

Rethinking Income Guarantees

Proposal for a Tiered Income Maintenance Program in the United States

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WELFARE CONTRACTUALISM AND BASIC INCOME STRATEGIES: POLES OF THE TRANSATLANTIC REFORM DEBATE

The modern typology of economic systems, intended to deepen and clarify our understanding of the various frameworks for production around the world, has devolved into a reductionist dichotomy—“capitalism” and “socialism”—and has had the unintended consequence of producing a partial and incomplete view of the global economic order.¹ Orthodox conceptions of capitalism and socialism obfuscate similarities and sharpen distinctions between the two paradigms, contribute to a belief that the ideologies are competing, conflicting, and incompatible, and perhaps worst, implicitly deny the possibility of reconciliation between the two. Perhaps more than anything else, transatlantic discourse about social welfare policy reflects this sharp and enduring divide between laissez-faire capitalism, heralded by free-market advocates in the United States, and democratic socialism, embraced by the industrialized nations of Western Europe. Because the distributional failure of free-market capitalism (low unemployment and high poverty) mirrors that of socialist economies (low poverty and high unemployment), many presume that government intervention by the United States and European powers must be anchored by divergent and conflicting ideologies, and thus, opposing strategies and policies.² This, in part, explains the prominence of dramatically different social welfare policies on each side of the Atlantic. Welfare contractualism (“workfare”), or means-tested, work-tested, time-limited assistance, has dominated social policy in the United States since welfare reform during the mid-1990s. Basic income (BI), a means-unconditional, work-unconditional, universal monthly grant to all citizens, has long appealed to industrialized Western Europe and been implemented as demonstration projects in multiple countries.

The rise of workfare in the United States is best understood in the context of the long and storied history of the American welfare state and social safety net, which has been subject to fierce debate and discussion from a host of cacophonous voices for nearly a century. The origins of the modern American welfare state can be traced in large part to Franklin Delano Roosevelt’s New Deal, which inaugurated a panoply of social insurance and social assistance programs that have had an enduring impact on the trajectory of American social policy. The signature income maintenance program established during this period was Aid to Families with Dependent Children (AFDC), an unconditional, means-tested federal income maintenance scheme designed to support widows with children. More than forty years later, amidst a tidal wave of opposition to Ronald Reagan’s “welfare queen” and the real and

perceived dependency engendered by unconditional income support, AFDC was summarily eliminated with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). PRWORA replaced AFDC with Temporary Assistance for Needy Families (TANF), a block-grant funded workfare regime that conditions aid on market-based employment and features time-limits on benefits and sanctions for non-compliance. While American social policy has increasingly moved away from income maintenance and poverty reduction towards “personal responsibility,” self-sufficiency, and reduced dependency, a parallel conversation in Europe has taken its advanced nations in the opposite direction, inching ever-closer to an unconditional income entitlement for all citizens.³ In its most popular form, proposed by Belgian philosopher and economist Philippe Van Parijs, basic income is universal (available to all) and unconditional, without means test or work test.⁴

A *prima facie* assessment of the current United States workfare regime and the preferred welfare paradigm among academics in Europe, basic income, suggests that both suffer from radical defects that make each undesirable when implemented in isolation. While conditional workfare regimes have the potential to “activate” the dispossessed by giving meaning to their lives through work, they also reinforce the asymmetrical power relationship between the rich and the poor; force society’s most vulnerable individuals to work in oppressive environments; and most disturbingly, circumscribe freedom and autonomy by barring individuals in free societies from living as they wish.⁵ The overnight movement from generous welfare to strict workfare in the United States, for example, revealed the onerous burden of a policy concerned not with poverty reduction or social welfare, but contributions to the social product—no matter how high the cost. In *American Dream*, a narrative account of 1996 welfare reform outcomes, *New York Times* columnist and author Jason DeParle describes the consequences of work for the sake of work in rural Mississippi:

The de facto capital of the [Mississippi] Delta is Greenville, where twenty-seven recipients had moved from welfare to work in the month before I arrived. Of them, ten were packed off to a catfish plant an hour away. They left town at dawn on a company bus and spent their days severing fish heads in a jungle of conveyor belts and saws. The job paid the minimum wage, and annual turnover ran 300 percent. ‘You work in the cold, you work in the wet—and of course you’re around guts,’ the manager, Donald Taylor, observed pleasantly. He praised the state for barring aid to anyone who quit. ‘If they can go back to Uncle Sam, you can’t keep them in the plant.’⁶

On the other hand, Van Parijs’s basic income purports to endow citizens with *real freedom* (as opposed to merely formal freedom) by breaking the bonds between employment and income, democratizing capital, and giving

individuals the requisite resources—a guaranteed monthly income for their adult lives—to live as they wish. But well-meaning critics like Stuart White insist that basic income resolves the distributional injustices associated with European socialism (high unemployment) and American capitalism (high poverty) at the expense of commutative justice by permitting individuals to “free-ride,” or accept a monthly income grant from the federal government while contributing nothing to the social product.⁷ And, as Elizabeth Anderson of the University of Michigan accuses, Van Parijs’s basic income approach neglects society’s least-fortunate individuals—those with mental deficiencies, substance abuse problems, and other capability deficits who might require more resources to escape poverty and live as they wish than others.⁸

Unconvinced that all solutions to the joint problems of poverty and unemployment had been exhausted, Oxford scholars Anthony Atkinson and Stuart White explored a third proposal, located between Europe’s “liberating” but irresponsible universal basic income and the invidious but “activating” American workfare regime.⁹ Atkinson’s participation income (PI)—a universal income conditioned only on broad participation in society—adds a condition to Van Parijs’s desiderata for just economic distribution and reconciles his clarion call for equality of opportunity with demands for reciprocity by Stuart White and others. An innovative participation regime is maximally emancipatory (while respecting the reciprocal obligations of all) and expands society’s conception of work to include valuable activities that are not currently compensated by the labor market (e.g., child rearing, elder care). And just as significantly, participation income gives voice to Amartya Sen’s capability approach—absent in both the workfare and basic income paradigms—by providing a framework through which society’s resources can be redirected to the least-advantaged members of our society.

While the hybrid participation income model raises the specter of a compromise, it is just as possible (if not likely) that such a scheme would leave supporters of both workfare and basic income strategies dissatisfied. Participation income’s work-conditionality would almost certainly prove unpalatable to those on the Left who see basic income as a means of escaping coercive labor markets. At the same time, the scheme’s universal applicability to rich and poor alike would smack of wealth redistribution and be roundly opposed by the Right. The need for a gargantuan bureaucracy to verify and enforce the participation requirement—no matter how broad or narrow it is—would probably be a fatal blow to prospects of passing Congress and receiving presidential approval. If we are to

consider the feasibility of reforms to the American workfare state—and we should, since “ought” implies “can”—a participation income might be a desirable but impracticable reform.¹⁰

The greatest defect of the hybrid participation income regime is that it concedes core values of the Left and Right under the banner of compromise, and in doing so, makes the policy unattractive to all and a non-viable legislative option. Jurgen de Wispelaere and Lindsay Sturton assure that PI’s ability to “unite different factions within the basic income debate...is shown to be illusory” because it substitutes short-term political compromise for inevitable discussions about criteria for participation, verification and enforcement, and the extent to which the policy can be reasonably applied universally.¹¹ Rather than borrow elements from basic income and workfare strategies to constitute a participation income system, this paper joins Stuart White to advocate a tiered income maintenance program for the United States. The first tier would feature a means-unconditional, work-unconditional income to meet basic needs, while the second would include a means-unconditional but participation-conditional income supplement designed to enable individuals to live as they choose. Unlike pure workfare, basic income, and participation income regimes, the tiered income maintenance program finds the nexus between distributional and commutative justice, is “activating while liberating,” and is the likeliest of all posited reforms to survive Congressional debate and a presidential veto.¹²

Accordingly, this paper pursues the defense of a tiered income maintenance scheme in earnest and proceeds as follows. First, it outlines Philippe Van Parijs’s iteration of a basic income and steps through the economic and moral justifications for the radical proposal. Next, it highlights two of the most salient objections to Van Parijs’s unqualified basic income, arguments about reciprocity (White) and capabilities (Sen). It then introduces participation income as an attempt at political triangulation and demonstrates why this hybrid model of basic income and workfare satisfies neither Van Parijs’s real libertarianism nor White’s reciprocity criterion for justice. And finally, it explains how a tiered income maintenance program preserves the most appealing feature of basic income—its ability to insulate individuals from sudden economic misfortune—while simultaneously promoting genuine contributions to the social product.¹³

EQUAL OPPORTUNITY FOR ALL: PHILIPPE VAN PARIJS'S BASIC INCOME

Because the case for a tiered income maintenance program rests on the economic and moral foundations of an unqualified income guarantee, the logical point of departure is Philippe Van Parijs's radical proposal for an unconditional basic income grant. In *Real Freedom: What (If Anything) Can Justify Capitalism?*, Van Parijs appeals for a universal basic income—known elsewhere in the literature as a territorial dividend, state bonus, demogrant, citizen's wage, and universal benefit—"paid by a political community to all its members on an individual basis, without means test or work requirement," as a mechanism for maximizing the freedom of all citizens to live life as they wish.¹⁴ While Van Parijs does not specify the amount of the monthly grant—and in some iterations of his argument explicitly rejects an amount that closely corresponds to a basket of basic goods—he intends for it to be modest but sufficient to ensure freedom from coercive labor markets. Of course, under the BI guarantee he sketches, individuals would be permitted to add to their basic income with part-time or full-time employment, or free to invest their time in child care or volunteerism—or simply do nothing at all.¹⁵

The various dimensions of Van Parijs's proposal for a basic income are somewhat straightforward but benefit from further specification. First, as the name implies, the scheme is universal and accessible to all; monthly income payments are not restricted to any particular group of individuals in a polity.¹⁶ Van Parijs takes great pain to remind that "full membership, here, is not meant to involve a restriction to citizens of the country concerned. A sufficient length of legal residence is generally regarded as the key criterion."¹⁷ This seems consistent with the overarching principle of basic income, which is equal opportunity for all. Second, because the objective of BI is to provide freedom to live as one chooses—and not to provide a "starting gate equality of opportunity"—the basic income is paid in annual installments, not as one large grant or as the annuities from an endowment.¹⁸ Unlike many of the negative income tax (NIT) and basic income proposals in the United States during the 1970s, Van Parijs's BI pays cash and is supplemented by—but certainly does not supplant—current in-kind transfers (e.g., Medicaid).¹⁹

Third, basic income "underwrites economic citizenship" for all by transferring income to individuals, not households, which represents a clear divergence from the current welfare scheme that pays a monthly sum based on household size and composition.²⁰ Fourth, Van Parijs's basic income guarantee breaks with the prevailing "tax-and-benefit" system by operating entirely *ex ante*.²¹ The benefits of an *ex-ante* strategy are manifold, and to a large degree,

explain why policies like BI are superior to *ex-post* schemes like a negative-income tax (NIT), which was at the heart of the 1970s proposal for a BI variant in the United States advocated by Milton Friedman.²² A slew of bureaucratic problems make the *ex-post* nature of the NIT and similar proposals undesirable. First, such policies—in order to truly be ethically competitive with BI—must provide income up front before using a mechanism like the NIT to positively tax the wealthy while negatively taxing the poor. In effect, this makes NIT indistinct from BI. But beyond that, two features of NIT serve as decisive objections. First, the take-up rate²³ for means-tested, *ex-post* programs like the negative income tax is much lower than the take-up rate for a basic income strategy because it excludes those who do not file income taxes (frequently those who make little). Furthermore, many individuals find the bureaucratic processes involved in redeeming benefits “too much trouble” or believe that they will not qualify. Empirical evidence also suggests that there is a significant social stigma attached to the receipt of means-tested government assistance.²⁴ As a universal entitlement owed to each and every citizen of a country, people are less likely not to redeem it. Additionally, the administrative costs of a negative-income tax are likely to make it less desirable than the relatively easy administration of a basic income.²⁵

Fifth, and most importantly, Van Parijs’s basic income variant is entirely unconditional.²⁶ There is no test for household composition or location of residence, and there is no test for income or assets. Van Parijs’s basic income is also unconditional in another significant way. Unlike most popular income maintenance programs like the Earned Income Tax Credit (EITC), basic income does not account for present work performance or willingness to work. That is, “a basic income is paid as a matter of right—and not under false pretences—to homemakers, students, break-takers, and permanent tramps” alike.²⁷

The employment trap. The lack of a means test is crucial because it actively militates against the unfair and oppressive labor market by breaking down the asymmetrical power relationship between employers and employees and gives individuals substantial leverage in the marketplace.²⁸ It does so in two ways. Under the current regime, poor individuals work paycheck to paycheck and have little opportunity to find more attractive or better paying employment opportunities. Gaps in the income stream might mean late rent or missed meals, and consequently, poor individuals are less likely to take risks that might involve leaving their jobs. The current system also places enormous power in the hands of employers, who realize that their employees live in a world of constrained choices and use this

to their advantage. This explains, in large part, why poor employees are often asked to work overtime, are given undesirable schedules, or are made to do the work that others simply refuse to do.²⁹

The second part of the employment trap as articulated by Van Parijs—that work does not pay for the poorest citizens—aptly narrates the historical patterns of interaction between social policy and income in the United States. At the lower end of the income bracket, working more tends to offset means-tested benefits that would otherwise accrue (sometimes at a rate greater than x1.0). In other words, the way in which benefits are administered in the United States creates a neutral or even negative work incentive. Basic income inverts the logic of workfare by giving individuals a baseline level of income and permitting them to work, if they choose to do so. It preserves the incentive to work because any earned income simply adds to the basic income and does not result in the loss of other benefits. More importantly, basic income frees people to do the work that they want (and often need) to do—complete an unpaid internship, participate in a community service activity, or take care of elderly parents—but cannot afford to do under the current regime.³⁰

Real freedom posits means-unconditionality and work-unconditionality as inextricably linked features of basic income, both necessary to solve the dual problems of poverty and unemployment. Van Parijs claims that the absence of a means test allows for individuals to avoid both elements of the employment trap—mobility in the employment market and incentive to work (over living on the dole). But the obvious side effect of means unconditionality, he reiterates, is that it could produce a glut of undesirable jobs that pay very little and offer few benefits. If individuals were required to maintain market-based employment, employers would still have the upper hand. Individuals would be compelled to stay in their jobs until securing a new one, even if the workplace conditions were demeaning or undesirable. Employers could collude to drive down wages. In short, if the basic income were means-unconditional but work-conditional, individuals would still be subjected to coercive work environments.³¹

Van Parijs argues that the work-unconditional nature of the policy is critically important because it empowers individuals to decide what work is degrading and what work is valuable. It gives individuals (and not bureaucrats) the power to decide when low-paying work is beneficial (e.g., an unpaid summer internship on Capitol Hill) and when it is not (e.g., \$2.00/hour employment at McDonalds). To those who claim that the absence of a work test will breed indolence and “free riding,” Van Parijs preliminarily responds that the lack of a means test makes a work test

unnecessary because it creates a new incentive to take formerly unattractive jobs or “unaffordable” jobs. Van Parijs argues that because “beneficiaries can significantly increase their disposable incomes by working, even at a low rate and on a part-time basis, and without being trapped in such jobs once their skills improve,” citizens will have every incentive in the world to find work that is genuinely satisfying.³² In this way, he insists, basic income is “activating while liberating.”³³ The end or purpose of basic income remains not only to provide citizens with a deserved income, but also access to participate in paid and unpaid forms of work that have value and meaning—people should have the right to choose good jobs over bad jobs.³⁴

Economic justification for a basic income. The economic objective of the basic income is simple: it endeavors to solve the “joint challenge of poverty and unemployment.”³⁵ In Europe, massive unemployment can either be resolved with rapid economic expansion or reductions in the cost of labor in order to “redirect” technology. But the former has been deemed too costly (mainly in terms of costs to the environment), and lowering wages (and consequently, unemployment benefits in order to maintain work incentive) has not proven to be a politically viable solution.³⁶ Is full employment even possible in such an economy? An increase in part-time work is one potential solution and has been demonstrated by the Netherlands, but that was only possible because of an implicit wage subsidy in the form of universal health care, universal pension, universal child care, and a host of other instituted benefits.³⁷

Wage subsidies—paid to either employers or employees—make full employment possible without increasing poverty. One solution popular in Europe and increasingly so in the United States is to subsidize employers by allowing them to end contributions on lower earnings while continuing to disburse payments to those workers. Basic income provides another alternative, a subsidy to the employee that permits him or her to work fewer hours or pursue part time jobs without becoming destitute. Basic income should thus be viewed as a complex version of an employment subsidy.³⁸ The big difference between employer-based interventions and employee-based interventions like BI, though, is that payments to employers maintain employment as a coercive institution, while basic income delinks income from market-based employment, promoting individual freedom. “If the motive in combating unemployment is not some sort of work fetishism—an obsession with keeping everyone busy—but rather a concern

to give every person the possibility of taking up gainful employment in which she can find recognition and accomplishment, then the UBI is to be preferred.”³⁹

Discussions about the economic rationale for a basic income inevitably lead to the perpetually arising question of how a government would ever fund such a program.⁴⁰ Though financing questions are somewhat of a distraction from this paper’s pre-eminent concern with justice, a little should be said here since the funding mechanism may implicate the real-freedom-for-all basis of BI. Van Parijs outlines two means of funding a universal basic income: redistribution of existing wealth, or a distribution of the wealth generated from resource dividends. The former method of exacting wealth relies on theories of rent ownership, principally, the belief that rent on labor is conceptually indistinct from rent on land, and that the government is permitted to tax and redistribute rent based on a conception of justice as fairness. Usually, a tax is thought to be the most effective way to fund a universal basic income—a land tax or natural resource tax, value-added tax, or tax on an income bracket (e.g., those making more than \$250,000 per annum). But there are other methods which may prove attractive: “Alaska’s dividend scheme is funded out of part of the return on a diversified investment fund which the state built up using the royalties on Alaska’s vast oil fields.” Others promise a social dividend on “publicly owned productive assets,” while others think that “money creation” might be a more sophisticated means of generating funding for the basic income.⁴¹

Real-freedom-for-all. While the case for BI irrespective of income or reciprocal contributions to the labor market can be restricted to a purely economic analysis,⁴² it is the ethical framework underlying basic income that makes it a particularly attractive and enduring policy proposal.⁴³ According to Van Parijs, just as we are confronted by a contrived and false choice between capitalism and socialism, conventional wisdom suggests that liberty and equality are two incompatible end goals of government. The traditional libertarian conception of justice as “security” and “self-ownership” embraced by free-marketeers—achieved only in the absence of government interference or coercion⁴⁴—suggests that a love of liberty justifies (even necessitates) acquiescence to gross economic and social inequalities. Liberal socialists respond with an equally extremist position by claiming that freedoms may be justifiably curtailed for the sake of upholding equality.⁴⁵ Van Parijs remonstrates against both of these positions—asserting that they deny the instrumental and causal relationship between liberty and equality—and posits *real libertarianism*, a form of left-libertarianism, as justification for basic income. Also known as real-freedom-for-all, Van Parijs’s framework for

justice seeks to restore genuine freedom for all citizens who are granted formal freedoms (e.g., constitutional freedoms) but are prevented from actuating them for socioeconomic or sociopolitical reasons.⁴⁶ That is, Van Parijs follows John Rawls by arguing that many individuals who are guaranteed (formal) rights cannot exercise or realize them because of income deficiencies. Rawls and Van Parijs thus add “opportunity” to the traditional touchstones of libertarianism—“security” and self-ownership”—and argue that violations of rights to opportunity are just as meaningful as formal violations of rights by government coercion.⁴⁷

According to Van Parijs, citizens enjoy real freedom only when the following two conditions are met: first, individuals should be formally free—that is, enjoy rights guarantees enshrined in constitutions which include property rights and personal liberties; and second, people must also have the opportunity to exercise these freedoms, and to utilize them in order to pursue a life of one’s choosing. Rawls has called this second criterion “the worth of liberty.”⁴⁸ Implicitly, this argument acknowledges that the resources at one’s disposal (“external objects”), and not merely formal constitutional rights, predict whether or not rights will be realized.⁴⁹ A man or woman living under a bridge, for example, might have constitutionally-protected freedoms, but no means by which to realize them. Similarly, a person working eighty hours a week for dollars a day might be considered “formally free,” but not genuinely free according to the dictates of *real freedom*.⁵⁰ “One is really free, as opposed to just formally free, to the extent that one possesses the “means,” not just the “right,” to do whatever one might want to do.”⁵¹ As Van Parijs argues:

Formal freedom can only be restricted by coercion, broadly understood as the (threat of a) violation of a person’s rights, her ownership of herself included. But real freedom can be further restricted by any limit to what a person is permitted or enabled to do. Both a person’s purchasing power and a person’s genetic set-up, for example, are directly relevant to a person’s real freedom. Unlike formal freedom, in other words, real freedom is not only a matter of having the right to do what one might want to do, but also a matter of having the means for doing it.⁵²

Van Parijs thus revises traditional libertarianism to include not only formal rights, but the means or reasonable access to pursue those rights. At the same time, however, *real freedom* is not unbridled egalitarianism.⁵³ First, the real-libertarian framework respects and privileges formal freedoms—particularly those that ratify self-ownership—above all others and does not permit the pursuit of equality to justify an economic scheme in which everyone is worse off.⁵⁴ And second, Van Parijs and other *real libertarians* are concerned not with outcomes (e.g., happiness, or equality in

goods owned or total assets held), but “feasible sets” of opportunities that citizens have at their disposal to live a life of their choosing.⁵⁵

Nevertheless, the goal of achieving justice as *real freedom* does require reconfiguring the economic order so long as there is another alternative distributive scheme that is “fairer.”⁵⁶ But beyond his arguments about respect for formal freedoms (particularly self-ownership) and a refusal to commit to a system in which everyone is worse off for the sake of equality, what precisely does Van Parijs mean by “fairer?” To respond to this question, he attaches a third criterion to his conception of justice as equality of opportunity. The lexicographic opportunity maximin condition (henceforth leximin condition) is met only when the least-free individuals of a society are freer than the least-free individuals of any alternative institutional arrangement. If the condition is satisfied for the least well-off person, then the next least-off person must be freer than the second person up under the alternative arrangement, and so on.⁵⁷ For Van Parijs, institutional schemes must be designed so that “the greatest possible real opportunities [accrue] to those with least opportunities, subject to everyone’s formal freedom being respected.”⁵⁸

Taken together, *real freedom’s* three conditions for a just society—“a society whose members are all as really free as possible”—are met when there is (1) a concrete structure of rights (security condition), (2) each person owns himself or herself (self-ownership condition), and (3) each individual has the greatest possible opportunity to live life as s/he would like to do (lexicographic maximin opportunity condition).⁵⁹ It is important to highlight that Van Parijs prioritizes these conditions for a just society in the following order: security, then self-ownership, and then equality. His justification for this is not unlike that offered by Rawls: “A free society is one in which people’s opportunities are being leximinized [maximized under condition 3] *subject to* the protection of their formal freedom, that is, the respect of a structure of rights that incorporates self-ownership.”⁶⁰ Van Parijs thus concludes that real-freedom-for-all “can make at least a prima facie plausible claim, along with the other positions which share these features, to capturing the importance we intuitively attach, not just to freedom, but also to equality and efficiency.”⁶¹

The instrumental relationship between real freedom and basic income. What, then, is the relationship between real-freedom-for-all and the universal basic income? Van Parijs argues that the connection between the two is not merely incidental, but instrumental. A just institutional design, he reminds, distributes *opportunities* (or sets of functionings) to individuals in such a way that the least well-off people in a society are offered the most freedoms—

subject to the respect of everyone's formal freedoms (e.g., self-ownership). And if one accepts that opportunity sets are maximized as income is maximized—Van Parijs makes this assumption—then one must conclude that a true “real libertarian should endorse the formal-freedom-respecting institutional framework that yields the highest basic income.”⁶² Put differently, since a just institutional arrangement maximizes opportunity sets (subject to the respect of formal freedoms), and maximizing income predicts the number of opportunity sets available to an individual, then real libertarianism calls on us to promote the highest sustainable basic income for all.

Van Parijs does not seek to maximize income in order to enable individuals to maximize the purchase of *n* items of value. The freedom to purchase is not what Van Parijs values—rather, it is the freedom to “live as one might like to live,” which might mean a choice between living in the urban center or the countryside, being employed or unemployed, and working in a volunteer position or working on Wall Street. This is a radical departure from the prevailing conception of freedom as the ability to purchase and consume as much of something as one wants. Rather, the argument is that individuals should have the right to pursue whatever life they wish to live.⁶³

Van Parijs makes a compelling case that the twin unconditionalities (means-unconditionality and work-unconditionality) of his basic income advocacy are not only congruent with his conception of justice as real-freedom-for-all, but causally linked. He claims that means-unconditionality is important for three essential reasons. First, basic income preserves real freedom more than means-conditional alternatives because BI yields a higher take-up rate. As noted above, individuals do not redeem means-conditional benefits as often as means-unconditional benefits for several reasons: they can be confused about eligibility, feel stigmatized by the receipt of such benefits, or simply find that filing paperwork and collecting payment are too nettlesome. “The higher rate of take up that is therefore bound to be associated with a basic income scheme is a difference that matters supremely when prior importance is being given to the real freedom of the least really free.”⁶⁴ Second, there is a clear and fundamental difference between money present in a bank account and money promised as corrective transfer—and individuals have and will treat the two scenarios quite differently. The “liquidity gap” and uncertainty inherent in a means-conditional program translate into people taking fewer risks in the job market, which means that the unemployment trap is not sufficiently addressed and that individuals are effectively less free than they would be under a basic income scheme.⁶⁵ And third, a means-

conditional program—which would necessarily operate *ex post*, would cost much more than a comparable basic income scheme; in fact, the funds saved from a smaller bureaucracy could be used for a higher BI.⁶⁶

Work-unconditionality is likewise instrumental to real freedom because it enables citizens to pursue whatever life they choose—even if that means no work or employment of any kind. Similarly, real libertarianism requires an income grant that is not conditional on location or household composition. While true that it might cost more for individuals to live in the city than country—and that such a circumstance might mean differential grants to people living in different environments—real-libertarianism is concerned not with providing a particular way of life, but preserving the autonomy of individuals to pursue the life that they want to lead. For example, basic income is wholly consistent with providing (and even promotes) an individual living in the country the opportunity to move to the city.⁶⁷

Real libertarianism places additional demands on a basic income scheme. For starters, it must be sustainable. One cannot give away an enormous basic income that is sustainable today but results in economic calamity tomorrow, for such an act would certainly, needlessly, and avoidably circumscribe the liberty of future generations.⁶⁸ There is also an active discussion raging in the literature about the connection between real freedom and cash. Some have asked why it would not be preferable to simply give individuals the means of production instead of a cash grant, since cash grants might not be converted equally into means of production by different individuals. However, Van Parijs argues that if we give people the means of production, it limits freedom to choose to do what they wish by imposing a “conception of the good.” (Perhaps they would rather donate all of their money to charity and live in a convent).

NO FREE LUNCH FOR SURFERS: THE RECIPROCITY OBJECTION (STUART WHITE)

In The Civic Minimum, Stuart White sympathizes with the plight of the poor but argues that Van Parijs’s remedy—an unqualified basic income without means test or work requirement—is fundamentally unjust because it violates the principle of reciprocity by allowing individuals to receive an income grant without contributing to the social product. He summarizes the argument thusly:

Those who claim the high minimum share of the social product available to them under these institutions have an obligation to make a decent productive contribution to the community in return. An injustice occurs if the citizen does not make this reciprocal productive contribution...By disconnecting income entitlement from productive contribution, however, an UBI makes it that much easier for citizens to enjoy a high minimum share of the social product without making such a contribution.⁶⁹

White's argument is that commutative justice, or that which governs transactional relationships, is achieved when individuals reap a share of the social product to which they have made a reciprocal contribution. The analysis rests on a sharp distinction between natural resources (e.g., land)—which he excludes from the social product and admits should be redistributed to all—and the product of labor, which he believes should only be distributed to those who contribute.⁷⁰ In contrast, Van Parijs believes that rents from both land and the labor product are a function of scarcity, and as such, are the just desserts of all people.⁷¹

White's objection to Van Parijs's universalism, centered on the absence of a work or participation test of any kind, has received broad support from other opponents of universal basic income and emerged as the most powerful critique against work-unconditional income guarantees. Since originally leveling his reciprocity objection, Van Parijs and other BI advocates have vocally responded, resulting in a volley of books and articles on reciprocity and basic income.

Straightaway, Van Parijs questions the authenticity of the fears implied by the reciprocity argument. Would people actually do nothing—for example, sit idly in an apartment without ever working, ever volunteering, ever raising a child—and if so, how many people would subscribe to such a lifestyle? Few, he concludes, would ultimately choose to willingly make no contribution to society. Van Parijs also asserts that a multitude of behaviors that add value to the social product—child care, elder care, and volunteer activities—are utterly unaccounted for by the status-quo labor market. It would make just as little sense, he argues, to grandfather those activities into the labor market as it does to ignore them entirely. Instead, he points to the approach of basic income, which recognizes the intrinsic worth and value of these and other non-market contributions.

Van Parijs concedes that basic income would be good news indeed for the renegade surfer and the chronic marijuana smoker, but no more so than the current system is for the wealthy and privileged students of Washington and Lee University. The distribution of opportunities to “do nothing” with one's life are essentially as arbitrary under the basic income scheme as they are under our existing framework for wealth distribution, which is largely a function of “our race, gender, and citizenship, how educated and wealthy we are, how gifted in math and how fluent in English, how handsome and even how ambitious” we are—in short, arbitrary results of the genetic lottery over which we have no control.⁷²

In a recent (2006) article on BI, Stuart White revisits the reciprocity objection, responds to the four best counter-arguments made by Van Parijs and other proponents of basic income, and concludes that the responses to the objection are quite compelling. The first response to which White decisively replies borrows from Locke and Rawls to argue that workfare should be rejected because it imposes a “conception of the good” on the most vulnerable members of society.⁷³ BI advocates maintain that workfare is deeply rooted in the Protestant work ethic, and that it unjustly imposes a worldview on the poor. White retorts that this response misses the point of the reciprocity objection entirely, since his justification for workfare rests not on the idea that work is redemptive or “good for the soul,” but that it satisfies obligations that economic citizens have to each other.⁷⁴ While White quickly dispatches the first counter-argument, he admits that that taken together, the second, third, and fourth responses to the reciprocity objection are formidable.

The second response to the reciprocity objection that White answers is the “balance of fairness” claim, the argument that while basic income does permit unjust free-riding, it ultimately does more to advance fairness than it does to undermine it. White highlights many of the arguments made by Robert Goodin about the vulnerability of the poor in the marketplace, including a discussion of the asymmetrical power relationship between employers and employees.⁷⁵ He even goes so far as to put this response to the reciprocity objection in the context of Rawls’s theory of justice, which calls on each individuals “to do his [or her] part in society’s cooperative work,” but only in a just society.⁷⁶ Rawls acknowledged that there must be reasonable equality of opportunity and a fair distribution of the rewards for work (difference principle) in order for reciprocity to be a sufficiently weighty concern. White concedes that against the background of gross inequality in the United States, this response to the reciprocity objection makes a great deal of sense.⁷⁷

The third argument to which White responds is that basic income contributes to reciprocity by increasing work incentives (as explained above) and “making work pay.” It also permits individuals to participate in non-market activities like child care, elder care, and volunteer work that occur outside of the labor market. Furthermore, basic income promotes reciprocity *within* the household by re-casting gender roles and empowering women. And finally, basic income generates more employment opportunities—particularly part-time job positions—by opening up options previously closed to workers.⁷⁸

Van Parijs's most compelling response—one that earns something of a concession from Stuart White—is that freedom from coercion in the marketplace must precede economic reciprocity, for individuals cannot possibly be expected to contribute to the social product from a position in which they are undeniably disadvantaged. He goes on to conclude that the distributive justice promised by basic income is requisite for reciprocal contributions to the labor market demanded by principles of commutative justice: “Whether in the legally organized or in the informal sphere, the “commutative justice” of reciprocity must operate in the background of the “distributive justice” of real freedom for all. Let’s first get people’s basic entitlements right, and then let reciprocity rule over the allocation of privileges.”⁷⁹

Stuart White’s reciprocity objection, since adopted by others in myriad forms, has emerged as the most commonly deployed argument against basic income and represents a serious challenge to Van Parijs’s audacious claim that “even surfers must be fed.” There are doubts, however, as to how effective a challenge his criticism represents. White concedes that his understanding of “economic reciprocity” is connected to his conception of justice as “fair reciprocity” that assumes that citizens are safeguarded by the government against “brute luck disadvantage.”⁸⁰ It is difficult to believe that the prevailing framework for income distribution provides an adequate safety net against the many vagaries of life; it is virtually impossible to defend the United States’ current workfare regime from this response.

THE CAPABILITIES OBJECTION (AMARTYA SEN)

A second, though far less popular objection registered against Van Parijs’s unqualified basic income is that it focuses entirely on income maintenance at the expense of fostering *capabilities*, an argument popularized by Nobel prize-winning economist Amartya Sen. Sen joins Philippe Van Parijs by rejecting “equality of results” and defends freedom as the *equalisandrum*, or the “good” that society should seek equalize at the highest sustainable level.⁸¹ Sen and Van Parijs’s conceptions of freedom are closely aligned. Sen believes that individuals are free when their *n-tuple* sets of functionings, or capabilities, have been maximized: “The freedom to lead different types of life is reflected in the person’s capability set.”⁸² Van Parijs considers freedom similarly as the ability to live a life of one’s own choosing. Moreover, Van Parijs’s basic income guarantee purports to ensure *real freedom*—and not just formal freedom—by guaranteeing citizens a monthly income sufficient to enable the pursuit of market-based employment, an unpaid internship, research and academic exploration, or time away from work—even idle channel-surfing.

Both Van Parijs and Sen's understanding of freedom as "equal access" to sets of opportunities, lifestyles, and choices represents an obvious departure from the conventional understanding of freedom as "equal access" to a particular set of goods or production factors: some have historically highlighted basic goods, while others like Rawls have emphasized primary goods (i.e., rights and liberties, income and wealth, etc.).⁸³

Sen and Van Parijs also move beyond Rawls and others in another way by accounting for the "personal characteristics" of individuals.⁸⁴ Van Parijs asserts that adjustments to his calculations must be made "as soon as we lift the assumption that people's capacities, or internal resources, are identical. For, surely, two people can have very unequal opportunity sets, and hence very unequal levels of real freedom, despite their having an identical basic income, if one of them can physically and mentally do everything the other can do and far more."⁸⁵ Van Parijs claims that institutional economic schemes distribute "mays" and "cans" and offers an example of crossing a lake. One might be unable to cross a lake not just because s/he does not have the property rights, but also because s/he might physically be unable to do it—that still represents a "restriction of the opportunity-set."⁸⁶ Furthermore, these "mays and cans" are causally linked: "Even though only the permission dimension of the opportunity-set is directly affected by the selection of an institutional set-up, the strong two-way causal relation between permissions and abilities makes it altogether impossible to dismiss the ability dimension as irrelevant to the freedom-based choice of such a set-up."⁸⁷ In short, internal features—addictions, abilities, talents, etc.—matter mightily.⁸⁸ Consequently, Van Parijs insists that real freedom will not be leximinced if all one does is give everyone a basic income at the highest possible level.⁸⁹

Van Parijs then describes in detail several policy proposals for addressing the problem of differing internal endowments, or capability sets. He highlights a policy advocated by legal philosopher Ronald Dworkin, an insurance scheme behind a veil of ignorance in which individuals do not know their own internal endowments but are aware of the distribution of these internal deficiencies across the population and indicate how much money they would be willing to pay to compensate for that deficiency should they have it.⁹⁰ Ultimately, however, Van Parijs forwards a scheme that revolves around the concept of undominated diversity, or the idea that the distribution of "cans" is unjust if there are two individuals and everyone prefers the entire endowment of the first person to that of the second (or vice-versa). In this case, redistribution would be warranted. If at least one other person preferred the less popular endowment, then one could say that there is "undominated diversity." Transfers must be made to less fortunate

individuals and the basic income of the better-off reduced to allow for undominated endowment diversity—no one person’s “comprehensive endowment” (capabilities plus lump sum transfers) should be better off than any other person’s.⁹¹ Van Parijs then identifies a few of the questions raised and criticisms made by others about the undominated diversity approach—namely that undominated diversity might never be achieved, or that it might require transfers sufficiently large so as to effectively reduce the basic income to zero.⁹²

But even Van Parijs’s laudable undominated diversity scheme does not resolve the problem that Sen draws careful attention to in *Inequality Reexamined*—that there are “parametric variations in income-capability relations,” and that as a result, there are “differential rates of conversion” from income into capability.⁹³ Elizabeth Anderson of the University of Michigan argues that by “providing equal levels of income to all, the UBI does not adjust for the fact that, due to variations in internal traits, social roles, and other circumstances, some people are better able to convert income to freedoms than others.” She goes on to describe how those with disabilities might need additional supports to achieve the level of *real freedom* that Van Parijs describes. “In taking income, rather than capabilities, to be the relevant space in which equality is to be pursued, the UBI assumes as the norm for human beings the perspective of the healthy, egoistic adult.”⁹⁴ The difference between Sen and Van Parijs, then, is that Van Parijs believes that redistributing income with attention to internal endowments will be sufficient, while Sen would likely argue that this ignores the disparate abilities of individuals to convert cash income (or even endowments, for that matter) into functions (and thus sets of functionings, or capabilities).⁹⁵

Van Parijs and Sen’s difference of opinion not only reflects disagreement about individuals’ conversion abilities, but also the meaning of freedom.⁹⁶ For Sen, “the capability approach to a person’s advantage is concerned with evaluating it in terms of his or her actual ability to achieve various valuable functionings as part of living.”⁹⁷ Meanwhile, Van Parijs is concerned with the freedom of individuals to pursue—but not necessarily achieve—various functionings.⁹⁸

ATKINSON’S PARTICIPATION INCOME: A VIABLE ALTERNATIVE TO TANF AND BI?

Thus, the contemporary transatlantic debate over the future of social welfare policy apparently breaks down along two extreme camps: one that advocates a means-unconditional and work-unconditional basic income for all adults without time limits or restrictions of any kind, and another that enforces behavioral requirements through time-

limited, means-conditional, and work-conditional social assistance. Stuart White aptly points out that the “contemporary debate over welfare reform is excessively polarized between (communitarian) advocates of welfare contractualism and (real libertarian) supporters of UBI...there is good reason to be wary of both types of policy taken on their own.⁹⁹ Indeed, as highlighted above, there are serious defects incident to both welfare contractualism and basic income; and neither addresses Amartya Sen’s capability framework. There is sufficient reason, however, to believe that some variant of basic income should be introduced in the United States if its policymakers and politicians are remotely concerned with its ethical obligations to the least-capable and least-supported citizens of the polity. White correctly notes that amending the United States’ workfare regime will neither be easy nor expedient, and as a practical consideration, “it may be necessary for the proponents of citizen’s income to compromise: not on the principle that there is no test of means, nor on the principle of independence, but on the unconditional payment.”¹⁰⁰

One finds such a compromise between the current right-wing workfare paradigm and the radical basic income alternative advocated by left-libertarianism in *participation income*—a monthly income grant without a means test but with a broad “participation” test—known elsewhere as a “community service dividend” and first advocated by Anthony Atkinson during the mid-1990s.¹⁰¹ The distinguishing feature of participation income is that it is conditional not on market-based employment, but on *broad* participation in society—caring for children, serving the sick and the elderly, tutoring in after-school programs, going door-to-door to educate neighbors about climate issues, military service, or various volunteer activities. Such a policy, made viable by broad-based support in the United States for justice as reciprocity *and* justice as access to opportunity, has three constituent elements: first, participation income is universal and available to all, irrespective of income; second, its goal is to maximize opportunities for citizens to live as they wish; and third, it mandates that recipients make reciprocal contributions to society in return for a basic income. The first two elements appear fully consistent with Van Parijs’s outline for an unqualified income guarantee, but the third principle revises Van Parijs’s desiderata by subjecting freedom to the burden of a reciprocal contribution to society.¹⁰² White claims that PI represents a marriage between basic income and workfare, accounting for the foundational values of both movements: real freedom and reciprocity. “A participation income could empower disadvantaged and vulnerable workers in the same way as a pure UBI, but, because of the participation requirement that limits eligibility, also addresses the concern that citizens do something to reciprocate their claim on the social

product.”¹⁰³ It should be noted that Atkinson’s participation income retains many of basic income’s most appealing features: it solves much of the employment trap by enabling people to pursue non-market work; it respects the dignity and worth of people, not households, by targeting individuals; it empowers women; and it incentivizes work by making it pay. It does, of course, differ from basic income in one major way. Participation income denies benefits to those who choose to withdraw from society altogether; surfers and potheads will go hungry.

Net benefits. There are at least two unique net benefits to participation income that are not captured by workfare or basic income. First, the current workfare and proposed basic income schemes both neglect to create incentives for non-market activities that contribute to the common good. Our current social welfare policy represents the worst of all possible worlds by creating a disincentive for meaningful contributions like community service and childrearing: Temporary Assistance for Needy Families sanctions those who cannot find market-based employment. Van Parijs’s basic income would certainly be an improvement over the current model in this area, but only a modest one. Unqualified BI frees individuals to pursue non-market activity like child rearing or volunteerism but fails to create incentives for that genre of work. In fact, its most powerful incentives are for part-time employment in the marketplace. Work that was once “unaffordable” in the eyes of the employee is now viable. Participation income would solve the incentive problem associated with volunteerism and community service by directly compensating individuals for those activities. The conditionality of participation income, while weak enough to promote the freedom of individuals to live as they wish (within reason), is robust enough to provide incentive for American citizens to do the collective work of the nation.

A related but distinct advantage over basic income and workfare is recognized by Elizabeth Anderson. In “Optional Freedoms,” she persuasively argues that Van Parijs’s real freedom treats freedom as a generic good—refusing to privilege “freedom from disease over the freedom to idle,” for example.¹⁰⁴ She contends that we should privilege education over surfing—and as a result, use in-kind assistance and not a direct cash transfer, when possible. Participation income offers an alternative way to encourage or incentivize certain behaviors over others—to *redirect* productive talents towards the country’s most worthy and pressing needs. The capability arguments of Amartya Sen and others have been addressed above, but it is important to reiterate the potentially powerful connection between participation income and the development of capabilities—and the formation of human capital, for that matter—in

America's least well-off citizens. A participation income could, for the first time, make the work of fostering capability in less-advantaged members of our society compensated activity. Forms of participation might include volunteering at Free Clinics, working at occupational centers and nursing homes, and committing time to Early Head Start and Head Start programs.

Real-libertarians like Van Parijs would likely characterize participation income's "redirection" of human resources towards these beneficial ends as paternalistic—they would be concerned about definitions of participation, particularly if they came from government or those with entrenched political power. But participation income is only marginally more paternalistic than Van Parijs's unqualified basic income, which is itself the product of deeply embedded paternalistic tendencies. Bruce Ackerman and Anne Alstott of Yale University point out that Van Parijs's insistence on a monthly stipend instead of one large stakeholder grant is paternalistic. Van Parijs concedes that the policy—designed to prevent individuals from squandering their entire stake in a game of baccarat or gin rummy—is paternalistic but argues that the costs outweigh the benefits.¹⁰⁵ White vociferously objects to this argument, though, arguing that there's no real distinction between the paternalism of basic income and that prescribed by participation income.¹⁰⁶

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Though championed by Anthony Atkinson and others as a political compromise to bridge the gulf between right-wing workfare and left-wing basic income strategies, participation income threatens to leave both legions of reformers dissatisfied. De Wispelaere and Sturton contend convincingly that the "trilemma of participation income"—the need to be maximally inclusive, maintain a "genuine participation requirement," and ensure "administrability"—would inevitably break down during negotiations, leaving many or all of the competing factions dissatisfied.¹⁰⁷ Political conservatives would argue that PI undermines market systems by compensating individuals for work that is not deemed "valuable" by established labor markets. They would maintain that care for children and community service are laudable civic activities, but not labor for which individuals should be remunerated. They would also invoke fiscal discipline arguments to object to the means-unconditional nature of the policy, alleging that we should target only the poorest of the poor. Perhaps their most damning criticism would be that PI is impracticable and an administrative nightmare. A meaningful participation income—one that capably distinguishes authentic participation in society (e.g., childcare, elder care) from idleness—would require an enormous bureaucracy to verify

and enforce claims by citizens across the country. And if the PI were given to individuals at a level that attempts to sustain basic needs, it would have to be administered *ex ante* (lest people starve) and verified (and enforced) at a later date—a bureaucratic catastrophe in the making.

Leftists would likewise be dissatisfied with the conditionality of participation income, which they would characterize as paternalistic, and argue that it deprives many individuals of self-worth and economic citizenship who choose to withdraw from society or engage in activities not deemed “participatory.” A literary scholar who opts to spend all of his time reading poetry may not contribute to the social product, and as such, would be ineligible for a participation income. For real-libertarians like Van Parijs, a participation income would be a woefully inadequate tool for maximizing a citizen’s opportunities (or sets of functionings) and providing people with the ability to live life as they wish. Therefore, while participation income is a pragmatic compromise policy intended to be “activating while liberating”—simultaneously freeing individuals from the two-fold employment trap while promoting contribution to the social product as virtuous citizens—it may in fact do neither. That is, PI may be too strong to liberate individuals from the bonds of the labor market but too weak to permit real freedom.¹⁰⁸

PROPOSAL FOR A TIERED INCOME MAINTENANCE PROGRAM IN AMERICA

Out of this quandary one finds support for a tiered income maintenance program with a basic unconditional income guarantee and a second level of income support predicated on participation (broadly construed) in society. In the final pages of Chapter 7 in *The Civic Minimum*, Stuart White suggests a two-tiered income maintenance program with a conventional work-tested tier of support, but also a secondary work-unconditional but time-limited tier designed to safeguard citizens from the vagaries of the employment market. White suggests that this tier would provide enough support to insulate citizens from the economic costs of sudden unemployment, but should be time-limited to prevent individuals from living on it for an extended period of time without contributing to the social product.¹⁰⁹ This multi-layered policy proposal, it is believed, controls for most of the problems associated with the hybrid participation income scheme while capturing the vast majority of benefits associated with both unqualified basic income and workfare. This section offers a similar, but somewhat different iteration of a tiered income maintenance regime, based on the contributions of Philippe Van Parijs, Stuart White, and Anthony Atkinson, with the aim of sketching a practicable and viable scheme for the United States.

The United States Tiered Income Maintenance Program (US-TIMP) would offer two levels of income support: an unconditional income guarantee and a participation-conditional income supplement. The first tier would be comprised by a universal, means-unconditional, work-unconditional monthly income that meets basic needs—food, clothing, shelter, and health care—for all Americans. The dual unconditionalities of the program reflect the foundational normative claims made by Rawls, Van Parijs, Atkinson, and a host of others—that government should be concerned with the worth, or value, of formal freedoms enshrined in the Declaration and the Constitution, and that all citizens of the United States are entitled to a basic level of income, irrespective of existing income and assets, family composition, or work history. This income guarantee captures most of the arguments advanced by Van Parijs in *Real Freedom for All*: It underwrites economic citizenship by giving individuals baseline equal opportunity, avoids the stigma associated with means-tested entitlement programs, and recognizes the autonomy of individuals (and not households) by funding on a *per capita* basis. Its *ex-ante* nature obviates the need for a large administrative bureaucracy. Of course, it diverges from Van Parijs in one obvious and important way: While BI authorizes the highest sustainable monthly income grant to all, this unconditional income guarantee meets only basic needs at a subsistence level.¹¹⁰ The distinction between BI and the first tier of the proposed US-TIMP is crucial—Van Parijs would claim that the first tier does not encourage *real freedom* because it does not maximize the choices (or capability sets) that individuals have at their disposal to live life as they wish. This is accurate, although it is worth pointing out that the first tier of US-TIMP would solve both sides of the employment trap and, by allowing surfers and potheads to withdraw completely from society (if they so choose), has a distinct and quantifiable advantage over Atkinson’s participation income, which would leave these individuals destitute and hungry.

The second level of US-TIMP would be a means-unconditional but participation-conditional income supplement, set at a maximal but sustainable level to allow citizens who contribute to the social product to engage in the economic, political, and social life of the polity in a manner of their choosing. This tier of the program would function as a concession to Stuart White and others who make arguments about reciprocity. A participation requirement for the income supplement would be comprised by a broad but clearly defined and articulated set of ways in which individuals can contribute to the social product and receive the monthly participation income grant. (Note, however, that this participation requirement would in no way impact receipt of funds under the first tier, the

unconditional tier of support). A provisional list would likely include market-based employment, military service, childcare, elder care, volunteer service and activities, and community organizing, amongst others functions.

To remedy the monitoring, verification, and enforcement problems identified in the discussion of PI above, a series of steps would be taken. First, because of the basic income guarantee under Tier I of US-TIMP, the program could foreseeably operate *ex-post* and pay individuals at the end of the month for their contribution to the social product.¹¹¹ Second, verification of broad participation in society would occur in a variety of ways depending on the manner in which the requirement is met. Market-based activity could be verified by the receipt of monthly Federal Insurance Contributions Act (FICA) taxes from employers. One must admit that verifying and enforcing non-market participation would be considerably more difficult, but might be achieved in a host of ways, many of which cannot be detailed here. But one mechanism—moving approved volunteer activities under the auspices of the Corporation for National and Community Service (CNCS)—appears to be one possibility for which much of the groundwork has already been laid. During the 2008 presidential election, President Barack Obama proposed expanding the CNCS, namely by supplementing Americorps with a Classroom Corps, a Health Corps, a Clean Energy Corps, a Veterans Corps, and a Homeland Security Corps. Federal corps programs like these could be broadened to create a framework through which participation income could be administered.

That would leave, of course, those who choose to participate in society outside of both the employment market and the newly expanded Corporation for National and Community Service. Childcare and care for the elderly would probably comprise the largest unaddressed area in which individuals would claim participation. Though there are no easy answers—and future efforts should explore new verification and enforcement mechanisms—it seems at least possible that verification of childcare and elder care could be brought under the umbrella of the health care system. Pediatricians, who must see children every few months for check-ups and immunizations, might be best equipped to verify that the parent is participating in society by caring for a child; care for elderly relatives could be documented by primary care physicians. The act of linking participation income and healthcare would have the added benefit of incentivizing visits to doctors' offices and promoting regular check-ups and preventative care. If connected in this way, participation income for caregivers would function much like a conditional cash transfer program.¹¹²

The calculus of US-TIMP is thus simple and straightforward: No United States citizen, regardless of his or her willingness to participate in society, should be permitted to go without the basic needs of living—food, clothing, shelter, and health care. Or, in the words of Van Parijs, even “surfers should be fed.”¹¹³ At the same time, it recognizes reciprocity as a legitimate and relevant principle of justice, that citizenship places demands on individuals to contribute to the social product, that “people who work, shouldn’t be poor,” and that those who fail to contribute should not be compensated.¹¹⁴

Both Van Parijs and White would likely agree that the tiered income maintenance program sketched above resolves much of the tension between basic income strategies and strict workfare regimes. In What’s Wrong with a Free Lunch, Van Parijs concedes that basic income must be introduced gradually and strategically and should probably begin with a subsistence-level monthly grant.¹¹⁵ Perhaps most importantly, a tiered income maintenance program could be implemented as a feasible modification of the current workfare regime.¹¹⁶ At a minimum, it is a start in the right direction.

CONCLUSION

Conventional wisdom suggests that there exists an unbridgeable chasm between the workfare policies of the United States and the idealized basic income strategy of Philippe Van Parijs and much of Western Europe. Consequently, many believe that politicians and policymakers in the comparably conservative United States have little to gain from a discussion of various basic income strategies. This paper has adopted a uniquely American perspective to take the opposite tack and acknowledge basic income as a venerable and worthy economic proposal that restores distributional justice. At the same time, it concedes that Van Parijs’s unqualified basic income and the prevailing workfare regime suffer from defects that make both undesirable options for policymakers and politicians concerned with a just society. While the latter enslaves individuals to employers and the labor market, the former sacrifices commutative justice in order to meet distributional objectives. Unfortunately, the conditionality of Anthony Atkinson’s participation income, a good-faith compromise that attempts to placate the likes of Van Parijs and Stuart White, is at once too strong to satisfy the Left and too weak to satiate calls for reciprocity from the Right. A tiered income maintenance program featuring a means-unconditional and work-unconditional income guarantee for all

citizens, coupled with a means-unconditional but participation-conditional income supplement, is at present the most promising proposal for satisfying both sides and bridging the transatlantic divide.

In most of his writings, Philippe Van Parijs admits that his cause is an unpopular one in the United States. He remains steadfast in his beliefs, however, and writes that “when fighting to reduce the impact of economic inequalities on the political agenda, it is essential, in the United States as elsewhere, to propose, explore, and advocate ideas that are ethically compelling and make economic sense, even when their political feasibility remains uncertain.”¹¹⁷ Though most Americans would likely consider any form of basic income “too Socialist” or “too European” for a vast, commercial republic that memorializes free markets, celebrates unbridled free exchange and commerce, and embraces a Victorian conception of contributions to the labor market as “redemptive,” the policy ideals of our European neighbors are worth considering—if for no other reason than that they us to think critically about the relationship between our economic system and justice.¹¹⁸

Notes

¹ Philippe Van Parijs, *Real Freedom For All*, Oxford: Clarendon Press, 1995, p.1

² Van Parijs, “A Basic Income For All,” *What’s Wrong with a Free Lunch?*, ed. by Joshua Cohen and Joel Rogers. Beacon Press: Boston, 2001 p.15

³ The dominance of the welfare regime imposed by PROWRA obscures a raging and polarized debate between those who recommend stricter conditions on government assistance—mandatory drug testing, for example—and opponents who advocate a complete break from the current system. Seeds of this contemporary debate existed as early as the mid-1970s, when the negative income tax was proffered as viable social welfare policy by presidential candidates and the Family Assistance Program (FAP) died in a Congressional committee. See Erik Olin Wright, “Introduction,” *Redesigning Distribution: basic income and stakeholder grants as alternative cornerstones for a more egalitarian capitalism*, The Real Utopias Project, Vol. 5, ed. Erik Olin Wright, May 2003, <http://www.ssc.wisc.edu/~wright/Redesigning%20Distribution%20v1.pdf#page=6>

⁴ The literature also gives ample attention to stakeholder grants, as advocated by Anne Alstott and Bruce Ackerman of Yale University. This paper, however, will focus primarily on basic income as a flow of monthly unconditional payments to all individuals living in a polity.

⁵ Robert E. Goodin, *Reasons for Welfare: The Political Theory of the Welfare State*, Princeton University Press: Princeton, 1988.

⁶ Jason DeParle, *American Dream*, Penguin Group: New York, p.217.

⁷ Van Parijs, “Reciprocity and the Justification of an Unconditional Basic Income: Reply to Stuart White,” *Political Studies* 45.2, 2002, pp.327-330

⁸ Elizabeth Anderson, “Optional Freedoms,” *What’s Wrong with a Free Lunch?*, ed. by Joshua Cohen and Joel Rogers. Beacon Press: Boston 2001, p.71-92

⁹ Philippe Van Parijs, “Basic Income: A Simple and Powerful Idea for the Twenty-First Century,” *Politics and Society* 32.1, 2004, p.17

¹⁰ Harlan Beckley, undated conversations

¹¹ Jurgen De Wispelaere and Lindsay Stirton, “The Public Administration Case of Participation Income,” http://www.usbig.net/papers/157-DeWispelaereStirton_Against%20Participation%20Income_USBIG2006.pdf, p.2

¹² Van Parijs 2004, p.17

¹³ Stuart White, *The Civic Minimum*, Oxford University Press: Oxford, 2003, p.174

¹⁴ Van Parijs 2004, p.7-8

¹⁵ Ibid.

¹⁶ Van Parijs concedes that age would likely be a constraint. Most versions of his proposal include adults between the ages of 18 and 65 and exclude children and the elderly, whom he presumes will be covered by complementary systems.

¹⁷ A sensible immigration policy would almost certainly have to be implemented in order for the government to administer basic income to resident aliens in an orderly manner. For more on citizenship status, see Van Parijs 1995, p.34-35

¹⁸ Erik Olin Wright 2003, p.5

¹⁹ Van Parijs 2004, p.9; 1995, p.34-5

²⁰ Van Parijs 2004, p.11; Carole Pateman, “Freedom and Democratization: Why Basic Income is to be Preferred to Basic Capital,” *The Ethics of Stakeholding*, eds. Keith Dowding, Jurgen De Wispelaere, and Stuart White, 2003,

<http://www.sscnet.ucla.edu/polisci/faculty/pateman/paper3.pdf>

²¹ Van Parijs 2004, p.12

- 22 Robert H. Frank, "The Other Milton Friedman: A Conservative with a Social Welfare Program," *New York Times*, 23 November 2006, <http://www.nytimes.com/2006/11/23/business/23scene.html>. More on NIT: "A negative income tax amounts to reducing the income tax liability of every household (of a given composition) by the same fixed magnitude, while paying as a cash benefit the difference between this magnitude and the tax liability whenever this difference is positive." See Van Parijs 2004, p.14; 1995, p.30
- 23 The rate at which qualifying individuals redeem benefits
- 24 Not only does this directly feed into the problem of low take-up, but also represents an injustice in and of itself. See Van Parijs 2004, p.13
- 25 Philippe Van Parijs, "Basic Income: A simple and powerful idea for the 21st century," *Politics and Society* 32:1, March 2004, p.15; Philippe Van Parijs, "Basic Income Capitalism," *Ethics* 102:3, April 1992, p.472-473
- 26 Philippe Van Parijs, *Real Freedom For All*, Oxford: Clarendon Press, 1995, p.11,34
- 27 Philippe Van Parijs, "Basic Income: A simple and powerful idea for the 21st century," *Politics and Society* 32:1, March 2004, p.16; Van Parijs 2001, p.5
- 28 Van Parijs 2004, p.13-14; Goodin 1988
- 29 Goodin 1988
- 30 Van Parijs 2004, p.13-14
- 31 Van Parijs 1995, p.36
- 32 *Ibid.*, p.17
- 33 *Ibid.*
- 34 *Ibid.*
- 35 *Ibid.*
- 36 Van Parijs, "A Basic Income For All," *What's Wrong with a Free Lunch?*, ed. by Joshua Cohen and Joel Rogers. Beacon Press: Boston, 2001, p.15
- 37 *Ibid.*, p.17
- 38 *Ibid.*, p.18
- 39 *Ibid.*, p.19
- 40 Van Parijs criticizes most questions about funding as "underspecified" since he never advocates a specific level of basic income, and contends that considerable savings would likely be achieved through the elimination of redundant social assistance programs. (He cautions against the dissolution of complementary social insurance programs). VP also notes that the introduction of BI would likely be a gradual process—beginning with a monthly grant considerably smaller than what he would like to see—and that the policy would almost certainly be revenue neutral, since the funds for a basic income would be generated by taxes on higher income brackets.
- 41 Van Parijs 2004, p.10
- 42 Basic income has been justified elsewhere on other grounds. For arguments about the connection between a basic income guarantee and political participation, see Emma Rothschild, "Security and Laissez-Faire," *What's Wrong with a Free Lunch?*, ed. by Joshua Cohen and Joel Rogers. Beacon Press: Boston 2001, p.49; for the connection between BI and the rights of women, see Carole Pateman, "Freedom and Democratization: Why Basic Income is to be Preferred to Basic Capital," *The Ethics of Stakeholding*, eds. Keith Dowding, Jurgen De Wispelaere, and Stuart White, 2003, <http://www.sscnet.ucla.edu/polisci/faculty/pateman/paper3.pdf>; "Another Way Forward," *Welfare Reform and Political Theory*, eds. Lawrence M. Mead and Christopher Beem, 2006; and "Democratizing Citizenship: Some Advantages of a Basic Income," *Politics and Society*, 32, 1, March 2004.
- 43 Van Paris 1995, p.21-23
- 44 *Ibid.*
- 45 *Ibid.*, p.1
- 46 *Ibid.*, p.1
- 47 It should be noted here that Rawls and Van Parijs both privilege freedom as security and self-ownership over equality of opportunity, though both believe that the latter is, in some sense, necessary to realize the former. See Van Parijs 1995, p.20-23
- 48 Van Parijs 2001, p.14
- 49 Van Parijs 1995, p.21
- 50 Van Parijs 2001, p.14
- 51 Van Parijs, "Basic Income Capitalism," *Ethics* 102:3, April 1992, p.470
- 52 Van Parijs 1995, p.4
- 53 *Ibid.*, p.30
- 54 *Ibid.*, p.27-28
- 55 *Ibid.*
- 56 *Ibid.*, p.30
- 57 Van Parijs 1992, p.467
- 58 Van Parijs 1995, p.5
- 59 Van Parijs 1992, p.467; 1995, p.24
- 60 Van Parijs 1995, p.26-27
- 61 Van Parijs 1992, p.470
- 62 Van Parijs 2001, p.14; 1992, p.472
- 63 Van Parijs 1995, p.33
- 64 *Ibid.*, p.36
- 65 *Ibid.*
- 66 *Ibid.*

- 67 Ibid., p.38
- 68 Ibid
- 69 White 2003, p.153-169
- 70 For more, see White's discussion of inheritance in Chapter 8, "Basic Capital," of The Civic Minimum (2003)
- 71 Van Parijs 2002, pp.327-330
- 72 Van Parijs 2001, p.24-25
- 73 Rawls argued for the distribution of primary goods based on a broad notion of justice, not one rooted in any particular "conception of the good."
- 74 White, "Reconsidering the Exploitation Objection to Basic Income," *Basic Income Studies* 1.2, 2006
- 75 Goodin, 1988.
- 76 As quoted in White 2006, p.5
- 77 White 2006, p.6
- 78 White 2006, 5-6
- 79 Van Parijs, 2002, pp.327-330; José Antonio Noguera, "Citizens or Workers? Basic Income vs. Welfare-to-Work Policies," *Paper for the 10th Congress of the Basic Income European Network (BIEN)*, Barcelona, 19-20 September 2004, p.16
- 80 Stuart White 2003, pp.77
- 81 Beckley conceptualizes Sen's freedom as "equality of opportunity." See Harlan Beckley, "Capability as Opportunity," *The Journal of Religious Ethics* 30.1, Spring 2002: 107-135; Amartya Sen, "Conceptualizing and Measuring Poverty," *Poverty and Inequality*, Stanford University Press: Stanford, 2006, p.34
- 82 Amartya Sen, "Capability and Well-Being," *Quality of Life*, ed. Martha Nussbaum and Amartya Sen, 1993
- 83 Beckley 2002
- 84 Ibid.
- 85 Van Parijs 1992, p.474
- 86 Van Parijs 1995, p.23
- 87 Ibid., p.24
- 88 Ibid.
- 89 Van Parijs 1992, p.474
- 90 Van Parijs 1995, p.59
- 91 Van Parijs 1992, p.474
- 92 Van Parijs 1995
- 93 Sen 1993, p.41; Amartya Sen, *Inequality Reexamined*. Harvard University Press: Cambridge, 1992, p.112-113
- 94 Anderson 2001, p.71-92
- 95 Beckley 2002, p.107-135
- 96 Sen 1993
- 97 Ibid
- 98 Ibid
- 99 White 2003, p.174
- 100 A.B. Atkinson, "The Case for a Participation Income," *The Political Quarterly*, 1996, p.67-70
- 101 White 2003, p.170-171; Van Parijs 2004, p.16
- 102 Beckley 2002, 107-135
- 103 Whiet 2003, p.170
- 104 Anderson 2001, p.70
- 105 The stakeholder grant is advocated principally by Bruce Ackerman and Anne Alstott. See The Stakeholder Society, Yale University Press: New Haven, 1999; "Why Stakeholding?," *Politics and Society*, 32.1, 2004, pp.41-60. Van Parijs typically responds by arguing that the costs of paternalism in this particular instance—the use of a monthly income as opposed to a stakeholder grant—is outweighed by the benefit of preventing people from squandering their stakeholder grant and becoming destitute. See Philippe Van Parijs 2001, p.13; 1995, p.31
- 106 Stuart White, "Reconsidering the Exploitation Objection to Basic Income," *Basic Income Studies* 1.2, 2006, 10-12
- 107 De Wispelaere and Stirton, p.1
- 108 Van Parijs 2004, p.11
- 109 White 2003, p.173-175
- 110 It's worth noting that in Free Lunch, Van Parijs argues that a BI strategy might be best prosecuted politically by starting out with a subsistence level income: "I favor the highest sustainable such income, and believe that all the richer countries can now afford to pay a basic income above subsistence. But advocates of a UBI do not need to press for a basic income at this level right away. In fact, the easiest and safest way forward, though details may differ considerably from one country to another, is likely to consist of enacting a UBI first a level below subsistence and increasing it over time." See Van Parijs 2001, p.6
- 111 That is, one would not run into the problem of lagging payment encountered by an *ex-post* PI. A standalone *ex-post* PI would restrict freedom of individuals by requiring them to wait for the disbursement of funds. See the first full paragraph of p.14 for a full explanation.
- 112 Chad Kiewiet de Jonge, "Looking to the Developing World for Anti-Poverty Strategies: The Conditional Cash Transfer Plan in New York City," *Capstone paper for Poverty 423*, 2007, http://www.wlu.edu/documents/shepherd/academics/cap_07_kiewietdejonge.pdf
- 113 Philippe Van Parijs, "Why surfers should be fed: the liberal case for an unconditional basic income," *Philosophy and Public Affairs*, 20.2, Spring 1991, pp.101-131.
- 114 Jason DeParle, *American Dream*, New York: The Penguin Group, p.212

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- ¹¹⁵ Brian Barry, “UBI and the Work Ethic,” What’s Wrong with a Free Lunch?, ed. by Joshua Cohen and Joel Rogers. Beacon Press: Boston 2001,p.66
- ¹¹⁶ Robert Goodin, “Something for Nothing?” What’s Wrong with a Free Lunch?, ed. by Joshua Cohen and Joel Rogers. Beacon Press: Boston, 2001, pp.90-97
- ¹¹⁷ Philippe Van Parijs, “A Basic Income For All,” What’s Wrong with a Free Lunch?, ed. by Joshua Cohen and Joel Rogers. Beacon Press: Boston, 2001, p.5
- ¹¹⁸ Ron Haskins, *Work Over Welfare: The Inside Story of the 1996 Welfare Reform Law*, Washington Brookings: Institution Press, 2006, p.10-11

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