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UNCONDITIONAL BASIC INCOME AND THE REJUVENATION OF THE WELFARE STATE

A REVIEW OF *BASIC INCOME: A RADICAL PROPOSAL FOR A FREE SOCIETY AND A SANE ECONOMY* BY PHILIPPE VAN PARIJS AND YANNICK VANDERBORGHT

Robert van der Veen† and Loek Groot††

I. INTRODUCTION

A. A Radical Proposal

With *Basic Income: A Radical Proposal for a Free Society and a Sane Economy*, Philippe Van Parijs and Yannick Vanderborght have managed to combine three ambitious goals in an exceptionally attractive format.¹ Their book is first a lively political treatise in the tradition of “realistic utopianism,” arguing for the radical proposal to rejuvenate the Western social model—under threat of automation, globalization, and ageing populations—by installing a basic needs-covering unconditional income at its core. It is, secondly, a surefooted didactic exposition of the topic’s public economics and political economy aspects, taking off from the two Belgian authors’ earlier collaboration in the French language primer *l’Allocation Universelle* (2000), duly broadened and assiduously updated to include many of the major developments and contributions of the last decades, from trials with unconditional cash grants in the developing world, Euro-dividend ideas, and the revival of experimentation with basic income-like arrangements. Thirdly, *Basic Income* marks the final stage of Van Parijs’s ongoing effort from *Real Freedom for All* (1995)² onwards, to bring political philosophy to bear on a definitive moral justification of the controversial unconditionalities of a basic

† University of Amsterdam, Department of Political Science

†† Utrecht University, Utrecht University School of Economics U.S.E.

1. PHILIPPE VAN PARIJS & YANNICK VANDERBORGHT, *BASIC INCOME: A RADICAL PROPOSAL FOR A FREE SOCIETY AND A SANE ECONOMY* (2017).

2. PHILIPPE VAN PARIJS, *REAL FREEDOM FOR ALL: WHAT (IF ANYTHING) CAN JUSTIFY CAPITALISM?* (1995).

income (individuality, universality, and obligation-freeness) from the perspective of liberal egalitarianism, as worked out by John Rawls and Ronald Dworkin.³

The eight chapters of *Basic Income* proceed from a lucid exposition of the nature and consequences of inserting basic income's three unconditionalities in the household-based, work- and means-tested environment of existing social security in Chapter 1, working from there to articulate the "radical proposal" in the national context of affluent welfare state economies. The territorial context is widened only in Chapter 8 to include brief speculations on a global basic income, and a more detailed plea for a low-level supranational basic income in a *European Transfer Union* based on the authors' own ongoing work. We leave aside these issues in this review. What goes on between this first and last chapter answers to the threefold aims mentioned above: political treatise, didactic exposition, and philosophical defense.

Chapter 2 extends the initial answer to "why a basic income?" beyond the institutions of the status quo. It explains *in extenso* why a "pure" basic income should be preferred to more or less unconditional schemes that share some of the features of basic income—negative income tax, basic capital endowment, and participation income: so-called "close cousins"—and other progressive schemes retaining the obligation to work, such as wage subsidies and state-guaranteed jobs. This didactic exercise is complemented by two elegantly written historical accounts, respectively dealing with the contemporary welfare state's mix of social insurance and general assistance in which basic income will have to be inserted if the radical proposal succeeds (Chapter 3: "Prehistory"), and the origins and development of the basic income idea itself (Chapter 4: "History").

Chapter 5 then sets out a densely written and highly complex argument for installing a basic income at the highest sustainable level so as to achieve "real freedom for all," explaining that it should be financed by a tax program that captures the gains from unequally distributed "gifts" (inheritances, native talents, windfall profits) to which individuals are said to have no antecedent moral claim. In the course of making this main normative point, the chapter aims to refute two distinct objections of unfairness, to wit, that a basic income allows able-bodied persons to live off the work of others ("free riding"), and that, considered as a tool of income redistribution, it arbitrarily discriminates in favor of those with a preference for idleness and against those who prefer consumption over free time ("favoring the Lazies").

Once Van Parijs and Vanderborght have defended basic income with the heavy armor of political philosophy, Chapters 6 and 7 take up the two

3. In Chapter 5, Van Parijs and Vanderborght rightly choose to call their normative approach liberal-egalitarian rather than, as formerly, "real-libertarian," in order to avoid confusion with the left libertarian approach that they critically review. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 119-123..

remaining essentials of the political treatise. These are, respectively, to show—insofar as empirical evidence and informed guessing allows—that a basic income set at basic needs-covering level is sustainable in the face of incentive effects, and that there are good reasons for believing that the basic income project will become politically achievable in a reasonably short timeframe. It must be said that the tone of this seventh chapter is relatively guarded, perhaps more so than is needed to inspire confidence in the radical proposal. Van Parijs and Vanderborght do not expect basic income to march in through the front gate of the Western social edifice but argue that it may be coaxed in through the back door in successive steps.

We greatly admire the inspiring ways that Van Parijs and Vanderborght defend basic income in terms of its beneficial consequences in the first chapter and display the coherence of their comprehensive case for supporting it as a “radical proposal for a free society and a sane economy.” But we are not yet convinced by their overall argument. Our aim is to look critically at their treatment of three themes: the economic sustainability of a basic income that covers basic needs (section II below), the argument from social justice for dispensing such a basic income (section III), and the political chances of actually introducing full basic income in the affluent welfare states on which Van Parijs and Vanderborght focus (section IV). The rest of this introductory section clarifies our review effort. We explain why we think the case for basic income presented by Van Parijs and Vanderborght at the outset is attractive and convincing, and then motivate our critical perspective on the three themes.

*B. “A sane economy in a free society”: The Consequences of
Unconditionality*

Chapter 1 is entitled “The Instrument of Freedom.” But as the Prologue of the book states, the central case for an unconditional basic income is more than merely providing a social transfer that ensures individual freedom of choice. It also consists in providing an “essential ingredient of a sustainable emancipatory institutional framework.” And this is, we take it, because of the ways that the unconditional nature of the transfer “addresses the problems of poverty and unemployment, lousy jobs and crazy growth.”⁴

Thus, at the outset of the chapter, the three features that distinguish a basic income from conditional transfers at social minimum level in existing welfare states are set out in detail: individuality, universality, and obligation-freeness. This account contains an inventory of the effects that may be expected once a (basic needs-covering) basic income is in place. Starting with individuality, transferring a social minimum to individuals rather than tying entitlement to the head of the household and size to the number of household

4. *Id.* at 1.

members provides two kinds of incentives affecting both the power relations within a household and the formation of households. Compared to the existing situation, (mostly) female members are granted the independence of a secure income, thus providing them with a realistic exit option out of a possibly oppressive marriage or cohabitation. However, basic income also does away with the administration and compliance features of household-differentiated payments, which existing systems have in place in order to capture the gains of scale effects in consumption. Shifting to individualized uniform transfers therefore liberates welfare claimants from official checks on their household arrangements. The shift also amounts to granting the economies of scale in consumption to individuals rather than keeping them in the public purse. And this provides a clear incentive to everybody (low-income people in particular) to share the costs of living by living together, thus avoiding the possible "loneliness trap" of household-differentiated transfers. To the extent that the incentive is followed up, there also will be considerable savings on resources for housing and infrastructure.

One might then say that basic income, due its individuality, distributes the power resource of a secure income to say "no" to an existing arrangement of cohabitation more equally among persons, and at the same time enhances the material rewards of saying "yes" to given cohabitation opportunities. This is a neat argument, which brings out why Van Parijs and Vanderborght characterize basic income as an instrument of freedom and at the same time as an ingredient of sustainable emancipatory institutions.

A similarly structured argument is used in their detailed exposition of the two other features, universality and obligation-freeness. On the one hand, the freedom from the obligation to show willingness to seek paid work offered by a basic needs-covering income enables someone to say "no" more easily to an unattractive and badly paid job, thus keeping many low-income people out of the "employment trap" associated with work-conditional transfers, a trap that is more difficult to escape the more rigidly the obligation to work is enforced. But on the other hand, the universal nature of a basic income entitlement enables someone to say "yes" to an offer of attractive work, even if that work does not fetch enough to durably cover basic needs. The universality of doing away with means and income tests has this effect, because recipients do not have to fear the (sometimes lengthy) bureaucratic interruptions of their transfer payments after exiting temporary work, and because universality strongly diminishes the very high effective marginal tax rates on earnings that means-tested welfare claimants face. They are therefore prevented from falling into the "unemployment trap" created by rigidly enforced means-tested social assistance schemes.

Again, to the extent that the increased power to say "no" to lousy work and "yes" to nice work is followed up by people with low incomes and

precarious labor market prospects,⁵ further social and economic effects will ensue by way of repercussions on labor markets and their auxiliary arrangements of professional education and childcare. Combining the three unconditionalities of basic income, Van Parijs and Vanderborght argue, provides not only a dependable floor to ward off income poverty, but also the security “to give all, not just the better endowed, greater freedom to move easily among paid work, education, caring and volunteering.”⁶

The specific effects flowing from the opportunities and incentives of each separate unconditionality, then, result in a more efficient economy in which people’s lifetime stocks of labor power are far better formed, preserved, nurtured, and utilized at a lower aggregate level of labor expenditure. This efficiency gain is expected to occur generally, relative to the conditional systems of social security currently in force, but in particular compared to ones that pursue labor supply-maximizing full-employment growth policies that make heavy use of labor market activation measures that depend on tightening eligibility conditions and lowering levels of social benefit. Basic income, Van Parijs and Vanderborght conclude, can therefore be “viewed as an intelligent emancipatory form of an ‘active welfare state,’” which contributes to a “sane” economy, that “does not make people sick” and pushes in the direction of a lower-work lower-consumption oriented way of life in developed economies that is “sustainably generalizable.”⁷ However, in order to cash in on all these social benefits, the quite costly introduction of a basic income will have to be sustainable itself. And this depends on how the tax cost of basic income affects the workers higher up in the labor market hierarchy who stand to gain far less from the shift to the three unconditionalities.

C. Analyzing the Case for Basic Income: Sustainable? Justified? Politically Viable?

One might interpret Van Parijs and Vanderborght’s case for basic income as a conditional argument with a deductive and an empirical part. The *economic condition* is that dispensing a fully unconditional basic income at a level covering a socially accepted criterion of basic needs is fiscally and behaviorally sustainable, given an adequate background of public provisions. The *deductive part* of the argument says that basic income confers real freedom of choice, operationalized as a specific opportunity set that allows its recipient to subsist without having to work for a living at the accepted minimum standard of consumption. Next, the argument has a crucial *empirical part*. It aims to show that granting every adult citizen or permanent

5. For the potential of basic income to improve the plight of the precariat, see GUY STANDING, *BASIC INCOME: AND HOW WE CAN MAKE IT HAPPEN* (2017).

6. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 26.

7. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 26-29.

resident these opportunities of real freedom will generate the highly beneficial individual and social consequences that were just outlined in section I(B). As will be clear, Van Parijs and Vanderborght's sketch of the effects to be expected from moving to an unconditional income under present social and technological circumstances is inevitably speculative, a vividly imagined reality. But we think it is a highly attractive reality, and the speculation is sufficiently plausible to become animated by the radical proposal. And Van Parijs and Vanderborght do an excellent job in presenting that proposal.

The case for basic income can surely be strengthened by doing more work on the empirical part.⁸ But in this review we are going to take it largely for granted and concentrate on the two other issues of the case. Underlying the salience of the deductive part—that introducing a full basic income achieves “real freedom for all”—is Van Parijs and Vanderborght's moral position that real freedom for all is a compelling ideal of justice. And their key argument is that dispensing the highest sustainable basic income is the only way of fully achieving that ideal. We share this moral position to a large extent, but we are critical of the key argument and will examine it at length in section III below.

The economic condition of the case also raises the large empirical issue of whether a “full” basic income—one at society's social minimum level—can be sustainably financed by the state's levies on firms and citizens, either right now, or else in the not-too-distant future. In section II below, we argue that the maximum level of basic income that the economy can sustain compatibly with servicing essential public expenditures may be below the level required by a full basic income. If so, then the “sane economy” may be out of reach for the time being, because both “freedom from toil” and the beneficial consequences of that freedom attach to a level of basic income that is currently unsustainable, given the requirement to attend to the background conditions of an extensive welfare state. However, the sustainable level of basic income might rise over time. Then society could undertake an initial reform and implement a partial basic income—at a level not too far below the standard of basic needs—and strive to reach a full basic income at some point later on. This is what Van Parijs and Vanderborght recommend.⁹ We share the recommendation. But as will be discussed in section II below, we have doubts about the feasibility of the endeavor in the absence of a strong

8. Notably on two things: how the desirable effects stemming from basic income's unconditionalities tie in with some key results of behavioral economics, *see, e.g.*, Groot and Verlaet, *The Rationale Behind the Utrecht Experiment*, paper Utrecht University School of Economics, 2016, and what factors in the background of basic income might increase the likelihood of getting desirable effects. Below we argue that basic income needs an extensive welfare state to function properly. But there is a lot of room for research regarding the specific quantity and quality of public services that might be “behaviorally optimal.”

9. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 165-68.

political will to undertake the long march from partial to full basic income. The political implications of our position follow in section IV.

Turning now to the deductive part of the case for basic income, the normative argument presented by Van Parijs and Vanderborght in Chapter 5—to justify basic income as the instrument of real freedom—is meant to be both an exercise in political philosophy and a guidance tool for mobilizing popular support. In section III we first show in detail that the philosophical reasonings, appealing as they are, do not survive closer analysis. But we then suggest that a more modest version of the normative argument may suffice for mobilizing purposes and may be of philosophical interest as well. Rather than trying to give a knockdown argument for the unique justice of basic income in terms of real freedom, it is better to argue that dispensing a full basic income is among the institutions that justice recommends and is also preferable to alternatives that offer no less real freedom on the ground of its superior behavioral and social consequences.¹⁰

II. FULL AND PARTIAL BASIC INCOME: ACHIEVING SUSTAINABILITY OVER TIME

A. The Sustainability of Basic Income in the Extensive Welfare State

It is often thought that a “poverty-level UBI” could be installed tomorrow given enough political will.¹¹ But many—including Van Parijs and Vanderborght and ourselves—think this is quite uncertain. Unavoidably, a full basic income pitched at the level of a social minimum that effectively covers basic needs has a high net tax cost, a cost that competes with required public expenditures of the usual kind, such as education and health care. As Van Parijs and Vanderborght note, the resulting high marginal income tax rates on the majority of workers who must pay more in tax than they receive in basic income may reduce incentives and shrink tax revenue to the point that it becomes insufficient to finance public services and basic income.¹²

This difficulty is acute in an *extensive welfare state*, which we regard as the proper background institution of basic income. Such a welfare state is extensive in two respects. First, it provides generous public services that are truly accessible to all, in health and childcare, education, housing, public spaces, and culture. Secondly, it periodically updates the standards of a decent subsistence both in cash and in kind. Regarding disposable income,

10. This does not imply a shift from the liberal-egalitarian currency of justice to the utilitarian one of happiness or preference-satisfaction (we agree with Van Parijs and Vanderborght that basic income cannot, and should not, be justified in the framework of utilitarianism). But our position does require spelling out more clearly the theory of the good underlying the assessment of basic income’s “superior” consequences. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 128-131.

11. See, e.g., KARL WIDERQUIST, *THE DEVIL’S IN THE CAVEATS: A CRITICAL ANALYSIS OF BASIC INCOME EXPERIMENTS FOR RESEARCHERS, POLICYMAKERS, AND CITIZENS* (forthcoming 2019).

12. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 135-37.

this takes the form of indexing the social minimum to income per capita. In section III we discuss the moral reasons for embedding basic income in these background institutions. Here we want to clarify why we think the sustainability issue, when posed in this way, becomes crucial.

First, we believe that the advantageous effects of a full basic income described by Van Parijs and Vanderborght in Chapter 2 cannot really be expected to occur with sufficient force in the absence of a highly developed public sector. Van Parijs and Vanderborght do not make this causal connection, but they certainly recognize that public services provide important benefits, such as the positive external effects of health and education and the contribution of such services to “competent citizenship.” Thus, they believe that “making a strong case for basic income paid in cash is consistent with supporting public provision of various services in kind.”¹³ To us, however, this weak consistency statement is unduly defensive. It does not bring out the enabling role of public provisions for the exercise of real freedom, and it ignores that many public services are required by the justice of equalizing opportunities. We want to say that the strength of the case for basic income itself—both morally and in terms of desirable effects—in large part depends on the adequacy of public provisions. Thus, we believe that a convincing argument for basic income must include the plea for an extensive welfare state, as the background for a just distribution of opportunities to earn and take part in public life and for ensuring, as far as this is consistent with liberal freedoms, that people make sensible use of the real freedom offered by their basic incomes.

When the case is presented in this way, of course, the sustainability issue becomes even more pressing. The expenditures of an extensive welfare state may severely limit the financial space for dispensing real freedom to all in cash form. In the developed and aging economies discussed in *Basic Income*, there is a high financing cost of maintaining adequate public services, which may be growing in line with or even at a higher rate than per capita income. Moreover, economic growth over time will tend to raise the required level of a “full” basic income in the extensive welfare state when the government rightly refuses to allow a gradual diminution of the relative poverty line.

The sustainability question is intimately tied to the empirical claims about the beneficial effects of a full basic income. Dispensing a social minimum unconditionally largely depends on the economy’s dynamic efficiency, after people settle down to do less taxable work in their lifetimes as the final result of introducing a full basic income. The contribution of basic income to dynamic efficiency in affluent economies will depend on the use people will actually make of the additional time offered by the real freedom they gain. Among the beneficial effects listed above—the improvement of work quality, the stimuli to invest in entrepreneurship and human capital, and

13. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 13-14.

the enhancement of care within the family—all these effects suggest that introducing a full basic income can ultimately promote dynamic efficiency to an extent that outweighs the loss of incentives to generate taxable income. And Van Parijs and Vanderborght hold this to be a real possibility. They point out that some of the most important expected effects of full basic income—for example saying “no” to lousy low-paid jobs and “yes” to nicer low-paid ones—are not included in econometric models and cannot be observed in experiments.¹⁴ This amounts to a *stability claim*: after full adjustment to society-wide new institutions of real freedom, the aggregate result of individual behavior will durably support the net cost of these institutions. But as already mentioned, Van Parijs and Vanderborght do not assert that introducing a full basic income right away would be sustainable. Thus the happy consequences of their “radical proposal” might be seen as offering more of a realistic dream rather than pointing to a feasible political alternative for the present moment.

However, Van Parijs and Vanderborght rightly refuse to draw that conclusion. They argue that one can start with an income tax-financed partial basic income rather than a full one, as was proposed in the Netherlands as early as 1985.¹⁵ We certainly agree that such a modest start is inevitable, and that income taxation is indispensable in many cases, but we have a slightly less favorable view of its chances of success. Van Parijs and Vanderborght take a “cautious gradual approach” to achieving full basic income, in which the problems to be solved initially—to decide on the exact financing and on the accompanying measures in the reform package—are to take precedence above any quantitative specification of the final goal of full basic income.¹⁶ They also think that keeping silent about that final goal is the sensible thing to do. To underscore this view, they refer to the positive historical outcomes of real-life experimentation with public assistance and social insurance, experimentation that initially started at modest levels, as they elegantly describe in Chapter 4.¹⁷ By contrast, we have a less sanguine view on the chances of success of a partial basic income reform, a view that follows from our conviction that such a reform needs to take place in an extensive welfare state.

14. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 144–46.

15. The proposal for introducing a partial basic income of what would presently amount to €450 a month was tightly argued but then decisively rejected by both adherents and opponents of basic income. However, as Van Parijs recently stated in the Flemish daily *De Standaard*, June 2018: “the most relevant basic income in the Netherlands is 450 Euro a month.” We agree with this assessment. The WRR proposal had a partial basic income at 30% of the reference figure—the social minimum for a couple. With the minimum for singles at 70% of the reference figure, the proposal then added a conditional social grant for each household of 40%. This made it possible to simplify the household composition test. But since the conditional social grant would also have to be integrated into the social insurance system, the proposal would incur higher administration costs on that front. Wetenschappelijke Raad voor het Regeringsbeleid, *Waarborgen voor zekerheid* at 49–68 (1985); VAN PARIJS & VANDERBORGHT, *supra* note 1, at 158, 165.

16. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 166–67.

17. *Id.* at 168.

B. Partial Basic Income and the Transition to Weak Abundance

There are two interrelated problems with partial basic income. First, it may not be attractive enough in itself. Secondly, the prospects of getting from partial basic income to the moving end point of a full basic income are highly uncertain.

As to the first problem, the general difficulty with partial basic income is that reforming, and at the same time retaining, means- and work-tested social security and social insurance is quite an undertaking. Indeed, compared to the (probably infeasible) alternative of having full basic in one go, one might say: while the income offered by a partial basic income reform is only "partial," the reform itself is almost just as far-reaching. The difference is that it is less expensive, less disruptive, and can be abandoned more easily if the results are bad. But as the Dutch proposal mentioned earlier shows clearly, partial basic income is a radical proposal indeed (see note 15 above).

Thus, even if a sustainable full basic income is within reach eventually, the move towards a partial basic income will have to be attractive enough to (a) overcome the popular resistance to unconditionality from work, and (b) justify its additional financial cost as well as the trouble of designing, testing, and ultimately implementing it. But in the short run the reform may not be all that attractive. Administratively, the need for topping up a partial basic income to guarantee the social minimum standard will not really make the system of social insurance and general assistance less complicated. And behaviorally, the hoped-for effects of a partial basic income at, say, one half of the minimum for single persons—such as improved working conditions due to increased bargaining power of workers, higher investment in skills, and lifelong learning—will be much less marked. A truly partial basic income reform cannot possibly deliver the full extent of beneficial consequences of an unconditional grant at social minimum level. Moreover, if the reform has beneficial effects of the type described by Van Parijs and Vanderborght at all, these will emerge only in the longer run. This is because the point about the long period elapsing before the effects of a full basic income take hold—"long term community adjustments on a national scale"—applies to a partial basic income just as well.

To motivate electorates to go ahead with a basic income that must later be scaled up one or several times, then, a considerable majority must acquire a really strong belief in the desirable consequences of full basic income, coupled to an equally strong wish to reap those benefits in the future. And above all, that future must not be too far away—the majority must strongly believe that the full basic income can be reached within a reasonable timeframe. This account is not exactly in line with the cautious optimism displayed by Van Parijs and Vanderborght. But it is important to face the fact that a reform leading to partial basic income will not necessarily create the positive motivations for continuing along the way to full basic income, in

part because its initial disadvantages are clear to everyone and its advantages materialize only slowly. And this problem is worsened by the fact that it is actually quite uncertain whether the economy can reach the “state of weak abundance”—the state in which a full basic income is publicly known to be sustainable—within a few electoral periods.¹⁸

Thus, it is reasonable to take seriously the prospect that basic income’s full advantages might not be within reach in the foreseeable future. In any case, once partial basic income is on the agenda, many political actors will reason in this way. And this will not boost the motivation of electorates to replace means-tested general assistance by partial basic income in the first place. Since Van Parijs and Vanderborght think that advocates of basic income, in debating the political agenda of a partial reform, should not even be talking about the standards to be met in order to speak of a full basic income, they can conveniently bypass the uncertainties involved in a “transition to weak abundance.”¹⁹ We believe this is unwise, and return to the point in section IV.

C. The Capitalist Transition to Communism and Thomas Piketty’s Three Laws of Capitalism

What are these uncertainties? The path from partial to full basic income follows the logic of the “capitalist transition to communism” described in Chapter 5.²⁰ Put in Marxian terms, here is the logic of the transition. In order to sustainably raise the level of a basic income relative to average income—thus expanding the portion of income distributed according to “needs” rather than according to “contributions”—labor productivity must rise faster than a growing average income in a way ensuring that less labor is demanded as time goes on. This corresponds to the expansion of the “realm of freedom” predicated by the shrinkage of the “labour day” that Marx envisaged against the background of constantly expanding forces of production under socialism. Under present day capitalism, however, the forces of production are developing in a similarly powerful way. Installing a basic income in the capitalist economy will on the one hand enable working hours to be reduced so as to avoid involuntary underemployment, and on the other hand raise the quality of work, due to the increased bargaining power of the workers. This ensures that as time goes on, both exploitation—the compulsion of workers to perform surplus labor—and alienation—the performance of paid activity

18. The concept of “weak abundance” as the starting point of a transition to communism is explained in Van der Veen and Van Parijs, 1986. As paraphrased in Chapter 5, it refers to an affluent economy that can cover everyone’s fundamental needs unconditionally with a basic income, topped up in some cases to address special needs such as disabilities. Robert J. van der Veen & Philippe Van Parijs, *A Capitalist Road to Communism*, 15 *THEORY AND SOC’Y* 635 (1986); VAN PARIJS & VANDERBORGHT, *supra* note 1, at 124.

19. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 166.

20. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 123-28.

for the sake of survival only—will steadily diminish, up to the point where human activities in and out of work have become similarly worthwhile. Then, the final state of communism is reached at a point where the social product is predominantly distributed according to needs, in the form of a very high basic income.

Van Parijs and Vanderborght discuss this transition story only in order to show how one might argue for a full basic income from a revisionist Marxian perspective, while presupposing “weak abundance.”²¹ But the very same story applies to the nonabundant situations in the present context, in which only a partial basic income is known to be sustainable. Getting to weak abundance from there requires that the level of basic income rises over time all the way to the fraction of per capita income that represents the social minimum of an extensive welfare state. This implies that basic income’s maximum sustainable level should rise at a higher rate than per capita income, at least until it reaches the level of the designated social minimum.

The economic conditions for such a path were first explored in van der Veen (1984)²² in the context of socialism, and by van der Veen and van Parijs (1984)²³ in the context of capitalism. The conditions are plausible in capitalist economies with marked labor-saving technical change, but they are not obviously fulfilled. We now show how the transition from partial to full basic income might work with an example based on a simple model. It uses the novel Solow-Summers production function, which focuses on capital goods embodied in the manufacture of goods and services, and hence will replace labor directly if relative prices are right. The Solow-Summers function can be used to illustrate the dual possibility of “jobless growth” and a rising share of capital in national income, as we will now explain.

Recently both Lawrence Summers²⁴ and Anthony Atkinson²⁵ launched the idea of two types of capital K_1 and K_2 , respectively corresponding to the traditional notion of buildings and machines and to the timely notion of robotics, i.e. capital goods that directly substitute for labor. The production function is specified as follows:

$$Y = K_1^\alpha (AL + BK_2)^{1-\alpha}$$

In this production function, net product Y is produced by K_1 jointly with a mix of labor L and capital K_2 , in a technical composition described by the parameter α . The mix of L and K_2 itself, however, depends on relative

21. *Id.* at 122-28.

22. Robert J. van der Veen, *From Contribution to Needs: a Normative-Economic Essay on the Transition Towards Full Communism*, 18 ACTA POLITICA 463 (1984) (Neth.).

23. Robert Jan van der Veen & Philippe Van Parijs, *The Capitalist Transition to “Communism.” A Formal Presentation*, (Working Paper, Institute des Sciences Economique, Université Catholique de Louvain, 1984).

24. Lawrence H. Summers, *Economic Possibilities for Our Children*, 4 NAT’L BUREAU OF ECON. RES. 1, 4-5 (2013).

25. Anthony B. Atkinson, *After Piketty?*, 65 THE BRITISH JOURNAL OF SOCIOLOGY 619, 624-27 (2014).

prices—the wage rate w of L and the rental price r of K_2 . In the production function, one unit of K_2 is equivalent to B/A units of L , where A and B are technological parameters. Then, profit-maximizing firms will start to use K_2 instead of L , as soon as w/r equals or exceeds A/B . This may happen if a rising capital-labor ratio occurring after a period of conventional growth induces rising wages and a falling rate of return, or alternatively, if technology parameter B increases more rapidly than A .

By introducing the two types of capital goods K_1 and K_2 , Summers wanted to provide a new model that captures the defining features of economic growth of today: use of information technology, automation, and robotization generating rising output accompanied by a rising capital share and falling wages.²⁶ Atkinson adopted Summers' suggestion.²⁷ He also related it to the problem of Thomas Piketty's major historical study of capitalist economies, in which capitalism under normal circumstances is characterized by a rising capital share in national income. This trend seems to imply a production function with a substitution elasticity exceeding unity. Atkinson remarks:

To the extent that the capital share has been rising in recent decades, Piketty argues that this reflects the elasticity of substitution today being greater than one. Piketty refers, among other things, to the impact of robotization, and it is interesting to develop this further, along the lines suggested by Summers (2013).²⁸

Now in the Cobb-Douglas production function that underlies conventional neoclassical models of economic growth ($Y = AK^\alpha L^{1-\alpha}$), the elasticity of substitution between labor and capital is unity by definition. But this is difficult to square with Piketty's rising capital share, which seems to require an elasticity of substitution greater than one, so that the rate of return on capital will fall less than proportionally as the stock of capital rises. In principle, this problem might be solved by using a different constant elasticity of substitution (CES) production function, but with an elasticity that is allowed to be greater or less than unity. However, the empirical evidence for the higher than unitary substitution elasticity posited by Piketty is very weak.²⁹ But if the substitution elasticity is less than one, as estimated in these

26. Lawrence H. Summers, *Economic Possibilities for Our Children*, 4 NAT'L BUREAU OF ECON. RES. 1, 4 (2013):

We are used to thinking of production functions. Output is a function of capital and labor. Capital augments labor: it raises the productivity of labor. If there are only two factors, they have to be complements. If there's more capital, the wage has to rise. Now imagine that capital can be put to one of two uses. It can be put to the use in the production function that we are accustomed to thinking about or it can be used to substitute for labor. That is, you can take some of the stock of machines and, by designing them appropriately, you can have them do exactly what labor did before.

27. Anthony B. Atkinson, *supra* note 25, at 624.

28. Lawrence H. Summers, *Economic Possibilities for Our Children*, 4 NAT'L BUREAU OF ECON. RES. 1 (2013).

29. Most studies estimate it to be in the range of [0.5, 1], see Ezra Oberfield & Devesh Raval, *Micro Data and Macro Technology* (Nat'l Bureau of Econ. Research, Working Paper No. 20452, 2014).

studies, then capital-augmenting technological change will increase the share of labor in a conventional growth model that uses the CES production function.

Now this is where the novel Solow-Summers specification of the production function comes in. When it is in force, the growth of output Y under capital-augmenting technological change will be driven by more capital per head, especially in the form of K_2 , which directly replaces workers. The wage and rental price ratio w/r are then determined by the technology parameters A and B (with $w/r \geq A/B$, as explained above). In consequence, growth will be accompanied by a rising share of capital, irrespective of the magnitude of the elasticity of substitution.

The Solow-Summers format also seems to be appropriate for our purpose of modeling the conditions for a capitalist transition in which basic income rises faster than per capita output does, and the volume of labor diminishes while the quality of work increases. In our work in progress, we use a model combining the Solow-Summers production function with a government budget balance constraint, and an aggregate labor supply function in which labor supply depends positively on the wage rate and a parameter of work quality, and negatively on the level of basic income. This model can determine whether there is a growth path that on the one hand satisfies Piketty's three "laws": rental price of capital r exceeding rate of output growth g ($r > g$), a rising capital-income ratio K/Y and a rising capital share rK/Y , a path that is in line, on the other hand, with the four dimensions of the Marxian transition to communism: decreasing average labor time, increasing per capita consumption, improving quality of work and a rising needs-contribution ratio. The latter dimension is expressed by a rise in basic income that exceeds per capita output growth.

Our simulations show that such a path exists. The mechanism can be explained as follows. Productivity growth, especially due to capital investment in automation, reduces the demand for labor. Productivity growth also allows the disbursement of higher levels of basic income over time, set at a level such that the labor market clears, that is, basic income rises sufficiently to dampen labor supply incentives so that the lower demand for labor may be accompanied by absence of involuntary unemployment.

The implications of this model are interesting. If the developed economies addressed in *Basic Income* behave in the way described by our simulations, there is a strong argument for not merely introducing a full basic income over time starting out from a partial basic income, but also to employ fiscal measures and social programs that would gradually install a "property-owning democracy," so as to prevent the income inequality associated with a rising share of capital in these economies. For these are economies in which capital is distributed among persons very unequally. The ideal of a property-

owning democracy refers to reforms aiming at workplace democracy and wide dispersal of titles to capital income. Our model thus suggests that such reforms should be combined with tax-redistribution programs to install a basic income. That combination of reforms would vindicate the long-standing vision originating from James Meade's *Agathotopia*, which Van Parijs and Vanderborght briefly discuss in their history of the basic income idea in Chapter 3, but do not take up.³⁰

In the economic circumstances of our example—technical change that makes labor obsolete and favors owners of capital—it makes sense to pursue basic income in the framework articulated by James Meade. However, given what we said above, a property-owning democracy should certainly include a version of the extensive welfare state, rather than being interpreted, as is frequently done (though not by Meade himself), as being opposed to the welfare state. This is the case in the work of John Rawls³¹ and in some of the recent pleas for combating economic inequality through “pre-distribution instead of more redistribution” (WRR, 2014, section 1.4).³²

D. The Importance of Moral and Political Argument

So far, we have argued that due to profound economic uncertainties, basic income is much more difficult to get going than Van Parijs and Vanderborght seem to think. But we certainly agree that it remains a real possibility worth fighting for, most certainly if the economic landscape is changing in line with the economic developments just discussed. The well-being consequences of full basic income are appealing not only to the less fortunate, those who gain a net benefit from taxation and redistribution, but also in some respects to the more fortunate in society, the net contributors. However, the latter—in fact the large majority of individuals—still bear the cost of the reform in higher taxes one way or the other. Their willingness to do this and actually vote for basic income will be forthcoming only if they think that their sacrifices for upholding the institutions of basic income serve a *just cause*. Therefore it needs to be established, by means of cogent normative reasoning, that basic income is more just than staying in the status quo. However, Van Parijs and Vanderborght go much further than this. They strongly suggest—without explicitly asserting—that to gain popular support, in particular from net contributors, it should also be demonstrated that basic income is a *uniquely just cause*.³³ This means that basic income must be

30. James E. Meade, *Agathotopia: The Economics of Partnership*, in LIBERTY, EQUALITY AND EFFICIENCY, (Palgrave Macmillan, 1993); VAN PARIJS & VANDERBORGHT, *supra* note 1, at 80-82.

31. JOHN RAWLS, A THEORY OF JUSTICE (1971); JOHN RAWLS, THE LAW OF PEOPLES (1999).

32. WRR (2014), Kremers, M., M. Bovens, E. Schrijvers, & R. Went, *Hoe ongelijk is Nederland?* [How Unequal is The Netherlands?], Amsterdam, Amsterdam UP.

33. For example, the wage subsidy and guaranteed job arrangements are discussed in Chapter 2 as alternatives to basic income based on different ideas about “what matters”: respectively “busy-ness” or

shown to be preferable to any feasible alternative social policy on grounds of justice. As we argue in III(F) below, Van Parijs and Vanderborght fail to show this.

III. THE POLITICAL THEORY OF BASIC INCOME

A. Real Freedom for All in the Welfare State: Three Challenges

In Chapter 5, Van Parijs and Vanderborght start out by making a key distinction between demands of justice and requirements for living the good life. They first consider the popular view that decoupling income from (the willingness to) work is ethically bad, because it “rewards idleness,” and hence goes against the *work ethic*—“the principle that work is a part of the good life.”³⁴ Van Parijs and Vanderborght hold that basic income need not be incompatible with this general ethical view,³⁵ but that even if basic income does violate some versions of it—specifically the *ethic of paid work*—this still does not justify making basic security conditional upon the performance or willingness to work. Van Parijs and Vanderborght subscribe to a strongly anti-perfectionist view that rules out any attempt to impose a work ethic in public policy. They say: “. . . the shaping of our social institutions should not be guided by a specific conception of the good life but by a coherent and plausible theory of justice. . .”³⁶

Van Parijs and Vanderborght are perhaps too quick here. As we will show later, they should admit that specifically liberal ideas about the good life within institutions including a basic income may necessitate pitching its level below what would otherwise be sustainable. In such cases, serving liberal ideas of the good has priority over social justice. Whatever the case, endorsing anti-perfectionism in the uncompromising way quoted above allows Van Parijs and Vanderborght to focus squarely on a different, and no less influential, work-related objection to basic income. This is the well-known objection on grounds of reciprocal economic contribution (*reciprocity* in short). It says that severing the link between income and work is *unfair*, because basic income allows able-bodied people to live off the labor of others without working themselves and indeed without contributing anything to society in return for the income. The reciprocity objection applies to a full basic income in particular, since the latter openly grants freedom from the obligation to contribute use-value to others or society, as a matter of fairness or justice.

real freedom. But Van Parijs and Vanderborght make no attempt here to show the normative superiority of basic income. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 29-50.

34. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 99.

35. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 27.

36. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 99.

Even though the two versions of the work-related objection—respectively based on the work ethic and on reciprocity—are logically independent, they tend to go together to some extent. In a political context, they should perhaps not be as radically dissociated as in Van Parijs and Vanderborght’s presentation. Many hardcore objectors to basic income in politics and popular discourse think that “living off the labor of others” is both bad for the recipients of income and unfair to the net contributors in the society, especially when the permission to do so is licensed by a public guarantee to provide “freedom from toil.”³⁷

In this long section on political theory, we discuss Van Parijs and Vanderborght’s grand argument for the unique justice of basic income in detail. The argument proceeds in two stages. The first stage aims to defuse the reciprocity objection. In our view this aim does not succeed. Van Parijs and Vanderborght do show that basic income may work in practice to promote some important concerns of reciprocity, but this leaves untouched the principled concern—that some live off the paid work of others—that figures prominently in the debate (III[B]). Next, they try to limit the scope of reciprocity to a domain of “cooperative” justice, while placing basic income in a normatively prior domain of “distributive justice” that governs entitlements to resources. We argue against this conceptual strategy (III[C]).

The second stage of Van Parijs and Vanderborght’s grand argument claims—in a hard-to-pin-down way—that granting the highest sustainable basic income is the *only neutral way* of achieving maximin real freedom. In the political theory of liberalism, “neutrality” mostly refers to the familiar demand of anti-perfectionism that public policies should not be designed for the purpose of favoring specific conceptions of the good over others. As mentioned above, Van Parijs and Vanderborght endorse neutrality in this sense, and their recommendation of basic income on grounds of real freedom is certainly consistent with anti-perfectionism.³⁸ In addition however, they claim that granting a basic income is neutral in the different sense of fairness in distribution. This requirement is that real freedom should be delivered in ways that do not unfairly discriminate against people with different preferences and lifestyles. The requirement is relevant because there are several ways of satisfying the distributive criterion of maximin real freedom besides dispensing the highest sustainable basic income. In Van Parijs and

37. As discussed in van der Veen 1991, Chapter 6.1. ROBERT J. VAN DER VEEN, *BETWEEN EXPLOITATION AND COMMUNISM: EXPLORATIONS IN THE MARXIAN THEORY OF JUSTICE AND FREEDOM* (1991).

38. One can argue that it is impossible to have a fully neutral conception of justice in this sense, because the choice of the entities (“currencies”) figuring in principles of just distribution will always reflect some notion of the good for individuals, however general. With this in mind, anti-perfectionism, when formulated at the level of principles of justice for institutions, only demands that these principles do not prioritize *specific* conceptions of the good. When it is operationalized as a bundle of all-purpose means—disposable income and free time—the currency of real freedom can plausibly be said to satisfy anti-perfectionism.

Vanderborgh's presentation, the need for finding a criterion that identifies a neutral distribution of real freedom among persons arises in response to the well-known "Crazy-Lazy" objection, the objection that a basic income unfairly discriminates against the industrious and in favor of the lazy. We examine and ultimately reject their response in III(E) and III(F) below.

However, matters are even more complex than this agenda of discussion suggests. For in the background of the neutrality issue there is an important suggestion. Having dealt with the reciprocity objection, Van Parijs and Vanderborgh go on to say that adopting the conception of maximin real freedom creates a "strong presumption" in favor of a periodically paid basic income in cash at the highest sustainable level.³⁹ They then clarify the rider in this statement by explaining that the payable level of basic income should be subject to financing the essential public provisions in kind, which were already mentioned in Chapter 2. Then they suggest that the optimal level and composition of public provisions, which fixes the desired level of basic income, should be worked out by means of a thought experiment invoking a veil of ignorance. That experiment consists in asking a series of hypothetical questions about the provisions people would wish to have instead of getting more cash through a higher basic income if they were ignorant of their own lifetime circumstances. In III(D) below, we explain why this is not a good way of presenting the ideal of basic income as a key ingredient of an "active welfare state" in a "sane economy." We also provide a normative defense of our thesis that basic income (at least in affluent democracies) needs to be incorporated in an extensive welfare state.

To sum up so far, the grand argument for basic income faces three challenges. Taken in logical order, these are: to clarify the relation between real freedom for all and the justice of public provisioning (*background justice*), to explain why basic income is the only nondiscriminatory way of distributing real freedom among people with different interests (*neutrality*), and finally to deal with the objection that basic income even then violates the reciprocity criterion of fairness (*reciprocity*). But in what follows next, we discuss the challenges in the two stage-order in which Van Parijs and Vanderborgh present their grand argument in *Basic Income*: reciprocity in the first stage, and neutrality in the second, after the issue of background justice has been quite briefly dealt with.

B. How Basic Income Can Accommodate Reciprocity

For reasons of space we only discuss Van Parijs and Vanderborgh's argument that the reciprocity objection can be countered by showing that in a society with basic income, the principle of reciprocity—very broadly understood as the willingness, if one is able, to produce use-value for others

39. VAN PARIJS & VANDERBORGH, *supra* note 1, at 104.

in return for transfer income—will be served better than it is served under work and means-tested arrangements. Van Parijs and Vanderborght make three points.⁴⁰ Existing welfare states, first, must distinguish the truly disabled from able-bodied who refuse to work. This imposes costs of monitoring recipients and enforcing conditionalities, costs that are often too high to bear in practice, so that free riders can often get away with fraud. A modest basic income allows the same behavior, but without the suspicion of fraud and without imposing the administrative burden. And since “lazy scroungers” can be expected to become a tiny minority, once real freedom to stop working is in place for all a modest basic income appears to be the “least bad measure.”⁴¹ Secondly, Van Parijs and Vanderborght continue, reciprocity in unpaid care and maintenance tasks within the family gets promoted by basic income, because it gives women a measure of economic security and recompenses them for the disproportionate amounts of work they perform. In so doing, basic income encourages male household members to desist from free riding on the efforts of female members.⁴² Finally, by enhancing the bargaining power of low-paid workers, basic income promotes reciprocity in respect of immaterial rewards on labor markets. This is because basic income drives up the wage for irksome and unattractive work. It thus diminishes involuntary, yet unfair, free riding by the well-paid on the badly paid. Free riding occurs because labor markets have a positive association between wage rates and work quality.⁴³

These are three strong points, well-known in the basic income camp, though not entirely unchallenged. Their usefulness in the reciprocity debate depends on the extent to which basic income is thought to produce the empowerment effects that are claimed here. As Van Parijs and Vanderborght recognize, the general line of argument in support of basic income accepts the general form of the reciprocity principle. Even granting that basic income will work to promote specific instances of reciprocity in selected social interactions better than other policies do, on the basis of its assumed behavioral effects, the many adherents of the reciprocity principle who focus primarily on paid work can still retain their objection to basic income. In any case, this defense does nothing to address the objection at the level of principle, which is that the state unjustly grants individuals the opportunity

40. We set aside their three reasons why the reciprocity objection might be relativized—the institutional fact that unearned income from inherited wealth licenses living off the labor of others, the historical fact that the subsistence level can currently be ensured by a small proportion of the able-bodied, and the sociological fact that only a small proportion of them would want to stop working altogether. It is easy to see that those reasons are not sufficient to get rid of the objection even though they may be useful in the political debate.

41. Robert Goodin, *Towards a Minimally Presumptuous Social Welfare Policy*, in *ARGUING FOR BASIC INCOME: ETHICAL FOUNDATIONS FOR RADICAL REFORM* 102 (Philippe Van Parijs ed., 1992).

42. Ingrid Robeyns, *Hush Money or Emancipation Fee? A Gender Analysis of Basic Income*, in *BASIC INCOME ON THE AGENDA: POLICY OBJECTIVES AND POLITICAL CHANCES* 121 (Robert van der Veen & Loek Groot eds., 2000).

43. Loek Groot, *Compensatory Justice and Basic Income*, 33 *J. OF SOC. PHIL'Y* 144 (2002).

of receiving income without having to do anything in return as a matter of right, irrespectively of their capacities to contribute. This principled objection is important in the battle of ideas, even if the “reciprocity-friendly” aspects of basic income mentioned by Van Parijs and Vanderborght would be more widely acknowledged than is the case at present. And there is more reason to feel strongly about the pure principle, since the basic income proposal is motivated by “real freedom for all.” This means that the permission to live off the labor of others not only takes the form of a legal right enforced by the state, but also is said to be morally legitimized one hundred per cent.⁴⁴

C. The Reciprocity Objection Removed: Cooperative vs. Distributive Justice

Next, Van Parijs and Vanderborght make a bold move to get rid of the reciprocity argument altogether. Reciprocity, they say,

is compelling as a conception of *cooperative* justice—that is, as a characterisation of the fair allocation of benefits and burdens of cooperation between participants in some cooperative venture. But it is not compelling as a conception of *distributive* justice—that is, as a characterization of the just distribution of entitlements to resources among the members of a society.⁴⁵

With this distinction in place, Van Parijs and Vanderborght are able to argue that basic income is the instrument of real freedom-oriented social justice without having to confront the reciprocity objection head-on. For the distinction suggests that the principle of reciprocity is restricted to the domain of “cooperative justice,” a domain that is assumed to lie outside the domain of “distributive justice.” The latter domain, moreover, is held to be normatively prior because it deals with individual entitlements to act either in cooperation with others or act singly. We believe this move is unconvincing.⁴⁶ There is no good reason why entitlements to resources—the general object of distributive justice according to Van Parijs and Vanderborght—could not be governed according to moral rules tying specific entitlements to specific resources as a consequence of reciprocal

44. In an interview with Stanislas Jourdan, Stuart White argues for the justice of basic income “all-things-considered”: he suggests that the principled objection against basic income and the number of instances in violation of reciprocity to be expected under a basic income are of less moral importance than the number of instances in which reciprocity is better served in other respects. By contrast, Van Parijs and Vanderborght aim for a justification in terms of perfect justice. They argue that basic income is not in any respect unjust because, having refuted the main objection of reciprocity, it is required by maximin real freedom. Interview by Stanislas Jourdan with Stuart White, lecturer in political theory at the University of Oxford: An Objection can be Valid Without Being Decisive (BIEN Newsletter, Sept. 22, 2013).

45. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 103.

46. The move is foreshadowed in Van Parijs’s 1997 reply to White, as critically noted in van der Veen, 1998. Philippe Van Parijs, *Reciprocity and the Justification of an Unconditional Basic Income. Reply to Stuart White*, 45 POL. STUD. 327 (1997) (U.K.); Robert J. van der Veen, *Real Freedom Versus Reciprocity: Competing Views on the Justice of Unconditional Basic Income*, 46 POL. STUD. 140, 156 (1998) (U.K.).

acts. In fact, reciprocity-sensitive types of entitlement do exist. True, they do not directly determine the allocation of benefits and burdens among cooperating agents. But they do so indirectly. For, like any other type of entitlement to resources, reciprocity-sensitive types of entitlement regulate processes of ordered cooperation among individuals. Those processes give rise to different resource allocations at designated points in time depending on how people make use of their entitlements in deciding to interact with others.

To illustrate, take an example to which we return below. Suppose that every citizen is an able-bodied adult, and that the state wishes to use some portion of its tax revenue to distribute entitlements to disposable income and free time equally among citizens. Then it might either give everybody a basic income in cash. Or it might distribute a more complex equal entitlement, say, a “basic wage package.” Such a package consists of an offer by government agencies to choose from designated wage schedules certain maximum amounts of designated work, work that everybody can perform. This is a reciprocity-sensitive set of equal entitlements to resources.⁴⁷ Individuals are granted variable income derived from allocating their time between the performance of a bundle of “package-work” and an amount of time left for other purposes. Those other purposes include pure leisure, as well as both paid and unpaid work outside of the basic wage package. A special option would of course be not to perform any package-work, with a zero-income entitlement as a result.

Even if one follows Van Parijs and Vanderborcht’s domain distinction, it is hard to see how one could reject a proposal to have the state organize a basic wage package rather than a basic income on the grounds that it mistakenly introduces principles of cooperative justice (i.e. the ones determining wage rates for different kinds of work included in the package) into the domain of distributive justice. This example shows the implausibility of ruling out reciprocity-sensitive entitlements to resources by conceptual *fiat*. The example also serves to question the underlying idea behind Van Parijs and Vanderborcht’s attempt to shield basic income from the reciprocity objection—by suggesting that principles of justice for institutions are partitioned into two domains, cooperative and distributive. In fact, this suggestion is inconsistent with Van Parijs and Vanderborcht’s own understanding of justice as *social justice*, the principles of which exclusively apply to institutions.⁴⁸ In the framework of social justice, any characterization of a “fair” or “just” allocation of the benefits and burdens of cooperation in

47. Something like a basic wage package could be motivated by White’s conception of egalitarian reciprocity, with or without a legal duty to perform a certain quatum of work. Stuart White, *Liberal Equality, Exploitation, and the Case for an Unconditional Basic Income*, 45 POL. STUD. 312, 317-18 (1997) (U.K.). But it need not. It could just be that most people would prefer some version of a basic wage package to others, and all versions to basic income. See further III(F) below.

48. VAN PARIJS & VANDERBORCHT, *supra* note 1, at 99.

some cooperative venture must depend on the joint result of people's decisions to interact within institutions that satisfy substantive principles of social justice. These principles can be called "distributive," in the sense that some of them place constraints on the distribution of entitlements to resources. Other principles for institutions are likewise "distributive" in the sense that they constrain the distribution of personal liberties to express oneself, and to make use of the resources in one's possession.

Within a just institutional structure, the whole framework of normative constraints—defined by substantive principles of justice and priority rules between such principles—is respected as closely as possible. Once that structure is in place, pure procedural justice kicks in. The fair allocation of benefits and burdens of cooperation among the members of society then depends on how individuals have actually chosen to use their entitlements within the legal set-up. So, there is no room for independent principles of "cooperative justice" for institutions. Justice in cooperation simply refers to the result of properly applying substantive principles of justice to institutions, and then ensuring that people duly follow the rules of those institutions.⁴⁹

If one insists on using the label "distributive" for the principles that apply to institutions, that is fine. But one should then admit that it is perfectly coherent to specify principles of distributive justice that embody notions of "fair reciprocity." And this implies that distributive justice, properly conceived, can be made sensitive to concerns of reciprocal contribution. Of course, a specific conception of social justice might want to rule the reciprocity principle out of court when it comes to the distribution of specific entitlements to specific resources—for example, when defending basic income in terms of real freedom for all. But this ruling must be argued for on substantive grounds. It cannot be posited as a matter of conceptual truth.

In consequence, Van Parijs and Vanderborght's normative defense cannot escape the objection that unconditional basic income unjustly licenses free riding on the work of others, unless an alternative argument is found for getting the principle of reciprocity out of the way. Van Parijs and Vanderborght do not provide such an argument. On the contrary, their three points showing how basic income can promote reciprocity in some respects reasonably suggest that the scope of the reciprocity objection covers the institution of a nationwide basic income as a matter of course. Therefore, those who speak out against basic income because it denies the importance of reciprocity for institutional design in other respects are not misconstruing the place of reciprocity in moral reasoning about justice and fairness. They

49. Similarly, "reparative justice" is not a separate substantive domain of social justice as Van Parijs and Vanderborght suggest in the context of discussing a fair deal for global climate action. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 228. Reparative justice refers to the procedures and sanctions for correcting unfair allocations and compensate parties whose entitlements have been infringed. This is so even if, as in the global case, the just institutions regulated by principles defining and distributing entitlements to pollute do not yet exist or cannot be enforced. Measures of reparative justice then take the form of more or less "soft" international agreements to correct unfair allocations.

can therefore insist on a reply to their complaints from the friends of basic income. Failing such a reply, adherents of reciprocity need not be impressed by Van Parijs and Vanderborght's thesis that basic income is an institution that is required by real freedom for all, even if they can find no faults in the argument of that thesis. For they can always repeat their objection to basic income, an objection that is premised on the indispensability of the reciprocity principle for social justice in some relevant field of application, for example the requirement of willingness to seek paid work in return for public assistance. This will result in a stalemate.

This brings us to the second stage of the grand argument—the thesis just mentioned. It has different wordings. The most common one says that a basic income set at its highest feasible level is necessarily required by the principle of real freedom for all. Or, stated more precisely, by the “maximisation of the minimum level of real freedom” (“maximin real freedom” for short⁵⁰). Van Parijs and Vanderborght defend the thesis in two parts. The first part clarifies what it means to say that basic income is set at its “highest sustainable level” within just arrangements. This it does by considering the essential provisions that ought to be financed from public revenue at the expense of basic income (see III[D] below). The second part then goes on to argue that real freedom for all necessarily requires the highest sustainable basic income so specified (see III[E] and III[F] below).⁵¹

D. Basic income in Cash versus Public Provision in Kind

For the moment we do not take a stand on whether the principle of maximin real freedom requires, or merely recommends, the highest sustainable basic income. Our present aim is to argue that the goal of maximizing real freedom (by means of basic income or possibly by other means) needs to be set within a framework of background justice that recommends the institutions of an extensive welfare state on the basis of principles of justice that are prior to maximin real freedom. Such principles regulate socioeconomic distribution within a liberal structure of institutions, which itself obeys principles of equal personal and political liberty under the rule of law. Van Parijs and Vanderborght refer to these fundamentals only in passing, under the label of “formal” freedom.

For example, they say that real freedom, conceived as “the genuine capacity to do whatever one might wish to do,” presupposes that the “sheer right” to do as one might wish to do has been adequately secured.⁵² Evidently, the public revenue needed to ensure the rights of “formal freedom” cannot be

50. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 104.

51. This requirement presupposes that raising the sum of revenue to be spent on public services and basic income together is economically sustainable in the sense discussed in section II above. It then says that the part that is earmarked for basic income must be maximized.

52. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 104.

traded off against revenue for maximizing the real freedom of those who have least of it. However, an egalitarian conception of maximin real freedom also presupposes that prior principles of equal opportunity operate in the background to ensure that individuals can take part in the competitive processes of the market economy and the civil society on a fair basis. Such prior principles, for example, create enabling opportunities for individuals through the production and distribution of health care. Van Parijs and Vanderborght do not mention, let alone articulate principles of this kind. This misleadingly suggests that maximin real freedom is the only relevant principle required by a just basic structure that respects civil and political liberties.

Van Parijs and Vanderborght's anti-perfectionist view (mentioned in III[A]) also presents a problem. In some cases that they pass over quickly, liberal ideas of the good life for individuals and society seem to underlie the shaping of public provisions within a liberal-egalitarian conception advocating real freedom for all. Such provisions, even if they are not required by social justice, may nevertheless claim priority on moral grounds and may hence limit the attainable level of basic income.

Perhaps all this is just too obvious to write down. But to explain why we belabor these points nonetheless, just how Van Parijs and Vanderborght deal with the question of how to adjudicate between claims of distribution in cash (basic income) and claims of distribution in kind (public provisions). They state that there is no "neat and general answer to this question, but a simple thought experiment should provide rough guidelines":

Suppose that we had nothing but the income that can be paid unconditionally to all and knew nothing about our own life expectancy, health state and other risks. How would we want it to be spread over our lifetimes and how much would we want earmarked for specific expenditures?⁵³

This proposal invokes, but does not elaborate, the veil of ignorance used by Dworkin's (1981)⁵⁴ device of hypothetical insurance to discover what "equality of resources" requires when dealing with inequalities of native talent and vitality: full knowledge of one's own preferences and convictions paired to full ignorance of one's lifetime circumstances. But what the hypothetical rational decisions of all citizens concerning basic income versus public provision would actually be under this veil is anyone's guess. This is so even if the question of insurance against lack of internal resources were narrowed down to covering eventualities of physical and mental disability.

To generate definite answers, a veil of ignorance device must make highly elaborate and inevitably questionable assumptions about "our" rationality, given available knowledge about the statistical distributions of

53. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 104.

54. Ronald Dworkin, *What is Equality?: Part 2: Equality of Resources*, 10 PHIL. & PUB. AFF., 283 (1981).

various lifetime circumstances, assumptions of what “our” individual preferences consist in, and finally, assumptions regarding how major differences in those preferences should be handled. Without such a framework of assumptions, people’s hypothetical insurance choices are indeterminate. The mere invocation of a Dworkinian veil of ignorance cannot possibly deliver what it is supposed to deliver: definite conclusions about the proportion of revenue available for basic income and public expenditures, as well as insight into the moral reasons why—and how—revenue for public expenditures should be earmarked for purposes of social insurance, education, health care, and transfers to people with special needs, not to mention important but necessarily vague and contested things like culture and “the provision of a healthy and enjoyable environment.”⁵⁵

As we suggested, good reasons underlying the composition of public provisions and the total revenue to be set aside before basic income is paid out, are given by prior principles of justice. Such principles deal with “currencies of justice” that shape peoples’s real freedom before they enter markets, and before they cash in on their basic income. Evidently there must be some principles of equal opportunity operating in the background that define entitlements to public health care and education. For after all, health care and education offer opportunities for individuals to obtain and preserve market earning power, opportunities that influence the real freedom attainable during their lifetimes, jointly with the right to basic income. Likewise, social insurance, considered as an efficient way of providing income security over and above poverty prevention, can be regarded as a background condition of lifetime real freedom, even apart from its redistributive effects. Again, social insurance imposes at least some financing costs that limit the extent of real freedom that could be provided by a basic income.

To sum up, Van Parijs and Vanderborght’s quick way of providing an account of the claims of justice that precede the dispensation of basic income is inadequate. The veil of ignorance framework fails to give the “rough guidelines” that they hope for. Also, bearing in mind the cursory way in which they bring up the question of public provision, it conceals the

55. VAN PARIJS & VANDERBORGH, *supra* note 1, at 104. Van Parijs and Vanderborght mention, but do not argue, that the veil-of-ignorance device is a better way of dealing with inequalities related to handicaps than the criterion of undominated diversity advanced in *Real Freedom for All*—which compensates handicaps only to the extent that a handicapped person’s comprehensive endowment of internal and external resources is unanimously unpreferred to one lacking that handicap. PHILIPPE VAN PARIJS, *REAL FREEDOM FOR ALL: WHAT (IF ANYTHING) CAN JUSTIFY CAPITALISM?* (1997). That criterion, though not generating precise guidelines, does at least suggest that in rich and diverse societies, the revenue required to make up for disabilities will not restrict paying out a full basic income. But how about hypothetical choices under the veil of ignorance? In their section on Dworkin’s conception of equality of resources, Van Parijs and Vanderborght highlight the complications and indeterminacies of hypothetical insurance in order to soften Dworkin’s harsh conclusion against the fairness of unconditional transfers. This makes for rather difficult reading, but it surely leaves one with the impression that Dworkin’s method of determining what egalitarian justice requires is problematic. See also Robert J. van der Veen, *Equality of Talent Resources: Procedures or Outcomes?*, 113 *ETHICS* 55 (2002).

possibility that after considering all prior claims of justice, the highest sustainable level of basic income may in fact be insufficient to cover basic needs.⁵⁶ Yet, this possibility must be faced by advocates of basic income. To ignore it is politically risky, because opponents of basic income who endorse the traditional provisions of the welfare state will be highly aware of the possibility.

Moreover, one also needs to think carefully about how basic income can be inserted into the welfare state in order to economize on the cost of essential public services. That there are ways of economizing is obvious, since means-tested general assistance, the lowest tier of social insurance, and student grants can all be scrapped. In the long run, other sources of public savings may become available once the expected secondary effects of a full basic income occur, for example effects on health and childcare at home. However, those secondary effects, being predicated as they are on people's intelligent uses of the opportunities of empowerment and freedom offered by basic income, will probably be slow to materialize without the supporting background of an adequately designed and truly egalitarian public sector. This point shows that there is a real need to rethink the normative and economic parameters of inserting basic income into the welfare state.

Provision of public services is not merely instrumental to real freedom, and not merely required by social justice. Some aspects of education, culture and health care have a claim on public means because they are of intrinsic importance. They help people to access the very ingredients of living a good life, whatever their specific ideas about the content of the good life may be. Other aspects of education and culture are of importance for maintaining liberal institutions, promoting a rich diversity of ideas and opinions, and preserving the relevance of democratic practices involving a balance between freedom of expression and respectful toleration.⁵⁷ We mention this here, not to suggest that the public expenses involved would by themselves be prohibitive of a decent basic income, but just to identify another area of concern that Van Parijs and Vanderborght leave aside in their presentation of the political philosophy of basic income. Yet, when they mention "the preconditions of competent citizenship" in their down-to-earth account of Chapter 1, Van Parijs and Vanderborght do show awareness that a liberal

56. See Barbara R. Bergmann, *A Swedish-Style Welfare State or Basic Income: Which Should Have Priority?*, 32 *POLITICS & SOCIETY* 107, (2004).

57. In the context of working out a Marxian variant of liberal egalitarianism, van der Veen suggests that a liberal conception of the good turns on individual autonomy and implies a dual perspective: external autonomy or real freedom of choice, and internal autonomy, the ability to learn and actually achieve meaningful choices in the course of one's plan of life. ROBERT J. VAN DER VEEN, *BETWEEN EXPLOITATION AND COMMUNISM: EXPLORATIONS IN THE MARXIAN THEORY OF JUSTICE AND FREEDOM* (1991). The more the perspective of internal autonomy predominates in politics, the more costly the framework of rights and opportunities forming the background of a just distribution of real freedom will tend to be, at the possible expense of the level of basic income. ROBERT J. VAN DER VEEN, *BETWEEN EXPLOITATION AND COMMUNISM: EXPLORATIONS IN THE MARXIAN THEORY OF JUSTICE AND FREEDOM* 195 (1991).

conception of the good may also limit the availability of public funds for financing a basic income. For they think that public provisions in kind serving to meet such preconditions might override the argument for dispensing cash as basic income, just as the positive external effects of providing public education can. Therefore, all such provisions, they say, “can be defended by the long-term interests of the individuals concerned, and also in terms of society’s interests in maintaining the healthy and well-educated workforces and citizenry that are crucial to well-functioning economies and democracies.”⁵⁸

As we will further explain in section IV, highlighting the public sector background conditions of real freedom presents a risk. It might reduce the political chances of carrying through basic income reforms, because of the cost considerations set out above. Yet, a strategy of advocacy that explicitly takes the issue of prior claims on board in defending basic income may help to create a common political platform on which a coalition can arise of progressive liberals, Greens and defenders of the existing welfare state within social and Christian democratic parties.

Returning now to our view that basic income’s economic sustainability should be assessed against the background of an *extensive welfare state*, it is clear that an adequate provision of public services to all, the first feature of the extensive welfare state, should be clarified and supported by explicit normative argument that focuses on the prerequisites of real freedom. Hence if one is interested in getting a serious estimate of the level of basic income that is economically sustainable, then far more must be said about the underlying normative questions than Van Parijs and Vanderborght have done so far. This is all the more important because, as noted in II(A), the cost of maintaining some public provisions may in any case be growing more rapidly than per capita income.

What about indexation, the second feature of the extensive welfare state? Van Parijs and Vanderborght see no need to assess the level of basic income against a moving baseline of basic needs linked to per capita income, as we do.⁵⁹ So we must clarify the rationale ourselves. Indexation reflects a long-term trend in the history of (mostly European) welfare states, in which per capita income, the wage share, and basic need-covering income requirements have actually moved together, albeit highly imperfectly. Partly because people are aware of this historical trend, an abstract norm of justice regarding equal sharing of the benefits of economic growth has arisen. This is a norm of relative sufficiency. It does not require equal sharing among all

58. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 13.

59. Yet Van Parijs and Vanderborght implicitly accept some kind of indexation when addressing the problem of how high a feasible basic income should be without having to go into the issue of “full versus partial” basic income. They choose a convenient figure of roughly one quarter of GDP per capita, but admit that there “is nothing profound, let alone sacrosanct, about the choice of 25 percent of GDP per capita. Perhaps it can plausibly be sold as sitting on the border between ‘modest’ and ‘generous’ versions of the idea.” VAN PARIJS & VANDERBORGHT, *supra* note 1, at 10-11.

income groups but seeks to update the standards of sufficiency based on ideas of the smallest means for living a decent life in the society, ideas that inform practical calculations of a social minimum for households and individuals in a growing economy. The operational version of this equal sharing norm is indexation, the institutional linkage of a democratically fixed social minimum income to per capita income. We endorse such a norm and believe that it helps to give the notion of “full” basic income a more relevant content. In any case, independently of our “extensive” view of the welfare state, the sufficientarian equal sharing norm is also invoked as a minimum standard in development economics and—differently worked out—in conceptions of global justice advanced by John Rawls and David Miller.⁶⁰

In section II, we presented what may have seemed a too-pessimistic assessment of achieving full basic income. After spelling out the normative rationale of the extensive welfare state in this section, we see no reason to go back on that assessment. If the highest sustainable basic income compatible with adequate public provisions is below the ruling social minimum, a partial basic income is mandated. And then, that income will have to be periodically adjusted upwards at a higher rate than per capita income growth in order to reach the level of a full basic income. This is certainly not an easy task. To make a serious basic income program work politically, we believe, the friends of the welfare state will have to stop regarding basic income as an expensive and morally suspect form of redistribution. And the friends of basic income must cease viewing the welfare state as an outdated institution to be circumvented or trimmed down. At least, so we will further argue in section IV.

E. Real Freedom for All: Maximin Redistribution and the Value of “Gifts”

Once the highest sustainable revenue for redistribution in cash is known, one can finally ask the leading question that is raised by the neutrality challenge: Why should this amount of revenue be dispensed equally as a disposable income without strings attached rather than in other ways, for example, through entitlements to cash that satisfy some notion of reciprocal contribution? Unfortunately, the answer is not yet clearly in sight. There is a preliminary issue. The leading question accepts as a matter of course that there should be equality of dispensation, and it then focuses on what form the dispensation for achieving maximin real freedom should take. However, at this stage of the exposition it is not clear why it is morally legitimate to raise the maximum feasible amount of tax to be shared equally by all individuals in the first place. As presented in Chapter 5 of *Basic Income*, this preliminary issue is clarified only *after* Van Parijs and Vanderborght have asserted their

60. JOHN RAWLS, *THE LAW OF PEOPLES* (1999); DAVID MILLER, *NATIONAL RESPONSIBILITY AND GLOBAL JUSTICE* (2007).

main thesis—that subject to taking good care of public provision, the conception of maximin real freedom necessarily requires a periodically paid basic income in cash at the highest sustainable level.⁶¹ However, for reasons to appear presently below, Van Parijs and Vanderborght’s account of the requirement to dispense tax revenue equally, and of how this requirement arises from within the conception of maximin real freedom, is crucial for understanding their response to the neutrality challenge. Therefore, we first offer our interpretation of the demand for equal dispensation before presenting the answer to the leading question as to why maximin real freedom requires equal dispensation in the form of basic income.

Initially, Van Parijs and Vanderborght seem to justify maximin real freedom simply as making everyone better off compared to a hypothetical baseline of flat equality: “Inequalities can be regarded as just if they work to the benefit of everyone, even their apparent victims.”⁶² But later on, it appears that the hypothetical baseline is not that everyone’s extent of real freedom would have to be *the same*. Under the relevant baseline of equality, no one is worse off than others in real freedom as a result of causal factors that are unrelated to the responsible actions of the worse-off party. Such causal factors can be regarded as (morally arbitrary) products of bad luck.

This different baseline comes in sight when Van Parijs and Vanderborght explain how their approach differs from Rawls and Dworkin, the two main liberal egalitarians who inspired Van Parijs and Vanderborght, but did not endorse a basic income themselves.⁶³ Both theorists endorse the luck egalitarian premise that it is *prima facie* unjust when one person is worse off than another merely as the result of the former person’s bad luck. Applied to social justice, this general premise can be made to imply that the basic structure of institutions should only permit inequalities that are attributable to peoples’ responsible actions, unless strong reasons of justice to the contrary prevail.⁶⁴

According to Van Parijs and Vanderborght, the “morally arbitrary” or “brute luck” factors that generate (potential) injustice in the conceptions of Rawls and Dworkin, respectively, are *personal endowments* and *social positions*. Following a strand of thought articulated in Van Parijs (2009), Van Parijs and Vanderborght radically generalize both approaches by identifying as morally arbitrary *any* nonresponsible factor that affects people’s life chances. For example, some of these factors give access to an inheritance, a scarce lucrative job on a nonclearing market, or to a family source of investment in human capital. Other causal factors that might be included in the general approach consist of fortuitous circumstances of being in the right

61. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 104.

62. *Id.*

63. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 117-19.

64. Robert van der Veen, Justice as fairness and bad luck, *Critical Review of International Social and Political Philosophy*, DOI: 10.1080/13698230.2018.1438784, (2018).

place at the right moment to apply for a job, collect an inheritance, or win a lottery. All such factors are called by the generic name of *gifts*, but only on condition that these causal factors can be construed as what economists call rival goods. Thus, gifts are factors affecting life chances that are potentially tradeable because the appropriation of a gift by one person imposes an opportunity cost on others who cannot appropriate that (rival) good at the same time.

In the real world, as opposed to the hypothetical baseline of equality, the diversity of gifts thus identified is distributed very unequally among persons, thus leading to highly inegalitarian distributions of real freedom. On the luck egalitarian premise, this is unjust, unless strong reasons of justice can be cited for allowing the existing inequalities in real freedom to persist.

Van Parijs and Vanderborght ascribe a truly huge influence on the unequal distribution of gifts. One reason is the impact of our *social inheritance*, which confers on society numerous benefits brought by technological development left from former generations, from forms of efficient social organization as well as benefits from having institutions of governmental arbitrage and rule-enforcement. Strictly speaking, our social inheritance should not itself be regarded as a storehouse of gifts, because most of its elements are nonrival, being freely accessible by anyone who would be able to use them without standing in the way of another's access. But if we understand Van Parijs and Vanderborght correctly, the massive benefits of these three kinds of public goods enhance the opportunities of reward attached to the possession of true gifts. Those public benefits, then, enter into the rival goods that profoundly affect people's life chances such as jobs, special talents, or inheritances, and thus strongly boost the value of gifts properly conceived. This is because not everyone has the same ability to make use of these public goods. Those who can use our social inheritance to the full, for example due to their possession of capital goods, scarce jobs, or special talents, will benefit to a far larger extent than they would in a world without socially inherited public goods. Our social inheritance thus acts as a multiplier of gift value.⁶⁵

Two things follow. First, the national income of wealthy societies consists in large part of what Van Parijs and Vanderborght call *rent*, income attributable to various gifts for which the recipient has done nothing at all, and to which he or she has no antecedent moral claim according to the luck

65. The causal impact of the social inheritance on gifts is not brought out well in *Basic Income*. It is explained more clearly in PHILIPPE VAN PARIJS, *REAL FREEDOM FOR ALL: WHAT (IF ANYTHING) CAN JUSTIFY CAPITALISM?* (1997) and footnote 69, where it is also stressed that the social inheritance *itself* does not belong to the category of gifts. Van Parijs and Vanderborght sometimes seem to say that the social inheritance is a taxable "common good," the "value" of which should directly be assessed as the source of finance for a basic income. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 106; footnote 60. This creates an impression of common ground between the left libertarian approach of "common ownership of the Earth" to basic income, but we believe that impression to be mistaken. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 119-122.

egalitarian premise.⁶⁶ Secondly, the unequal incidence of gifts, the value of which gets multiplied by elements of social inheritance, is bound to produce massive inequalities in real freedom. These inequalities are softened, but by no means eliminated in the means-tested welfare states of wealthy societies.

The demand for an equal dispensation of available revenue that is set at its highest sustainable level by means of an optimal taxation and redistribution program⁶⁷ can now be explained as follows.⁶⁸ Van Parijs and Vanderborght consider the following application of the luck egalitarian baseline. This is the hypothetical state of affairs in which 100% of the market value of the unequally held gifts within the real world has been taxed away and has been redistributed equally as basic income (after having taken care of public services). Then they note that, due to negative incentive effects on the tax base, everybody could be made better off at a higher basic income, which corresponds to some tax rate below 100% and hence leaves intact some of the existing inequalities of income and wealth.

This is where the maximin criterion comes in. Compared to the egalitarian baseline, one searches for a program with equal dispensation of gift value and a tax rate, such that choosing a lower tax rate will no longer be to everybody's benefit in terms of real freedom. And compared to the real-world status quo, with its relatively low rate of tax and its highly unequal distribution of gift value, one searches for an equal dispensation of gift value corresponding to a tax rate such that choosing a higher one will no longer benefit the worst off at the expense of the more advantaged. Under both of these optimal tax rates, the least advantaged receive the maximum sustainable amount of gift value.

If, as is perhaps likely, these two rates of taxation coincide, then nothing else needs to be decided: the maximin criterion is satisfied by means of a unique tax-redistribution program. But if the two tax rates differ as a matter of fact, then the lexical variant of the maximin criterion (*leximin*) comes in. This refinement of the maximin criterion selects the lowest of the two tax rates, arguing that the more advantaged cannot be justly withheld a gain in real freedom once the real freedom of the least advantaged has been made as large as it can be under the circumstances. By contrast, a choice in favor of

66. This sense of rent as income to which no one has an antecedent claim differs from the notion of *economic rent*, which is any payment to an owner or factor of production in excess of the costs needed to bring that factor into production. Herbert Simon, a fervent adherent of basic income, emphasizes the role of rent in the first sense. He thinks that in wealthy societies like the United States or Northwestern Europe, 90% or more of income gets produced by social capital (Simon's own term for social inheritance). As cited by Van Parijs and Vanderborght, Simon concludes: "Hence, if one were to introduce a flat tax of 70 percent to fund an unconditional basic income and all other government expenditures, 'this would generously leave with the original recipients of the income about three times what, according to my rough guess, they had earned.'" VAN PARIJS & VANDERBORGHT, *supra* note 1, at 106. Simon's 70% flat tax rate here suggests that the level of basic income might well cover basic needs.

67. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 107.

68. For brevity's sake we refer to the percentage of tax collected by such a program as "the tax rate" in the text now following.

the maximin distribution program with the higher tax rate, instead of the program with the lower rate required by leximin, can be defended by appeal to a truly egalitarian refinement of the maximin criterion, which says that inequalities that are no longer to the benefit of all persons are unjust.

Since they do not mention the possibility of two optimal tax rates, Van Parijs and Vanderborght apparently see no need to discuss leximin. However, in *Real Freedom for All*, Van Parijs explicitly argues in favor of leximin real freedom, on the intuitive ground that what morally counts in the end is not equality of real freedom, but rather that the members of society are “*all as free as possible*.”⁶⁹ We take it that this endorsement of the moral intuition behind leximin still stands. Thus, despite their initial support of the luck egalitarian premise, and their heady talk about equal dispensation of “gifts” and of the fruits of our social inheritance, Van Parijs and Vanderborght support a decidedly *nonegalitarian* conception of justice. However, given the suggested facts regarding the real-world distribution of gifts among persons, and the impact of gift holdings on income and wealth, and also given their suggestions about the strong value-enhancing influence of the social inheritance, even the nonegalitarian leximin conception of justice morally legitimizes imposing a quite substantial program of redistribution on the status quo of means-tested welfare states.

F. Real Freedom for All: The Neutral Form of Equal Dispensation

At this point the leading question can be put more precisely: Why should the demand for equal dispensation of gift value in the service of leximin real freedom take the form of basic income? Having briefly dealt with the background challenge of public provision, Van Parijs and Vanderborght proceed to the neutrality challenge by raising the by-now famous Crazy-Lazy objection of Van Parijs’s *Real Freedom for All*.⁷⁰ After noting that there is an inescapable trade-off between the level of basic income and average post-tax earnings, they ask: “is our conception of distributive justice [which they hold to require the highest basic income, vdV&G] not treacherously biased towards favoring the real freedom that matters to the Lazies at the expense of the real freedom that matters to the Crazies?”⁷¹

That this addresses the neutrality challenge can be seen as follows. First, Van Parijs and Vanderborght admit that for the purposes of institutional design, real freedom, the currency of maximin justice, should be regarded as an opportunity set of disposable income (which the Crazies want most of), and free time (which the Lazies want most of). Secondly, financing the equal dispensation of gift value by means of taxation (or else by levies on a

69. PHILIPPE VAN PARIJS, *REAL FREEDOM FOR ALL: WHAT (IF ANYTHING) CAN JUSTIFY CAPITALISM?* (1997).

70. *Id.* at Section IV(A).

71. VAN PARIJS & VANDERBORGH, *supra* note 1, at 105.

common natural resource fund) implies that maximin real freedom can be satisfied either by dispensing basic income, or by granting equal rights to work for those who are able and willing, and generous income grants for those who are willing but unable to work.⁷² As a variant of the latter option, we mentioned the *basic wage package* in III(C). Unlike basic income, this reciprocity-sensitive scheme would offer the fully able a variable income derived from allocating their time between doing designated work offered by government agencies at designated wage rates, and time left for other purposes including pure leisure, as well as both paid and unpaid work outside the basic wage package. Furthermore, the less-than fully able could be granted higher wage rates, rates that match the limitations of their actual capacities to do a maximum of designated work below standard labor hours.

It is certainly possible that some version of a basic wage package could offer the least advantaged—those with no wealth and with access to jobs limited to jobs that everybody could do—more real freedom to earn, but less opportunity to spend free time than basic income does. In such cases, the real freedom conferred by the opportunity sets characterizing each respective scheme (basic wage package and basic income) will be differently shaped, in a way that makes neither evidently superior to the other.⁷³ To put it in the jargon of social choice theory, the opportunity sets achieved by a maximin tax program with basic income and one with the basic wage package are then *undominated*—both policies are such that there is no other feasible policy that could have more to offer the least advantaged on the two dimensions of real freedom, disposable income and free time. The possibility of undominated policies for the objective of maximin real freedom is a real one, and it is acknowledged by Van Parijs and Vanderborght.

This means that a fair decision must be made between the basic income dispensation of gift value and the basic wage package dispensation, and indeed between any pair of alternatives that embody some combination of the two types of pure policy. Thus, Van Parijs and Vanderborght are really in need of a normative criterion that provides a neutral stance towards people with different preferences for earning income and consuming free time, a stance that gives no special privilege to one dimension of real freedom over

72. PHILIPPE VAN PARIJS, REAL FREEDOM FOR ALL: WHAT (IF ANYTHING) CAN JUSTIFY CAPITALISM? 111,126 (1997).

73. Given the same maximum tax revenue underlying each scheme, a properly specified basic wage package could in principle give least advantaged persons more income and less free time than under basic income, whatever the (positive) level of their labor capacity to make use of the work offered by the basic wage package. This point diminishes the relevance of a result presented in van der Veen's article that basic income will always offer more real freedom to those who are unable to work more than some specified proportion of standard working hours, as compared to an egalitarian wage subsidy scheme, in which the market wage rates of individuals (assumed to reflect their productivities) receive a uniform subsidy. Robert J. van der Veen, *Basic Income Versus Working Subsidies: Competing Instruments in an Optimal Tax Model with a Maximin Objective*, 20 ECON. AND PHIL. 147, 178-79 (2004) (U.K.). In the presence of a properly specified basic wage package, with wage rate differentiation on the basis of assessed labor capacity, it can no longer be maintained that basic income has a decisive advantage over all reciprocity-sensitive schemes of equal dispensation.

the other. In earlier work of Van Parijs (up to 2009, as far as we can see) the response has been to acknowledge the two-dimensionality of real freedom, accept the neutrality challenge just presented, and then provide a solution that treats gifts as external resources to be allocated in a Dworkin-type auction. That solution asserts that a fully equal dispensation of all gifts would be determined by the outcome of an imaginary auction, in which the actual members of society participate on equal terms, with their given preferences for risk, work of various kinds, free time, consumption, and so forth.

To make sense of this approach, the quantities of gifts to be put up in the hypothetical auction must be specified by intelligent guesses about the total impact of different gifts on aggregate income in the real world, and the demand for the various gifts must be specified by relating people's actual preferences to the gifts that they want to appropriate, on condition of equal token money to make bids. The resulting allocation of gifts bought by participants at market-clearing prices would then correspond to a certain total amount of gift value, which would need to be expressed in some standard gift serving as unit of account.

How is this total gift value of the auction related to the real world? Van Parijs and Vanderborcht assume it to be incorporated in the tax base of the real economy. Indeed, in accordance with their view about the huge impact of gifts on income and wealth (say, 90% of the tax base, following the illustrative quote from Herbert Simon in note 64 above), the large part of the tax base that contains the auction value of gifts will be up for fair redistribution according to the leximin criterion. It follows that the maximum sustainable revenue that can be raised by a program of optimal taxation will incorporate some percentage of the auction value of gifts (say, 70% of the tax base, following Herbert Simon's example again, see footnote 64).

Now, once the tax revenue is expressed in the auction metric of gift value, rather than in the money metric of the real world, the reasoning in favor of basic income runs as follows. The only neutral form of entitlement that individuals have to the per capita share of auction gift value must be payment in cash without any conditions. This is because every individual's own valuation of different gifts—such as inheritances, scarce jobs, special talents and so forth—has already been taken into account by the fair and equal process of the auction. Thus, the auction prices underlying the total value of gifts are prices that express the opportunity costs to others of appropriating those gifts. Moreover, those costs are revealed by an impartial bidding mechanism in which everyone starts with equal power to make bids on gifts. As Van Parijs puts it:

if and only if this metric is adopted, we get a strong presumption—in the context of a discrimination-free market economy regulated in such a way that prices track opportunity costs—in favour of a universal cash income

unconditionally granted to all and paid for out of the predictable taxation of all market activities.⁷⁴

This argument is sound as far as it goes. It clearly establishes the fairness of the metric of gift value from a neutral, nondiscriminatory point of view. But the argument can be carried much further, in a direction that denies the “strong presumption” for basic income. For, obviously, many gifts that are put up to auction require—perhaps quite onerous—work and effort in order to actually yield the rent income that those gifts can generate. Van Parijs and Vanderborght do indeed consider this point in a comparison of gifts that take the form of jobs and gifts that come like manna from heaven:

this undeniable fact does not create a fundamental difference with donations or bequests. Attending politely your aunt’s boring tea parties may be one of the necessary conditions for you not to get forgotten in her will. But this investment of yours does not entitle you, ethically speaking, to the whole of the big chunk of wealth possessed by a person to whom you, unlike us, happen to be related. Similarly, the fact that one needs to go to the office every morning and busy oneself once there does not make one “deserve” the whole of the salary one is able to earn by virtue of a combination of circumstances most of which are no less arbitrary than the fact that one happens to have a rich aunt.⁷⁵

Apparently, the position taken by Van Parijs and Vanderborght on the basis of these undeniable facts about the rent income from different sources is to say that whether the income accrues from jobs or inheritances, everybody has a moral claim on an equal share of the tax revenue without strings attached. But the problem with this reasoning is that the very same undeniable facts entail that the boring care work of attending auntie’s tea parties and the busy hours working in the lucrative job at the office must be reflected in the auction’s relative gift prices. And as argued in van der Veen (2011), this destroys the auction-based neutrality argument for basic income.⁷⁶ For example, suppose gift prices are expressed in an accounting unit of, say, an inheritance yielding €1,000 without requiring any work or other encumbrance at all (where Euro is the currency of the real-world economy). Then each €1,000 rent income that can be had on condition of doing the boring auntie work so as to get a big “chunk of wealth” when auntie dies, or that can be earned by doing different and also somewhat onerous office work, will be evaluated by auction participants at less than €1,000, i.e., at less than the auction’s one standard unit of account. This is simply because the unit of account for determining the total value of auction proceeds is an inheritance that generates access to Euros with no strings attached.

74. Philippe Van Parijs, Lecture at the Joseph Rowntree Foundation Lecture: Basic Income and Social Justice: Why Philosophers Disagree (July 23, 2009).

75. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 107.

76. Robert J. van der Veen, *Why Auntie’s Boring Tea Parties Matter for the Fair Distribution of Gifts*, in ARGUING ABOUT JUSTICE: ESSAYS FOR PHILIPPE VAN PARIJS 329 (Axel Gosseries & Yannick Vanderborght eds., 2011).

Since the tax revenue incorporates a part of total gift value, the prices of the gifts in the hypothetical auction can now be used to work out which part of tax revenue (in Euros) is attributable to the work required by possessing the gifts of being able to inherit from auntie, and of having to be busy at the job in the office every morning.

What this example shows, then, is that the truly neutral way of equally dispensing the tax revenue is to use all information about relative auction prices. It will then be possible to pay out the per capita tax revenue in two distinct parts. The first part is a fully unconditional basic income, at a size that is determined by the interests of the Lazies to bid for getting rent income without strings attached—in the example, this is to convert token money into the inheritance that serves as the unit of account—and to avoid bidding on gifts that require onerous work. The second part is the remainder of per capita tax revenue. It will be paid to individuals in the form of a basic wage package with wage rates determined by the interests of Crazies, who accept the work that comes with spending their tokens on various lucrative gifts, and who avoid bidding on the less lucrative inheritance that imposes no work at all.

Unlike the way in which Van Parijs (1997, 2009) has used the auction device, then, this more thorough way of utilizing auction price information requires that the auction's data—the preferences of Crazies and Lazies, as well as the power of gifts to command income under certain conditions—are properly specified to reflect the circumstances obtaining in the real world.⁷⁷ Under that (truly demanding) proviso, the neutrality criterion invoked by the auction device will serve to identify a counterfactual *standard of fair reward*—the reward structure that is implied by the auction's relative prices. That standard of fair reward could then be used to select from among the possible ways of implementing an equal dispensation of the maximum sustainable tax revenue the alternative that comes closest to the counterfactual standard. Following this standard ensures that the opportunity set of income and free time implemented by the maximin tax-redistribution program dispenses real freedom both equally, and in a form expressing equal concern for the diverse interests of moral equals, hence in a neutral form.

In *Basic Income*, Van Parijs and Vanderborght do not mention this counterargument to the auction approach for responding to the neutrality challenge adopted earlier by Van Parijs. This is perfectly understandable. For as will now become clear, their present defence of basic income as the neutral instrument of real freedom does not need to invoke the Dworkinian auction just discussed. What Van Parijs and Vanderborght now say in response to the possible complaint that a basic income unfairly favors the Lazies at the expense of the Crazies is something quite different. Their response consists in changing the *distribuendum* of the maximin principle:

77. PHILIPPE VAN PARIJS, REAL FREEDOM FOR ALL: WHAT (IF ANYTHING) CAN JUSTIFY CAPITALISM? (1997);

Strictly speaking, what our conception of justice requires is not maximin real freedom—although we shall keep using this expression for convenience—but rather the maximin of the gifts that form the substratum of this freedom—that is, the maximization of what is received by those who receive least by way of material basis for the exercise of their real freedom.⁷⁸

This response deals with the challenge of neutrality in a novel and unexpected way. Once it is accepted that the relevant object of maximin distribution is *one-dimensional*—consisting of gift value embodied in tax revenue, hence expressed in real world Dollars, Euros, or Renminbi—the indeterminacy caused by the existence of several undominated opportunity sets of real freedom no longer matters. This is why there is no longer a need for thinking about a neutrality criterion that would adjudicate between the interests of Lazies and Crazies with respect to the opportunity sets they favor, that of basic income or that of the basic wage package, respectively.

At least, that is what Van Parijs and Vanderborght suggest, since they offer their conceptual move from the currency of real freedom to the currency of gift value in response to the possible unfairness complaint of the Crazies.⁷⁹ As a result, the neutrality problem becomes much easier to deal with. It now only concerns the question of whether the metric of value in which gifts are expressed can be seen to deal fairly with the diverse interests of the least advantaged tax recipients. Van Parijs and Vanderborght believe that fairness is at least approximated to a large extent, for they say that all gifts are incorporated in the tax base of the real world. And in a liberal democracy, so they assume, the money metric of value is based on the impartial operation of a nondiscriminatory market, a market that also corrects for different types of market failures. According to Van Parijs and Vanderborght, such a “duly regulated” market will justify “trust in the idea that prices reflect how valuable goods are in a sense that is relevant to determining a fair distribution of access to them.”⁸⁰ Under these conditions, then, Van Parijs and Vanderborght can safely argue that the neutral scheme of “leximin gift” is to dispense tax revenue in the form of basic income after all, and let everyone decide how to exercise the real freedom that comes along with it.⁸¹

We have just given a reconstruction of Van Parijs and Vanderborght’s reasonings in light of the earlier attempts in Van Parijs’s writings to address the neutrality challenge to basic income. These reasonings are by no means

78. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 105.

79. *Id.*

80. *Id.* at 108.

81. Note that Van Parijs and Vanderborght in these passages do not appeal to the idea that gifts, as valued in the hypothetical auction, are incorporated in a large part of the tax base of the real world. This is probably because Van Parijs and Vanderborght have moved from maximin real freedom to maximum gifts in *Basic Income*, whereas the gift auction device was formerly invoked by Van Parijs (2009) to suggest a nondiscriminatory way of dealing with the multidimensionality of real freedom. Philippe Van Parijs, Lecture at the Joseph Rowntree Foundation Lecture: Basic Income and Social Justice: Why Philosophers Disagree (July 23, 2009).

easy to reconstruct from the pages of *Basic Income* that we just analyzed. In any case, when they finally sum up their liberal-egalitarian approach to basic income in several one-liner phrases, Van Parijs and Vanderborght convey a clear sense of having completed a neat job. Those phrases nicely convey a rationale of common sense and even-handed fairness underlying basic income: “focusing on the gifts we all receive and maximizing the smallest gift,” “a conception that boosts as much as is sustainable the market power of those with least market power,” and that “captures a concern for making those who are least free as free as possible to say no *and* yes.”⁸²

We are not convinced, however. The theoretical move from maximin real freedom to maximin gift value is highly confusing and does not solve the neutrality problem associated with the two-dimensionality of real freedom, which rightly occupied Van Parijs in his former writings. Why is the move confusing? Well, first of all because talking about real freedom for all to high heavens, when what you really mean “strictly speaking” is equal gift value for all, makes your reasonings in favor of basic income difficult to follow since the two slogans have different implications for policy. Confusing, secondly, since it is strange to see the currency of justice being changed from real freedom into gift value in the middle of a story about how one should respond to the Crazy-Lazy challenge, a challenge that arises from the two-dimensional nature of real freedom. Confusing, finally, because Van Parijs and Vanderborght emphatically introduce their conception of justice as one that treats real freedom, conceived as the capacity to do whatever one might wish to do, “not as a constraint on what justice requires but as the *very stuff* that justice consists in distributing fairly.”⁸³

This leads to our reason for thinking that switching from real freedom to gift value offers no solution to the neutrality problem. Van Parijs and Vanderborght regard gift value as the *substratum* of real freedom, or expressed more concretely, as the *material basis for the exercise of* real freedom. These phrases cannot mean anything else than that handing over a certain amount of gift value to someone enables that person to be at liberty to access certain combinations of free time and disposable income (given the right background conditions). That is to say, a certain amount of gift value is the substratum of real freedom, in that it supports several possible income-leisure opportunity sets for the person, depending on the mode of dispensing the gift value. Gift value thus is the material basis for someone to navigate some specific opportunity set, according to whatever it is she might wish to achieve. However, what she might want to achieve can sometimes be achieved better or less well under other opportunity sets that are supported by the same amount of gift value.

82. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 109.

83. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 104 (emphasis added).

These are simply conceptual truths about how gift value is related to real freedom. Those truths, however, do nothing at all to remove the point we have been trying to drive home—that the same per capita share of tax revenue in principle supports different undominated opportunity sets for the least advantaged under a maximin tax-redistribution program, and that each of those opportunity sets must be implemented by a definite dispensation policy, of which basic income is one, and the basic wage package another. Thus, whether one chooses to characterize the maximin (or leximin) conception of justice in terms of real freedom or of gift value, numerous Crazies will still be banging on the door to contest a decision to implement the basic income program, just as hordes of Lazies will rise from their sofas to appeal against the decision to start a basic wage package program. In the end, Van Parijs and Vanderborcht have no ready answer to satisfy either group.

G. Basic Income Compatible with Justice, Optimal for Well-being

Nor do we possess such an answer. Although the use of a Dworkinian auction device may help to identify a fair way of settling the conflict between Crazies and Lazies by working out a standard of fair reward from auction prices, the informational requirements for making this work in a policy setting are way too demanding. So, we would not want to claim that this approach is of any use in practice.⁸⁴ At a deeper level, moreover, the approach of working out a neutrality criterion from choices based upon *actual real-world* preferences in a hypothetical state of equality is somewhat suspect. Even if people's actual preferences for gifts—for possessing or accessing causal factors that must first be carefully explained as constituting "gifts"—could be ascertained with any confidence, there is no good reason why those preferences should be the same in the wildly artificial setting of an equal token auction where everyone is aware of competing for resources with others in a state of initial resource equality.

More fundamentally, a neutrality criterion based on *current real-world* preferences for the purpose of social choice among alternative institutions is of limited use. To some extent, preferences are endogenous with respect to institutional settings, therefore they are liable to change in response to different ways of implementing real freedom for all. This brings us back to the vision of basic income's behavioral effects, articulated in the first chapters of *Basic Income*. If one finds this vision as convincing as we do, then one may tentatively suppose that people's actions and subsequent preferences will tend to change in far more beneficial ways under the

84. In van der Veen (2011) the approach is used only to show that when people have definite preferences for or against various kinds of "gift work," the reward structure of the auction will not support the highest sustainable basic income. This negative result should not be taken to mean that the auction device can be used to find a neutral way of dispensing per capita gift value in practice. Robert J. van der Veen, *Why Auntie's Boring Tea Parties Matter for the Fair Distribution of Gifts*, in ARGUING ABOUT JUSTICE: ESSAYS FOR PHILIPPE VAN PARIJS 329 (Axel Gosseries & Yannick Vanderborcht eds., 2011).

alternative of basic income than would be the case under work-conditional and means-tested arrangements of social security, even if such arrangements were upgraded to create an alternative that would meet the demands of real freedom for all, as in our example of the basic wage package. It will of course be difficult to prove conclusively that this is the case, but such a belief is certainly not groundless.

So in the end it may not be necessary to argue that basic income is the uniquely just implementation of leximin real freedom. What is needed are strong arguments to defend basic income as the just implementation of leximin real freedom that is likely to contribute most to individual and social well-being. We believe that there is a good case for basic income along these lines, provided that it is embedded in an extensive welfare state. As we argued in section II however, the viability of the case crucially depends on finding a political coalition that will support the long march towards a full basic income. In the next section we discuss the political prospects of basic income sketched by Van Parijs and Vanderborght in Chapter 7, and we offer our own thoughts on some big strategic issues.

IV. THE POLITICAL CHANCES FOR BASIC INCOME

A. Resistance Among Social Actors and Patchwork Support

As noted earlier, the path to the “free society and the sane economy” envisaged by Van Parijs and Vanderborght starts by inserting a partial basic income into the existing structure of social assistance and social insurance and continues to increase its level over time. Even abstracting from the difficulties that we identified in section II, traveling the path from beginning to end will take considerable time, given that “not a single country so far has even tried to provide basic security to its citizens by means of a basic income.”⁸⁵ Is this path truly accessible? To conclude our review of *Basic Income*, we contrast our approach with that of Van Parijs and Vanderborght with a discussion about the chances of getting a basic income durably on track in the affluent welfare states under discussion in the book.

Van Parijs and Vanderborght initially address the question of political feasibility by focusing on civil society actors: trade unions, employer associations, the “precariat,” women, and on political parties, mainly in Europe. None on this list support basic income as a core issue. Among the party families (liberals, christen-democrats, populists, social-democrats, Greens, socialists) not a single party endorses basic income in its manifesto. At best, there is support among some parties for experimenting with forms of partial basic income for unemployed and low-income groups (notably in

85. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 170.

Finland) or “basic income”-inspired pilot experiments to provide social assistance.⁸⁶

Support is strongest among the Green parties due to their sympathy for a less post-productivist way of life, which favors a shift from consumption of goods and services to “time out of paid work” as part of a more sustainable society.⁸⁷ But even that support comes cheap: whenever Greens enter government coalitions, as in Germany in 1998-2002 and 2002-2005, their demands for basic income cease entirely or recede into the background. As Van Parijs and Vanderborght observe, the link between basic income and moving to a more sustainable economy is tenuous, as sustainability can be pursued with more rather than less work if production is shifted to more resource-extensive and labor-intensive technologies.⁸⁸ What makes Green parties susceptible to embracing basic income as a device of economic security is their awareness of the limits of physical growth in combination with values of voluntary simplicity and spiritual emancipation across generations.⁸⁹ Despite their attraction as lifestyle components, however, these values are by no means widely shared at ground level.

The idea of basic income is controversial among both the trade unions and the feminist movement, and Van Parijs and Vanderborght attentively analyze the ambivalence and lack of endorsement displayed by these two actors of civil society.⁹⁰ Regarding unions, how can it be that a policy that improves the bargaining power of employees does not get full union support across the board? The reasons are diverse, from the fear that basic income will subsidize employers and abolish the traditional welfare state, to several reasons connected with the preservation of union power and the composition of membership. In general trade unions fight for decent statutory minimum wages, generous social insurance, and higher wages. Once a basic income is in place, minimum wages could be reduced or abolished, and social insurance benefits will only include the top-up layers of coverage. The importance of the unions in negotiating wage and employee-based social insurance packages, which for most employees and welfare recipients make up total income, is ostensibly threatened once they are only in charge of the income above the state-guaranteed floor for everybody provided by the basic income. This not only strengthens the position of workers vis à vis their bosses, but also makes workers less dependent on strike funds, thus threatening the

86. See Loek Groot, Ruud Muffels & Timo Verlaat, *Welfare States' Social Investment Strategies and the Emergence of Dutch Experiments on a Minimum Income Guarantee*, SOCIAL POLICY & SOCIETY (2018); Robert van der Veen, *Basic income experiments in the Netherlands?*, paper for the 18th BIEN Congress, Tampere, Finland. Workshop session G1 'Experimenting with Basic Income (Part 4)', 2018.

87. See Simon Lewis & Mark Maslin, *Universal Basic Income and Rewilding can Meet Anthropocene Demands*, THE GUARDIAN (June 12, 2018, 2:00 EDT), <https://www.theguardian.com/environment/2018/jun/12/universal-basic-income-and-rewilding-can-meet-anthropocene-demands>.

88. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 201-02.

89. *Id.* at 202.

90. *Id.* at 174-189.

internal cohesion of the union movement. And finally, many of the typical trade union members, older male heads of family with stable full-time jobs and decent salaries, do not stand to gain from a tax-financed basic income, whereas the part-timers, the lower self-employed, and flex-contract workers—in short the “precariat” that arguably does gain a lot—are too poorly organized and lacking in economic assets to make a difference.⁹¹

Likewise, the feminist movement shows no united support for basic income, despite the obvious attractions of increased power to say “no” to oppressive forms of cohabitation and to harassing combinations of paid and care work for low-income women. Large sections of the feminist movement are worried about how the labor market choices of women will be transformed by more power to say “no” to (full-time) paid work. Simulations show that the negative labor supply response of secondary earners in the household—mostly female—under a basic income is considerable.⁹² This poses the danger of a more skewed distribution of full-time work and unpaid care work between women and men than is presently the case.

In this constellation, basic income advocates need to recognize and mobilize the existing pockets of support within each separate social actor, and link these to the potential of basic income to address the challenges posed by automation and globalization. In their detailed overview, Van Parijs and Vanderborght offer many examples: trade unions can become more open to a more inclusive representation of worker interests than those of the full-time wage-earners, which could envelop the precariat.⁹³ The union movement could also come to realize that a basic income aims to strengthen rather than abolish the assistance and insurance functions of the welfare state. Among employers, some insist that basic income is instrumental to ensure the labor market flexibility, entrepreneurship, and productivity that is needed to cope with future forms of work. They realize that workers with a basic income work better because they work more freely.⁹⁴ Among feminists, resistance to basic income can perhaps be overcome when the welfare state invests more in childcare facilities and parental leave schemes, in order to counteract the asymmetric effect of basic income on the gender distribution of care work and paid work.⁹⁵ Even the traditionally laborist outlook of socialists and social-democrats might slowly change and become more susceptible to utopian socialism’s call for freedom both in work and outside the sphere of labor.⁹⁶ And Van Parijs and Vanderborght also note that besides the pro-market liberals, whose support for basic income in the form of negative income tax is motivated by the wish to tone down and ultimately do away

91. *Id.* at 184-85.

92. Ruud de Mooij, *Reinventing the Welfare State* 60 CPB NETH. BUREAU FOR ECON. POL'Y ANALYSIS (2006); Section 3.3.

93. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 180.

94. *Id.* at 182.

95. *Id.* at 188.

96. *Id.* at 194.

with redistributive welfare state intervention, there is also a small liberal-egalitarian strand harking back to J.S. Mill that can support basic income on similar grounds as they do themselves: real freedom for all.⁹⁷ The pocket of support among Christian Democrats is ethically motivated in a different way, comprising basic income's potential to change the "stigmatizing, degrading, humiliating, and in the end counterproductive" treatment of the poor under conditional welfare state bureaucracies "in a way that respects, indeed restores, the equal dignity of all members of the community as children of God."⁹⁸

Finally, Van Parijs and Vanderborght rightly point out that in the Internet era, there are possibilities for activist and research networks—whether permanent, such as the Basic Income Earth Network, or incidental, as the initiators of the Swiss referendum on basic income in 2016—to mobilize public opinion through "organizing without organization."⁹⁹ But however hopeful all these developments may be, Van Parijs and Vanderborght do admit that the current extent of political support in the civil society and the polity is still far from impressive.

B. A Potential Coalition: Basic Income in an Extensive Welfare State

Thus, the implementation of basic income is by no means imminent. At the very end of Chapter 7, Van Parijs and Vanderborght can do no more than restate their earlier points about the need to be realistic about the prospects. In their view, a generous unconditional basic income of the kind they expound and seek to justify is not likely to emerge "anywhere as the result of a big triumphant revolution. It is more likely to enter through the back door."¹⁰⁰ What this last phrase exactly means here is not particularly clear. Generally, a backdoor policy result comes about rather surprisingly, without explicit recognition of its purpose and implications, and possibly as a by-product of other concerns. In the present context, it would amount to the implementation of basic income by stealth rather than by a publicly announced intention. Now, Van Parijs and Vanderborght say that initially, basic income—the income later to become "generous and unconditional"—is likely to enter at a modest level, perhaps with a participation condition, and perhaps also via a negative income tax (see the two "close cousins" discussed in Chapter 2). Could this possibly be a backdoor scenario?

It may help to rephrase in terms of the three unconditionalities "Backdoor basic income" must then appear on the scene as a strictly individualized and strictly universal nonmeans tested income. In line with Atkinson's notion of participation income, backdoor basic income may

97. *Id.* at 196.

98. *Id.* at 205-06.

99. *Id.* at 206-210.

100. *Id.* at 214.

impose an obligation of readiness to perform work activities specified by criteria for social contribution, either by taking part in the labor market or self-employment, doing tasks of care work, training, voluntary activity for an association, and so forth.¹⁰¹ Next, backdoor basic income's modesty consists in an individual negative tax level being set at some fraction of the country's ruling social minimum, a fraction large enough to make a difference, that is to say at least 40% or 50%. From there, of course, the whole arrangement must be continually purified and expanded, finally to reach the generous level of unconditional income that—at least according to Van Parijs and Vanderborght's ideal description—is required by justice and likely to produce the full spectrum of beneficial effects that motivate the proposal in the first place.

This slightly pedantic way of presenting the backdoor scenario may serve to illustrate its implausibility. How could such a radical shift from existing taxation and social security arrangements be carried through politically without a clearly recognized core consensus on its meaning and purpose among the (large) majority? And without such a consensus, how could it even be “hopefully wished” that this shift will ultimately produce the desired end-result? It makes more sense to think that any decision to install a partial basic income that has the potential of growing into a full and fully unconditional one must be explicitly underwritten by a political platform with unwavering aspirations for the future. In any case, as Van Parijs and Vanderborght write: “the endeavor to institute a basic income needs a vision: not just a dream but an attractive social model, duly scrutinized as regards both its fairness and its sustainability.”¹⁰² Especially when the task of carrying through a genuine basic income reform is conceived as a “front-gate” undertaking with a long-term commitment, as we urge it should, it becomes important to say more about the prospects of building a successful coalition on the basis of the “attractive social model.”

Here our approach to the ideal of basic income—an ideal that we share with Van Parijs and Vanderborght—may be helpful. As will be clear from sections II and III, we strongly believe that the moral and economic case for basic income depends on embedding the unconditional entitlement to a periodic cash payment in an extensive welfare state. Thus, our idea of the “attractive social model” is one in which there is a welfare state reliably providing public services in kind as well as social assistance and insurance truly accessible to all, a welfare state that also adjusts the standards of a decent minimum income to the level of per capita national income. Incorporating a basic income in this framework, we also think, offers the best chances of actually getting the beneficial effects from individual behavior

101. Anthony B. Atkinson, *The Case for a Participation Income*, 67 THE POLITICAL QUARTERLY (1996); VAN PARIJS & VANDERBORGHT, *supra* note 1, at 212.

102. VAN PARIJS & VANDERBORGHT, *supra* note 1, at 214.

and social interaction that Van Parijs and Vanderborght have described so convincingly in Chapter 1.

So rather than investigating to what extent the basic income project is compatible with the specific interests of main social actors taken separately, we take off from the idea that under current conditions of economic inequality and economic insecurity, the listed civil society actors, possibly with the exception of employer associations, share a common interest in the extensive welfare state and recognize that it is under threat. We also think, but cannot argue this here in detail, that under these same conditions, the extensive welfare state is supported within sufficiently large parts of the European social-democratic, Christian Democratic, and Green parties addressed by Van Parijs and Vanderborght. Both requirements of “extensiveness” are supported in the face of threats posed by economic crises, automation, and globalization: adequacy of public services to create equal opportunity and mobilize human resources, as well as the indexing of the social minimum to per capita income.¹⁰³

Of course, it is also true that within these same political parties, the moral resistance to a basic income is alive in large part as well, especially so when basic income is supposed to be financed by cutting expenditures for health, education, and culture. The resistance, however, must be addressed along lines suggested by Van Parijs and Vanderborght in Chapter 1—that the introduction of a basic income should be combined with a public discourse that places value on the possibilities that unconditionality opens for individual contribution to the community, and which encourages active participation in both paid and unpaid work.¹⁰⁴ In this discourse, which must evoke the image of a free and active welfare state, the potential of basic income to promote unforced relations of reciprocity in the areas of care work, social assistance and low-paid labor, which we discussed in Chapter 5, is also highly important (see III[D] above).

Bringing basic income closer to political feasibility, then, requires showing that the sturdy floor provided to individuals by basic income is a key ingredient of a free society, as Van Parijs and Vanderborght state, but also that this floor should itself be seen as resting on the secure foundations of an extensive welfare state, for reasons of justice and dynamic efficiency. In this review we have tried to indicate how such a case can be made. If it succeeds, the problem suggested by Barbara Bergmann (2004)¹⁰⁵ that advanced welfare

103. Indexing welfare benefits and minimum wages to per capita income has broad political support. In the Netherlands, the mechanism of indexation is even written into law since 1980 and respected by administrations of varying political leanings, including populists.

104. See also VAN PARIJS & VANDERBORGHT, *supra* note 1, at 214.

105. Bergmann states:

At current levels of per capita income and production there is no room in the budget for both the Swedish welfare state and Basic Income. One must choose one or the other to do first. The fully developed welfare state deserves priority over Basic Income. . . . If through time the capital intensity of production and productivity rises, then as a result the demand for

states do not have the tax capacity to provide both the full spectrum of what she calls merit goods and universal cash grants becomes less pressing as productivity growth continues.

In short, the friends of basic income and the friends of the extensive welfare state must overcome needless antagonism. They must blend and befriend. In times of austerity, this may seem a wild rush forward, and it is therefore essential to bear in mind that the pathway to full basic income starting from a partial basic income reform is long and narrow, precisely because preserving the extensive welfare state also requires upward adjustment of the social minimum standard that is the target for a full basic income. As we outlined in section II(C) on the basis of work in progress, there are indications that the key condition for this path—that the level of partial basic income can increase at a faster rate than per capita income does—may be satisfied, while at the same time capital prospers, and both the share of labor and the welfare state are under continuous pressure. Moving along such a path will generate a political rift within the liberal camp, with liberal-egalitarian advocates of a high basic income joining the coalition, while the neoliberal and right-wing libertarians—who want to stay at a partial basic income and also trim down public services—will oppose the coalition more vigorously. Against the latter, however, the coalition needs to insist that the primacy of public services to secure a just distribution of opportunities to learn, earn, and live a healthy life is among the preconditions of the free society and sane economy to be brought about by introducing a full basic income over time.

labor may shrink. A progressively lower labor force may become desirable, and Basic Income grants may be the best way of distributing an increasing share of the national income. See Barbara R. Bergmann, *A Swedish-Style Welfare State or Basic Income: Which Should Have Priority?*, 32 *POLITICS & SOCIETY* 107, 117 (2004).