

Why has the pandemic increased support for Universal Basic Income?



COVID-19 has led to a marked increase in positive discussion of Universal Basic Income in political and media circles. Yet we do not know whether there has been a corresponding increase in support for the policy in the public at large, and if so why. [Daniel Nettle](#) presents two studies on this question carried out in April and May 2020. The results illustrate how the pandemic has brought about shifts in policy preferences, through changes in citizens' perceptions of what is important.

When Harold Macmillan was asked what causes governments to change course, he is said (perhaps apocryphally) to have replied: 'Events, dear boys events.' The phrase lives on because it seems to capture something true: major exogenous shocks to our societies – depressions, wars – make policies that previously seemed inconceivable not just possible, but inevitable. Think of the New Deal, universal healthcare, and the welfare state. These changes were partly driven by public opinion, which appeared to well up spontaneously as events struck. The current pandemic is certainly an event, not least once you factor in the economic aftershock, perhaps the biggest event of our lifetimes. So one has to ask: what is the big socio-political change that will be suddenly unlocked by it?

Looking around, you would be forgiven for thinking the answer might be Universal Basic Income (UBI). Long a favourite of academics, policy modellers, and small parties, it has been bubbling around the edges of public discussion (again, for it is [not a new idea](#)) for the last few years. But as soon as the pandemic struck, approving discussion of the policy in the media [went through the roof](#). My colleagues Elliott Johnson, Matthew Johnson, Rebecca Saxe and I wondered whether there had really been a pro-UBI shift in public opinion. [We set out to test this](#) in two public opinion studies in the UK and USA in April and May 2020.

As well as whether there had been a pro-UBI shift in opinion, we were interested in why. Do people know why they like or dislike a particular policy? Do they just follow tribal loyalties, or self-interest? Do they have coherent preferences at all? Our relatively optimistic hypothesis is that people can intuitively represent the diverse consequences of particular policies. Different people weight these differently, producing the variation in opinion that we see. Crucially, costs and benefits are situation-specific: what matters in peacetime might go out the window in wartime. A novel situation (the pandemic) might change the intuitive weightings for a very large number of people, leading to spontaneous mass opinion change, not caused by demagoguery, but by the uncoordinated power of many people's cognition.

What we found

Both in the UK and the USA, people were much more supportive of a UBI policy for the pandemic and its aftermath than they would have been in normal times. The effect was large and held across ages, genders, and political orientations. The shift was there both when we simply asked people how much they supported UBI, and when we asked them to choose between a UBI and an equally generous targeted alternative.

People could represent the costs and benefits of UBI: they thought the simplicity of the policy to administer was a plus, as was its potential to reduce stress and anxiety by providing universal security. They thought the policy would be good for stopping people falling between the cracks, and would also be effective when people's life situations were subject to rapid change, when presumably means-tested assistance schemes would struggle to keep up. On the other hand, many respondents were concerned about giving money to the rich, who don't really need it; about whether UBI is the best way to reach those most in need; and some were concerned about effects on the supply of labour. In short, our respondents, who were a community sample not recruited for their interest in politics, generally reconstructed the pros and cons that are discussed in academic and policy circles.

What the pandemic has changed are perceptions of the relative importance of those pros and the cons. Our respondents felt that the pandemic makes simplicity of administration a more central advantage than before. For many of them, the pandemic is a time when people's situations are changing rapidly and unpredictably, yet need is urgent. It is simultaneously difficult for government to gather good information on which to base means-tested or piecemeal assistance. Thus, the simplicity of UBI becomes a stronger attraction.

Respondents also thought the pandemic made the need to reduce the stress and anxiety of the populace a stronger priority than before. But they were specific about whose stress and anxiety had increased in these times: not the people who were already receiving welfare, but the big chunk of the population who did *not* rely on welfare prior to the pandemic. What our respondents saw the pandemic as having done, perhaps, is plunge a huge chunk of the previously secure population into the stress and insecurity previously characteristic of just a poor sub-group. We are all the precariat now. No wonder then, that rather than making the existing targeted system more generous, the respondents mostly favoured introducing the broader envelope of UBI.

Just as the pros of UBI suddenly look more appealing to our participants, the cons seem less pressing now. How important are possible labour supply effects when much of the population is furloughed anyway? Does it matter that UBI goes to some who are not in need when the needy/not-needy boundary is hard to define at the moment and subject to change almost by the day?

Implications

Does this mean that governments *should* be looking to introduce UBI-style schemes? Our study, which is about public opinion, cannot answer those kinds of questions. But it can suggest that any party that *does* seriously advocate a UBI for these times might find the populace, in the UK and USA, suddenly and substantially more receptive than before. There are multiple reasons why politicians might want to this anyway. For example, Caroline Bentham has persuasively argued [on this blog](#) that direct cash transfers to every citizen are a sensible strategy to kick-start the UK economy. Such transfers need cost no more than the quantitative easing that will otherwise happen, they would be at least as effective, and much more equitable. The US Treasury, with its \$1200 cheques to almost everyone, has already taken this path. Short-term cash transfers are not yet UBI, but they establish an interesting precedent.

UBI has been such a fringe idea that it has been almost taboo for mainstream politicians to discuss it: they dismiss it out of hand, or at most speak vaguely of pilots. But everything has changed. The entire fiscal and monetary context has changed. The economy has had [the largest contraction ever known](#), and the government is already transferring huge sums, currently in an improvised plethora of complex ways, to individuals and to corporations. It will have to do more of this, and for a long time. There could be huge political dividends to be reaped by any party that understands the window for change, and rides the crest of changing public opinion, rather than being swamped by it.

About the Author



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