Social safety provision that impinges on individual reward and motivation does so at its peril (see Communism).

The Basic Equation

The combination of these factors results in a simple equation:

$$\text{Total available revenues} - \text{Cost of universal services} = \text{money available for CI}$$

Analysis of this equation results in the conclusion that there is very little to no money available for CI. The cost of the services that we all assume to pre-exist a CI is roughly equal to the [maximum tax burden an economy can sustainably support](#), in both cases ~40% GDP.



Unless you see yourself standing your ground and arguing that available revenues are better spent on a cash distribution than on a public service, then you are inevitably confined to a CI that is effectively the distribution of "pocket money".

Magic Money

The logic and arguments that lead up to the point of considering a CI are all well founded and grounded in a proper understanding of the next steps we must take as a species on our path to a peaceful, sustainable and joyful/creative future. It is only the 20th C mirage of money-as-value that clouds the direction we take from the end of that logic and those arguments. Free money is not the solution, the proper provision of free safety services *is* the solution that delivers *all* of the benefits attributed to a CI, and which honours both our social and specialist natures.

So convincing is the logic in the arguments for universal social safety, that there is an almost compulsive temptation to invent a supporting architecture for their provision. These "magic money" proposals, that are necessary to support any proposal for a CI that is high enough to be a real basic income, are the sirens that declare the unnatural and unachievable character of a CI. Inventing new taxes or shifting the source of money creation are not answers.

Every CI proposal

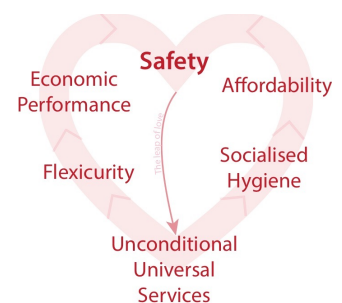
The final offer that inevitably emerges from every CI proposal is: pay more taxes, so we can distribute pocket-money, on top of welfare services/benefits.

It is weak, politically stupid, and, most importantly, *ineffective*.

If your answer to that is some source of "magic money" that makes your maths work out, then you should know you're pursuing a fantasy.

The good news

The thoughts, notions and arguments that led you to the door of CI are valid, so do not throw the baby out with the bath water. The answer is universal services, and that is a cause both worthy of your support and is a [credible, viable, and naturally-aligned path](#) to the sustainable and joyful future you are imagining.



Please

Please don't waste what precious little time we have left to move to a sustainable society on something that is demonstrably a dead end.