



# What you need to know about Basic Income in Scotland

## Background

The Scottish Universities Insight Institute (SUII) recently hosted a workshop on Basic Income and Housing. This briefing sets out the principles behind Basic Income and the Scottish Government's commitment to support feasibility work and pilot projects across Scotland.

A Basic Income is an unconditional, non-withdrawable income for every individual as a right of citizenship.

[Key elements](#) of a Basic Income are that it is:

- **Basic:** a minimum payment, sufficient to meet basic needs
- **Universal:** paid to everyone, based on rights of residency
- **Unconditional:** without conditions, and non-withdrawable, irrespective of other sources of income
- **Individual:** assessed and paid individually (including to children) rather than by household

## Basic Income in Scotland

In September 2017, the Scottish Government announced that it would support the exploration of Basic Income in Scotland by establishing a £250,000 fund to help local authorities develop proposals and establish suitable testing through a pilot scheme. The funding will be rolled out over two years until 2020 and will complement funding already committed by local authorities.

Four local authority areas – the City of Edinburgh Council, Fife Council, Glasgow City Council and North Ayrshire Council – are currently working to research and explore the feasibility of local pilots, supported by the Scottish Government, NHS Scotland and the Improvement Service. This feasibility work will look at the practicalities of undertaking a Basic Income pilot, how it should be funded, and how payments might be made.

The findings from this study will be reported back to the Scottish Government by September 2019, and will be followed by a two-three year pilot in each of the four local authority areas.

## What are the benefits of Basic Income?

The aim of the pilots is to test out the role of Basic Income in reducing poverty in Scotland.

Supporters of Basic Income argue that it will help to reduce poverty and inequality by distributing wealth more evenly, and providing a more secure and stable income safety net on which people can build their lives. This safety net, they say, would then incentivise more people into work by allowing greater flexibility to search for more meaningful and fulfilling jobs and would be particularly valuable for those in precarious employment.

Proponents of Basic Income also argue that it would give people greater freedom outside of work, by allowing them to pursue other opportunities, such as choosing to study, setting up a business, or taking care of relatives.

The payment of Basic Income to individuals instead of households would also make it more difficult for perpetrators of domestic abuse to exert financial control, allowing those experiencing domestic abuse an element of financial security.

## What are some of the challenges?

It is not yet known which model of Basic Income the pilots will take, how the amount will be set or how the chosen model will interact with the current benefits system. For housing organisations, this may mean further uncertainty around how tenants will be supported with their housing costs and therefore how rent will be collected. Critics argue that this is one of the biggest challenges of Basic Income and that providing a flat-rate universal payment may actually be detrimental for the poorest in society, as any gains could be off-set by the loss of current benefits.

This flat-rate payment could also prove problematic when it comes to housing payments as regional variations in housing costs could lead to surpluses for those who live in cheaper areas and shortfalls for those in more expensive areas. Some models of Basic Income allow for top up payments to be made to individuals under certain circumstances – e.g. to cover the higher costs of living with a disability. However, creating too many add-ons will start to mirror our current means tested system.

Critics also argue that Basic Income is not a panacea, and that in order to truly create a more

equal society, we should be looking to increase spending in key areas such as housing, health and education, or focusing on how we can improve the existing benefits system.

#### Find out more

Basic Income has been tested in different forms across the globe. Some examples include [Canada](#), [Finland](#) and [India](#).

You can find further information about the Basic Income pilots taking place in Scotland at [basicincome.scot](https://basicincome.scot)



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