

# Political Minders and Basic Income

Keith Rankin, 14 February 2015

Politics can be quite vacuous these days. Any remotely new idea can be represented – overtly or stealthily – as slightly nuts. And politicians have become super-sensitised to this. So identity politics and gotcha politics rule the roost.

Good ideas do not come fully formed. And all ideas have nuance and context which scoffing media egos have neither the time nor the inclination to explore.

Andrew Little has spoken widely about the future of work, and narrowly about universal basic income (UBI) as a way of distributing any productivity gains that might arise from new ways of working. It all makes perfect logical sense. Yet even serious commentators, or headline writers, cannot resist using expressions like "utopian", or "paying people to be alive", or "doling out a stipend".

So I wasn't surprised to read in one [left-wing blog](#) that Andrew Little has a minder who apparently is there to keep him on-message, not allowing him to engage on the topic of UBI.

Part of the problem is that UBI supporters range quite widely in what they advocate, and the cynics can always caricature an idea by citing an extreme representation of it.

This all means that some very sound economic concepts can become marginalised; 'clever' journalists knock down straw men. They see it as part of their job description to defend the polis from subversive threats to their own fish-bowl world-views.

This "rhetoric of reaction" (Albert Hirschman) means that proponents of progressive change – ie change that might challenge establishment belief-systems – have always to be careful about the politics of their suggestions. The contest of ideas is not played on a level playing field, and is too easily shut down.

Once he becomes Prime Minister, Andrew Little can instigate change in the way income taxes and benefits are accounted for. He can introduce new names that help people to see, in new ways, what we already have; language that helps us to see that income taxes and benefits are two sides of the one coin. New opportunities come from new ways of looking at things. Progressive governments have always used carefully chosen language to placate unthinking opponents of progressive change. You don't need a policy to improve and demystify your accounting methods.

But can Little use this good idea to help get his party into power? This is the approach I think he should take.

Labour's policy could be to make the first \$175 per week (or \$200 or whatever) of a benefit package unconditional. Only the additional (top-up) part of that present entitlement would need to be applied for. The total benefit package would be subject to moderate abatement (equivalent to marginal tax) as a person gains income through part-time or casual work.

The important policy gain would be that, when a person's part-time or casual work contract comes to an end (and for whatever reason), the most a person would have to reapply for would be a top-up. That \$175 per week (or whatever) would not have to be reapplied for. It would be his or hers, as of right, and sensibly integrated into the tax system. Some would call it a negative income tax. Others might call it a guaranteed adult income or a basic income-guarantee.

Such a payment would soon come to be understood as a public equity benefit; a name that works because company dividends are also benefits; benefits that arise unconditionally from a person's equity, not from their labour. Eventually such a payment may become high enough to fulfil the hopes of UBI

activists. By then there would be no taint of controversy or dottiness about this idea of sharing, via the no fault principle that we apply to accident compensation, some of our societal wealth.

If they can do it on Tokelau ('the inati'; refer to [Women in Fisheries Information Bulletin #14](#) Sept 2004) they can do it on the mainland, and the North Island too.

Today probably the only people who could live on just \$175 per week would be young people living with their parents; indeed exactly the people who are at the sharp end of the new era of precarious labour. These people should be getting work experience without having to traipse back and forth to the Department of Work and Income. If employed on a casual basis, the unconditional \$175 might enable these young adults to go flatting and pay rent; a key phase of the transition to full adulthood.

This basic income-guarantee is hardly a 'full UBI'. It is not a universal basic income at the utopian end of that concept; it removes poverty traps rather than removing poverty. \$175 per week is not an income sufficient to enable a person to choose a life of idleness and parasitism. That is the lazy 'free-rider' concern which the cynics purport to worry about.

A basic income-guarantee is an entitlement of membership of New Zealand Inc. It is not a passport to debauchery.

By playing it cautiously, by advocating an unconditional equity benefit in our present era of labour precarity, and by integrating benefit abatements with income taxes, a basic income benefit is almost impossible for anyone to criticise. The biggest political danger to Mr Little is that of Mr Key saying "me too".

Let the political minders become redundant. A basic income will soften the blow.

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