

# Universal basic income: Wales is set to end its experiment—why researchers think that's a mistake

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The Welsh government has [announced](#) that its universal basic income (UBI) project will not be continued after the initial pilot ends in 2025

because of the cost.

The trial involved paying monthly payments of £1,600 each to a group of 635 care leavers. The scheme, which began in 2022, was offered to all young people leaving the care system at the age of 18.

The scheme has yet to be fully evaluated, but initial feedback has been positive. And given [the success](#) of many similar projects around the world, there is a good chance it will have significantly improved the well-being of the participants, who are a particularly vulnerable group.

If the pilot were to be expanded, we could learn more about the long-term impacts of UBI and its advantages across the population, including whether it could actually save money. But not continuing the scheme risks squandering these [potential benefits](#) and losing the momentum that might make it possible for UBI to be rolled out more widely. And all before we even know how successful the pilot has been.

A UBI is a sum of money that is periodically paid to all people equally and unconditionally. Many of its advocates [argue](#) that because it provides people with a stable income, it allows them to focus on [personal development](#), [family life](#), education and their contribution to society instead of worrying about money.

However, some of its opponents [argue](#) that UBI is too expensive to implement, discourages people from working and that people should not have something for nothing.

Wales contends with high and long-standing levels of poverty, with some areas having the [highest](#) in the UK. That has been [exacerbated](#) by the economic fallout of the pandemic and the cost-of-living crisis.

Some vulnerable groups are particularly affected by poverty. Among

those are care leavers, who tend to face [challenges](#) such as lower educational attainment, higher health and housing needs, substance misuse and an increased risk of committing crime—all of which can cost the state.

The Welsh government's UBI pilot was launched to address the particular challenges faced by young people leaving local authority care or foster care and transitioning into adulthood. It runs until May 2025 with the final evaluation, [conducted](#) by Cardiff University, expected in 2027.

The pilot was recently [praised](#) by Wales' minister for [social justice](#), Jane Hutt, who described receiving "fantastic feedback" from participants. Indeed, the program's provisional uptake rate of 97% surpasses that of any other opt-in UBI scheme globally.

There has also been international [interest](#) in the Welsh pilot from experts in Europe and Canada. And other [pilots](#) from across the world, including the [U.S.](#) and [Finland](#), have shown how a UBI improves well-being, including improved mental and physical [health](#).

However, no country has ever introduced a UBI despite those many examples. This has been largely because of the perceived costs and [public opinion](#) about giving people money for nothing.

Wales' first minister, Mark Drakeford, appeared to be open to a more permanent place for a UBI in [October 2021](#) before the project was launched: "Our pilot ... will give us valuable information for the future about how the concept of basic income could apply to other groups more widely across the Welsh population."

Launching the scheme [in 2022](#), Drakeford described it as "radical." And Jane Hutt said it was "globally ambitious," and the cost-of-living crisis

meant "new ways of supporting people who are most in need" were necessary.

## **Economic concerns**

Two years on, and the Welsh government is now concerned about the cost of a UBI. It says that its [own budget](#) has seen real-term cuts in recent years.

Despite this, its decision not to roll the program out beyond the end of the pilot is a missed opportunity, in our view. The evaluation from the Welsh pilot is likely to provide crucial insights into the impact of UBI on various aspects of care leavers' lives. This should help to inform future policy and practice for other parts of the social security system too.

Given the multiple challenges faced by care leavers, the long-term benefits of poverty reduction and improved well-being appear likely to outweigh the economic concerns. For example, [recent research](#) in the UK has shown that UBI could substantially improve mental health in [young people](#) and therefore reduce the costs to the NHS. And this could extend well beyond care leavers—which we could find out if the project were expanded.

But our worry now is that the results from this pilot will simply be shelved, just like all the others across the globe. There will be a Senedd election in May 2026, and by the time the results of the pilot's evaluation are due in 2027, the political landscape will have moved on once more.

There's a danger that because the project is not being extended beyond the pilot, the results from the upcoming evaluation will be too easy to ignore and forget. Instead, Wales should capitalize on the insights gained from this pilot to fully establish just how transformative UBI could be in empowering vulnerable people and fostering a more prosperous,

equitable, and resilient future.

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