Universal Basic Income - Bad  
Opposition Brief by Chris Jeub



**BAD**

As you’re preparing for regionals and (hopefully!) nationals, you might be needing some examples to back up your negative case. It’s easy for the affirmative to cite random examples of a universal basic income working and a working class rising up to solve society’s woes. It’s also easy for them to cite far-left studies saying UBI might actually work. You need to be able to combat that.

This opposition brief follow’s a pro-UBI website with counter evidence. Use this evidence to illustrate how such a system could NOT work.

Opposition Brief: UBI Is Bad

# 1) Basic Income will NOT help us rethink how & why we work

PRO Argument: Rethinking Basic Income

Basic Income U.K. “Ten Reasons to Support Basic Income.” <https://www.basicincome.org.uk/reasons-support-basic-income>

A basic income can help you do other work and reconsider old choices: It will enable you to retrain, safe in the knowledge that you’ll have enough money to maintain a decent standard of living while you do. It will therefore help each of us to decide what it is we truly want to do.

Finland not an example of pure-UBI

John Henley. “Money for nothing: is Finland's universal basic income trial too good to be true?” The Guardian, January 12, 2018. <https://www.theguardian.com/inequality/2018/jan/12/money-for-nothing-is-finlands-universal-basic-income-trial-too-good-to-be-true>

For UBI purists, the fact that the monthly Finnish payment – roughly equivalent to basic unemployment benefit – is going to a strictly limited group, and is not enough to live on, disqualifies the Finnish scheme. But while it may not reveal as much as a broader trial would have, the scheme’s designers are confident it will shed new light on several key social policy issues.

Finland not an example of “universal” basic income

John Henley. “Money for nothing: is Finland's universal basic income trial too good to be true?” The Guardian, January 12, 2018. <https://www.theguardian.com/inequality/2018/jan/12/money-for-nothing-is-finlands-universal-basic-income-trial-too-good-to-be-true>

The Finnish experiment’s design and objectives mean it should perhaps not really be seen as a full-blown UBI trial at all, cautioned Kanerva: “People think we’re launching universal basic income. We’re not. We’re just trialling one kind of model, with one income level and one target group.” But as experts around the world increasingly debate how a bold but ill-defined concept might actually work in practice, the Finnish experiment will at least “produce meaningful results – albeit in a limited field,” according to Kanerva. In an area where convictions are often more abundant than facts, “It has forced people to talk specifics.”

UBI is a Trojan horse

Alyssa Battistoni. “The False Promise of Universal Basic Income,” Spring 2017. <https://www.dissentmagazine.org/article/false-promise-universal-basic-income-andy-stern-ruger-bregman>

Basic income is therefore often posited as a post-ideological solution suited to a new era of politics: the odd confluence of interest from the left and right tends to be read as a sign that political positions should be eschewed in favor of rational compromise. But UBI’s cross-ideological appeal is the bug, not the feature. Because basic income is politically ambiguous, it also has the potential to act as a Trojan horse for the left or right: left critics fret that it will serve as a vehicle for dissolving the remains of the welfare state, while proponents herald it as the “capitalist road to communism.” The version of basic income we get will depend, more than policies with a clearer ideological valence, on the political forces that shape it.

Bastiat: There is no welfare utopia

Brittany Hunter. “The Top Three Arguments against a Universal Basic Income,” Foundation for Economic Education, Sept 8, 2017. <https://fee.org/articles/the-top-three-arguments-against-a-universal-basic-income/>

Bastiat famously said, “The state is that great fiction by which everyone tries to live at the expense of everyone else.” This is exactly why any form of welfare state is bound to fail. You cannot take from one, give to another and expect everyone’s hardships to be solved. The UBI creates the illusion of decreasing the welfare state when the facts of the matter all point to the contrary. Everyone would like to live in a society where no one wanted for anything and everyone was provided for. But we live in a society of individuals with individual aspirations and goals. Pretending that we can centrally plan a welfare system with so many distinct wants and needs is unrealistic and unobtainable.

UBI postpones discussion of real solutions

Ian Goldin. “Five reasons why universal basic income is a bad idea,” Financial Times, February 11, 2018. <https://www.ft.com/content/100137b4-0cdf-11e8-bacb-2958fde95e5e>

Fifth, UBI offers a panacea to corporate and political leaders, postponing a discussion about the future of jobs. The demographic pressures in rich countries, and the deep challenge AI poses to development prospects in poor ones, adds to the need for this conversation. There must be more part-time work, shorter weeks, and rewards for home work, creative industries and social and individual care. Forget about UBI; to reverse rising inequality and social dislocation we need to radically change the way we think about income and work.

Stop all handouts

Robert Colvile. “Why universal basic income is a particularly bad idea.” CapX, January 2017. <https://capx.co/why-universal-basic-income-is-a-particularly-bad-idea/>

It may sound harsh, but the most successful form of welfare policy over the last few decades has been to stop handing it out. The principle behind the Wisconsin welfare reforms of the Clinton era, and the more recent reforms under the Coalition in Britain, was that there should be no excuse not to work if you could. And the result was an employment bonanza – what Fraser Nelson called, in the British context, a “jobs miracle”. What these reforms showed was that the best form of welfare was work – that getting people on to the employment ladder, no matter how low the rung, was better for them (and for the state) than funding dependency. A guaranteed income is also a guarantee that it’s OK to be idle. Which is why, as David Frum and Jodie T Allen point out, everyone in the US lost interest in the idea in the first place.

# 2) Basic Income will NOT contribute to better working conditions

Basic Income U.K. “Ten Reasons to Support Basic Income.” <https://www.basicincome.org.uk/reasons-support-basic-income>

With the insurance of having unconditional basic income as a safety net, workers can challenge their employers if they find their conditions of work unfair or degrading.

UBI undermines incentives

Ian Goldin. “Five reasons why universal basic income is a bad idea,” Financial Times, February 11, 2018. <https://www.ft.com/content/100137b4-0cdf-11e8-bacb-2958fde95e5e>

Fourth, UBI undermines incentives to participate. Stronger safety nets are vital. No decent society should tolerate dire poverty or starvation. But for those who are able, help should be designed to get individuals and families to participate in society; to help people overcome unemployment and find work, retrain, move cities. Wherever possible, safety nets should be a lifeline towards meaningful work and participation in society, not a guarantee of a lifetime of dependence.

# 3) Basic Income will NOT downsize bureaucracy

Basic Income U.K. “Ten Reasons to Support Basic Income.” <https://www.basicincome.org.uk/reasons-support-basic-income>

Because a basic income scheme is one of the most simple tax / benefits models, it will reduce all the bureaucracy surrounding the welfare state thus making it less complex and costly, while being fairer and more emancipatory.

The power of the Welfare State would not go easily away

Brittany Hunter. “The Top Three Arguments against a Universal Basic Income,” Foundation for Economic Education, Sept 8, 2017. <https://fee.org/articles/the-top-three-arguments-against-a-universal-basic-income/>

If anything, incorporating a UBI in America would most likely result in an additional layer of the welfare being added on top of our existing programs. This would, in effect, increase the state’s power rather than decrease it. Governments are rarely keen on relinquishing their power, and there is great power in controlling the welfare of the citizenry. It is therefore highly unlikely that the welfare state as we know it today would simply cease to exist.

Current welfare is just play too expensive

Brittany Hunter. “The Top Three Arguments against a Universal Basic Income,” Foundation for Economic Education, Sept 8, 2017. <https://fee.org/articles/the-top-three-arguments-against-a-universal-basic-income/>

Our current system cannot be maintained because it’s too expensive. Period. Already programs like Social Security are projected to run out of money within the next decade and there is no plan for how to approach this coming storm. Why would anyone think broader welfare state situation would be any different? If we cannot financially maintain our current system, it would be an unwise to believe we could somehow afford a UBI. As Colvile says when comparing one welfare system with the other, “It’s old wine in new bottles – redistributive, seventies-style taxation under a trendy new branding.”

UBI costs way too much money

Robert Colvile. “Why universal basic income is a particularly bad idea.” CapX, January 2017. <https://capx.co/why-universal-basic-income-is-a-particularly-bad-idea/>

But that brings us on to the biggest problem of all. Which is that this thing costs money. Enormous amounts of it. The RSA’s version of the basic income looks like it just about makes the sums add up. But that’s because it sets it at a level of £3,692 (in 2012-13 prices, excluding housing and disability support). That’s not very much at all – in fact, it’s about a quarter of the national living wage. And even then, there’s a lot of devil in the detail. Last year, I went to an event on this topic at the Resolution Foundation. Its experts crunched the numbers and found that, under a UBI scheme that pays people the same as they would get under Universal Credit (ie about the RSA level), and throws in universal child tax credit (rather than means-tested, as under the current system), taxes would have to rise. By a lot. In fact, you would have to abolish the Personal Allowance – the £11,000 tax-free that everyone gets on their earnings. Instead, from the first pound you earned to the £43,001st, you’d pay a combined rate of income tax and National Insurance of around 35-40 per cent, after which the higher rate of tax would kick in as normal.

# 4) Basic income will NOT make benefit fraud obsolete

Basic Income U.K. “Ten Reasons to Support Basic Income.” <https://www.basicincome.org.uk/reasons-support-basic-income>

As an extension of (3), benefit fraud will vanish as a possibility because no one needs to commit fraud to get a basic income: it is granted automatically. Moreover, an unconditional basic income will fix the threshold and [poverty trap effects](http://web.archive.org/web/20160428044500/http://en.wikipedia.org/wiki/Poverty_trap) induced by the current means-tested schemes.

Welfare state will not disappear

Brittany Hunter. “The Top Three Arguments against a Universal Basic Income,” Foundation for Economic Education, Sept 8, 2017. <https://fee.org/articles/the-top-three-arguments-against-a-universal-basic-income/>

Unfortunately, a welfare state by any other name is still a welfare state. And the UBI is just replacing one pricey system for another. And unlike the current welfare state, which has standards for determining who qualifies for certain aid, a UBI would be given to everyone. This would dramatically increase the pool of citizens receiving benefits from the state and inflict massive expenses across the board.

# 5) Basic income will NOT help reducing inequalities

Basic Income U.K. “Ten Reasons to Support Basic Income.” <https://www.basicincome.org.uk/reasons-support-basic-income>

A basic income is also a means for sharing out the wealth produced by a society to all people thereby reducing the growing inequalities across the world.

UBI will lead to higher inequality and poverty

Ian Goldin. “Five reasons why universal basic income is a bad idea,” Financial Times, February 11, 2018. <https://www.ft.com/content/100137b4-0cdf-11e8-bacb-2958fde95e5e>

Second, UBI will lead to higher inequality and poverty. It typically aims to replace existing unemployment and other benefits with a simple universal grant. As shown by the OECD, the Paris-based club of mostly rich nations, by reallocating welfare payments from targeted transfers (such as unemployment, disability or housing benefits) to a generalised transfer to everyone, the amount that goes to the most deserving is lower. Billionaires get a little more.

# 8) Basic Income will NOT reward unpaid contributions

Basic Income U.K. “Ten Reasons to Support Basic Income.” <https://www.basicincome.org.uk/reasons-support-basic-income>

A huge number of unpaid activities are currently not recognized as economic contributions. Yet, our economy increasingly relies on these free contributions (think about wikipedia as well as the work parents do). A Basic Income would recognise and reward theses activities.

UBI would cost more than status quo

Brittany Hunter. “The Top Three Arguments against a Universal Basic Income,” Foundation for Economic Education, Sept 8, 2017. <https://fee.org/articles/the-top-three-arguments-against-a-universal-basic-income/>

The Roosevelt Institute study posits two different ways to fund the UBI. But neither would benefit the national economy or the taxpayer. The study’s “positive” findings about economic stimulation are only applicable if the program is funded by increasing the federal deficit. So basically, in order to “grow” our economy, we must first plunge the American people even further into debt.

# 9) Basic Income will NOT strengthen our Democracy

Basic Income U.K. “Ten Reasons to Support Basic Income.” <https://www.basicincome.org.uk/reasons-support-basic-income>

With a minimum level of security guaranteed to all citizens and less time in work or worrying about work, innovation in political, social, economic and technological terms would be a made more lively part of everyday life and its concerns.

UBI will undermine social cohesion

Ian Goldin. “Five reasons why universal basic income is a bad idea,” Financial Times, February 11, 2018. <https://www.ft.com/content/100137b4-0cdf-11e8-bacb-2958fde95e5e>

Third, UBI will undermine social cohesion. Individuals gain not only income, but meaning, status, skills, networks and friendships through work. Delinking income and work, while rewarding people for staying at home, is what lies behind social decay. Crime, drugs, broken families and other socially destructive outcomes are more likely in places with high unemployment, as is evident in the drug pandemic in the US.

Welfare will continue in a UBI world

Brittany Hunter. “The Top Three Arguments against a Universal Basic Income,” Foundation for Economic Education, Sept 8, 2017. <https://fee.org/articles/the-top-three-arguments-against-a-universal-basic-income/>

Anyone in the policy realm knows that there is no better way to alienate older constituents than threatening to take away their Social Security benefits. In fact, even the mere mention of decreases usually causes rooms of senior citizens to fear for their well being. Even if there is an alternative plan presented to them, it does not calm the fears of what might happen during the transitionary period. It is for this reason that Social Security is often called the “third rail” of politics.  Additionally, trying to get individuals transitioned off of one welfare plan, and into the next requires, at least temporarily, the funding of both programs. A decision to enact a UBI would not magically abolish the American welfare system. America’s welfare programs have been around for so long, it would take time to unroot it. Too many people have become reliant on our welfare state to have it simply wiped out overnight. And who is going to pay for the process in the meantime? Well, the American taxpayer of course.

UBI is financially irresponsible

Ian Goldin. “Five reasons why universal basic income is a bad idea,” Financial Times, February 11, 2018. <https://www.ft.com/content/100137b4-0cdf-11e8-bacb-2958fde95e5e>

First, UBI is financially irresponsible. Universal means everyone gets it. Even in the richest societies, if UBI was set at a level to provide a modest but decent standard of living it would be unaffordable and lead to ballooning deficits. To close the UBI budget black hole, much higher taxes or reallocation of resources from other areas such as health and education would be needed.

# 11) Basic Income will NOT end extreme financial poverty

Basic Income U.K. “Ten Reasons to Support Basic Income.” <https://www.basicincome.org.uk/reasons-support-basic-income>

Because we live in a world where we have the means (and one hopes, the will) to end the kinds of suffering we see as a supposedly constant feature of our surroundings. Basic income is a way to join together the means and the will.

Incentives work, handouts don’t

Brittany Hunter. “The Top Three Arguments against a Universal Basic Income,” Foundation for Economic Education, Sept 8, 2017. <https://fee.org/articles/the-top-three-arguments-against-a-universal-basic-income/>

Incentives are a powerful force. And there is no greater incentive than financial security and holding a job is essential to that end. When something comes easy, it is easily taken for granted. And while it would be nice to believe otherwise, giving cash handouts to every American incentivizes them to try that much less. By removing the financial incentive to work, the state is encouraging idleness, something contrary to the entrepreneurial spirit so deeply woven throughout our country’s history. During the Clinton era, the welfare state saw tremendous decreases. But that didn’t mean there were millions of Americans struggling to get by. Employment actually increased because individuals were incentivized to get jobs when there was no longer a guaranteed safety net.

UBI will lead to higher inequality and poverty

Ian Goldin. “Five reasons why universal basic income is a bad idea,” Financial Times, February 11, 2018. <https://www.ft.com/content/100137b4-0cdf-11e8-bacb-2958fde95e5e>

Second, UBI will lead to higher inequality and poverty. It typically aims to replace existing unemployment and other benefits with a simple universal grant. As shown by the OECD, the Paris-based club of mostly rich nations, by reallocating welfare payments from targeted transfers (such as unemployment, disability or housing benefits) to a generalised transfer to everyone, the amount that goes to the most deserving is lower. Billionaires get a little more.