

## Incomes: how best to raise them?

March 2017

Dave Clements introduced a discussion on how best to raise incomes today



It has been many decades since major disputes over wages were headline news in Britain. Whilst wages may not be contested through the industrial battles of the past, they are certainly never far from public pronouncements by public bodies today. There is a plethora of talk about minimum wages, living wages, unconditional basic incomes, even capping wages for high earners. Why is there such interest in regulating incomes in one way or another, and who benefits from each one?

The national minimum wage will become £7.50 per hour for **over 25 year olds** from April 2017. Introduced as a flagship policy by Labour in 1998, this was promoted as a protection for low paid workers, though the term minimum wage has been replaced by *living wage*

. Have these rates become a guide for employers and employees as to what we should expect wages to be rather than minimum thresholds? Does having a 3rd party deciding on our wages rob us of our own aspirations?

Particularly with the relatively high cost of housing, some are suggesting that basic living costs should be covered through the payment of a guaranteed basic income from the state - regardless of whether someone is well paid, indeed whether they are employed or not. This approach of the state guaranteeing a basic income to all citizens at least has the merit of trying something new as a way of balancing the disparity between rich and poor. What is the best approach to changing the fortunes of large numbers of people labelled as **Just About Managing** (JAMs)?

With all the talk about robots and Artificial Intelligence (AI) displacing large sections of society from their current employment, would a guaranteed minimum income be the fairest way to ensure they are not left on the scrap heap, and remain productive? Even if it doesn't help make people more productive, isn't it just fairer to remove any stigma coming from having to jump through hoops to get one form of benefit or another by simply guaranteeing a basic minimum income for all?

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## Some background readings

[Should we scrap benefits and pay everyone £100 a week?](#) by John Harris, Guardian 13 April 2016

[Universal Basic Income: An idea whose time has come?](#) by Howard Reed and Stewart Lansley, Compass May 2016

[Universal basic income trials being considered in Scotland](#) , by Libby Brooks, Guardian 1 January 2017

[Utopian thinking: the easy way to eradicate poverty](#) , by Rutger Bregman, Guardian 6 March 2017