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YES for jobs
YES for the
welfare state

NEWSLETTER 15
May 2014

Scottish Unemployed Workers' Network

As an organisation that campaigns for the interests of unemployed workers, we can't ignore the biggest political event that could affect the future of everyone in Scotland. We don't have formal members, but we have consulted with our supporters and contacts and found, as with the greater part of working-class Scotland, overwhelming support for Independence. More and more people are coming to see this as the best hope for a fairer future. The Independence campaign is mobilising people to campaign for freedom from Westminster and also freedom to make a better more equal society. We are seeing the birth of a movement that should not only win independence but also make sure that independence is put to good use. An independent Scotland can be a better place for Scotland's working class, and a source of hope for workers in England and other countries.

For our small part in this campaign, we are printing thousands of leaflets explaining why a YES vote is a vote for jobs and for the welfare state. A copy of this leaflet is printed on the back page.

We will, of course, continue to campaign for the unemployed whatever the outcome of the referendum, and to work with people whatever their views on Independence.

As we debate how best to make Scotland a fairer better place, one of the ideas being discussed is a Citizen's Income. On the inside pages, Annie Miller explains how this could work.



Please find us on

www.scottishunemployedworkers.net

(where you can also link to our Facebook Page and Group)

and contact us on **07803 052239** or at

admin@scottishunemployedworkers.net

Annie Miller, Chair of the Citizen's Income Trust, puts the case for

A CITIZEN'S INCOME

The UK social security system is complex, unwieldy, unjust, inefficient, and not suitable for present-day needs. It needs to be replaced by a radical alternative, designed for today's society, and flexible enough to meet future needs. Such a scheme is a Citizen's Income, or Basic Income.

A Citizen's Income is defined as a universal and unconditional payment given to individuals, in a similar manner to Child Benefit. A full Citizen's Income would be high enough to ensure a life of dignity and enable participation in society, while a partial Citizen's Income would require topping up from earnings or other sources. It would be funded by taxation - without the current loopholes

The Citizen's Income Trust has designed and costed an entry-level scheme, equal to and replacing certain means-tested benefits. This can be financed within a simplified version of the current income tax structure. Other more generous schemes are also possible. They would cost more, but are still economically feasible. The average personal income in Scotland in 2012 was just over £17,000, and a full Citizen's Income could be up to half this.

A Citizen's Income scheme could go a long way towards reducing poverty and inequality. It would provide people with a greater sense of financial security and give them more control over their lives. It is recognized that the more generous the scheme, the more it will cost, but the greater will be the extent of the fulfilment of these objectives. It will also have a significant and beneficial impact on the labour market.

Currently, if you receive benefits and try to earn your way out of poverty you could be faced with a marginal deduction rate of nearly 96% - i.e. for every extra pound you earn you could lose nearly 96p in income tax, National Insurance and benefit withdrawal. Universal

Credit - which has other problems - may reduce this to 65% or 76% depending on gross income. But replacing means tested benefits with a tax-exempt Citizen's Income will get rid of this problem completely and restore the incentive to find paid work. The fact that every citizen will receive a Citizen's Income, and everyone is a potential taxpayer will help to heal the wounds of a society that is currently divided by government and media into stigmatized benefit recipients and resentful taxpayers.

A Citizen's Income system would also balance power between workers and business, allowing workers to reject jobs with low pay or bad working conditions, and encouraging business to do the same. There would still be a need for trades unions, and for a Living Wage as a standard. A Citizen's Income would ease the transition between jobs, encourage a shorter basic working week, and give employees more choice about their employment, and time to embrace further education. Some people have argued that a Citizen's Income would act as a subsidy to employers who could then pay a lower wage, however it would also give workers a stronger position from which to bargain; and if employment costs were somewhat reduced, goods and services could be cheaper. This would help Scottish exports too.

A Citizen's Income would definitely benefit the poorer members of society, especially women, and could help to regenerate economically deprived areas. With a partial Citizen's Income scheme, single, unskilled, working-age adults could still have problems, particularly in a recession or if there were few paid jobs where they live, and a safety net would still be needed to help those who were not eligible to join the Citizen's Income scheme or who were still in poverty in spite of it. A less comprehensive safety net would be

required if every adult received a full Citizen's Income.

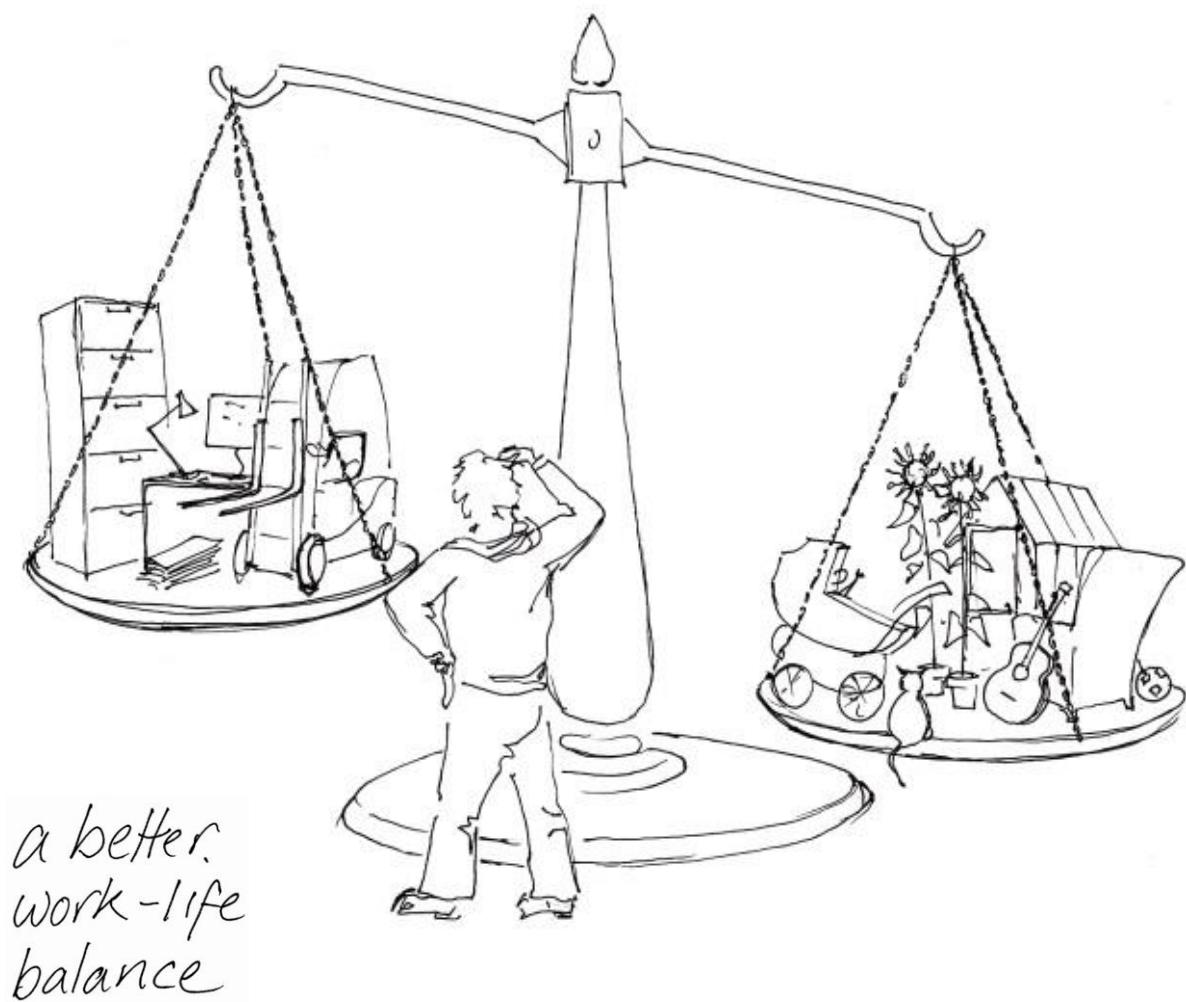
A full Citizen's Income scheme provides endless possibilities, such as more part-time working, choosing a better work/life balance, taking a break to study or travel, or taking time out to care for family or friends. It is anticipated that there will be a better balance between paid and unpaid work. If the national economic output decreased, then so would the average income per head, and the Citizen's Income levels in the following time-period would fall, thus providing a built-in self-adjustment mechanism.

Some people would like a Citizen's Income to be conditional on willingness to work or to volunteer, or on caring responsibilities. While carers-of-last-resort would probably receive a full Citizen's Income in recognition of their

different relationship with the labour market, to stipulate conditions would lead to considerable extra administrative complexity, and this would destroy the essential simplicity of the scheme. It is better to start trusting the population, allowing people greater freedom in their lives, and to carry with compassion the few who choose not to contribute in conventional ways, (as we should do now), rather than impose the unwilling on otherwise efficient firms.

A Citizen's Income scheme is desirable and feasible, but it is not a panacea for all ills. It is, however, a necessary (though not sufficient) condition for a better society, and it could provide a circular flow of income that could revolutionise our world.

For more information see
www.citizensincome.org





Scottish Unemployed Workers' Network

YES for jobs

YES for the welfare state

We need jobs – secure, well paid jobs – and we need a full and properly funded social security system for those unable to find work or unable to work. But under the Westminster Government there is little chance of either. For the last 35 years of Tory and Labour governments the economy has been skewed in favour of the City of London and its bankers and speculators. Higher and higher proportions of the UK's wealth have been concentrated in fewer and fewer hands. And our welfare system, which has already been described as 'manifestly inadequate' by the European Committee of Social Rights, has been promised yet more cuts and caps whichever of the main UK parties gets into power.

PTO

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At the centre of the Independence campaign is the need for the Scottish Government to take charge of and develop Scotland's economy, and also to share Scotland's prosperity more equally. Scotland is already a wealthy country (as acknowledged in the Financial Times) but the majority of Scots don't benefit from this. Instead, there is poor housing, poor infrastructure and little prospect of decent work.

But imagine if Scotland had the freedom to choose to invest our money – including our oil revenue – in improving our housing and infrastructure and in harnessing our country's huge potential for renewable energy to build a green economy that was the envy of the world. Image all the jobs this would generate in construction and making components, and how the people in these jobs would spend money in the local economy and – unlike the bankers – pay taxes that would support the welfare state.

Of course, with so many jobs the need for many benefits would decrease; but imagine if we were free to run a social security system that really ensured that no-one was left in poverty, and politicians who boasted about cutting welfare were the ones left without a job. Let's not just imagine. Let's make it happen.

To order copies
of this leaflet
please email
admin@scottishunemployedworkers.net
or ring 07803 052239

**VOTE YES
ON 18 SEPTEMBER**

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