

Can a universal basic income help address homelessness?

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Homelessness is an increasing problem across the developed world, and existing policy responses are failing to make an impact. In Australia, for instance, homelessness has increased despite growing investment in (predominantly crisis-oriented) specialist homelessness services.

Employment insecurity and the rising cost of living are also taking a toll and expanding the profile of those at risk of homelessness. Anglicare's Rental Affordability Snapshot 2022 shows that people on low incomes and single parents are especially struggling to meet their [housing costs](#).

In a paper published in the *Journal of Sociology*, Dr. Andrew Clarke, at the School of Social Sciences at UNSW Arts, Design & Architecture, considers whether a [universal basic income](#) (UBI) could help address the shortcomings of existing policy responses to homelessness. The paper synthesizes existing research on homelessness in Australia, highlighting the limitations of current policies and how a UBI can help address them.

"Evidence shows our current responses to homelessness are failing. We put more and more money into homelessness services and yet, overall, homelessness continues to rise," says Dr. Clarke.

"This is a sign we have to do something different in our approach to homelessness. A universal basic income policy could be part of a new and more effective solution, which could help address some of the structural issues that lead to homelessness."

A UBI is a periodic cash payment unconditionally delivered to everyone in society without a means test or work requirements, and regardless of their circumstances, says Dr. Clarke. It's a policy idea that is gaining traction internationally in response to worsening socioeconomic insecurity and in the last five years, various UBI pilots have taken place in Scotland, Netherlands and Finland.

"A UBI is an opportunity to transform the logic of our welfare system and begin addressing the structural causes of poverty and homelessness. Implementing a UBI could help address the 'income side' of the [housing crisis](#) driving homelessness. But it would need to be coupled with other policies such as rent controls and increases to social [housing](#) supply," Dr.

Clarke says.

Why our current policy approach can't address homelessness

The OECD reported in 2020 that around 1.9 million people are homeless across the developed world, causing profound impacts on individuals, communities and placing burdens on our health, justice and social service systems. Australia's current policy responses are failing to address homelessness because they're too concerned with providing targeted support and ignore structural factors, says Dr. Clarke.

"Our current policies provide a temporary safety net that only steps in when housing and labor markets don't work out for people. They're highly targeted and conditional, which is the opposite of a universal, unconditional provision proposed by UBI policy.

"Current policies only really provide targeted support to people once they're already experiencing homelessness or are at imminent risk of homelessness. This is the opposite of universal measures, like a UBI, which ensure that everyone's [basic needs](#) are met, thus helping prevent homelessness risks from emerging," says Dr. Clarke.

"The problem with an approach that only provides targeted support is that it treats homelessness as purely the result of the personal circumstances of support recipients—the fact that they have chronic health issues, are fleeing a violent relationship, lack financial or domestic skills, etc. However, these circumstances only result in homelessness because people's incomes are inadequate or insecure and housing is so unaffordable. Homelessness is first and foremost a housing problem."

Dr. Clarke says we have to pair existing targeted measures with universal policies that address the structural causes of homelessness—a shortage of affordable housing options and people's ability to pay for the housing they require.

Stigma and social insecurity of targeted welfare

Relying too heavily on targeted homeless and welfare programs also creates stigma and shame for those who need to access support. By focusing on fixing people's personal problems and circumstances, targeted homelessness services can inadvertently imply that individuals are themselves to blame for their situation.

"If a person seeks support from a homelessness service because their rent's gone up, but all that service can offer is financial counseling or mental health support, that person will likely feel like they're the problem," says Dr. Clarke.

"This can be a really stigmatizing experience and can lead to people avoiding reaching out for support.

"Society currently thinks of people experiencing homelessness as 'deficient' individuals and that if you need welfare, you have failed as a person. Naturally, many who are experiencing homelessness don't want to be identified that way."

How can a UBI help address homelessness?

Dr. Clarke says a UBI can help address homelessness because it will circumvent stigma associated with needs-based welfare. But most importantly, it will help address structural issues that drive homelessness—the lack of and inability to pay for affordable housing.

"Receiving UBI payments won't be a stigmatizing experience because payments are offered to all," says Dr. Clarke. "If everyone is receiving a basic income, then no one can be marked out as different or deficient.

"Also, if payments are universal, then there's no need for a massive, inefficient bureaucracy that only exists to monitor people in order to make sure they only receive what they are entitled to."

What a basic income can do is guarantee a way of addressing the income side of the homelessness equation, Dr. Clarke says.

"It can bolster low incomes and address the income insecurity that comes with intermittent, casualised work—a growing reality for many individuals."

How else can we tackle homelessness?

While a UBI can contribute to addressing the income side of homelessness, it can't address the other structural driver which is a lack of affordable housing—the supply side.

"There are two more things required to make a UBI work in addressing homelessness. One is we need to boost affordable housing stock outside of the private market. This means more social housing," Dr. Clarke says.

"We would also need to control market fluctuations and prevent a UBI from being absorbed by rising rents. Without rent controls, a UBI would potentially be soaked up by further rent increases.

"Overall, a UBI should be a serious [policy](#) consideration when it comes to addressing homelessness, especially as our current approach is increasingly costing more and not working."

More information: Andrew Clarke, Can a basic income help address homelessness? A Titmussian perspective, *Journal of Sociology* (2022).
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