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ARTICLE

Devolution and Social Citizenship: The Case of the Basic Income Pilot for Care Leavers in Wales

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Abstract

In 2022, the Welsh Government announced a basic income pilot for care leavers in Wales. This article uses this policy experiment to provide an insight into the relationship between devolution and social citizenship. This article makes two claims. First, the basic income pilot is part of an approach the Welsh Government has taken over the past twenty years to expand the idea of social citizenship to include rights to money. This is justified by a principle of progressive universalism, but this principle also has a wider UK context. Second, the financial constraints imposed by the UK Government frustrates the extent to which the Welsh Government can turn such experiments into reality.

Keywords: Devolution; basic income pilot for care leavers; Wales; progressive universalism

Introduction

In 2022, the Welsh Government announced the details of a basic income pilot for young people leaving care in Wales. The basic income pilot started on first of July 2022, and people were eligible for the pilot if they left care and turned eighteen years of age between first of July 2022 and thirtieth of June 2023. The person should have been looked after by a local authority for a period totalling at least thirteen weeks between when they were fourteen and sixteen years old. The young person should have been resident in Wales or supported by a Welsh local authority if they were placed outside of Wales. Each participant receives £1,600 a month, pre-tax, for two years (Welsh Government, 2022b; 2022c). The Welsh Government (2023a) notes that 635 young people enrolled onto the pilot, and this represents 97 per cent of the eligible population. There has been debate about whether the sample size is large enough for robust results but the Welsh Government says the pilot is intended to inform social learning and there is also a formal evaluation of the pilot led by Cardiff University (Welsh Parliament Petitions Committee, 2022; CASCADE, 2022).

Reflecting upon the pilot, First Minister Mark Drakeford stated in a seminar I chaired at the Open University in December 2022 that the:

> Devolution settlement is an asset but also has its real limitations … the asset of the devolution settlement is that it does enable us to mount a pilot of this sort, we have made a conscious decision to find over twenty million pounds from our budget to support it … the limitations are when these things touch on non-devolved responsibilities … we were very disappointed that we were unable to persuade the DWP [Department for Work and Pensions] and then through them HMRC [HM Revenue and Customs] to be part of this experiment with us … quite a lot about twenty million pounds now ends up in a direct

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transfer under the Welsh budgeting back into budgets in Whitehall either through taxation or by welfare payments not being made (Open University 2022).

Devolution in Scotland and Wales has been an unfolding process since 1999. The history of devolution in Northern Ireland is very different from the rest of the UK and has its own specific debates. Ron Davies, the then Secretary of State for Wales and architect of the devolved settlement in Wales, records that: 'Devolution is a process. It is not an event and neither it is a journey with a fixed end point' (Davies, 1998, 15). Recent commentary suggests that the forward march of devolution has halted, and maybe even reversed, since the UK withdrawal from the European Union. Since Brexit, the UK Conservative Government has been said to have adopted a 'muscular unionism' approach which seeks to assert the power of the centre and undermine the devolved administrations in Scotland and Wales (Andrews, 2021; Morgan and Wyn Jones, 2023).

Recent studies of Welsh policy are fairly sparse. Tarrant writes that: 'Despite a flurry of publications in the earlier stages of UK devolution there have been limited detailed studies of recent Welsh policymaking or examination of how the Welsh policy project is faring' (Tarrant, 2023, 677). This article uses a case study of the basic income pilot for care leavers in Wales to shed light on devolution and social citizenship.

This article claims that the Welsh Government has fashioned a distinct approach to social citizenship. During the twentieth century social citizenship has involved the provision of social rights to areas such as health and education that are provided through public services (Greer, 2009). For the past twenty years, the Welsh Government has sought to expand this concept of social citizenship to include extra money for vulnerable groups. This has been justified through a principle of 'progressive universalism', which involves a commitment to universal services with extra progressive top-ups for those most in need.

However, there are two important caveats to the effort by the Welsh Government to expand the notion of social citizenship. First, the progressive universal idea did not grow solely on Welsh soil. The idea was also seeded by the UK Labour Government in the early 2000s. Recognising this is important to build boundaries not bridges with the rest of the UK (Moon, 2012). Second, the extent to which the Welsh Government is able to make this pilot permanent is severely curtailed by financial constraints from the centre. The funding settlement from the UK Government has made it difficult for the Welsh Government to pursue its progressive universalist agenda.

Devolution and social citizenship

Devolution in Scotland and Wales prompted a number of debates in social policy. Among other things, these discussions considered the impact of devolution upon governance (Cole and Stafford, 2015; MacKinnon, 2015), social policies (Birrell, 2009), social citizenship (Greer, 2009), national identity (Williams and Eirug, 2022) and the discipline of social policy (Mooney and Williams, 2008). Greer (2009) notes that the link between devolution and social citizenship is underexplored.

This section now looks more closely at the link between devolution and social citizenship as this is most relevant to the basic income pilot. Wincott (2006) argues that devolution is often thought to undermine the development of the welfare state because it means that the rights of people are met by geography, not need. Wincott (2006) continues that this invokes the idea that a unitary state is needed to advance the welfare state. But, Wincott (2006) says that this overlooks that it is more accurate to describe the UK as a 'union state' rather than a unitary state as four nations already made up the UK when the welfare state developed after 1945. Wincott writes that: 'If territorial variability has always been a feature of British social policy, then devolution can hardly undercut social rights of citizenship based on a pure "need not geography" principle' (Wincott, 2006, 172).

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Devolution can both help and hinder the development of social citizenship. One way that devolution can aid social citizenship is if different nations act as laboratories for policy experiments and if these findings are shared more generally. But devolution can also be a barrier to policy learning. Moon (2012) draws attention to the way that badging policies as Scottish or Welsh to build national identity can build boundaries not bridges between nations. Moon (2012) argues that the First Minister's Rhodri Morgan's rhetoric about 'clear red water' between Wales and England limits policy learning between nations.

Financial constraints imposed by the centre can also limit the extension of social rights. MacLean *et al.* write that: 'Social citizenship rights only become meaningful when there is money to make them a reality. In federal or devolved political systems intergovernmental finances can determine who sets social citizenship rights' (MacLean *et al.*, 2009, 137). The UK Government provides grants to the devolved administrations that fund most of their spending. For example, the Welsh Government (2022a) notes that for 2023–2024 the UK Government provided 82 per cent of Welsh Government funding, and this amounted to eighteen point six billion pounds. The largest grant is known as the block grant but there are also other grants that are often for spending driven by demand. The block grant for the devolved administrations is tied to spending in England. The block grant is unhypothecated and so the devolved administrations are free to spend the grant as they wish. Thus, increases in the block grant prompted by extra spending on health services in England, say, do not have to be spent on health in Wales.

The Barnett formula is used to calculate the annual change in the block grant (Keep, 2024). The Barnett formula is based on spending in England and not on the needs of the devolved nations (although there is a block grant floor for Wales). Tarrant writes that the:

> formula also reflects the UK government's spending priorities in relation to England ... As a result, Wales has been particularly subject to the austerity agenda imposed by successive UK governments since 2010 (Tarrant, 2023, 679).

In general, the Barnett formula takes the annual change in the UK Government's budget for each department and then multiplies this by two numbers. The first number is based on the relative population of the devolved administration. The second number is based on the extent to which the UK Government's departments are devolved. The sum of these calculations is added to the block grant (Keep, 2024).

In 2010, an Independent Commission on Funding and Finance in Wales chaired by Gerald Holtham published a report that suggested there was a potential gap in the funding given to the Welsh Government for services relative to what it would get if its services were provided in England. It referred to this as a Barnett squeeze and recommended as an initial step to address this that a funding floor be introduced for the Barnett formula for Wales. The Holtham Commission estimated that the relative block grant funding per head of population in Wales should be between 114 per cent to 117 per cent of equivalent funding in England (Independent Commission on Funding and Finance in Wales, 2010). The UK Government announced a block grant floor for Wales in 2015. This adds a needs based factor to the Barnett formula, which is currently set at 105 per cent, but the UK and Welsh Governments have agreed that in the long term this should be 115 per cent (Keep, 2024).

Social citizenship and a universal basic income

T. H. Marshall's *Citizenship and Social Class* provides a classic statement of the evolution of citizenship. Marshall charts the development of citizenship in England from the late seventeenth century. Marshall argues that citizenship involved the steady acquisition of rights, from civil rights (such as freedom of speech), political rights (e.g. the right to vote), to social rights (such as the right to education). Marshall claims that the growth of citizenship coincided with the growth of

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capitalism but that it was only until the twentieth century that social rights arose as a way of trying to stop capitalism from creating inequality. The welfare state emerged as a way of making these social rights a reality. Marshall's account of social citizenship has sparked a huge literature. This has included critiques of his account of the historical development of citizenship from civil, political, to social rights; whether its pays enough attention to needs of women; and his focus on England rather than the UK as a whole (Greer, 2009).

One debate is whether social citizenship should also include rights to money.

Sloman (2019) argues that an important theme of UK social policy since the First World War involves the state making income payments directly to citizens for social protection. These transfers include policies such as the state pension, Child Benefit and Child Tax Credits. Sloman (2019; 2020) argues that the next logical step for the 'transfer state' is to introduce a universal basic income. A universal basic income is a longstanding idea within social policy (Van Parijs, 1991; 1997; Piachaud, 2018; Haagh, 2019). A universal basic income promises: 'regular, non-means-tested cash transfers to all residents of a political territory on an individual basis, without means-test or work requirement' (Haagh, 2019, 243). This definition has five main parts, namely, that it is regular; paid in cash; is provided to the individual; is universal with no means test; and is unconditional with no requirement to work or seek work. This definition does not refer to the source of funding. Piachaud (2018) argues that many of the schemes that are labelled a universal basic income do not satisfy all parts of the definition and should not be regarded as a universal basic income. The Welsh Government recognises that its pilot does not satisfy all the parts of a universal basic income and so refers to it as a basic income rather than universal basic income pilot.

The universal basic income idea has provoked criticisms as well as support (Coote, 2022). One argument is that social citizenship would be better served by spending money on extending public services rather than a universal basic income. Giving evidence to a House of Commons Welsh Affairs Committee inquiry, Coote said that the:

> whole thrust of my critique of universal basic income, which I think is essentially a very dangerous idea, is that it overlooks the value and function of in-kind benefits, services and other collective measures that we must have if we are going to make sure that everyone has access to life's essentials (House of Commons Welsh Affairs Committee, 2021a Q100).

Universal basic services refer to services to citizens that are free at the point of delivery. These services are aimed at building on and extending the welfare state. A Social Prosperity Network (2017) proposes seven core services covering health (building on the National Health Service), education, free legal services, shelter, free bus passes, free food for the most vulnerable, and free access to the internet and basic phone services.

Universal basic services and universal basic income are not mutually exclusive. It is true that introducing any policy involves an opportunity cost, namely the money spent on one policy necessarily means that it is not spent on alternative uses. But, it is also possible to combine policies and so securing social citizenship might include public services as well as income payments. The question then becomes what policy mix is best placed to advance social citizenship. Other literature recognises that a policy mix might include parts of both a universal basic income and universal basic services (Thompson, 2022).

Methods

I conduct a case study to shed light on what the basic income pilot reveals about the current state of devolution and social citizenship in Wales. Making laws on social security is reserved to the UK Parliament. It is therefore important to study debates at Westminster when examining the basic

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income pilot. The Commons Welsh Affairs Committee launched an inquiry in 2021 on the benefits system in Wales. This inquiry was prompted in important part by the challenges that the Welsh public faced during the Covid-19 pandemic. In general, Wales has an older population than that of England. Census 2021 shows that Wales has a larger proportion of the population aged sixty-five years or over than all regions of England with the exception of the South West. Over one fifth of the Welsh population is aged sixty-five years or older (Office for National Statistics, 2022). Older people were generally more vulnerable during the Covid-19 pandemic, and this meant the pandemic posed a particular challenge in Wales. An issue was whether the benefits system in Wales could cope properly with this challenge. The Committee inquiry discussed the basic income pilot. The inquiry report noted that that it: 'wished to explore the potential implications of the basic income pilot scheme which has been proposed by the Welsh Government' (House of Commons Welsh Affairs Committee, 2022a, 6). Several evidence sessions were held that were directly relevant for the pilot, including an evidence session on a universal basic income held on the third of November 2021.

I studied transcripts of the Committee evidence sessions, written submissions, the inquiry report, and the UK Government response to the inquiry report. I also examined the Welsh Government's website and the Senedd's Record for discussion of the basic income pilot. The main search string was 'basic income pilot' and the search examined policy documents, press releases, and Ministerial statements. Searches were also made of the term 'progressive universalism'. To examine uses since 1999, I also explored Welsh Government material deposited at the National Archives online.

Exploratory or content driven research of this kind involves studying documents for underlying themes (Braun and Clarke, 2006). I read the documents multiple times and focused on those themes that could be most clearly identified also by others. A similar process has been used in other recent research on devolution in Wales (Tarrant, 2023). Some of the themes identified flowed from the general literature on devolution and social citizenship, for example, the impact of funding from the centre on the periphery (MacLean *et al*., 2009). Thus, one of the codes developed was on funding and so created links between different documents. Similarly, progressive universalism was another code and this principle had been discussed in the theoretical literature on devolution in Wales (Drakeford, 2007). Other themes emerged from the documents themselves, for example the discussion of legal aid as this was a concrete instance of the workings of the benefit system. The sub sections below draw on some of the main themes identified (such as progressive universalism, taxes and benefits). The quotations given below illustrate key points in the documents.

Key stages of Welsh devolution since 1999

The Welsh Parliament has been described as a social policy assembly as most of its powers focus on social policy (Chaney and Drakeford, 2004; Williams and Mooney, 2008). Over time, the Welsh Parliament has moved from a conferred powers to a reserved powers model. This has expanded the capacity of the Welsh Parliament to make laws. Under the conferred powers model, the Welsh Parliament is only able to make laws in areas that are set out in the relevant *Government of Wales Act*. There is a more permissive approach in a reserved powers model. Under reserved powers, the Welsh Parliament is able to make laws in any area that is not expressly reserved to the Westminster Parliament.

The legal powers of the Welsh Parliament has evolved over time. It is not possible here to chart all of these changes in detail. Torrance (2023) provides a detailed account of the key milestones of Welsh devolution. The Box summarises some of the main staging posts in the history of Welsh devolution. One noticeable pattern is that a policy commission often preceded and probably

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Box: Key stages in devolution in Wales

Executive devolution with secondary law-making powers (1999–2007)

- 1998: *Government of Wales Act* 1998 created the National Assembly for Wales
- 2002–2004: Commission on the Powers and Electoral Arrangements of the National Assembly for Wales, chaired by Lord Richard. Recommended moving to a reserved powers model, create a separate Welsh Assembly Government and legislature, and a Single Transferable Vote electoral system.
- 2006: *Government of Wales Act* 2006. Created formal separation of Welsh Assembly Government and legislature.

Executive devolution with enhanced secondary law-making powers (2007–2011)

- 2010: Publication of Independent Commission on Funding and Finance for Wales. Chaired by Gerald Holtham. Recommended reforms to the Barnett formula for funding for Wales.
- 2011: Referendum on law making powers. Voters in Wales were asked whether the Assembly should be able to make laws in all twenty areas it had power over. 63.49 per cent answered Yes.

Legislative devolution under a conferred powers model (2011–2018)

- 2012–2014: Commission on Devolution in Wales chaired by Paul Silk. Proposed moving to a reserved powers model.
- 2014: *Wales Act* 2014. Welsh Assembly Government renamed Welsh Government.
- 2015: St David's Day Agreement. UK Government agreed that National Assembly and Welsh Government should be recognised as permanent in statute.
- 2017: *Wales Act* 2017. Schedule 7A outlines all areas that are fully or partially reserved to UK Government. Welsh Ministers have more powers now over varying income tax, election dates and voting age.

Legislative devolution under a reserved powers model (2018 - date)

- National Assembly for Wales renamed Senedd Cymru or Welsh Parliament.

(Source: Torrance 2023)

helped to prompt a change in UK Government legislation. For example, a Richard Commission between 2002 and 2004 preceded the *Government of Wales Act* 2006.

Devolution of benefits or devolution of administration?

Social security is reserved to the UK Parliament. However, there has been a debate over whether this ought to be changed. This centres on whether there should be devolution of benefits or administration. The Conservative-Liberal Democrat Government set up the Commission on Devolution in Wales (2014) or Silk Commission to explore future financing options for Wales. The Silk Commission examined and rejected an idea that there should be devolution of social security to Wales. The Silk Commission argued that social security should be reserved to the UK Parliament as it maintains the social union in the UK and it warned of risks from devolving social security to Wales.

Devolution of administration means benefits are still reserved to the UK Parliament but there would be greater powers devolved to Wales to tailor the administration of benefits and taxes to their conditions (Equality, Local Government and Communities Committee, 2019; Taylor-Collins and Bristow, 2020). During the Wealth Affairs Committee inquiry into the benefits system in Wales, the Welsh Government and Plaid Cymru signed a co-operation agreement that calls for the

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devolution of the administration of welfare (Welsh Government, 2021). Giving evidence to the Welsh Affairs Committee, the then Minister for Social Justice Jane Hutt asked for:

> administration of welfare that could give us the levers and the powers that we need in order to deliver for our citizens and, from your very first point, ensure that we can tackle poverty and inequality and shape our social security based on those provisions, both principles of compassion and fairness (House of Commons Welsh Affairs Committee, 2021b, Q178).

The House of Commons Welsh Affairs Committee inquiry highlighted mixed views about devolving welfare further:

> The evidence collected during the inquiry showed that attitudes to the idea of devolving welfare vary significantly. Some were concerned about the financial implications, and many felt that they did not have enough information. However, during the course of the inquiry many experts noted the potential merits of being able to deliver benefits in a way that is tailored to the demography of Wales (House of Commons Welsh Affairs Committee 2022a, 46).

The inquiry report recommended that the UK-Welsh Governments set up an Inter-ministerial Advisory Board to explore the possible merits of devolving the same benefits to Wales as had been granted to Scotland. The UK Government response to this recommendation stated that it had no intention of devolving social security to Wales (House of Commons Welsh Affairs Committee, 2022b).

Themes from the data analysis

Progressive universalism

Welsh Ministers presented the basic income trial as part of a wider commitment to progressive universalism. In her evidence to the House of Commons Welsh Affairs Committee on the second of December 2021 Minister for Social Justice Jane Hutt stated that the pilot:

> is really a response to the global economic recession and also UK Government austerity policies. More recently as well, in response to the Covid-19 pandemic, there has been this resurgence in interest in asset-based approaches to welfare and particularly to basic income schemes. As you know, we have that commitment in terms of our programme for Government to pilot the use of a basic income scheme in Wales. I hope you will see the commitment is an extension of the social wage and the bundle of progressive universalism that the Welsh Government have followed for over twenty years. It is very much a basic income pilot and the First Minister has publicly outlined our intention to involve a cohort of care-experienced young people from across Wales in the pilot (House of Commons Welsh Affairs Committee, 2021b, Q167).

The above statement is not an isolated reference to progressive universalism. In a written statement on the pilot published on the sixteenth of February 2022, Hutt claimed that the: 'Programme for Government 2021–2026 made a commitment to pilot the use of a basic income scheme in Wales. This commitment is an extension of the social wage and the model of progressive universalism that the Welsh Government has followed for over twenty years' (Hutt, 2022).

Mark Drakeford (2007) highlighted the importance of progressive universalism for Welsh social policy. Drakeford is noteworthy given his role in the devolved administration since its

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inception. Drakeford is a social policy academic who became a special adviser to former First Minister Rhodri Morgan. Drakeford is usually credited as being the main author of Morgan's 'clear red water' speech (although Morgan skipped through those words when he gave the speech in 2002) (Eirug, 2022). Drakeford was elected as an Assembly Member in 2011 and was appointed First Minister in 2018.

Drakeford (2007) argues that the particular historical and social background in Wales has led to a strong commitment to social justice in Welsh politics. For example, the nature of industrial development in Wales has led to a class-based politics that supports social justice. Drakeford (2007) says that this background means that principles of social justice have had a direct impact on Welsh social policy since devolution in the late 1990s. Drakeford (2007) highlights progressive universalism as one of the key principles shaping policy. There has been debate over whether such efforts amount to accommodating with neoliberalism or creating a social democracy with a Welsh stripe (Evans *et al.* 2021; Williams and Eirug, 2022). There is recognition though of the impact of progressive universalism on the Welsh addition to the Child Trust Fund (discussed below) (Birrell, 2009).

The UK context to progressive universalism

Although Drakeford (2007) highlights the importance of progressive universalism for Welsh social policy, its significance was not confined to Wales. This was also a principle that was important to the UK Labour Government in the early 2000s. There were different agendas feeding into the Child Trust Fund under the Labour Government. The initial interest in the policy came from the Education and Employment Secretary David Blunkett who saw the ownership of assets as underpinning a free and equal citizenry. However, as the policy developed, it fell under the spell of Gordon Brown at the Treasury and it became much more about a savings policy (Finlayson, 2008). In 2003, HM Treasury published a document *Saving and Assets for All* that set out plans for a Child Trust Fund. This document stated that:

> A Child Trust Fund would be a universal account, opened for all children at birth, with an endowment paid in by the Government, based on the principle of progressive universalism – every baby would receive an endowment, but those in families on lower incomes would receive a larger lump sum (HM Treasury, 2003, 17).

The Child Trust Fund provided £250 to all children born in the UK from September 2002, although children from low-income families qualified for an extra £250. These funds were locked in an eighteen year account. Family and friends could save up to £1,200 a year into these accounts. No restrictions were placed on how Child Trust Funds were used once they matured after eighteen years. The result was that the Child Trust Fund was a hybrid, with the extra payments for children from low-income backgrounds reflecting the egalitarian ambitions and the annual £1,200 savings into the accounts flowing from the Treasury's saving agenda. Critics worried that the design of the policy would worsen inequality as better off families were better placed than poorer ones to save into the policy. Critics were more interested in stressing the extra help for those in need rather than the savings agenda (Finlayson, 2008).

The Welsh Government went further and was the only part of the UK to offer extra payments beyond the UK Government's Child Trust Fund. The Child Trust Fund Cymru meant that the Welsh Government provided an extra fifty pounds into the Child Trust Funds for all children in Wales with one hundred pounds going to children from low income families (Welsh Assembly Government, 2009).

Drakeford couched this extra payment explicitly within progressive universalism, stating that the:

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> *progressive* part of universalism comes in providing, on top of the general policy, additional help for those who need it most … the Assembly has already voted to provide funds for additional annual top-ups to the Child Trust Fund accounts of looked-after children (Drakeford, 2007, 173, italics in original).

At Westminster, Labour lost the 2010 general election. The incoming Conservative-Liberal Democrat Government then pursued an austerity agenda of cutting public spending. One of its first acts was to axe the Child Trust Fund. References to progressive universalism dropped off the political agenda at Westminster. The Welsh addition to the Child Trust Fund had to be abandoned following the abolition of the policy in 2010. Deputy Minister for Children Huw Lewis voiced regret about this decision. In a statement on the tenth of January 2011, Lewis said:

> Unfortunately last year the UK Coalition Government made a decision to end the Child Trust Fund which does have a knock-on effect on what we can do in Wales. We have worked hard to find a way of continuing with our top-up after this year but after much consideration it has become clear that it would not be feasible (Welsh Government, 2011).

UK Government opposition to a universal basic income

The UK Conservative Government has voiced its opposition to the basic income pilot. In a written submission to the House of Commons Welsh Affairs committee inquiry on the benefits system in Wales, the Department for Work and Pensions signalled the opposition of the Conservative Government to this policy idea when it states that:

> The UK Government considers a Universal Basic Income (UBI) to be fundamentally the wrong approach for the UK and sees no justification for removing targeting of support as this will likely have a negative impact on the most vulnerable in society. A UBI does not target support at those in greater need and fails to take into account the significant additional costs faced by many individuals, such as those with disabilities, or those with childcare responsibilities. Furthermore, it does not incentivise work and any practical implementation is likely to be hugely expensive, requiring significant tax increases across the board (House of Commons Welsh Affairs Committee, 2021d, 5).

The opposition of a Conservative Government at Westminster to a Labour-led Government in Wales is perhaps unsurprising. Party politics is likely to be a reason behind such opposition. Conservative Ministers restated their opposition to the idea of a universal basic income over an issue that arose in 2023 over whether those on the pilot would be exempt from the means assessment for legal aid (discussed below). This opposition is important given the constraints the UK Government places on Welsh Government funding, namely that there is unlikely to be an increase in the block grant to allow the pilot to be made permanent.

Taxes and benefits

An important part of the discussion about the basic income pilot centred around its implications for taxes and benefits. The questions about taxation were of a fairly technical nature and concerned the size of the payments the Welsh Government wanted to make to recipients. In a debate in the Welsh Parliament on the thirtieth of September 2020, the then Minister of Finance and Trefnydd (that is the Minister charged with organising Government business in the Senedd) Rebecca Evans stated that:

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> the introduction of universal basic income would also increase tax revenues and remove or reduce the need for some benefits. So, it therefore would require a comprehensive redesign of the whole tax and benefits system and, of course, most of the elements in this system are not devolved … The Welsh Government would be open to such a trial taking place in Wales, but we have to be realistic that such a trial would not be possible without the active co-operation of the UK Government, and this is because of the interaction of universal basic income with the tax and benefit system (Evans, 2020).

The tax and benefit system had a direct impact on the size of the payments in the pilot. The Welsh Government wanted the payments to be made at the level of the real living wage. For 2022, the real living wage was calculated to be nine pounds ninety pence per hour. If people are paid nine pounds ninety pence for a forty-hour working week, then they would receive around £1,600 a month. The size of the basic income payments was broadly consistent then with a commitment to a real living wage (Living Wage Foundation, 2023).

Andrew Latto, the Deputy Director for Devolution, Pensioner Benefits and Carer's Allowance Policy Group at the Department for Work and Pensions told the House of Commons Welsh Affairs Committee inquiry that: "we really need to see in quite a lot of detail—including the legislation—exactly what it is before we can work out how it is going to interact with the reserved benefit and HMRC with the tax system" (House of Commons Welsh Affairs Committee, 2021c, Q252). This quotation underlines the point that social security is reserved to the UK Parliament and so the Welsh Government has to work within these legal constraints.

The Welsh Government efforts to persuade the UK Government not to tax the basic income payments proved to be fruitless. Guidance issued on the basic income pilot states that:

> The payment will be taxed at source, that is before the participant is paid and the participant will receive the net or 'after tax' amount; currently £1,280.00. The UK Government has confirmed that the basic income payment will not be disregarded for benefits purposes. By setting the basic income payment at the level we have, broadly in line with the Real Living Wage, most care leavers will still be better off, even if their entitlement to welfare benefits ceases for the duration of the pilot (Welsh Government, 2022b).

Legal aid and the pilot

Welsh Government Ministers and officials recognised at the outset that the basic income pilot would interact with the UK tax system. One thing that was perhaps not fully understood were all the ways the pilot might relate to the benefits system. This became an issue in Spring 2023 over access to legal aid for those on the pilot. Some young people might need access to legal aid while they were enrolled on the pilot. But the basic income payments may mean that some enrolees might then exceed the income threshold in the means assessment for legal aid. One group that may be impacted by this were unaccompanied asylum-seeking children. Welsh Government data shows around eleven per cent of the care leavers on the pilot were current or former unaccompanied asylum-seeking children at the point of enrolment (Senedd Cymru, 2023a).

In a response to a written question tabled on the thirty first of January 2023 on the impact of the basic income payment on access to legal aid, Minister of Social Justice Jane Hutt replied: "My officials are working closely with local authorities to understand the impact access to legal aid would have on young people enrolled onto the pilot" (Senedd Cymru, 2023b).

The Minister for Social Justice, Janet Hutt, Counsel General and Minister for the Constitution, Mick Antoniw and Deputy Minister for Social Services, Julie Morgan wrote to the Parliamentary Under Secretary of State at the Ministry of Justice, Lord Bellamy on the twenty-third of March 2023 asking if those on the pilot could be exempt from the means assessment on legal aid. They

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also raised the specific case of unaccompanied asylum-seeking children who might be eligible for the pilot (Welsh Government, 2023b).

Lord Bellamy's reply on the eighteenth of April 2023 rejected the request for care leavers to be exempt from the means assessment for legal aid. The letter also stated the UK Government's opposition to the principle of a universal basic income (Ministry of Justice, 2023). The letters between the Ministers were leaked and then published later on. Shortly after a row broke out between Prime Minister, Rishi Sunak and First Minister, Mark Drakeford over the fact that unaccompanied asylum-seeking children could be eligible for the pilot (BBC, 2023).

On the twenty-fourth October 2023, the Minister for Social Justice Jane Hutt gave an update at a plenary session of the Senedd about the future of the basic income pilot. Hutt was asked whether the Welsh Government had any plans to introduce a basic income once the pilot had ended. A Conservative Member of the Senedd Joel James claimed that if the pilot was made permanent, then it would cost £528 million within a decade and questioned whether this would be a good use of public money.

Hutt did not respond to the question of whether the Welsh Government was thinking of introducing a basic income permanently. Instead, Hutt restricted herself to saying that the focus would be on helping those young people who were on the pilot to manage with life beyond the trial (for example managing a transition to universal credit). Hutt also noted the importance of the evaluation:

> pilot's going to test the reality of delivering a basic intervention in a devolved context. We don't have, obviously, all the relevant powers over tax and welfare benefits, but we can learn in terms of successful implementation of this distinctive basic income scheme. We will obviously await the outcome before introducing further schemes, and I think that's an important point—the evaluation is crucial (Senedd Cymru, 2023c).

This was widely reported as indicating that the Welsh Government had decided not to introduce a basic income permanently (Gwilym and Beck, 2023).

Conclusion

It was recognised early on that devolution is a process not an event and also that it lacks a fixed destination. There have been few studies into how Welsh policy is faring since devolution in the late 1990s. This article provides a glimpse into the current state of devolution in Wales. This article claims that the basic income pilot for care leavers in Wales shows the ways that the Welsh Government has sought to expand the concept of social citizenship to include access to money. This is a thread that links the now defunct Welsh addition to the Child Trust Fund to the basic income pilot. This exploration over the past twenty years shows, contrary to some earlier fears, how devolution can advance social citizenship. First Minister Mark Drakeford has been involved in these policies over time and so is an embodiment of this commitment to social citizenship.

Although the devolution settlement allows for policy experimentation, the financial constraints the UK Government places on Wales means this pilot is unlikely to become a permanent reality under a UK Conservative Government. This points to a dysfunctional nature of current devolution: it is permissive enough to allow a trial but restrictive enough to stop it becoming permanent.

There is need for a change in the UK Government's stance for this to become a reality. The incoming UK Labour Government might create a more favourable political climate, but this is not guaranteed. Welsh politicians have often been keen to badge policies as Welsh to create a sense of national identity or draw boundaries between London and Cardiff. Rhodri Morgan's clear red water speech was delivered in 2002 when there was a Labour Government at Westminster and was

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just as much about creating dividing lines between Labour administrations as that between Labour and the Conservatives. Following Moon (2012), it may be more profitable for the Welsh Government to highlight the common threads across the UK. For the basic income trial, this is likely to involve highlighting the wider relevance of progressive universalism as a way of creating unity over a basic income.

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