The Injustice of the Universal Basic Income

Word count: 31,666

Pieter Lauwaert
Student number: 01108858

Supervisor: Prof. Dr. Patrick Loobuyck
Members of the Assessment Committee: Dr. Kasper Ossenblok; Charles Delmotte

A dissertation submitted to Ghent University in partial fulfilment of the requirements for the degree of Master of Arts in Philosophy

Academic year: 2017 – 2018
De auteur en de promotor geven de toelating deze studie als geheel voor consultatie beschikbaar te stellen voor persoonlijk gebruik. Elk ander gebruik valt onder de beperkingen van het auteursrecht, in het bijzonder met betrekking tot de verplichting de bron uitdrukkelijk te vermelden bij het aanhalen van gegevens uit deze studie.
Word Count 1: 29,548
Word Count 2: 31,666
Acknowledgements

On one of the stained glasses of Chartres Cathedral, there is a depiction of four dwarfs standing on the shoulder of giants. This symbolizes the idea that one needs the help of previous great thinkers to get to new discoveries. That is why I would like to express my sincerest gratitude to prof. Loobuyck. Without his insightful comments and sound advice, this dissertation would not have been possible. This thesis is the work of a tiny midget who was lucky enough to stand on the shoulders of a titan.
# Table of Contents

Acknowledgements .............................................................................................................. 1

Introduction .......................................................................................................................... 4

Chapter 1: The Universal Basic Income ........................................................................... 6
  1.1 Introduction ....................................................................................................................... 6
  1.2 The Proposal ..................................................................................................................... 6
  1.3 Van Parijs’ Justifications of the Proposal ........................................................................ 8
    1.3.1 Neutrality ................................................................................................................... 8
    1.3.2 Real Freedom .............................................................................................................. 8
    1.3.3 Envy Elimination ....................................................................................................... 9
    1.3.4 External Assets Argument ....................................................................................... 9
    1.3.5 A Rawlsian Idea ......................................................................................................... 10
    1.3.6 A Feminist Idea ......................................................................................................... 11
  1.4 The History of the UBI .................................................................................................. 11

Chapter 2: The Injustice of the Universal Basic Income ................................................... 15
  2.1 Introduction ....................................................................................................................... 15
  2.2 Reciprocity ...................................................................................................................... 15
    2.2.1 The UBI and the Principle of Reciprocity ................................................................. 15
    2.2.2 Criticisms of the Reciprocity Principle ..................................................................... 18
  2.3 Personal Responsibility ................................................................................................. 21
    2.3.1 The UBI and the Principle of Personal Responsibility ............................................. 21
    2.3.2 Criticisms of the Principle of Personal Responsibility ............................................ 23
  2.4 Van Parijs’ Justifications .............................................................................................. 26
    2.4.1 Liberal Neutrality ..................................................................................................... 26
    2.4.2 Real Freedom? .......................................................................................................... 29
    2.4.3 Envy Elimination? ..................................................................................................... 30
    2.4.4 External Assets Argument ..................................................................................... 31
2.4.5 A Rawlsian Idea? ................................................................................................................. 34
2.4.6 A Feminist Proposal? ............................................................................................................. 38

Chapter 3: A Justified Alternative for the Universal Basic Income............................................. 41

3.1 Introduction ............................................................................................................................... 41
3.2 The Stakeholder Society ........................................................................................................... 41
  3.2.1 The Proposal ......................................................................................................................... 41
  3.2.2 The Justification of the Stake ............................................................................................... 42
  3.2.3 Criticisms of Stakeholding .................................................................................................. 43
  3.2.4 The Fairness of the Proposal ............................................................................................... 43
3.3 Coupon Capitalism ..................................................................................................................... 46
  3.3.1 The Proposal ......................................................................................................................... 46
  3.3.2 The Justifications of Coupon Capitalism .............................................................................. 47
  3.3.3 Criticisms of Coupon Capitalism .......................................................................................... 48
  3.3.4 The Fairness of the Proposal ............................................................................................... 49
3.4 Negative Income Tax ................................................................................................................. 52
  3.4.1 The Proposal ......................................................................................................................... 52
  3.4.2 The Justifications of the NIT ............................................................................................... 52
  3.4.3 Criticisms of the NIT .......................................................................................................... 53
  3.4.4 The Fairness of the NIT ....................................................................................................... 54
3.5 The Participation Income ............................................................................................................ 55
  3.5.1 The Proposal ......................................................................................................................... 55
  3.5.2 The Justifications of the Participation Income ................................................................. 57
  3.5.3 Criticisms of the Participation Income ............................................................................... 63
  3.5.4 The Fairness of the Participation Income ........................................................................... 67

Conclusion ............................................................................................................................................ 71

Bibliography ....................................................................................................................................... 73
Introduction

Over the past two decades academic interest in the Universal Basic Income, as proposed by Philippe Van Parijs, has grown. Now, the UBI is moving from the theoretical level to the practical. Countries like Finland and Canada have been experimenting with UBI trials (The Economist, 2018b). Politicians in Spain and Italy are running campaigns on this idea. But is it really justified to implement a unconditional basic income? Philippe Van Parijs argues that a Universal Basic Income (UBI) is justified under a liberal theory of justice (Van Parijs, 1991, 102). This UBI is an income that is given unconditionally to each citizen (Van Parijs, 1995, 33). It is paid by the government to each full member of society and there are no conditions attached to it. In this master thesis, I want to analyse whether a UBI can be justified.

In the first chapter, I will discuss the characteristics of the proposal. I will try to find answers to the following questions: why is it a universal policy? How does this proposal guarantee that everyone has a basic standard of living? And why should it paid as an income? Also, I will discuss why should it be given unconditionally. Furthermore, we will look at the justifications that are given by Van Parijs to implement this UBI. I will analyse why this UBI respects the principle of neutrality and how the UBI helps to promote real freedom. I will demonstrate how the UBI eliminates envy and what the external assets argument is about. Additionally, I will demonstrate why John Rawls and feminist might approve of this proposal. Lastly, I will give a brief overview of the history and current implementations of this idea.

In the second chapter, I will argue that the UBI is an unjust mechanism. The UBI is unjust because it does not respect the reciprocity principle. This principle states that one is expected to contribute to the cost of production and maintenance of the arrangement from which one willingly benefits (Attas & De-Shalit, 2004, 311). Nor does the UBI respect the egalitarian principle of personal responsibility. This principle states that if people suffer from disadvantages for which they can be held responsible, they should not be compensated for them. In this second chapter, possible criticisms by Van Parijs and his supporters about these two principles of fairness will be also refuted. Furthermore, I will scrutinize the justifications that were given by Van Parijs to implement the UBI.

In the third, and final, chapter, I will analyse four alternatives for the Universal Basic Income: the Stakeholder Society, Coupon Capitalism, the Negative Income Tax and the Participation Income. For each alternative, I will discuss the main idea and
justifications of these proposals and I will investigate whether these proposals respect the principle of reciprocity and personal responsibility. This analysis should lead to a proposal that is more just than Universal Basic Income.
Chapter 1: The Universal Basic Income

1.1 Introduction

Philippe Van Parijs states that a Universal Basic Income is justified under a liberal theory of justice (Van Parijs, 1991, 102). In this chapter, we will discuss the characteristics of the proposal (1.2) and look at the justifications that are given by Van Parijs to implement this UBI (1.3). Also, we will give a brief overview of the history and current implementations of this idea (1.4).

1.2 The Proposal

According to Van Parijs, any defensible liberal conception of social justice should be real-libertarian (Van Parijs, 1991, 103). This means that it must maximin the real freedom of the people. People have real freedom if they have the means that are necessary for the pursuit of their conception of the good life, whatever that may be. This real freedom should be maximinced: strong priority should be given to those with the least amount of real freedom (Van Parijs, 1991, 104). The least advantaged should end up with at least as many such advantages as they would end up with under any other arrangement. One way of achieving this end is by implementing a Universal Basic Income (Van Parijs, 121, 121). This is an income that is given unconditionally to each citizen (Van Parijs, 1995, 33). It is paid by the government to each full member of society and there are no conditions attached to it.

UBI is universal because it is paid to rich and poor people alike (Van Parijs & Vanderborght, 2017, 17). People will get the stipend regardless of the income they derive from other sources or property they own. It is less humiliating than the targeted benefits scheme because it is given to everyone in society. As such, it might reach more poor people because they no longer have to take any degrading steps to proof their eligibility. There is no poverty or unemployment trap inherent UBI because any earnings that people do produce, go to increase their net income (Van Parijs & Vanderborght, 2017, 19)

UBI is basic because it is intended to give everyone a floor on which they can stand (Van Parijs & Vanderborght, 2017, 10). It is a foundation that helps people to build their lives. The definition in itself does not suggest that the stipend should be enough to cover basic needs. Still, Van Parijs & Vanderborght claim that it should be generous enough to make a real difference in the lives of the people. They suggest an amount of one fourth of
the current GDP per capita (Van Parijs & Vanderborght, 2017, 11). This would mean that the UBI in the United States would be $1,163 per month.

UBI is an *income* that would be paid in cash because it requires less bureaucracy than the distribution of food or housing (Van Parijs & Vanderborght, 2017, 13). It should be paid regularly and cannot be mortgaged (Van Parijs & Vanderborght, 2017, 9-10). Cash distribution also achieves greater freedom for all because the recipient is free to decide how to use it. There are no restrictions placed on the objects of spending, nor the timing of use.

This proposal is radically different from current workfare programs because of its unconditionality. People will get the income regardless of their willingness to work, irrespective of their wealth and their family situation, and regardless of which country they live in (Van Parijs, 1995, 35). There is no means test to determine whether the recipients have any other sources of sufficient income. The UBI is strictly individual: it is paid to each individual and it is independent of the household situation of the individual (Van Parijs & Vanderborght, 2017, 14). As such, it might affect the distribution of power within the household because women will have more control over their expenditures and they will have greater exit options, as this regular income is an individual entitlement. Contrary to household benefits, the UBI does not discourage people from living together because the partners will both continue receiving their UBI benefits, regardless of whether they live together or not (Van Parijs & Vanderborght, 2017, 15). UBI, therefore, is given with “no questions asked” (De Groot, 1998, 2).

This freedom from obligation addresses the employment trap of current welfare systems (Van Parijs & Vanderborght, 2017, 21). Work-conditional benefits might become a recipe for exploitation: people accept lower wages and stay in menial jobs because they risk losing their benefits (Van Parijs & Vanderborght, 2017, 22). This is not the case with the UBI: the stipend is given to everyone regardless of their employment status. As such, there is no obligation to accept degrading jobs. Moreover, the UBI will give people the freedom to say no to jobs that pay little, but are otherwise unattractive. At the same time, it gives them the freedom to say yes to jobs that pay little but that are attractive to them. It attacks the root cause of troubles for those who get sick by working too much and for those who get sick because they cannot find jobs (Van Parijs & Vanderborght, 2017, 28). The former will have more freedom to say no, whereas the latter will have more money to spend on their training and education.
1.3 Van Parijs’ Justifications of the Proposal

1.3.1 Neutrality

According to Van Parijs, the Universal Basic Income is justified because it respects the principle of neutrality. In liberal states, there is a ban on discrimination between differing conceptions of the good life (Van Parijs, 1995, 109). People have the freedom to choose among the various lives they might wish to lead (Van Parijs, 1995, 33). Universal Basic Income respects this principle because it is given unconditionally. People are free to do with the stipend what they want. Everyone is paid a stipend, regardless of their conception of the good life. People whose conception of the good life is to spend their days idly in the sun receive the same stipend as people whose conception consists of working full-time. This differs from current workfare proposals that limit their stipends based on a willingness to work or to look for work. But these proposals are, according to Van Parijs, not neutral because they imply that having work should be a part of one’s conception of the good life. The UBI proposal does not discriminate against those people whose conception of the good does not include work. Whether people want to work or not is, according to Van Parijs, merely a matter of one’s conception of the good life. The state has no right to imply that looking for work should be part of one’s conception of the good. The principle of neutrality dictates that we should not favour any particular conception of the good. Therefore, state support should be given unconditionally so that everyone has the freedom to use money to pursue their own conception of the good life.

1.3.2 Real Freedom

Van Parijs justifies his proposal by arguing that it will enable people to be have real freedom (Van Parijs, 1991, 103). People should have the means that they require to pursue their conception of the good life. This real freedom differs from formal freedom, which states that people should be free from interference from other persons (Van Parijs, 1995, 22). In order to have real freedom, people also should have the means that are necessary to pursue their conception of the good life. Any limit to what a person is permitted to do, should be regarded as an impediment to one’s real freedom (Farrelly, 1999, 285). For example, if my conception of the good life is to live in Africa, I will have formal freedom if no one prevents me from boarding a plane. But in order to have real freedom, I also must have the effective opportunity to travel there (Arneson, 1992, 501). Meaning that, I must also have the means that are needed to get to Africa.
The UBI helps people have real freedom because everyone is given a stipend that they can use to pursue their concept of what is good. A lack of external resources is an important constraint on the real freedom of people (van der Veen, 1998, 146). Knowing that you are guaranteed of a monthly stipend, increases the real freedom of people because they have more purchasing power. It also gives people the liberty to stop working or to change jobs because they are certain that they will receive a monthly stipend, regardless of their employment status. The UBI will increase the real liberty of people because it gives them the monetary means that is needed to satisfy the preferences they have.

1.3.3 Envy Elimination
Universal Basic Income is justified, according to Van Parijs, because it creates a situation of envy-freeness (Van Parijs, 1995, 53). When assessing inequalities in real freedom, we need to make sure that no one envies the opportunities of others. The distribution in assets is fair when there is no one who prefers some other individual’s endowment to his own. Absence of envy is a necessary condition for equality of external resources (Van Parijs, 1991, 116). We currently live in a world where there is a shortage of jobs. As a consequence, people without work envy the jobs other people have. Jobs are like plots of land (Van Parijs, 1991, 112). If two people, Crazy and Lazy, each have an equal plot of land then Lazy is entitled to an unconditional grant if he decides to give up his whole plot of land to Crazy. This same principle, according to Van Parijs, applies to the job market: people without jobs have given up their share of the job market to people with jobs. As such the unemployed are entitled to a stipend which is the Universal Basic Income. This stipend creates a situation in which the unemployed no longer envy the jobs of the employed because their stipend is a compensation for the share of the job market that they have given up. UBI, therefore, creates a world that is envy free because those without jobs get compensation and those with jobs have the freedom to stop working.

1.3.4 External Assets Argument
Van Parijs justifies his proposal because jobs are, like wealth and skills, a part of people’s endowments (Van Parijs, 1995, 108). Van Parijs states that we live in a job society in which some people have jobs whereas others are unemployed (Van Parijs, 1995, 107). This would not be a problem if we were to live in a Walrasian economy in which everyone
who wants a job and is skilled enough will get one, but we live in a non-Walrasian economy in which the labour market does not tend to clear and in which a group of people will remain unemployed. Given that employment has positive effects on current earnings and future prospects of the employed, we can argue that the unemployed are unjustly treated. Those without jobs do not have equal access to the means for the required pursuit of their conception of the good life (Van Parijs, 1995, 108).

This insight led Van Parijs to the argument that people’s endowment consists of their wealth, their skills and their jobs. If jobs are assets, then they, too, should be distributed equally among all. If we need to distribute scarce land equally, we give each member of the society a tradable entitlement to an equal share of that land. This same principle can be applied to jobs: we give each member of the society a tradable entitlement to those jobs. People who are unemployed get a stipend because they are entitled to a share of the jobs market. Basic Income is the employment rent that is being paid to those who are unemployed by those who are employed. This employment rent is the difference between the income and advantage people with jobs have and the lower income and lesser advantages that the unemployed have. Paid work gives people opportunities for social contact, it increases their social recognition and it gives them social power (Van Parijs, 1991, 128). Because of those reasons, the value of the job assets will increase and, this, will raise the level of basic income. People with attractive jobs, are given a huge employment rent and, therefore, a substantial basic income should be given to those without (Van Parijs, 1991, 130). UBI is then justified because it is a form of employment rent that all people are entitled to because we live in non-Walrasian economy (Van Parijs, 1995, 108).

1.3.5 A Rawlsian Idea
Van Parijs states that his proposal is justified because it is in line with the theory of justice by John Rawls (Van Parijs, 1995, 95). He argues that Rawls’ theory provides a justification for a universal basic income because UBI is in line with the difference principle because it increases the income, power and self-respect of the least-off. The difference principle requires that everyone should be guaranteed a minimum level of consumption (Van Parijs, 2017, 110). UBI is a monthly stipend that can help people to reach this minimum level of consumption. Furthermore, the UBI gives power to the weakest in both employment and household contexts because they will have better bargaining conditions.
Self-respect is one of the most important concerns for Rawls. A UBI will help to increase the self-respect of the people because its unconditionality makes it less stigmatizing and humiliating than current workfare programs (Van Parijs, 1995, 95). Adding to that, wealth is one of the socio-economic advantages that are mentioned in Rawls’ difference principle. Van Parijs states that a UBI is like wealth: it is given unconditionally and it is an endowment spread over people’s lifetime (Van Parijs, 2017, 110). For those reasons, Van Parijs thinks that Rawls’ theory provides a justification for an wealth-distributing, power-conferring and self-respect preserving unconditional basic income (Van Parijs, 1995, 95).

1.3.6 A Feminist Idea
Van Parijs posits that women should support a UBI because they would benefit far more than men from this proposal (Van Parijs & Vanderborght, 2017, 185). Given that women participate less in the labor market and that their average hourly wage is lower, they would gain greater financial benefit if given a monthly stipend. The UBI would increase their real freedom because they would no longer be forced to stay in an unsatisfactory relationship because of financial disincentives (Van Parijs & Vanderborght, 2017, 186). It would also increase their bargaining power in the labor market: it would easier for them to choose part-time work and take career breaks because they have a guaranteed monthly income. In sum, the UBI would give them more freedom to make choices to live the lives they want to lead (Van Parijs & Vanderborght, 2017, 187).

1.4 The History of the UBI
The Universal Basic Income is not a novel idea. The first one to propose such an income was Thomas Paine in his pamphlet ‘Agrarian Justice’ at the end of the eighteenth century (Van Parijs & Vanderborght, 2017, 70). Paine proposed to give every man and woman, older than 50, an unconditional basic income of ten pounds per annum. This was a compensation for the loss of their inheritance since the introduction of landed property. Paine justified this income by referring to the Christian idea that the earth was common property of mankind (Van Parijs & Vanderborght, 2017, 71). People who cultivated the land became the proprietors of the value of the improvement of the land but not of the earth itself. Therefore, these proprietors owed the community a ground-rent for using this common ground. A national fund would be put in place to collect these ground-rents, which would be used to pay a universal, obligation-free cash payment to all citizens over
the age of 50. Thomas Spence radicalized this proposal into a genuine lifelong basic income (Van Parijs & Vanderborght, 2017, 72). He proposed to auction off all land and houses of each municipality and use the proceeds to cover all public expenditures. The rest of the money would be divided equally among all the people of the parish. In contrast to Paine, Spencer did not limit the funding of his proposal to the value of land but also included real estate and buildings into his scheme. Like Paine, Spencer justified his proposal by arguing that every man had a right to the natural materials of their common estates. Furthermore, each individual needed the aid of society to acquire personal property. People accumulated wealth thanks to society and therefore, owed it to society to give some part of that accumulation back to the society from which it came (Van Parijs & Vanderborght, 2017, 73).

The first developed plea for a genuine basic income on a national scale came from Joseph Charlier (Van Parijs & Vanderborght, 2017, 74). Like Paine and Spencer, Charlier argued that nature was created for the sake of meeting everyone’s needs. Private property was unjust and the state had to become the owner of all land and all buildings. He proposed to give all households a rent that would be sufficient to cover their most absolute needs. This rent would be paid for by expropriating the value of each new building with each inheritance. Charlier hoped that this would alter the bargaining power of the workers because the rent would make it harder to fill repugnant jobs. But the works of Charlier were barely read at the time so the idea did not become the subject of public debate (Van Parijs & Vanderborght, 2017, 75).

This all changed when the authoritative John Stuart Mill recommended a scheme that would guarantee a certainty of subsistence to all people (Van Parijs & Vanderborght, 2017, 77). Mill referred in his second edition of ‘Principles of Political Economy’ to Charles Fourier’s idea of granting everyone an obligation-free minimum of abundant subsistence. Fourier argued in his ‘La Fausse Industrie’ that this form of subsistence was justified because the land owners had deprived man of his right to fish, hunt, pick and graze. Mill found this scheme appealing because he, also, argued for people having a common ownership of the raw materials of the world.

After the end of the World War I, the idea of a universal basic income became the subject of a real public debate in the United Kingdom (Van Parijs & Vanderborght, 2017, 78). Bertrand Russel argued in ‘Roads to Freedom’ that a certain small income should be secured to all so that every man could live without working. Russell hoped that this
'vagabond’s wage' would affect people’s willingness to work and make idleness economically possible (Van Parijs & Vanderborght, 2017, 79). Russell’s book was published in 1918 and in this same year Dennis Miller and his wife suggested in their pamphlet ‘Scheme for a State’ to pay all citizens of the UK an unconditional income, pitched at 20 percent of GDP. They, also, hoped that this would give workers a more bargaining power and that it would make the labor market more flexible (Van Parijs & Vanderborght, 2017, 80). In the subsequent years, Clifford Douglas, George Cole and James Meade all made similar proposals to pay people a social or national dividend. While these debates were raging in the UK, not much happened on the continent (Van Parijs & Vanderborght, 2017, 82). The Austrian philosopher Josef Popper-Lynkeus proposed guaranteeing everyone a minimum for subsistence, but this should take the form of goods and services. In France, Jacques Dubois advocated a universal social income to compensate for the replacement of man by machines.

In the United States, the Democratic Senator Huey Long launched the “Share our Wealth” movement which pledged to grant every family a lump-sum allowance of $5,000 (Van Parijs & Vanderborght, 2017, 83). In the 60s, Robert Theobald advocated a guaranteed income because automation was making workers redundant. He suggested giving adults an annual income entitlement of $1,000 (Van Parijs & Vanderborght, 2017, 84). Thanks to the works of Milton Friedman and James Tobin, there was a lively debate in the United States on a negative income tax. This scheme allowed each household a basic credit which each family could supplement with earnings and other income (Van Parijs & Vanderborght, 2017, 87). President Johnson even set up a Commission that concluded that a basic income support program had to been launched (Van Parijs & Vanderborght, 2017, 90). But when Richard Nixon had taken office, these plans of a negative income tax were altered so that people could be punished if they refused to accept employment or register for job training. A decade later, the Republican governor of the state of Alaska, Jay Hammond, set up a fund to ensure that the wealth, generated by oil extraction, would be preserved for future generations. Since 1976, all residents of Alaska get a dividend that is close to 3 percent of Alaska’s GDP (Van Parijs & Vanderborght, 2017, 94).

The idea of a Universal Basic Income is gaining ground, not only in academic debates but also in real-world politics. On June 5, 2016 the Swiss voted in a referendum on an initiative to implement a universal basic income (The Economist, 2016). In January 2017, Finland started an experiment in which 2,000 people each received $680 a month
(The Economist, 2018). In Kenya, the non-profit organisation GiveDirectly will start a trial in which citizens of 300 villages will get a UBI for up to 12 years. In Ontario, 4 towns have been chosen that will also implement a similar UBI study. In the Netherlands, five Dutch municipalities want to test various options for unemployment benefits, of which the UBI is one.
Chapter 2: The Injustice of the Universal Basic Income

2.1 Introduction

As we have seen in the previous chapter, Van Parijs argued that a Universal Basic Income is the best mechanism to obtain a just society. In the first part of this chapter, I want to refute this statement and, instead, argue that the UBI is an unjust mechanism. The UBI is unjust because it neither respects the reciprocity principle (2.2), nor the egalitarian principle of personal responsibility (2.3). In the analysis below, these principles are first explained and applied to the idea of a Universal Basic Income. Also, possible criticisms by Van Parijs and his supporters are refuted (2.4).

2.2 Reciprocity

2.2.1 The UBI and the Principle of Reciprocity

Justice is not just about rights but also about responsibilities (Farrelly, 1999, 284). And one of those responsibilities is that people should respect the civic virtues that are necessary for the stability of the social system (Farrelly, 1999, 291). Reciprocity is one of those fundamental principles.

The Universal Basic Income system is unjust because it violates the principle of reciprocity. This principle states that one is expected to contribute to the cost of production and maintenance of the arrangement from which one willingly benefits (Attas & De-Shalit, 2004, 311). If you benefit from society, you also have the duty to contribute to society (Van Lancker, 2008, 25). The UBI does not respect this principle because it is given unconditionally: people get this stipend irrespective of their willingness to work or willingness to support the system. People can use the money as they wish and may decide to spend the rest of their lives surfing and lying on the beach in Malibu. There is no guarantee that the extra leisure time generated will be used to improve society, nor is there any certainty that the recipients will continue contributing to their social system. Society will be giving a blank check to its members without knowing that they will ever help to support to maintain the system. The UBI is like a coach who gives a football to every boy in the street without knowing whether any one of the boys will ever play on his team. After some time, the coach will run out of footballs and still will not have enough players to start a football team.
UBI is unjust because citizens are morally obligated to bear their fair share of burdens in contributing to a system of cooperation (Anderson, 2004, 246). Society is one big system of cooperating members in which everyone is obligated to do their part. In this joint project it is expected of everyone to try to put in as much as every other party (McKinnon, 2003, 152). Our current welfare system is an example of such a cooperative arrangement (Attas & De-Shalit, 2004, 318). The welfare support to the unemployed is paid by taxing the wages of the working people. Likewise, the pensions of the retired are made possible by the salaries of those who work. But these benefits are conditional: welfare support is based on a willingness to work and the level of pensions are determined by the years one has worked. It is only allowed to benefit from this mutual cooperation if you have contributed to it (Anderson, 2004, 243). But the reverse is also true: we deny the benefits of society to those who did not contribute to the system. You lose your unemployment benefits if you do not show any willingness to (look for) work. If you have never worked, you are not entitled to a pension. People do not have an unconditional right to full support from society if they did not contribute anything to society (Torisky, 1993, 296). The UBI does not respect this principle of society by giving unconditional support to everyone which makes it an unjust proposal.

Social systems that do not respect the reciprocity principle are a recipe for exploitation. In such systems, lazy people take advantage of the hard work of the industrious (de Wispelaere, 1998, 4). These lazy people behave like parasites who enjoy the fruits of the labour of others but do not give something back in return. The UBI may cause such exploitation; people get an unconditional stipend that is being paid by the working people. So, the Malibu surfer gets paid by his working neighbours to sit on the beach and surf the waves of the Pacific. This is unjust because the surfer imposes extra costs on the working people (McKinnon, 2003, 152). The income and property of the working people will be taxed extra to pay for the stipend of the surfer. This is exploitative for three reasons; the first being that the surfer has unjustifiably more leisure time than his working neighbour (Attas & De-Shalit, 2004, 316). Work and leisure are two bundles that can be traded off against each other: people who work hard, have less free time but get more money in return. Likewise, people who decide not to work have more leisure time but less money to spend. The UBI does not follow this principle because the surfer gets more leisure than his working neighbour but also gets money for his free time. The hard working neighbour is paying for the free time of the Malibu surfer. This is unjust
because the working neighbour only gets paid for the work he does. His free time is not being subsidized by the Malibu surfer because the surfer is not making any money while he is enjoying the sun and the waves. In a system of UBI, tax-paying citizens are being exploited by those who are not willing to work (White, 1997, 312).

Secondly, one group in particular will be more exploited than others under a UBI: the high-income workers (Widerquist, 1999, 399). Those with the highest incomes will be taxed the most to make the UBI sustainable. This group will be penalized twice under UBI: they have the least free time (given their highest income) and will lose the highest portion of their income to pay for the UBI. This means that there will be less money for them to spend and that the stipend they get, will be lower than in a system of fully cooperating citizens (Widerquist, 2006, 444). The Malibu surfers are not working so they have no wages that can be taxed to support, or increase, the UBI. As a consequence, the UBI will be lower than if the surfers did work.

Thirdly, the UBI is exploitative because it promotes free-riding behaviour (White, 1997, 322). Free-riders are people who benefit from a system without paying for it. They are the people on the bus who do not pay for their ticket because all the other commuters do pay. The UBI stimulates this type of behaviour because the stipend is paid unconditionally. Regardless of their willingness to work, people will get a stipend. This is free-riding: people get money without doing something in return (Van Lancker, 2008, 26). They get a stipend from society but are not obligated to give anything back to society. This kind of behaviour risks undermining the system: if everyone decides to stop paying their bus ticket, there will no longer be any revenue for the bus company and the buses will stop running. The UBI faces the same threat: if everyone decides to stop working, the amount of income to tax will plummet and there will no longer be enough money to pay the stipends of the UBI. This is why free-riding behaviour is invasive: you take primary goods from society without replacing them (Torisky, 1993, 294). By doing so, you are eroding the system which others, who do pay, are using. This is pure exploitation: you not only take advantage of the goodness of others, but by doing so, you are also destroying the system.

Citizenship entails that one has to fulfil its civic obligations (Anderson, 2004, 244). Respecting the principle of reciprocity is one of those obligations. People who disrespect this principle act as strangers to society (Torisky, 1993, 296). They play the role of members of society, but they do not fulfil their obligations. By benefitting from the social
cooperation without contributing, they are undermining the social system. They feign their roles as citizens because they fail carry their fair share of the burden (Torisky, 1993, 295). The UBI stimulates this kind of uncivil behaviour and should therefore be rejected.

2.2.2 Criticisms of the Reciprocity Principle
As mentioned in the article of White, critics might state that reciprocity should play no role in our analysis because it is an unjust principle (White, 1997, 318). Reciprocity, as criticism goes, has anti-egalitarian consequences because it does not take into account the brute luck differences between people. If reciprocity demands that people should contribute proportionally to the benefits they get, we are unjustly treating people for differences for which they should not be held responsible. People who are born with a handicap would be violating the principle of reciprocity because they cannot contribute as much to as they get out of society. This treatment of handicapped people is clearly unjust. Still, the criticism can be refuted by stating that our reciprocity principle does take these brute luck differences into account. The reciprocity principle can be formulated in such a way that is consistent with the equal opportunity principle (White, 1997, 318). The contribution that is asked by the principle of reciprocity is weighed by the handicap, the talents, the capacities … that people have. There is no assumption that the contributions should be proportional to the benefit that is received. Instead of demanding that one should put as much in as one has gotten out of it, our principle states that everyone should do his bit, given his capacities. As such, our principle of reciprocity does consider the brute luck differences.

Opponents, like McKinnon, may argue that violating the principle of reciprocity is irrelevant because reciprocity is not a requirement of justice (McKinnon, 2003, 153). This response is not convincing because reciprocity is a universal norm that is found in every society (Van Lancker, 2008, 25). It is one of the basic requirements of justice in our society (Van der Veen, 1998, 141). The fact that UBI does violate this principle is relevant because it is a moral principle that we apply to situations to determine whether they are just or not. Opponents might rephrase their criticism and state that reciprocity should only govern the distribution of privileges and not the distribution of entitlements (McKinnon, 2003, 153). Because the UBI is an entitlement, they argue, it is allowed to violate the reciprocity principle because entitlements fall beyond the scope of the principle. The problem with this argument is that reciprocity is a moral principle and, as such, should be
applied to all situations. What is the value of an universal moral principle if its application is limited to certain situations? Entitlements are monetary exchanges and that makes them ideal candidates for the reciprocity principle. This principle states that you need to give something back to society if you benefitted from it. The UBI is a monetary gift from society so that makes it a reasonable candidate for the reciprocity principle. Adding to that, the stipend is the backbone and foundation of the UBI, so in order to morally assess this theory, we also have to look at the stipend. We can only determine the (in)justice of UBI if we are allowed to assess the morality of its stipend. Otherwise, we would not be analysing the UBI but just some boundary conditions of the system.

Critics might state that there is nothing wrong with being a free-rider in a system of UBI because every-one has the freedom to do so (Groot, 1998, 72). No-one is forced to work under a UBI, so each person can choose not to contribute and enjoy the benefits without contributing to the system. This reply is not convincing because the purpose of this analysis is to determine whether such behaviour is (un)just. This moral enquiry cannot be solved by stating that everyone has the freedom to act in this way. The principle of reciprocity is one of the fundamental background requirements of justice in our society (Van der Veen, 1998, 141). That makes free-riding an immoral act, even though everyone has the freedom to become a free-rider.

Opponents, as McKinnon, might postulate that UBI does not violate the principle of reciprocity because the Malibu surfer does contribute to society (McKinnon, 2003, 153). Surfing, the argument goes, is a subculture that has some value to society. By surfing in Malibu, he keeps this tradition alive and this is his contribution to society. This reply may be refuted by referring to other examples, such as an alcoholic who spends his day in the pub or an addict who plays videogames all day. Do the subcultures that these people are promoting have any real value to society? And, granted that they do have some value, are these subcultures important enough to override the reciprocity principle? I do not think that the preservation of videogames or pub culture outweigh the moral importance of the reciprocity principle. Surfing in Malibu or drinking beer do not contribute in such a morally significant way to society that this contribution validates the reciprocity principle. Reciprocity demands an active contribution to social co-operation (McKinnon, 2003, 154). One should be willing to contribute in some significant social, political or cultural way to society (Torisky, 1993, 295). The surfer in Malibu could, for example, be working as a life-guard or collect the litter of the beaches in order to do his fair share
towards contributing to society. But the UBI is unconditional and does not demand such contributions. This refutation can, thus, only be used if the defenders of UBI are willing to add such contributing criteria to their definition, which changes the UBI into a completely different concept.

As mentioned in Anderson's article, the Malibu surfer might refute the reciprocity principle by referring to the idle rich (Anderson, 2004, 247). These rich people spend their whole days drinking champagne and eating caviar. They do not differ much from our Malibu surfer: both spend their days not working and, so the argument goes, both are benefitting from society without contributing. I do not find this a compelling comparison. Firstly, the assets of the rich are being taxed and this is one way of supporting society. The rich need to pay inheritance taxes and stock exchange taxes and these revenues are used by the government. The Malibu surfer might answer that he will also pay these taxes if he decides to invest or bestow his UBI. But it is not very likely that there will be much money left, given that he decides to live off his UBI and surf all day. Secondly, unless the rich got their assets by winning a lottery, they earned their money by hard work. The Malibu surfer, on the contrary, got his stipend without doing any work. So, the rich might argue that they have already contributed to society by working hard and earning their money. If this contribution was done by (grand)parents, the rich can still state that the inheritance tax that was payed, was a contribution to society to support the system. Thirdly, even if one grants this comparison, it does not make the violation of the reciprocity principle less troublesome. If the rich, like the Malibu surfer, do not contribute to society we should revise our system in such a way that they do contribute. The free-riding behaviour of the rich does not make the reciprocity principle less morally significant. It can only be used as an imperative to make the necessary changes to our system so that the rich do contribute.

Another criticism, as referred to by Attas & De-Shalit, argues that there is no exploitation because working people have a greater income bundle (Attas & De-Shalit, 2004, 317). This money gives them the freedom to pursue expensive hobbies or make travels during their limited free time. The Malibu surfer does not have this freedom, the argument goes, because the UBI he gets will always be smaller than the salary of the working people. Adding to that, the working people can use their bigger income bundle to pay for household help which would increase their leisure bundle. Again, this is not possible for the surfer in Malibu because he only has a small stipend that he uses to pay
for his basic needs. The bigger income bundle of the working people compensates for the smaller leisure bundle, so there is no exploitation. This criticism does not refute the exploitation claim because nobody inhibits the Malibu surfer from also getting a bigger income bundle. If the Malibu surfer decides to work, his bundle will also increase and he will be able to enjoy the same perks as the working people. You cannot blame the fruits of someone’s work if you are also in a position to get those benefits. The exploitative situation does not simply disappear by stating that one has some additional benefits if those benefits are also within your reach. The crux of the exploitation argument was that the rich pay for the leisure of the lazy without the reverse situation also being the case. The fact that the working people have more income to spend does not compensate for their loss of leisure, given that this additional income is also available to the Malibu surfer if he decides to work.

Reciprocity is a universal norm that is found in every society (Van Lancker, 2008, 25). Because the UBI does not respect this norm, it will have serious detrimental effects on solidarity norms in society. If a reform is perceived as inherently unfair and unjust, people will not accept it (Elster, 1987, 715). But the perceived justice of social institutions is an essential condition for their long-term viability. Therefore, an unjust UBI risks undermining the support for our current welfare state. People will no longer support the welfare state because one of its methods, the UBI, being regarded as unfair. People might question their obligation to pay taxes because the money will be used to support an unfair system (Attas&De-Shalit, 2004, 312). Ironically, the UBI might create a toxic environment in which people no longer want to support the welfare system and, as a consequence, the poor (Anderson, 2004, 243).

2.3 Personal Responsibility

2.3.1 The UBI and the Principle of Personal Responsibility

In this thesis, the moral framework that will be used is that of luck egalitarianism. The UBI does not respect the liberal egalitarian principle of personal responsibility (McKinnon, 2003, 144). This principle states that if people suffer from disadvantages for which they can be held responsible, they should not be compensated for them. When determining if someone should be compensated for their suffering, we should assess the extent to which the person is responsible for their suffering. Brute bad luck is the result of risks one is compelled to take, whereas option luck concerns cases where one has the freedom to
decide if he wants to participate (Widerquist, 1999, 388-389). For example if someone is hit by a falling meteorite, he suffers from brute bad luck because this risk was unexpected (Dworkin, 2000, 73). You could not anticipate this, so it is sheer bad luck. In contrast, if someone loses money in the stock market, he suffers from bad option luck because this loss could have been anticipated. The loss and gain are part of the bet one makes when buying shares. If the suffering is caused by brute bad luck, one should be compensated because it is not fair to hold someone responsible for the brute bad luck they experience. But if the disadvantages were caused by bad option luck, people should not be compensated because they are to be held responsible for this kind of bad luck (McKinnon, 2003, 145).

Imagine there are two unemployed guys, John and Boris. John had a car accident, for which he was not responsible, and because of the injuries he is no longer able to work. Boris, on the other hand, does not want to work and spends his days sitting in the sun. John and Boris both suffer because they do not have any income to pay their rent and buy food. The suffering of John is due to brute luck: his inability to work is caused by a car accident for which he cannot be held responsible. As a consequence, it would be not fair to hold John accountable for his suffering. That is why John should be compensated, and given a stipend, because his suffering is due to brute luck. Boris, on the other hand, suffers because of bad option luck: he chose to spend his days in the sun instead of looking for work. Boris had the option to look for work but he did not want to. Nobody forced Boris to spend his days in the sun, so his suffering is caused by option luck for which he should be held responsible. That is why we should not give any entitlements to Boris because that would be compensating suffering for which someone can be held responsible. It is unjust to impose the costs of a able-bodied person's choice not to work on other people (McKinnon, 2003, 152). People like Boris who freely chose not to work should bear the cost of that choice.

The UBI does not respect this principle of responsibility because the entitlements are given unconditionally. Under UBI, everyone gets a stipend regardless of their willingness to work. If people, like Boris, freely decide not to work, they still get a compensation even though this decision is a matter of bad option luck. This is unfair because people should not be compensated for the suffering for which they can be held responsible. Only disadvantages that are caused by brute luck should be compensated.
The UBI does not make any distinction between option luck and brute luck, and that is unjust.

2.3.2 Criticisms of the Principle of Personal Responsibility

Critics, like de Wispelaere, argue that it is hard to distinguish between an opportunity to contribute and a willingness to contribute (de Wispelaere, 1998, 6). They argue that it might be the case that people like Boris are only spending their days in the sun because they lack the opportunities to find a job. This makes the decision of Boris not one of bad option luck but of brute luck: he did not choose to be born with a lack of capacities that are needed to find a job. This makes Boris eligible for compensation because his suffering is caused by brute luck. Therefore, the UBI does respect the principle of personal responsibility. This criticism may be refuted by pointing to the effort principle (de Wispelaere, 1998, 10). This principle states that benefits ought to reflect the level of effort that people have put into finding a job. In order to determine whether someone has a willingness to contribute, one should look at the effort he has shown to contribute. If Boris did try to find a job but could not get one due to his lack of opportunities, he should be compensated. On the contrary, if Boris did not put any effort into finding a job, he should not get any compensation because this lack of effort proves that he is truly unwilling to work. This refutes the determination problem: it is possible to determine between a willingness to work and an opportunity to work. One should look at the effort that is being put into finding a job. The UBI does not respect this effort rule because it is given unconditionally. People get a stipend whether or not they have tried to find work. The criticism of the determination problem cannot be used in favour of a UBI because the Universal Basic Income neglects the effort rule that can help to solve this determination problem.

As mentioned by Widerquist, opponents might argue that finding a job in our labor market is an example of brute luck which justifies compensation (Widerquist, 1999, 388). People are forced to enter the labor market if they want to survive. But the labor market is imperfect: there are not enough jobs for everyone nor can everyone get the job they truly want. As a consequence, some people do not find jobs and suffer hardship. The suffering that is caused by not finding a job is, then, an example of brute luck because people were forced to enter the labor market if they want to survive. Brute luck justifies compensation, so the UBI is justified because it is compensation for the brute luck of being
born in a world with an imperfect labor market. I find this criticism unconvincing because of the premise which states that people are forced to enter the labor market. It is true that entering the job market makes it easier to attain money to survive but this does not make the choice obligatory. People are free to look for other means of survival besides entering the work force. The innumerate number of house wives and rentiers demonstrate that people have the freedom not to enter the labor market. We grant that this decision makes life harder to survive, but this in itself does not prove that one is forced to enter the labor force. This makes the suffering caused by entering the labor force not one of brute luck, but one of bad option luck. People who suffer because they did not find a job were not forced to find one. They may have chosen not to look for a job. Compensation for suffering, in the form of a UBI, is thus unwarranted because it is a matter of bad option luck and, not brute luck.

A similar criticism was voiced by Van Parijs who refuted the Lockean principle, the Lutheran principle and the strong effort principle by stating that they all generate brute luck inequalities (Van Parijs, 1995, 168). The former asserts that each person has a right to the full fruits of his labour (Van Parijs, 1995, 145-53). As White argued, Van Parijs is correct in stating that this Lockean principle does not take into account the fact that the fruits of one’s labour may be influenced by the fertility of the soil, which is an example of brute luck (White, 1997, 324). The Lutheran principle asserts that each person should receive a share of the social product of equivalent or proportional value to the value of his individual labour contribution (Van Parijs, 1995, 153). Van Parijs rightly argues that this Lutheran principle neglects the important fact that there are brute luck inequalities in productive skills which affect the amount of benefits one can get out of working. Likewise, Van Parijs correctly argues, the strong effort principle is not sensitive to the brute luck inequalities in capacities which affect the effort one can make. This strong effort principle asserts that income should be distributed in strict proportion to individual productive effort (Van Parijs, 1995, 507). I grant that these three principles are vulnerable to the brute luck criticism. The reciprocity principle, as stated in this paper, takes this criticism into account. The rephrased reciprocity principle states that people are justified to be compensated if they suffer disadvantages as a matter of bad brute luck (White, 1997, 325). But this does not justify an UBI. We grant that handicapped people or persons who lack the necessary skills to find a job should be compensated because this suffering is a matter of bad brute luck. But this is not a justification for the UBI which gives an unconditional
stipend to everyone, regardless of their capacities. The Malibu surfer does have the capacities to look for a job, so his choice not to participate is not a matter of brute luck but of bad option luck. The UBI is unjust because it gives compensation to people whose suffering is caused by bad option luck. This is the crux of the argument. The UBI that grants stipends because of brute luck is still vulnerable to our criticism in that it compensates people, like the Malibu surfer, who suffer from bad option luck.

Opponents might also argue in defence of the UBI by stating that it is unjust to reward expensive tastes (Williams, 1999, 92). People who want to have a job, the criticism goes, have an expensive taste because there is a scarcity of jobs. They want something that is difficult to get and is therefore, expensive. The ambitions of people who want a job are more expensive than the ambitions of the people who like spending their days on the beach. Society has to invest money into education and training for those job-seeking people whereas the Malibu surfer does not impose such costs on society. Therefore, the person who wants to have a job has a more expensive taste than the surfer in Malibu. Our current society rewards this expensive taste because people with jobs get a higher income than those without jobs. The UBI corrects this unjustness by giving a stipend to the Malibu surfer who does not have such an expensive taste. The UBI is compensation for the fact that our current society rewards expensive tastes for jobs.

I do not find this criticism very convincing for two reasons: the ubiquitousness of the expensive taste and the absence of envy. An expensive taste is, per definition, an exception to the rule. If everyone suffered from the same kind of expensive taste, it would not be an expensive taste but a conventional taste. The argument of expensive taste is built around the fact that someone demands more resources because his ambitions are more expensive relative to others’ ambitions (Dworkin, 2000, 48). This means that his taste differs from the conventional taste that is found in society. But this does not apply to an expensive taste for jobs because the majority of the people want to have a job. Trying to find work is not an expensive taste because the majority of people have this desire.

Secondly, the Malibu surfer does not envy those jobs (Williams, 1999, 93). The Malibu surfer does not want to have these jobs but prefers to spend his days on the beach. This shows that he has no true interest in these jobs (Mead, 1998, 53). If he truly desired those jobs, he would not spend his days on the beach. As a consequence, this is not a case of expensive tastes because the taste is not being envied by the other party. Suppose we need to distribute pork chops between those who love and those who loathe them.
Those who hate pork chops cannot argue that the pork chop lovers got rewarded for having an expensive taste for pork because they did not envy it. Only if they envy the others preferences can they argue that it is unjust to reward an expensive taste. Because the Malibu surfer does not envy the jobs, he cannot state that it is unjust to reward an expensive taste for jobs because this is not an expensive taste at all.

2.4 Van Parijs’ Justifications
As elaborated in the previous chapter, Van Parijs used several arguments to justify the Universal Basic Income. In the second part of this chapter, these justifications are being scrutinized. I will argue that the principle of liberal neutrality does not demand an unconditional Basic Income (2.4.1). The UBI does not help to promote real freedom (2.4.2) nor will it help to eliminate envy (2.4.3). Furthermore, the external assets argument that Van Parijs used to justify the UBI is flawed (2.4.4). Finally, neither Rawls (2.4.5) nor feminists (2.4.6) will find many reasons to defend the UBI from their theoretical framework.

2.4.1 Liberal Neutrality
Van Parijs justifies the UBI because it is a mechanism that helps to achieve liberal neutrality (Van Parijs, 1995, 109). The conception of liberal neutrality postulates that the state should never promote any conception of the good over others (Arneson, 1992, 488; Rawls, 1971). Citizens in a liberal society are free to determine for themselves what their conception of the good is. The people, and not the state, should decide how they want to live their lives, and what constitutes living a good life. People can freely choose if labour is a part of their conception of the good. If Lazy thinks that a life without doing any work is a life worth living, he should be free to do so and the state cannot blame him. Likewise, if Crazy wants to work hard all day the state is not allowed to hinder him nor can it praise him for doing so. No way of living should be promoted by the state as being superior to others.

The Universal Basic Income (UBI) supports this ideal of neutrality (Farrelly, 1999). By giving an unconditional income to the people, the state is not promoting any idea of what is good over any other. Crazy and Lazy have two opposing conceptions of the good, living a life with or without work, but they both get a basic income. The state does not promote one way of living over the other. It has no bias towards one conception of the
good because the stipend is given, regardless of the way how the people want to live their lives. The UBI differs from our current welfare system in which conditions are placed on the acceptance of welfare benefits.

Critics might argue that even a liberal state is allowed to discriminate against some conceptions of the good life (Torisky, 1993). If a person's conception of a good life is to harm other people, the state cannot support this and should discriminate against this idea of the good. That is why the state is allowed to pass laws protecting physical integrity, even though they discriminate against sadists (White, 1997, 323). If a group of religious people want to impose their beliefs on other citizens, the state has the right to prevent this from happening. If a person's idea of living a good life is stealing the property of other people, the state cannot allow this to happen. These cases show that a liberal state is not always neutral towards conceptions of the good. If the idea of the good threatens the respect for the autonomy or property of an individual, the state should, and rightly will, discriminate against these views. Neutrality does not mean that any conception of the good is allowed in a liberal state. Therefore, we rephrase the principle of liberal neutrality and postulate that a state should not discriminate against non-invasive conceptions of the good life (Torisky, 1993).

The UBI supports a conception of the good that is invasive on society (Torisky, 1993, 294). People like Lazy who do not want to work but still get an unconditional income, take goods from society without doing something to replace them. Lazy gets money but society does not know whether this money will be used in a way that will be helpful to society. There are no conditions attached to the stipend, so Lazy is free to do what he wants. There is no guarantee whatsoever that Lazy will use his free time to help other people. Nor is there any assurance that the money will be spent in a way that is helpful to society. Working people also take goods from society, but by doing work they are replacing some of the goods that they have taken. They deserve the wage they get because society knows that their work will be helpful. Given our stated principle that liberal neutrality may only discriminate against invasive conceptions of the good life, we are justified in discriminating against the invasive behaviour of people like Lazy. As a consequence, we should reject the UBI as a just system because it allows the kind of invasive behaviour that we ought to discriminate against.

Van Parijs, wrongfully, assumes that liberal neutrality must be interpreted as outcome neutrality (Arneson, 1992, 507). He claims that it is against the principle of
neutrality if the outcomes of a policy are more favourable to followers of one way of life than to the followers of some other way. Our current system unjustly favours, according to Van Parijs, people with working ambitions because these people have more favourable outcomes than those who do not work (Arneson, 1992, 508). People with jobs, his argument goes, have more money to spend and benefit more from the many social advantages of having work. The UBI corrects these unjust outcomes by giving every one a stipend.

The problem is that liberalism does not demand neutrality of influence (Farrelly, 1999, 288; Rawls, 1993). Society cannot advance all conceptions of the good equally. It is a fact of political sociology, that policies have effects and that they influence the choices people make. Some conceptions of the good will flourish under a liberal regime and some will not. Due to freedom of religion, for example, some religions will thrive while others will wither in membership. The outcome of this freedom of religion are that some people will be converted to other religions. If liberal neutrality, as Van Parijs interprets it, means outcome neutrality, then freedom of religion is non-neutral and should be rejected. But this is absurd because freedom of religion is one of the fundamental pillars of a liberal society. So if this interpretation of liberal neutrality is correct, there is no room left for many freedoms that are allowed in liberal states.

Therefore, we should interpret liberal neutrality not as outcome neutrality but as neutrality of aim (Arneson, 1992, 507; Rawls, 1993). This interpretation holds that the state should not enact any policy for the purpose of promoting some way of life over others but it disregards the possible differences in outcome that may result from the policy. As long as the aim of the policy is neutral, we are justified in imposing it on society even though the results will be non-neutral. Van Parijs might argue that our aim, enforcing the fairness or reciprocity norm, is not neutral given that we, by doing so, are promoting a way of life in which you participate and do your fair share of the work. I do not find this criticism convincing because the principle of reciprocity is one the basic principles of society (White, 1999, 232). The fairness norm, that able persons should not live off the labour of other equally able persons, is accepted by the common sense of a majority of the people (Arneson, 1992, 508). We regard the protection of physical integrity as one of prior principles of society and therefore, allow for laws to be passed that inhibit sadists from torturing people. Likewise, the reciprocity principle is one of the basic elements of social justice. As a consequence, society is allowed to ask its members to acknowledge that this
principle takes precedence over their conceptions of the good (White, 1999, 232). Van Parijs is right when he states that the reciprocity principle is non-neutral but this is unproblematic given that it is one of the foundations of our social system.

2.4.2 Real Freedom?
Van Parijs justifies the UBI because it is, according to him, the best mechanism to ensure real freedom for all. People have real freedom when they “acquire the means for the pursuit of their conception of the good life, whatever that is” (Van Parijs, 1991, 103). Real freedom entails more than just formal freedom (Van der Veen, 1998, 146). One is formally free when there are no legal restrictions to do what one might want to do. Real freedom includes this formal freedom but also states that one should not be hindered by a lack of external resources to do what one wants to do. Real freedom is not just having the right to do something but also a matter of having the means to do it (Farrelly, 1999, 285). Van Parijs argues that the UBI would be the best means to achieve this real freedom because the monetary stipend gives people the freedom to pursue their dreams. A UBI ensures people a certain amount of external resources that enables them to do what they want to do. The ideal regime, with the highest real freedom for all, is one in which the highest sustainable unconditional income is being paid to everyone (Farrelly, 1999, 285).

I agree with Van Parijs that the UBI enlarges the real freedom of the surfers in Malibu but at the same time it might be an infringement on the liberty of the working people. A UBI needs to be paid for and Van Parijs argues for a taxation of the wages. Therefore, there are people with jobs needed to ensure the economic feasibility of this system. But these working people will be asked to work for those who decide to spend their days on the beach. Their work is needed because without it, the tax base is not large enough to pay everyone a substantial basic income. So, the working people will be working to ensure that others can spend their days idly on the beach. This is “slavery of the talented” because they work for the benefit of others (Williams, 1999, 100). This is a severe infringement of the liberty of the working people (Musgrave, 1974, 632). Due to the taxation of their wages, they have a lower salary and due to their hard work, they have less leisure time. Therefore, the UBI might cause a decrease in the real liberty of the working people. Given that Van Parijs wants to create an ideal society with the highest possible real freedom for all, the UBI should be rejected because it endangers the real freedom of the working people.
2.4.3 Envy Elimination?

Van Parijs justifies his Universal Basic Income because under such a social system people will no longer envy the goods of others. The less people envy the material resources of others, the more real freedom there is in society (Arneson, 1992, 505). Envy elimination is one of the fundamental egalitarian aims of Van Parijs’ theory (Van Parijs, 1991, 116). According to this principle, a distribution of assets is fair when there is no individual who prefers some other’s individual endowment to his own (Williams, 1999, 87). Job opportunities are assets which enable people to pursue a conception of the good (Williams, 1999, 89). Because there is job scarcity in our world, not every one can get the job or the job that he prefers, or even any job at all. As a consequence, there is a lot of envy in our world because people are jealous of other people’s jobs. This makes our current world unfair, according to Van Parijs. The UBI precludes this kind of envy because people get compensation for not being able to get a job. Because jobs are scarce assets, each member of society gets a tradable entitlement to an equal share of those jobs (Williams, 1999, 89). The stipend is a monetary compensation which enables the unemployed to live the life they have dreamt of. Jobless people no longer envy those with jobs because the stipend gives them the freedom to pursue their dreams.

But this argument is not very convincing. Van Parijs is correct in stating that envy elimination should be one of the fundamental principles of an egalitarian society. But the problem is that the UBI compensates people who do not envy others’ resources. The Malibu surfer who spends his day on the beach does not envy other people’s jobs (Williams, 1999, 96). Instead he prefers his own leisure to having a job. He does not prefer the circumstances of job-holding people (Williams, 1999, 90). The surfer does not want to get up early in the morning every day to commute, nor does he want to be in an office from 9 to 5. Instead, he just wants to spend his days on the beach in the sun. He prefers his own life to that of people who do work. Otherwise, he would not be surfing all day, but trying to find a job. As a consequence, the Malibu surfer does not envy the jobs of others and should not be compensated. Ironically, the UBI may enhance the amount of envy in society because the working people will be jealous of the surfers who spend their days in the sun. Therefore, the UBI is not a mechanism to prevent envy elimination because it compensates people who do not envy other people’s resources and therefore, risk to increase the level of jealousy in society.
The same problem underlies Van Parijs’ analysis that people have equal rights to job assets and should therefore be compensated if they do not get jobs (Widerquist, 2006, 445). I disagree with this analysis because the Malibu surfer has no independent interest in these jobs (Widerquist, 2006, 447). The surfer does not envy the jobs so he cannot claim that his rights are being abused. He suffers no loss if people get jobs because he is not interested in having these jobs. As a consequence, there is no envy nor any abuse of rights. On the contrary, working people could claim that their rights are being abused under a UBI. Their work is being taxed to compensate people, like the Malibu surfer, who should not be compensated. This is called ‘Donselaarian exploitation’: the situation in which person A is worse off than he would have been in the absence of B, whereas B is better off than he would have been in the absence of A (Widerquist, 1999, 447). Under the UBI, the working people are worse off because their wages are being taxed to pay the stipend of the surfers. These Malibu surfers, on the other hand, are better off thanks to the labours of the working people.

2.4.4 External Assets Argument

Van Parijs justifies his support of the UBI by stating that jobs are an example of external resources (de Wispelaere, 1998, 4). These external assets are resources which nobody owns and to which all have an equal share (de Wispelaere, 1998, 17). Everyone has a right to an equal share of these resources and if this is not possible, people should be compensated (White, 1997, 314). Van Parijs argues that people are frequently unable to obtain jobs so these employment opportunities are, like wealth and natural resources, not available to everyone. Consequently, as the theory goes, people with jobs should compensate those without jobs because the working people have made it harder for the unemployed to find work. The people with jobs have infringed the unemployed with their entitlements to jobs, so this warrants compensation (de Wispelaere, 1998, 3). The UBI is a form of compensation: it gives a stipend to those without work by taxing the employment rents that people with jobs get (White, 1997, 316).

I do not find this argument convincing because there are some relevant differences between external resources and jobs.

Jobs differ from pure natural resources because jobs are examples of economic benefits of social cooperation (Widerquist, 1999, 389). Natural resources existed prior to and independently of present-day cooperative efforts (White, 1997, 321). Pure natural
resources do not originate from social cooperation: they are the pre-existing material one gets to work with regardless of current cooperation. The amount of fertile soil you inherited is independent of your current cooperation with others. But this is not the case for jobs: they only exist through social cooperation. There are no jobs in the state of nature: one has to work together with others to create work. Jobs originate in a cooperative community where people decide to work together or give work to others. If one gets paid, he receives a benefit from this social cooperation. The wage one gets gives access to buy products that also are the result of some sort of cooperative behaviour. Jobs are, therefore, embedded in a cooperative community (de Wispelaere, 1998, 17). As a consequence, job assets differ from other resources such as natural resources and external wealth (things like gifts and inheritances). The latter are not a result of a current cooperative effort whereas the former is. Job assets are not examples of resources that are owned by everyone. They are only owned by those who have put the effort into creating this type of cooperation. I cannot claim a right to a benefit from the social cooperation of others because I did not participate in the effort that made this cooperation possible in the first place. This is the crux of the criticism: everyone has a an equal claim to natural resources and wealth because they were not formed by current cooperative efforts. The pure natural resources and wealth you are given at birth were not determined by your cooperative behavior, but the jobs you get are. This makes it unfair to treat job assets as similar to natural resources and wealth because these are different kind of assets.

Because jobs are part of the co-operative community, they fall under the reciprocity principle which applies to the economic benefits of social cooperation (White, 1997, 317). Therefore, it would be unjust to tax the employment rents to pay for the UBI because this would violate the reciprocity principle. As a consequence, Van Parijs is not entitled to use the employment rents to pay for his UBI. But natural resources and external wealth, such as inheritances and gifts, are not substantial enough to pay for the UBI (White, 1997, 315).

Van Parijs tried to refute this criticism by stating that if cooperation is a crucial difference there would be no justification for distributing the benefits of natural resources (Van Parijs, 1997, 329). Van Parijs rightly states that the natural resources only have value if there are people who are willing to extract them. The desert of Kuwait only has worth because they are people who cooperate in detecting and extracting the oil out of it. As a
consequence, Van Parijs argues, we cannot use the natural resources to justify the UBI because these too, are benefits of social cooperation. This would mean that we restrict the distribution of the value of land to those who are willing to work on it. But this is exactly the point we are trying to make: only those who show an interest in jobs are entitled to the fruits of their labour. Van Parijs is correct in arguing that the material resources inherited from the past belong to all of us but this inheritance only means that everyone is entitled to equal access to these resources for the purpose of labouring on them (Arneson, 1992, 506). A person is entitled to an equal share of the resources under the condition that he is willing to put the resources into productive use himself (van der Veen, 1998, 156). As a consequence, people have equal rights to use assets but not equal rights to income from those assets (Widerquist, 2006, 444). Everyone should have the same equal opportunity to use the soil of the land to plant his crops but this does not mean that everyone is entitled to the fruits of the land. Only those that planted crops on the land are entitled to an equal share of the fruits of the land. This is so because one only profits from the soil if one works on it (Van Lancker, 2008, 30). You need to put some effort into your piece of land in order to get some profit out of it (de Wispelaere, 1998, 18). This also applies to the job market: everyone should have equal access to jobs but this does not mean that everyone is entitled to the benefits of participating in the job market. People are only entitled to get some benefit from the job market if they also participate in the market. Only those who look for work or have a job are entitled to the benefits from the labour market. The UBI neglects this principle because it gives stipends to everyone, regardless of their ambition to (find) work. Under the UBI, everyone gets a share of the benefits of the job market, but this is unfair. The UBI does not differentiate between people who look for work and the Malibu surfer who spends his days on the beach. As a consequence, the UBI gives the benefits of the job market, namely the stipend that is based on the income of the working people, to those who do not participate in the job market. The UBI is similar to giving fruits to those who did not work on the land even thought they had equal access to this land. Although they had an equal opportunity to access the land and to work on it, they decided not to, but still, they benefit from the fruits of the labour of others.
2.4.5 A Rawlsian Idea?

Van Parijs states that “a quick look at Rawls’ list of socio-economic advantages arguably establishes a strong presumption in favour of a basic income” (Van Parijs, 1995, 95). He argues that Rawls’ theory provides a justification for a universal basic income because the UBI is in line with the difference principle because it increases the income, power and self-respect of the least-off (Van Parijs, 2017, 110). I do not find this reading of Rawls convincing because Rawls himself wrote that “those who surf all day off Malibu must find a way to support themselves and not be entitled to those funds” (Rawls, 1993, 182).

Rawls posits that “the better enjoyed may enjoy their position only in terms that help others” (Rawls, 1974, 145). If their position includes consumption of goods, the UBI, may indeed be justified. Because in a world with a scarcity of jobs, the employed are better off than the unemployed and should, therefore, help the unemployed by giving them a stipend. But this is not the whole story because enjoyment is interpreted to include both goods and leisure. Leisure is also regarded as a primary good that should be taken into account (Torisky, 1993, 293). The unemployed have less goods than the employed because they have no salary. But, at the same time, the unemployed have more leisure than the working people because they have more free time. When we also take this leisure into our calculation the imbalance between the primary goods of the unemployed and those of the employed is levelled. Therefore, there is less need to transfer income from one group to the other (Musgrave, 1974, 632). What is even more, this inclusion of leisure to the list of primary goods enables us to argue that the voluntarily unemployed no longer belong to the least well-off (Birnbaum, 2010,499). Because they can benefit from extra leisure, the voluntarily unemployed are better off than low-paid full-time workers because the latter lack the former’s leisure. The least well-off, those that should be our focus group according to Rawls, are the low-paid full-time workers, and not the voluntarily unemployed. Under the UBI, the voluntarily unemployed are better treated than those low-paid full-time workers because both groups get a stipend but the Malibu surfers have more leisure time. Instead of improving the situation of the least well-off, the UBI improves the living condition of a better-off group. This makes the UBI an unjust, and anti-Rawlsian procedure.

Van Parijs does not want to add leisure in the index of primary goods because it raises conceptual difficulties concerning the notions of work and leisure (Van Parijs, 1991, 111). He argues that it is difficult to determine what to count as work and what to regard
as leisure. But these problems of indeterminacy might occur with all primary goods (Farrelly, 1999, 287). One might wonder what the good of self-respect really means. But this should not lead us to conclude that self-respect is not a primary good. Likewise, it sometimes might be difficult to determine between leisure and work but this is not a sufficient reason for excluding leisure as a primary good. Rawls posits that primary goods are “things every rational man is presumed to want” (Rawls, 1971, 62). Given the fact that people have fought hard to have some leisure time, and given the importance leisure has in a person's life, it would be absurd not to regard leisure as something that every rational man wants. Therefore, the indeterminacy problem of leisure is, in itself, not sufficient enough to exclude this from the list of primary goods.

Self-respect is, according to Rawls, the most important primary good (Rawls, 1971, 440). Without self-respect, nothing seems worth doing and people no longer have the will to strive for valuable things. Social recognition and non-subservience are essential to attain self-respect (Rawls, 1971, 529). Conversely, feelings of failure, guilt, and shame are detrimental to a person's self-respect. People who are being stigmatized by society have lower self-respect than those who are praised.

The UBI will have negative consequence for the self-respect of people because it stimulates stigmatizing free-rider behaviour. The stipend will be given unconditionally to people, regardless of their willingness to work. But, as we have seen before, this is against the principle of reciprocity. People who get a stipend from society without giving something in return are parasites or free-riders. The Malibu surfers will likely be stigmatized by the majority of the working people because the surfers are paid by the workers’ hard work to sit in the sun. The feeling that one is a free rider or a parasite will not enhance one’s self-respect (Birnbaum, 2010, 508). The Malibu surfer's self-respect will be lower under a system of UBI because the social stigma will be greater, given that he now gets paid to do nothing. In our current social system, there might also be a stigma against people who decide to spend their days on the beach, but they currently do not get any financial reward for their behaviour. Given the taxes that are needed to pay for the UBI, the shame and guilt of the surfer will likely be higher and his self-respect, as a consequence, lower.

Having work or being productive increases the self-respect of people. It is a source of self-fulfilment (Farrelly, 1999, 293). Having work increases the self-esteem of people because they regard themselves as participating members of society (Anderson, 2004,
244). Unemployed people are often locked in social isolation and idleness (Birnbaum, 2010, 503). A job helps this isolation which is detrimental for the self-respect of people (Anderson, 2004, 254). Thanks to their job, people develop a sense of worth and increase their confidence in their ability to pursue their objectives (Birnbaum, 2010, 507). Having a job often confers a kind of dignity to the owner because he feels acknowledged in his value to his employer (Torisky, 1993, 295). The UBI threatens to lock people in this permanent state of idleness which is devastating for the self-respect of the people. People will not be stimulated by the UBI to get off their couch and stimulate the development of their talents. Instead, the UBI gives the message that it is okay not to participate; that there is nothing wrong with spending your day idly on your couch. The stipend discourages surfers to look for work because they are certain of this income (Attas & De-Shalit, 2004, 314). The UBI traps people in a permanent state of idleness that hurts their self-respect.

The Universal Basic Income might potentially hurt the self-respect of the people by hurting their autonomy (Farrelly, 1999, 293). Couch-potatoes will not be stimulated to be productive because they are certain of a monetary stipend. But this decision to be non-productive might have negative effects on the choices that people make later in life. We live in a world in which education, work experience and skills are valued by other people (Farrelly, 1999, 294). People who have these are looked upon by others with admiration. Conversely, people without work experience or skills are not being praised. Because the UBI does not stimulate people to pursue the skills that are being valued in society, it threatens the autonomy (and self-respect) of the people. The UBI does not encourage people to develop skills that are needed to become autonomous in our current society. Instead, it stimulates people to behave in a way that makes them less likely to ever become autonomous. The more time they spend on the beach, the fewer skills they develop and the harder it will become for them to be autonomous in our current world.

Van Parijs might refute by stating that the UBI will improve the self-respect of the non-productive class, like the surfers, because it will allow them to pursue their conception of the good life (Farrelly, 1999, 293). However, one might reply that self-respect is achieved according to the norms of society (Birnbaum, 2010, 506). We live in a society where people are expected to contribute something back to society (Farrelly, 1999, 293). The idea of reciprocity is one of the basic principles of our social system because people feel that this is the right kind of behaviour. Likewise, free riding behaviour is not accepted by the majority of the people because it goes against this principle of
reciprocity. Therefore, the behaviour of the surfers will be judged against this norm of society. People will stigmatize the Malibu surfer precisely because he gets a monetary stipend without doing something in return.

Critics might also try to argue that the UBI will improve the self-respect of the unemployed people because they will no longer be forced to accept menial and degrading jobs which are damaging to their self-respect (McKinnon, 2003, 148). The UBI gives them a certain amount of income that gives them the freedom to change jobs and pursue their dreams. Income is a social basis of self-respect (McKinnon, 2003, 147). The stipend increases the amount of leisure-time available because people will no longer be forced to accept any jobs, but it also improves the quality of the leisure time because people will have more money to spend. I do not find these arguments convincing because these principles also apply to jobs. People with jobs also benefit from their income. The problem remains that the UBI will increase the stigma on the surfers because they will be regarded as free-riders. It is true that an income has a positive effect on someone’s self-respect but I fear that the stigma attached to getting a free monetary stipend will have far worse effects on someone’s self-respect.

A Universal Basic Income undermines the Rawlsian conception of democratic citizenship (Farrelly, 1999, 284). Rawls’ ideal of justice is a contractarian one that every reasonable person can agree to (Farrelly, 1999, 289). People act as reasonable citizens when “viewing one another as free and equal in a system of social cooperation over generations, they are prepared to offer one another fair terms of cooperation according to what they consider the most reasonable conception of political justice; and when they agree to act on those terms, even at the cost of their own interests in particular situations, provided that other citizens also accept those terms” (Rawls, 1997, 770). The problem with Universal Basic Income is that it is very unlikely that people will ever agree to its terms (Farrelly, 1999, 289). Giving unconditional support to surfers who spend their days in the sun is against the reciprocity principle. The surfers exhibit free-riding behaviour which is being condemned by both the capitalist and the socialist traditions (Farrelly, 1999, 290). It is very unlikely that the working people will ever want to agree to those terms because this is not an example of fair cooperation. Those surfers act as egoistic people who do not want to support the system that supports them (Farrelly, 1999, 291). The UBI is not a fair term of cooperation because able-bodied citizens are, according to Rawls, to be “fully cooperating members of society over the course of a complete life”
(Rawls, 1980, 546). The Malibu surfers are not fully cooperating because they decide to spend their days sitting in the sun. Because of the unconditional character of the UBI, there is no guarantee that the surfer will use his free time to do something in return for society (Birnbaum, 2010, 512). A system like UBI that supports this free-riding behaviour is very unlikely to be accepted by all people and cannot be seen as a social cooperation that Rawls would support.

Rawls’ second principle of justice states that social and economic inequalities are only justified “if they are to be to the greatest benefit of the least advantaged members of society” (Rawls, 2001, 43). We should, therefore, look at the average life prospects of the worst-off to determine whether the policy is in line with Rawls’ principles (Birnbaum, 2010, 500). We have to maximize the long-term prospects of the least advantaged members of society. But the UBI does nothing to improve their prospects. On the contrary, it offers them no incentive to ameliorate their situation. Given the lack of incentives to look for work or to follow additional courses, the UBI does not maximize their prospects in the long run at all. People who receive an unconditional stipend risk staying unemployed because there is no incentive to look for work. The longer this unconditional income is given, the more difficult it will become for them to ever find work or receive appropriate schooling. Implementing the UBI will decrease the long-term perspectives of the least-advantaged and is, therefore, not in line with the difference principle of Rawls.

2.4.6 A Feminist Proposal?

Van Parijs states that women will support the Universal Basic Income because it will improve their income and life options (Van Parijs, 2017, 185). Advocates of the UBI argue that it could lead to a re-evaluation of unpaid and care work (Danaher, 2018). Women who stay at home to take care of their family members do not get paid in our current society. These caring activities are being regarded as inferior to having a full-time job. The UBI might cause a re-evaluation of this work because women, who engage in those caring activities, will get a monetary stipend. I agree with Robeyns when she states that this line of reasoning is flawed because the UBI is given unconditionally to everyone (Robeyns, 2017). This stipend does not signal that society appreciates this kind of care work because a basic income is given to everyone. The Malibu surfer, who does not engage in care work also gets the same stipend. The only evaluative message that the UBI could convey is that doing care work is as worthy as spending his days on the beach. This is hardly the re-
evaluative message that feminists would like to hear. Also, people who decide to stop working in order to take care of their family members will not benefit from the UBI (Robeyns, 2017). These full-time carers will get a stipend but this is not a compensation for the fact that they became a carer for an ill relative. The stipend is given to everyone, regardless of the life choices they make, so the stipend cannot be regarded as a monetary compensation for this kind of worthy work.

The only group of women who would profit, in the short-term, from the UBI are women who do not want to be on the labour market, regardless of the consequences of this choice (Robeyns, 2007). These women will get a monetary stipend whereas now they do not get any money. Other women with jobs will see their salaries being taxed to pay for the UBI or will be put under a lot of social pressure to stay at home and take care of the children and needy relatives. Feminist defenders of the UBI like to refute this by pointing out that there are not a lot of women with high-paying jobs and that gender roles are only relevant in women-men partnerships (Bruenig, 2017). They state that these groups of disadvantaged women will be smaller than the group of women who will profit from the UBI. This criticism misses the point: the UBI will damage the future prospects of all these women. If the UBI convinces more women to stay at home to look after their relatives, it destroys the hope of true social innovation (Van Donselaar, 1997, 182). Women who stay at home lose the advantages of having a job: access to social networks and a feeling of self-respect (Danaher, 2014). Their human capital depreciates and it gets more difficult for them to re-enter the labour market. At the same time, it bolsters the stereotypes that female employees have a lower productivity than male workers. All these consequences, make it harder for women to leave their dependent state and become truly free. The UBI does not solve the uneven bargaining position of women; on the contrary, it makes their position even weaker.

Van Parijs argues that the UBI will help to “reduce the pro-male bias in the distribution of earnings” (Van Parijs, 2017, 185). By giving women an unconditional income, a UBI increases their freedom because it will easier for them to opt for part-time work and take career breaks (Van Parijs, 2017, 186). It is hard to see how such consequences can be welcomed by feminists. Current paid parental leave and time credit systems are predominantly used by women. This is because women are under a lot of social pressure to take up the traditional caregiver role (Danaher, 2014). We can predict that women, more than men, will use the UBI to stay at home take care for their children.
The monetary stipend that they get will not be enough to drastically alter their bargaining position (Robeyns, 2017). On the contrary, women will weaken their bargaining position in the household because the husband will, more than ever, be the necessary breadwinner. The UBI ignores the real problem, namely the traditional sexual division of labour (Danaher, 2014). Women are more likely than men to take up caretaker roles but the UBI in and of itself does nothing to change these traditional roles. On the contrary, the UBI will reinforce men and women’s gender normative roles within the family (Reynolds, 2017). But this stereotypical role division is precisely what feminists are opposed to. The UBI gives women incentives to reproduce the present imbalanced economic relations between the sexes and therefore, can hardly be defended from a feminist perspective (Van Donselaar, 1997, 182).

Feminists might also point out that a UBI ignores important differences such as class, race and generational divisions that exist between women (Reynolds, 2017). By giving the UBI unconditionally it treats every woman in the same way, regardless of the different circumstances that may affect the freedom of these women (Danaher, 2014). By homogenizing their situation, the UBI does not treat women with the respect they deserve. By claiming that the UBI will help the feminist agenda, Van Parijs ignores the underlying problems with which women are faced. A monetary stipend in itself will not be enough to change the exploitative situation of many of these women. A small monthly income does nothing to improve the lives of women if these women still have to live in a male-biased and sexist world. By ignoring this broader anti-exploitation agenda, Van Parijs condescendingly limits the problems of women to a pure financial one. This attitude is disrespectful towards women and will be counterproductive towards attacking the real problems the feminists are concerned about.
Chapter 3: A Justified Alternative for the Universal Basic Income

3.1 Introduction

In the previous chapter, we argued that the Universal Basic Income was an unjust proposal because it did not respect the reciprocity principle and the egalitarian principle of personal responsibility. In this chapter, we analyse four alternatives for the Universal Basic Income: the Stakeholder Society (3.2), Coupon Capitalism (3.3), the Negative Income Tax (3.4) and the Participation Income (3.5). For each alternative, we discuss the main idea and justifications of these proposals and we investigate whether these proposals respect the principle of reciprocity and personal responsibility.

3.2 The Stakeholder Society

3.2.1 The Proposal

Ackerman & Alstott formulated an alternative to the Universal Basic Income. They proposed to give each American a stake of 80,000 USD when they reach maturity (Ackerman & Alstott, 1999, 3). These stakeholding payments would start at the age of twenty-one, unless you were in college in which case the stakes would be paid as soon as the students graduated from high school (Ackerman & Alstott, 1999, 52). The stakeholders would not get the money all at once (Ackerman & Alstott, 1999, 8). Instead, they would get 20,000 USD increments over a four year period. In order to qualify for these payments, people would need to have a diploma of secondary education. People would be free to use the money for any purpose they chose (Ackerman & Alstott, 1999, 5). Upon death, people would be expected to repay this initial amount if financially possible. The stake would be paid for by an annual tax of 2 percent on wealth (Ackerman & Alstott, 1999, 13). These taxes would be invested in Treasury Bonds which would grow at market interests (Ackerman & Alstott, 1999, 39). In addition to the stake, Ackerman & Alstott also suggest to give everyone an entitlement to a basic retirement pension (Ackerman & Alstott, 1999, 16). This pension would be paid unconditionally: regardless of the work history or wage rate of the people. Each American would get a monthly retirement check that represented the minimum amount needed to live a decent life.
3.2.2 The Justification of the Stake

Ackerman & Alstott argue that this stake is justified because each citizen has a right to a fair share of the patrimony left by the preceding generations (Ackerman & Alstott, 1999, 9). Everyone born into a developed country benefits from a share in a common inheritance (Le Grand & Nissan, 2003, 34). This inheritance consists of agricultural land, capital assets, buildings and infrastructure. These assets were the results of the labours and efforts of previous generations. The wealthy needed other people to create the conditions for their own success. Given that the wealth gained by our ancestors was the result of acts of cooperation, Ackerman and Alstott considered it only fair to distribute this wealth among everyone (Ackerman & Alstott, 1999, 32). The wealth of one generation is a common asset to the next. The stakes are, then, acts of recognition of the roles played by others in creating this wealth.

Another justification for the stakes is the insight that the starting points in our society are shaped by parental wealth and position (Ackerman & Alstott, 1999, 23). Kids from wealthy families get a big head start in life which is not given to children from poorer families (Ackerman & Alstott, 1999, 2). This is a morally arbitrary distribution of initial economic endowments because no child has chosen the family he was born in (Ackerman & Alstott, 1999, 23). Money is one of the factors that shapes the basic opportunities in life. The wealth of the parents heavily affects the chances that children get during their childhood (Ackerman & Alstott, 1999; 25). The schools they go to, the role models they encounter and the friends they make are influenced by the wealth of their parents. Because these are all examples of brute luck, the state has a right to intervene and to play a constructive role in the just distribution of these opportunities (Ackerman & Alstott, 1999, 24). Moral equality demands that we pay stricter attention to these starting points. By giving every child a stake of 80,000 USD, Ackerman & Alstott argue, we give each child a more equal starting point. The stakes are a way of enabling each American with more equal opportunities and fairer chances (Ackerman & Alstott, 1999, 3).

Stakeholding is a better alternative than our current welfare policies because the latter are only curative whereas they should be preventive (Le Grand & Nissan, 2003, 29). Curative policies try to cure the “disease” of inequality and poverty. They wait until all of a person’s other income has been depleted and then provide income support (Goodin, 2003, 65). Preventive measures, in contrast, try to prevent inequality by affecting the initial distribution of resources available to each individual (Le Grand & Nisson, 2003, 30).
Stakeholding is an example of such preventive policy because it gives everyone a stake at the age of 21. The inequalities between wealthy and poor people are lessened because everyone is given an equal capital sum. This should give everyone more equal opportunities in life and would also obviate the need for curative measures later in life.

3.2.3 Criticisms of Stakeholding
Contrary to what Ackerman and Alstott state, I think that the wealth of the previous generation is only a common asset if one is willing to do his own share. They acknowledge that this wealth was generated by the work of our previous ancestors. Likewise, I state that we only have a right to a fair share of this wealth if we, also, are willing to work for it. If we get a part of this wealth for free, there is no guarantee that there will be any surplus left for the following generations. Therefore, I claim that we are only entitled to a fair share of this wealth if we, as abled-bodied persons, are willing to do something back in return.

Ackerman and Alstott are right in pointing out that the basic opportunities in life are not equal for everyone. But I find it hard to see how giving a lump sum of money is going to change that. The arbitrary amount of 80,000 USD in itself is no guarantee that the recipient will use the money to improve his opportunities. Nothing in the proposal prevents a recipient from blowing his stake on things that will not help him to get better opportunities in life.

For the same reasons, one could argue that this proposal will not be a preventive measure. If the recipient decides to use his money to buy an expensive surfboard and to move to Malibu, then the inequality is not really prevented.

3.2.4 The Fairness of the Proposal
3.2.4.1 Reciprocity
As critics Le Grand and Nissan pointed out, one major objection to this proposal is that it does not respect the principle of reciprocity (Le Grand & Nissan, 2003, 39). The receipt of the stakes does not depend on any action on behalf of the recipients. The only condition that is attached to the stakes is that the recipient should have a diploma of secondary education (Ackerman & Alstott, 1999, 38). People without such a diploma would receive an annual market return of 4,000 USD that they could only use for a limited set of purposes like buying a house or paying for extraordinary medical expenses. Those with a secondary
diploma would get their stakes unconditionally: there would be no strings attached (Ackerman & Alstott, 1999, 48). People would be free to do anything they want with their 80,000 USD. As such, this proposal is not respecting the principle of reciprocity because people are given something without knowing that society will get something back in return (Goodin, 2003, 70). Stakeholders share in the social product without the certainty that they will make a productive contribution in return (White, 2003, 179).

For this reason, White suggested to adjust the proposal in such a way that individuals would be free to use their stakes to finance activities that are related to productive participation in the community (White, 2003, 186). These activities could be taking care of dependants, taking courses of higher education or establishing a new business. I agree with White that the reciprocity principle is an essential objection to the idea of stakeholding but White’s adjusted proposal does not differ greatly from the Participation Income. White’s proposal is similar to giving people one large sum of a Participation Income upon reaching maturity. Given that the Participation Income will be given on a monthly basis, instead of just once in your life – as White proposed - I posit that it might be better in the long run. One cannot predict what will happen in the future and it is therefore better to have a monthly income instead of a lump sum.

3.2.4.2 Personal Responsibility

Stakeholding respects the liberal principle of personal responsibility. People are free to use their stake for any purpose they chose. But this also entails, according to Ackerman and Alstott, that they must take responsibility for their choices (Ackerman & Alstott, 1999, 5). They are responsible for the successes they achieve with their stake but also for the blunders they make. If they fail to make good use of their stake, they are held responsible and will not get another stake. Ackermans and Alstott assume that most of the people are perfectly capable of responsible decision-making and that they will use their stake wisely (Ackerman & Alstott, 1999, 10). Those who do not, and blow their stake, are no reason to deprive the others of their fair chance to pursue happiness (Ackerman & Alstott, 1999, 9). If people blow their stake because they are susceptible to short-run temptations, they will not be reimbursed. Even if they are duped by fraud or other misuse, the stakes will not be repaid (Ackerman & Alstott, 1999, 40). These bad decisions will lead to regret but that is only the flip side of responsibility (Ackerman & Alstott, 1999, 41). If people are to be held responsible for their free choices, we should also accept that there will be people who will
regret the bad choices they made. If we accept that adults have to take responsibilities for their own lives, we have to hold them accountable for the wrong bets they made with their stake (Le Grand & Nissan, 2003, 37).

White finds it unfair to hold people accountable for their wrong bets. The freedom secured by the citizen's stake can be easily lost through careless employment of the stake (White, 2004, 62). People can blow their stakes if they make wrong investments and by doing so they lose the freedom the stake was supposed to give them (White, 2004, 64). People are susceptible to bad choices and to good bets gone wrong (Goodin, 2003, 69). Like all wagers, stakes can be lost. For this reason, White proposes to place restrictions on how a citizen's stake may be used so as to prevent individuals from endangering the material basis of their freedom by making the wrong choices (White, 2004, 67). White suggests to restrict the range of purposes for which the stakes can be used (White, 2004, 69). Stakeholders would be allowed to use their stakes only for specific, developmental, asset-building purposes.

I do not think that this paternalistic idea is the right response to this worry. Ackerman and Alstott, pointed out that the idea of the stakeholding was to liberate each citizen and not to create new ways of intervening in the lives of citizens (Ackerman & Alstott, 1999, 9). Paternalism is an illiberal idea because, from a liberal standpoint, people should be left free to take what risks they deem worthwhile. If people make the wrong bets, this is only an example of brute option luck for which people should be held responsible. White is correct when stating that the choices people make are affected by circumstances for which people should not be held accountable (White, 2004, 65). He is right when he argues that people who come from families with little wealth, and thus little experience of managing wealth, have a higher risk of blowing their stakes. But this brute luck can be compensated by implementing economic classes that everyone should take in which people learn the ability to manage assets effectively. Ackerman & Alstott propose to organize economic classes, called "How to Manage Your Wealth", that help high school students to make the right choices (Ackerman & Alstott, 1999, 37).

White also argued that, even in a liberal state, paternalism is sometimes needed to make people free (White, 2004, 68). He stated that freedom as an end-state mandates some paternalism when people risk to subvert their freedom through their own choices. He gives the example of limiting the freedom of association when members of the association are not free to exit the grouping. The problem with this example is the scope:
given the mandatory training everyone will get, I highly doubt that the wrong bets that will be made will be as limiting as White’s example. People will be trained to make the right choices but if they still make wrong decisions, it is their responsibility. Society, by installing these economic classes, will have helped them to overcome their lack of knowledge of economic planning. If they still fail to make good use of their stake, they should be held accountable. Like Ackerman and Alstott, I think that these failures are no reason to deprive the majority of people of their fair chance to pursue happiness (Ackerman & Alstott, 1999, 9).

In the defence of his proposal, White referred to Van Parijs to make his paternalism less worrisome. White argued that Van Parijs, also, used a paternalistic concern when he proposed to hand out his UBI in the form of a regular income stream instead of lump sum (White, 2004, 69). The former is more justified because it helps people better to tackle the unforeseen difficulties in life. Once a lump sum is spent, people are left without any additional monetary means to deal with difficult life situations. A steady stream of income, on the other hand, is better suited to handle these sudden events. This is a correct analysis of Van Parijs his proposal but I do not think that this adds any additional strength to White’s argument. On the contrary, as stated before, the Universal Basic Income cannot be justified from a liberal point of view. Referring to elements of an unjustified idea does not make White’s paternalistic proposal more justified.

3.3 Coupon Capitalism

3.3.1 The Proposal
Another possible alternative for the Universal Basic Income is the Coupon Capitalism proposal by Roemer. He proposes to give each young adult a portfolio of stocks in the nation’s firms (Roemer, 1999, 67). Every adult citizen, when reaching the age of maturity, would receive an equal endowments of coupons from the state treasury (Roemer, 1995, 29). These coupons could only be used to purchase shares of mutual funds. These funds would use these coupons to buy shares of public firms. Only coupons, and no money, could be used to buy shares of a firm or of a mutual fund. The prices of corporate shares and mutual funds would be denominated in coupons and these prices would fluctuate. People would be entitled to trades these stocks at prices quoted on a competitive stock market (Roemer, 1999, 67). People would have the freedom to sell their mutual shares for coupons and to invest these coupons in other mutual funds. On the contrary, people would
not be allowed to cash out their coupons for money. Because people would own shares of a mutual fund, which owned shares of public firm, they would be entitled to dividends from these firms. Citizens would get a share of the mutual fund’s revenues because their coupons were used to buy shares of public firms. At death, the stock portfolio of an individual would go back to the treasury. The mutual fund shares of the deceased citizen would be sold and the revenues were to be returned to the state treasury (Roemer, 1995, 29).

3.3.2 The Justifications of Coupon Capitalism

Roemer justifies his proposal by pointing out that the wealth of the capitalist economy is the product of the combined effort of many people (Roemer, 1995, 19). As such, the wealth is not due primarily to rare individuals but is generated by the work of many ordinary people. Roemer states that every citizen has a right to a share in the stream of profits of the nation’s firms because these firms would not be possible without the work of those citizens (Roemer, 1999, 72). He asks us to view the nation’s firms as a resource that belongs to all citizens. Like national forests, these firms have to be regarded as publicly owned and because of this, people have a right to a corporate dividend of these firms. In Alaska, for example, every citizen gets a share of the oil profits because the state of Alaska owns rich oil deposits. Likewise, Roemer proposes to give every citizen a dividend in the nation’s firms because these firms, like the oil of Alaska, should be regarded as publicly owned.

Another justification is the insight that the profits of firms are not distributed equally among the population (Roemer, 1995, 23). The ownership of stock is now in the hand of the rich, whereas the middle and poor class have no control over these firms (Roemer, 1995, 35). This creates an unequal society with a great divide between the several classes. Roemer thinks that his proposal will help to eliminate the class of individuals whose great wealth comes from corporate profits (Roemer, 1999, 68). The end of this capitalist class would wipe out the interest groups that prevent the establishment of a more egalitarian society (Roemer, 1999, 72). Once the capitalist class is no longer in power, Roemer argues, the ideological counterweight to a more egalitarian society would dissolve because these capitalist classes are the greatest stumbling blocks in creating such a society.
Roemer fears that as long as the capital is in the hands of this small, wealthy class that politics will conform to the needs of this class (Roemer, 1999, 42). The investment choices of the firms are only in the interest of the rich people. As such, there will be a higher level of “public bad”, for example air or water pollution, because the rich people are only interested in profits (Roemer, 1995, 35). Because they form a small portion of society, they are not as directly affected by the public bad as the poor and middle class. In a coupon economy, the level of public bad will be consistently lower because the middle class and poor class will control most firms because they have the greatest number of coupons, given that they form the majority of the population. As a consequence, the firms will choose their levels of investments in the interest of the middle and the poor. Because the middle and poor classes, more than the capitalist classes, are confronted with the negative effects of public bads, the firms will try to reduce this level of public bad.

Coupon capitalism will break this structural power of class because the middle and poor classes will control most of the firms, given that they own the majority of coupons in society (Roemer, 1995, 35). Rich people will be precluded from buying all the shares of the firms because shares can only be purchased with coupons and people cannot sell their coupons to other people. Therefore, the poor and middle income classes will be better off because their interests will be better represented and the profits of the shares will be more equally distributed.

3.3.3 Criticisms of Coupon Capitalism
Roemer justifies his proposal by stating that the wealth in our society is not distributed equally (Roemer, 1999, 42). The question arises whether Roemer’s proposal will help to distribute this wealth more equally. The actual profit-dividend that each person would receive is not enormous (Wright, 1994, 542). Estimates project that the proposal would raise a worker’s income by 2 or 3 percent (Putterman, 1994, 493). It is hard to see how such a small amount could help to distribute wealth more equally. Adding to that, the proposal only affects the distribution of profit shares (Putterman, 1994, 495). But it does not alter the interest incomes people have from previous investments they made. The wealth of the current rich class is not being redistributed because the proposal only gives new shares to all the people without redistributing the wealth that was generated in the times before the proposal. As such, the rich class will still own the majority of the wealth.
Because the redistributive effects are so modest, it remains to be seen whether societies would be willing to implement such a radical proposal (Putterman, 1994, 493).

Another justification of Roemer's proposal is the idea that there will be less environmental bads because the firms are owned by all the people (Roemer, 1995, 35). Roemer argues that rich people who own a large amount of stocks have a strong financial interest in the profitability of firms and less in the environmental effects of these firms. This is debatable because the marginal utility of money is different for rich people than for poor people (Wonnell, 1998, 44). An millionaire derives less utility from an incremental dollar increase than someone who is fighting every day to be fed. As such, it is likely that the newly formed majority of shareholders, consisting of people from lower and middle classes, will be more tempted to exploit the environment because the utility they might gain from an increase of dollars may be greater than that gained by millionaires. Also, given the enormous political power of banks, it remains to be seen whether the people will have the means to influence banks if they want to fund environmentally insensitive projects (Wonnell, 1998, 45).

3.3.4 The Fairness of the Proposal

3.3.4.1 Reciprocity

Roemer's proposal does not respect the principle of reciprocity. The coupons are given to everyone, regardless of their participation in society (Roemer, 1995, 29). This is not in line with the principle of reciprocity that states that people have to give something back to society if they wish to get any financial support from society. This lowers the political feasibility of the proposal: there is little prospect that this proposal will find favour among politicians and citizens (Brighouse, 1994, 573). Roemer acknowledges that the political feasibility of his proposal is low (Roemer, 1999, 67). But still, he thinks that in the long run it will help to eliminate the class of wealthy citizens (Roemer, 1999, 72). I highly doubt that this would be the case. Given the importance of the principle of reciprocity, it is unlikely that people will accept a proposal that harms this principle without causing any substantial redistribution of wealth. I find it hard to believe that people are willing to disregard the principle of reciprocity for such a drastic proposal that offers so little change.

Roemer justified his proposal by arguing that the nation's firms should be viewed as the national forests (Roemer, 1999, 72). These firms, like forests, are a resource that
belong to everyone. Thus, Roemer argues, everyone should have a share in the stream of profits of these firms. But this comparison is flawed: national forest, as opposed to firms, do not depend on the contribution of other people. Forest, if left alone, keep on growing by themselves whereas firms need other people to grow. The firms’ growth is dependent on the contribution of people whereas national forest do not need these kinds of interventions. Roemer is correct in stating the everyone owns a share in the national forest but this does not justify giving everyone a share in the profits of firms because firms are different from national forests.

3.3.4.2 Personal responsibility

The proposal of Roemer cannot be justified because it disrespects the principle of personal responsibility. As stated before, people are to be held responsible for the choices they make in life and they should only be compensated for brute luck. If people suffer because of bad choices they willingly made, they should bear the consequences for these instances of bad option luck. Roemer does not respect this because he states that mutual funds are needed to protect citizens from squandering their coupon endowments on poor investments (Roemer, 1995, 30). This paternalistic reasoning is not in line with the principle of personal responsibility that states that people should be held accountable for bad option luck. If people decide to squander their money, they should bear the consequence of that choice. It is true that the chance exists where people will make bad investments with their money, but this is the coin flip of the idea of personal responsibility. If people get the freedom to invest their coupons as they wish, they should also bear the consequences of poor investments.

Likewise, in Roemer’s proposal firm managers are absolved of responsibility for errors in judgement because the firms are owned by the state (Roemer, 1995, 37). As a consequence, inefficient practices will not be weeded out as they would be in a competitive market environment. Firms would not have an incentive to care about the interest of shareholders because they are certain that there will always be people interested in buying their shares (Wonnell, 1998, 39). This causes a moral hazard problem: firms will not be penalized if they are not operating in an efficient manner. Even if they are indifferent to current shareholders, they will not find it difficult to find buyers for future shares because people are obligated to use their coupons to buy shares. The reservoir of potential shareholders will always be big enough. This problem of moral
hazard is aggravated by the fact that the financing of the firms comes entirely from banks (Putterman, 1994, 496). This is inherently dangerous because firm managers will have an interest in gambling with money if they do not have to repay in the event of bankruptcy. This could lead to more excessive risk taking because firm managers are certain that the state-owned banks will help in the event of bankruptcy (Putterman, 1994, 496). These examples of moral hazard demonstrate that Roemer’s proposal does not respect the principle of responsibility: firm managers are not held responsible for their bad option luck because they are certain of a continuous stream of funding by state banks and they know that there will always be potential shareholders.

Roemer refutes this criticism by pointing out that firms in the coupon economy would be organized around a fairly small numbers of main banks that would monitor the firms (Roemer, 1995, 38). Because firms need banks for finance, they would have to comply with their strict regulations. As such, firm managers would be held responsible for their choices by the banks who monitor them. The independence of these monitors would be guaranteed by several features of Roemer’s proposal. Firstly, banks would not be owned by the government, but by the mutual funds. Secondly, the salary of the bank managers would be dependent upon the performance of the bank and these bank managers would own shares in the firms they monitor (Roemer, 1995, 39).

Roemer’s refutation is vulnerable to the critique that this creates a very powerful class of bank managers who will have access to information which will give them disproportionate political influence (Brighouse, 1994, 571). The bank managers would have excessive powers because they would control the future of any enterprise (Wonnell, 1998, 41). This would put the workers of the firms and their managers at their mercy. But one of the main reasons for his proposal was to eliminate such classes with disproportionate power. Roemer’s proposal risks creating a class that exhibits the same characteristics of the powerful capitalist class he tries to eliminate. Also, Roemer’s refutation ignores the risk of conflict of interests. If bank managers are allowed to own shares in the firm they monitor, there can be a conflict of interest because it might be in their personal interest, as a shareholder, for the firm to take excessive short-term risks. But this conflicts with their monitoring job which states that firms should have a sustainable, long-term perspective. Bank managers, with shares in the firms they ought to control, will be tempted to take their controlling job less serious because of the financial rewards they might reap from excessive risk taking by the firm managers.
3.4 Negative Income Tax

3.4.1 The Proposal

According to Milton Friedman, there are many people living under conditions of poverty (Friedman, 1962, 190). This shows that the current welfare system is ineffective (Friedman, 1967, 239). It produces a permanent class of poor people and interferes with the freedom and dignity of these people. Friedman therefore proposes to set a floor for the standard of life of every person in the community (Friedman, 1962, 191). Each person would be certain that his income would be above this minimum level. Friedman wants to guarantee this standard by implementing a negative income tax (Friedman, 1962, 192). He proposes to use the mechanism by which tax revenue is now collected from people with incomes above some minimum level to provide financial assistance to people with incomes below that level (Sorman, 2011). Under this proposal, people with taxable incomes below a certain level, would pay a negative tax (Friedman, 1962, 192). They would receive a subsidy which would set a floor beneath which no man’s income could fall.

If the government drew the income line at $10,000, and the negative income tax at 50%, then families with no income would receive $5,000 (Manzi, 2011). That is 50 percent of the amount by which their income fell short of $10,000. If a family earned $2,000, it would get $4,000, being 50% of the $8,000 that it lacked to reach the income line of $10,000. The income line and the rate would depend on what the community could afford (Friedman, 1962, 192).

3.4.2 The Justifications of the NIT

The Negative Income Tax is justified because it would reduce the present bureaucracy of existing welfare systems (Friedman, 1967, 240). Friedman states that the current welfare system involves a tremendous amount of bureaucracy. This would not be the case with the NIT because it would fit into the current income tax system and could be administered along with it (Friedman, 1962, 192). Each country already has its current tax system and administration and, therefore, already has access to the income statements of people. As such, it would require only a small amount of bureaucracy to implement (Sorman, 2011).

Friedman criticizes current welfare systems because they have a negative effect on incentives to look for work (Friedman, 1962, 240). Each dollar earned and declared is, in the current system, a dollar of relief lost. This disincentive is lessened in the NIT because
it allows the poor to keep a percentage of their earnings (Kreps, 1967, 104). Therefore, it does not eliminate the incentive to look for work (Friedman, 1962, 192). This justifies the implementation of the NIT.

The NIT is, according to Friedman, a more just alternative to current welfare systems because the latter interferes inexcusably with the freedom and dignity of poor people (Friedman, 1967, 240). The eligibility criteria of these systems, make the poor people less free and more ashamed of their situation. Friedman states that the belief in the dignity of the individual and in his freedom to make the most of his capacities is at the heart of liberal philosophy (Friedman, 1962, 195). The NIT respects this dignity and freedom and is, therefore, to be preferred over other welfare systems.

3.4.3 Criticisms of the NIT
The NIT is, according to Friedman, justified because it would reduce the bureaucracy of current welfare systems (Friedman, 1967, 240). But there is nothing inherent about NIT that will prevent legislators from creating special rules and exemptions to this principle (Manzi, 2011). If the NIT were to be implemented, it would have to go through a process of lobbying and legislation which might impose extra, bureaucratic, burdens on the mechanism. Furthermore, the program might have its own bureaucratic problems (Kreps, 1967, 107). The payments are made at the end of the year on the basis of the statement of that year’s income. But this would mean that the money would not be available when it would be needed the most. People would have to wait several months to get their money. To solve this, payments could be made on the basis of an estimated income, but this would increase the bureaucracy of the system because these estimates would likely require adjustments at the end of the year.

Friedman posits that the NIT does not eliminate the incentive to look for work, in contrast to other no-question-asked welfare benefits (Friedman, 1962, 192). This analysis is not supported by empirical data, though (Manzi, 2011). In New Jersey and Pennsylvania, 1200 poor households were randomly selected and half of them received a NIT. The data showed that the cash recipients of this negative income tax were in no hurry to find work (Sorman, 2011). The total number of worked hours under NIT was lower than under the existing welfare system (Manzi, 2011). This was primarily caused by workers who remained unemployed longer if and when they became unemployed. The NIT was, contrary to Friedman’s analysis, not able to encourage people to look for work.
The NIT is being justified by Friedman because it respects the equal right to freedom of each person (Friedman, 1962, 195). Friedman is right in stating that the freedom of the poor will be increased, under the NIT. But the freedom of most of the taxpayers will decrease (Manzi, 2011). Given that the system will be more costly than current welfare systems, the taxes will likewise be higher (Kreps, 1967, 107). This decreases the freedom of the taxpayers. Adding to that, the income of the majority of the taxpayers will have to be above the minimum income in order to reach a big enough tax base. This makes it very likely that the bulk of the people will be paying higher taxes to guarantee a NIT for the poor. As such, there will be substantially less freedom for the majority in order to increase the freedom of the minority.

3.4.4 The Fairness of the NIT

3.4.4.1 The Principle of Reciprocity

The Negative Income Tax does not respect the principle of reciprocity. People who decide to spend their days watching TV and not look for work will still be eligible for the NIT (Manzi, 2011). There are no conditions attached to this proposal. The NIT is given to people, regardless of their willingness to give something back to society. Imagine John and Mary who both lack jobs and who have the same taxable income. Under NIT, John who spends his day surfing will get the same Negative Income Tax as Mary who does free voluntary work. But this goes against the core idea of reciprocity. According to the principle of reciprocity, John should not be eligible for state support because he, as an able-bodied adult citizen, decided not to give something back to society. Mary, on the other hand, should get a stipend because by doing voluntary work in her free time she is acting as a reciprocating citizen.

Friedman acknowledged this political feasibility of his proposal was low (Friedman, 1962, 240). He was afraid of the political implications of a tax system which imposes taxes on some to pay subsidies to others (Friedman, 1967, 194). Friedman feared that the majority would impose taxes for its own benefit on an unwilling minority. But the reverse is true. By implementing the NIT, the minority of not-reciprocating people would be imposing this tax system on the majority of reciprocating people. Given the importance that is put on reciprocity as one of the founding principles of society, this proposal risks challenging the healthy institutions of natural justice. The NIT, like other unconditional proposals, gives people the prospect of a lifetime income for doing nothing (Manzi, 2011).
And this makes the proposal unjust because it is not in line with the principle of reciprocity.

3.4.4.2 The Principle of Personal Responsibility

The Negative Income Tax does not respect the idea of personal responsibility. According to this principle, people are to be held responsible for their bad option luck but not for brute luck. The NIT disrespects this because it is based on the taxable income of a person. If someone made a poor investment with his income, he suffered from bad option luck. His taxable income, as a consequence, will be lower and he will be entitled to a greater tax reduction. This is not in line with the principle of personal responsibility. The wrong investments should not be compensated because they are an example of bad option luck. Likewise, someone who made a good investment will have gained a higher taxable income but this good option luck will be penalized because he will have to pay higher taxes. This goes against the idea of personal responsibility. People are entitled to the fruits of their good investments because they are a consequence of good option luck. The NIT, therefore, does not respect the principle of personal responsibility and cannot be justified.

3.5 The Participation Income

3.5.1 The Proposal

A Participation Income (PI) is a conditional basic income that is based on social contribution (Atkinson, 1998, 148). It is an income that is given to all members in exchange for an activity that is useful to society. Besides working as an employee or being self-employed, these activities would include giving care to young, elderly or disabled people, studying, or doing voluntary work (Atkinson, 1996, 68). People who are sick, injured or unable to perform these kinds of activities because of a handicap would be exempt from the participation condition.

The definition of participation is wider than merely paid work (Atkinson, 1996, 69). The condition does not involve payment nor work. As a consequence, many useful activities for society would fit the criteria and would allow the performer of these activities to get a monetary stipend. Unemployed people who stay at home to take care for someone in need, would get a stipend (Atkinson, 1995, 301). Likewise, people who do voluntary work would also satisfy the participation condition and would be certain of their participation income.
According to preliminary research by Atkinson, the Participation Income for an adult could be £18.25 a week (Atkinson, 1995, 302). Current child benefit would be replaced by a basic income for children which would be £12.25 per child a week. To pay for the Participation Income, all income would be taxed, except for the first tranche of earnings. The income would be taxed at 25 or 40 per cent. If these rates were raised to 35 and 50 per cent, the Participation Income for adults could be as high as £39 a week. All tax allowances would be abolished and all social insurance benefits would also be taxed.

The Participation Income preserves some of the principles of the Universal Basic Income (Atkinson, 1995, 301). Like the UBI, the Participation Income is not means-tested and is given on an individual basis. Contrary to the Universal Basic Income, the PI is conditional: it is only given to those who fulfil the participation condition. This is a compromise that the proponents of the Basic Income have to agree to, according to Atkinson (Atkinson, 1993, 199).

Atkinson is aware that his wide definition of social contribution might lead to determination problems (Atkinson, 1998, 148). He does not provide a precise rule to define the forms of contributions that entitle people to receive a Participation Income (Pérez-Muñoz, 2016, 171). De Wispelaere & Stirton have developed three possible models to formulate the participation condition (De Wispelaere & Stirton, 2007, 529). The first model states that people are entitled to the PI if they devote at least 10 hours a week to (voluntary) work, study at university or caring for dependents. The problem with this formulation is that it may be under-inclusive: other activities, like helping people who are not related or taking non-university courses, are not included (De Wispelaere & Stirton, 2007, 530). This challenge can easily be defused by changing this formulation so that it includes these kinds of work. One could state that people have to devote at least 10 hours a week to (voluntary) work, study, or caring for needy people. But still, this is not the model that I would promote because of the arbitrariness of the 10 hours a week condition. De Wispelaere and Stirton do not address why people should fulfil these kind of activities for at least 10 hours a week. The exact amount of hours cannot be specified beforehand because it is context-dependent. For those reasons, I will disregard the first formulation.

The second model states that any person who engages substantially in an appropriate socially valued activity shall be entitled to receive a PI (De Wispelaere & Stirton, 2007, 529). Because of its vagueness, this formulation is open to conflicting interpretations by clients and welfare officers (De Wispelaere & Stirton, 2007, 530). That
is why De Wispelaere & Stirton argue that we should implement the third model. This model states that a person is eligible to receiving a PI provided he or she undertakes activities such as voluntary work, care work-activities and courses that would fulfil the participation condition.

3.5.2 The Justifications of the Participation Income

3.5.2.1 Political feasibility

Like Atkinson, I believe that the Participation Income is the most promising and realistic way to implement the principles of the Universal Basic Income (Atkinson, 1995, 301). The first reason is that the Participation Income is more political feasible than the Universal Basic Income (Atkinson, 1995, 303). We need to persuade people, and politicians in particular, if we want to implement a basic income. Atkinson duly notes that the driving political forces are concerned with the labour market (Atkinson, 1995, 302). Our political leaders are concerned with dependency (Atkinson, 1996, 67). They want to ensure that social security measures help the active labour market. The lack of conditionality of the Universal Basic Income, raises the concern of dependence (Atkinson, 1993, 10). The fear is that, thanks to the UBI, people will live off the labour of others without doing something in return. This kind of freeriding behaviour is not in line with the principle which states that everyone has a duty to devote his efforts to the production of wealth so that the welfare of the community can be maintained (Atkinson, 1993, 199). The UBI disregards this principle because people are free to do what they want and, therefore, there is a risk that people will no longer support the welfare of the community. This risk is not eminent with the Participation Income because people will have to comply with the participation condition in order to get the stipend. The Malibu surfer who spends his day in the sun will not get a Participation Income unless he starts to do some voluntary work or helps people who are in need. Because of the participation condition, the recipients of this stipend are not living off the labour of others. They are giving something back to society: either by studying, helping other people, or doing unpaid work.

3.5.2.2 A Safety Net

Atkinson states that the Participation Income is a better safety net than current means-tested systems (Atkinson, 1995, 303). Means-tested systems are vulnerable to the poverty trap (Atkinson, 1996, 67). People who receive social assistance are discouraged from
looking for work or earning an income because they risk losing their social benefits. A second problem of means-tested systems is that a significant minority of those with incomes below the assistance level do not claim the benefits to which they are entitled. There is an incomplete collection of the benefits due to lack of information or fear of shameful revelation. Thirdly, means-tested systems are mostly applied to the family or the household as a unit (Atkinson, 1996, 68). As such, they do not encourage the independence of women because they run the risk of getting a lower benefit if they leave their husbands. Because of those reasons, Atkinson classifies means-tested systems as inefficient and incomplete systems (Atkinson, 1996, 68).

The Participation Income is a better alternative because there is no poverty trap. On the contrary, people only get the stipend if they fulfil the participation condition which states that they have to do some voluntary work, help needy people or undertake some studies. These activities encourage people to gain skills that might later help them to find a job. Also, there is less risk of incomplete collection of benefits because there is no shame related to getting the PI. The majority of the people will be entitled to the PI and, as such, it is not something to be ashamed of. What is more, people might even feel pride in getting the PI because this proves that they have done something for society. People who get the PI are no parasites but instead, citizens who have given something back to the system. Thirdly, because the PI is paid on an individual level it does not threaten the independence of women. Conversely, it will increase their independence because their caregiving work will entitle them to a Participation Income. As such, this unpaid work will be more valued by society and this might increase their self-esteem and independence.

3.5.2.3 Social Inclusion

As stated before, the UBI does not respect the reciprocity principle, one of the fundamental principles of our social system. Given that the support for the social system is not without foundation, the UBI risks undermining the social system that it wants to support (Atkinson, 1993, 199). The Participation Income does not face this threat. On the contrary, a PI might help to increase the support for the social system because people will see that everyone is giving something back to society. The voluntary workers, caregivers, and students are all doing something that will help society. Therefore, the stipend they get is justified. These people will also set an example: others might be tempted to do some voluntary work or start working less to take care of their family members. Atkinson refers
to this as behavioural responses: people will adjust their action in order to qualify (Atkinson, 1998, 148). People will start to behave in such a way that they are certain of the stipend. Instead of spending his days in the sun, the Malibu surfer might give voluntary surfing lessons to school kids or remove garbage from the beaches. By doing so, he will exhibit behaviour that is supportive to society. People will be nudged into behaviour that supports social inclusion. As such, the Participation Income will foster the social capital that every society needs.

3.5.2.4 Address Unmet Social Needs
Another justification for the Participation Income is that it might help to address unmet social needs (Pérez-Muñoz, 2016, 175). In every society, even affluent ones, there are social needs that are not being addressed by entrepreneurs in the marketplace (Pérez-Muñoz, 2016, 170). These unmet social needs are examples of market and government failure. Neither market forces, nor the state, offer all the services that are needed by society. In areas like education, human services, environmental protection and public safety there are ample opportunities to offer help that is currently not being provided by market forces. Voluntary work in homeless shelters, tutoring children, neighbourhood clean-ups and gardening projects are only some of the possible jobs that people could sign up for in order to help society. By doing so, people provide services that neither the market nor the state carry out in an effective and efficient way (Pérez-Muñoz, 2016, 176). This kind of work is often too expensive or not commercially viable enough to convince market forces to offer these kinds of services. Because the people who need these services are often not able to afford them, this makes this type of service not lucrative enough for market entrepreneurs. The Participation Income might solve this issue because this kind of work will satisfy the participation condition that allows people to get a monetary stipend.

These activities can be defined as forms of civic service (Pérez-Muñoz, 2016, 175). People contribute to the local community during organized periods of time, in ways that are valued by society and for which the participant gets minimal monetary compensation. Civic service is different from occasional volunteering because people participate in a long-term, intensive and structured service. It is the service that is given willingly to one’s own community, polity or country (Dagger, 2005, 18). Civic service is an alternative way
of delivering public services at a low cost that otherwise would not be available to the community (Pérez-Muñoz, 2016, 177).

One of the advantages of civic service is that it helps to improve or restore the civic health of society (Dagger, 2005, 16). If societies suffer from apathy, self-absorption or indifference to the needs of others, civic service helps to overcome these ills. Civic service is, by definition, the antithesis of apathy or indifference: people help other people and by doing so, they show sympathy for the needs of others. It increases the feelings of solidarity, fraternity and the sense of belonging to a community (Dagger, 2005, 17). They might start to see themselves as part of a res publica, a community which they willingly want to help to foster. Civic service cultivates citizenship because it instills in people a sense of civic duty and responsibility (Pérez-Muñoz, 2016, 177). They become more engaged and active citizens.

At the same time, civic service can be a mechanism of character formation (Dagger, 2005, 16). People who perform these services will encounter difficulties, will learn how to work with other people and will need a certain work ethic. These are all character traits that turn people into better citizens. They will also encounter people in need and be faced with real-life examples of hardship (Dagger, 2005, 17). This will help them understand the inequality in society and make them more sympathetic with others’ needs. By bringing together people from different backgrounds, civic service programs help shape the personality of people.

Critics argue that citizenship is a contested concept and that it is debatable what we should understand as good citizenship and civic virtues (Gorham, 1999, 10). It is true that this concept is not set in stone and that the interpretation of the concept is context-dependent. What a good citizen entails in one society might differ from the interpretation in another. The premise of this paper is that in our current society, reciprocity and solidarity are being regarded as the basic principles of society. As such, a civic service program that helps to foster these ideals will not be attacked on the basis that it supports the wrong ideals of citizenship. Gorham is correct in stating that the concept of citizenship does not have the same interpretation everywhere. But given our current framework - a Western society which upholds the principles of reciprocity and solidarity – this criticism cannot be applied to our analysis.

Another criticism that might be voiced is that civic service may induce the state to retreat from this kind of work. The needs will be filled by civic service and, as the
argument goes, this might tempt the state to no longer offer these kind of jobs. Firstly, it is important to note that civic service deals with unmet social needs: needs that are not being offered by the state or the market. By definition, the state cannot retreat because it did not offer these jobs in the first place. Secondly, even if there was a spill-over effect into the social jobs that the government did offer, one might ask why is it that the government should offer this line of work? The social needs will still be met, not by government jobs but by civic service. So, people will get the service they were looking for, not from civil servants but by someone from a civic service program. Unless opponents can reasonably argue that the government will outperform these civic service programs, this criticism is not tenable.

Libertarian critics, like Friedman, call into question the need for any civic service (Friedman, 1990, 44). He states that the most effective form is the market in which all transactions are voluntary. The market will effectively meet supposedly unmet needs if it is left to do its work. Friedman also fears that the government will force people to volunteer in such civic service programs (Friedman, 1990, 45). These criticism can be refuted by referring to the fact that there are currently unmet social needs in our present society. Neither the state nor the market are able to fulfil all the needs of society. One only has to look at the waiting lists in the social sector to realize that the market does not offer all the services that are needed. There is ample room for voluntary work in education and human services especially, because neither the state nor the market cover all this ground. Friedman is also wrong when he presupposes that people will be forced into voluntary work. The participation condition of the Participation Income may be fulfilled by working or by studying. Doing voluntary work is only one of the options available to people. Nobody is forced into this type of work. If people want to receive a PI there are many other ways to meet the participation condition.

3.5.2.5 More Stable
According to Pérez-Muñoz, the Participation Income will be more stable than the Universal Basic Income (Pérez-Muñoz, 2015, 173). A system is stable if it returns to its original state after perturbation. In the context of social systems this means that a policy will not produce motivational obstacles that may affect the stability of the redistributive scheme. The PI is more stable than the UBI because it does not affect people’s incentives to work and search for paid work. The participation condition obligates people to look for
work, to study or to do voluntary work if they want to receive the stipend. As such, there is an incentive to look for work or to develop skills that can help them to find work. This differs from the UBI which is given unconditionally and which does not include such incentives. As a consequence, the stability of the UBI in the long term is uncertain because people have the freedom to decide not to participate in the job market and spend their days in the sun. The UBI has no guarantee that people will not minimise their time spent in formal paid employment in order to spend more days idly in the sun. But this threatens the stability of the system because the stipend can only be paid for if enough people participate and work. This danger is less eminent with the PI because it offers positive inducements to people to participate in society (Pérez-Muñoz, 2015, 174). People are encouraged to participate because this is the only way to fulfil the participation condition and to be entitled to the stipend. Unless UBI advocates find convincing ways to motivate people to take up paid employment, even though they are certain to receive an unconditional stipend, the PI will be more stable as a system in the long run.

3.5.2.6 Revaluation of Non-Market Work
The Participation Income might help to revalue the importance of non-market work for society at large (Groot & van der Veen, 2000, 26). The participation condition explicitly states other forms of activities, besides working full-time. People have fulfilled their obligation if they do voluntary work, help people that are in need, or take courses. As such, it may help to subvert the logic of workfare and the narrow emphasis that is currently placed on paid work (Quilley, 2000, 184). People have done their duty if they stay at home to take care of sick or elderly family members. Likewise, people who decide to work less in order to do some voluntary work in a homeless shelter, will get a stipend. This sends a clear message to society: these kind of activities, although they are not being remunerated, are valuable. Doing voluntary work or helping people in need is as worthy to society as working full time. This message is less clear with the UBI because this stipend is given unconditionally. Regardless of what people decide to do, they will get the Universal Basic Income. This does not help to revalue this kind of non-market work because it is placed on par with people who spend their days on the beach. The mother who takes care of her sick children gets as much money as the Malibu surfer who does nothing for society. This can hardly be called a way of revaluing non-market work. Given
the current depreciation of non-market work by employers and the market, the PI is more than needed to change the view of society on these kind of activities.

3.5.3 Criticisms of the Participation Income

3.5.3.1 The Problem of Selectivity
Critics, like Zelleke, argue against the Participation Income because it can be selectively unfair (Zelleke, 2005, 641). Zelleke states that all members of society receive benefits from that membership but that it is unclear why participation requirements are only restricted to the recipients of the Participation Income. People who receive other fiscal benefits, like mortgage interest deductions or spousal benefits, are not forced to fulfill the participation income to get their benefit. Zelleke finds it unfair if people who receive monetary benefits, other than the Participation Income, are exempt from the participation requirement. He argues that, if reciprocity is the guiding principle of society, other classes of beneficiaries should also have to fulfill the participation requirement if they want to get their monetary benefits. Zelleke makes a convincing point but it can be avoided if we argue that the Participation Income in itself is not enough. Atkinson maintained that, together with the implementation of the PI, there would also have to be improvements in social insurance (Atkinson, 1995, 303). He regarded it a mistake to see the PI as an alternative to social insurance (Atkinson, 1996, 68). Instead, the PI would be a complement to a modernised social system. Other redistributive programs should also require their recipients to fulfill the participation income (Pérez-Muñoz, 2016, 180). Recipients of other public benefits should also do voluntary work, study, or help needy people if they want to get their benefits. If our social system is changed in such a way, then the criticism of Zelleke is no longer valid.

3.5.3.2 Undue Inducement
Fabre fears that the participation condition of the PI can work as an undue inducement to needy people (Fabre, 2006, 60). The monetary stipend can induce people to participate in activities that go against their principles or better judgements. This threat is especially looming in the case of needy people. In contrast to well-off members of society, these needy people have more difficulty to opt out of the PI program because they need the monetary compensation more. As a consequence, Fabre fears, the burden of helping other people may fall on the shoulders of those who cannot afford to pass up this monetary
incentive. This challenge can be defused by pointing out that it all depends on the range of activities that fulfil the participation condition (Pérez-Muñoz, 2016, 181). If these activities are worth pursuing, there is less fear that people are induced into activities that go against their principles. The range of activities should be broad enough and should not include tasks that are unworthy or degrading. If we offer enough meaningful options to fulfil the participation requirement, we should not be too worried about the undue inducement effects of the PI.

3.5.3.3 Too Costly
De Wispelaere and Stirton fear the Participation Income will be too costly to administer (De Wispelaere & Stirton, 2007, 528). They are afraid that the implementation of this scheme will come with substantial administrative costs of ironclad enforcement (De Wispelaere & Stirton, 2007, 525). The PI administrators will have to monitor whether the participation requirement is fulfilled and this might be a cumbersome task. This process of monitoring is costly and prone to error (De Wispelaere & Stirton, 2007, 536). De Wispelaere and Stirton are right in stating that enforcing and monitoring the PI rules will not be easy. But experiences of different civic service programs in the past have proven that it is possible to overcome those difficulties (Pérez-Muñoz, 2016, 185). Conditional Cash Transfer programs in developing countries provide a basic income to poor families if their children attend school and if the family fulfils various health checkups. We could learn from this program methods on how to monitor people’s behaviour in an effective and efficient way. Still, even if this system proves to be costly, one will have to accept the administrative costs as necessary because of the moral advantages of the system. The simplest and cheapest system is the UBI because this is given unconditionally. But the moral cost of ignoring the reciprocity principle makes this an unenticing system. Even if we have to pay more towards administrative overhead in order to have the basic principles of society respected, then that is a price we should be more than willing to pay. Administrative costs should not determine whether or not a system is morally justified. Worries about efficiency can help to adjust certain systems, but they in themselves, should not be powerful enough to overthrow a system that is costly but morally justified.
3.5.3.4 Lack of Transparency

De Wispelaere and Stirton criticize the Participation Income for its lack of transparency (De Wispelaere & Stirton, 2007, 531). Policy makers have to determine which kind of activities satisfy the requirement of social participation (De Wispelaere & Stirton, 2007, 525). But this raises concerns about how and by whom this precise scope of participation will be determined. This means that policy makers must foresee all the socially valuable activities of which individuals can conceive. Composing such a list will be extremely complex, according to De Wispelaere & Stirton, and will confer excessively broad discretion on welfare administrations (De Wispelaere & Stirton, 2007, 531). Public administrators will compile a list of activities but this can hardly be called transparent. Rules are transparent if they are well-defined and have universally accepted meaning in the community (De Wispelaere & Stirton, 2007, 529). This might not be the case if the list is compiled by administrators without any meaningful input from the people. As such, there is a risk that the list might be based on arbitrary or irrelevant criteria that harm those who depend the most on this redistributive program.

While De Wispelaere & Stirton are right in stating that transparency could be a worry, this problem can be minimised if procedures are used to increase this level of transparency (Pérez-Muñoz, 2016, 183). The list of socially useful activities can be developed through a scheme of participatory democratic governance. In the past, cities have experimented with Participatory Budget systems in which government officials and citizens participate in decision-making processes. Similar systems could be developed in order to compile a list of socially useful activities. Representatives of the unions, voluntary organizations and public officials could work together with a representative sample of citizens to craft such a list.

3.5.3.5 Too Simplistic

Some critics have argued that the Participation Income is a simplistic proposal because it does not acknowledge the underlying problems relating to the distribution of work and income. Quilley states that the participation condition could be harmful in societies where there is not enough work (Quilley, 2000, 181). He posits that proposals, like PI, only work in buoyant economies where there are ample opportunities for work. Groot and van der Veen utter this same criticism of simplicity when they state that participation conditions are only reasonable if the future recipients of these transfer also get better chances
actually fulfilling these tighter conditions (Groot & van der Veen, 2000, 20). I disagree with Quilley because the Participation Income explicitly states that other activities, like voluntary work or studying, fulfil the social contribution condition. Even in societies with high unemployment and a lack of job offers, there will still be opportunities to help people as a volunteer or to take additional courses. These kind of activities are available to people, regardless of the current state of the economy. What is more, one might argue that there is more need for voluntary work and vocational retraining in societies that are going through an economic crisis. So, regardless of the state of the economy, there will always be ample opportunities for people to fulfil the participation condition. Groot and van der Veen raised a concern that was already acknowledged by Atkinson when he was writing his proposal. Atkinson argued that the PI would have to be complemented by other social reforms (Atkinson, 1995, 303). He also feared that the current social system, coupled with the PI, will not be enough to make sufficient changes to people’s lives. It is, therefore, unfair of Groot and van der Veen to criticize a proposal for the mistakes of the system that it tries to resolve. On top of that, I do believe that the participation conditions are not as tight as Groot & van der Veen fear them to be. Asking people to take care of ill dependents or to help other people as volunteers are not very stringent conditions. No additional training or specific skills are needed for most kinds of voluntary work like this. It is reasonable to expect that the vast majority of the people can fulfil the participation conditions without having to do any additional training. Therefore, we should be less worried that people will not be able to fulfil these conditions.

3.5.3.6 Redundancy

Defendants of the UBI might state that the Participation Income is redundant because people who get a unconditional basic income also have the opportunity to do voluntary work, take courses or take care of dependents in need. Standing argues that the UBI will give people the freedom to move in and out of the labour market (Standing, 2011, 178). As a consequence, people will have a greater capacity to live outside the market and do some voluntary work or take some additional classes. This raises the concern that the PI is superfluous because the desired outcomes will also be realized with the UBI. The UBI will allow people to do the kind of activities that fulfil the participation condition, without having to impose such a condition. This criticism can be refuted by pointing out that the unconditionality of the UBI does not guarantee that people will perform these kinds of
activities (Pérez-Muñoz, 2016, 188). The UBI does not oblige people to do social activities so we cannot be sure that people will use the UBI to do this kind of work. UBI defenders presume that the people will use their free time to do these kind of activities but it is as likely that people will just spend more days idly in the sun. This differs from the PI where the proposal in itself guarantees that people will provide these social services. Given the large amount of unmet social needs, we should implement a policy that delivers what it is expected and needed. Adding to that, is the insight that not all unmet social needs are comparable in scope and type (Pérez-Muñoz, 2016, 188). Some of those needs are best addressed by coordinated and cooperative effort among several people. People will need to cooperate together if these volunteers, for example, want to implement after school programmes for children or organize field trips for elderly people. In those cases, it is difficult to imagine that uncoordinated behaviour, stimulated by the UBI, will have the same effect as the organized efforts of civic work. Given that the participation condition is the cornerstone of the PI proposal, we might expect that the PI will be monitored and facilitated by a centralized department. As such, planning and coordination of voluntary work will be dealt with in a way that is more effective than under a UBI scheme. Unless the UBI advocates can guarantee that people will perform these kind of social activities in a coordinated way, the Participation Income cannot be regarded as redundant. On the contrary, once the PI is implemented the idea of the UBI is the one that suffers from redundancy. Because the PI will achieve the desired outcomes of the UBI without having to implement a policy that violates the reciprocity principle.

3.5.4 The Fairness of the Participation Income

3.5.4.1 Reciprocity

In the previous chapter, I argued that the Universal Basic Income was an unjust mechanism because it did not respect the principle of reciprocity. This principle states that people do their part as a way of paying back others who contributed to the common good (Dagger, 2005, 18). It is wrong for beneficiaries of income support to refuse to participate in the fair social cooperation that makes this support possible (Zelleke, 2005, 639). Because of the participation requirement, the PI respects the principle of reciprocity because it expects citizens to do something to reciprocate their claim on the social product (White, 2003, 170). People will have to do some voluntary work, study, or take care of people in need if they want to get a Participation Income. People who get this stipend will
have given something back to society, so the reciprocity principle is respected. People will still have the freedom to spend their days idly in the sun but they will not get a stipend. No one will be forced to fulfil the participation condition. Only if people want to get a stipend from society, will they have to do one of the listed activities. The monetary stipend might even entice people to perform one of those socially useful activities. This make the Participation Income a redistributive scheme that promotes reciprocity and deters free-riding behaviour (Pérez-Muñoz, 2016, 174).

3.5.4.2 Personal Responsibility
As stated before (2.3), the UBI is unjust because it is incompatible with the liberal egalitarian principle of personal responsibility. This principle posits that people should not be compensated for disadvantages for which they can be held responsible. The UBI is given unconditionally, even to those who freely choose to spend their days surfing the waves in Malibu. But this choice was a matter of option luck, so these surfers should not be compensated for the disadvantages that they suffer from not having a job. The PI fares better than the UBI because it does not give an income to those who decide to spend their days idly in the sun. The Malibu surfer who does not do any voluntary work, does not take courses nor takes care of dependents does not get a stipend because he fails to fulfil the participation condition. As such, the bad option luck of the Malibu is not being wrongfully compensated. This is only fair because people should not be compensated for suffering for which they can be held responsible.

In contrast, people who suffer from brute luck should be compensated because they suffer from risks that were unexpected or that they were compelled to take. This principle is taken into account by Atkinson because people who are unable to work on grounds of disability are exempt from fulfilling the participation condition (Atkinson, 1995, 301). Suffering from a handicap is a textbook example of brute luck because the disability is not the result of a bad choice people made nor is it a loss that could have been anticipated. The PI is given to disabled people, even though they do not comply with the participation condition, precisely because it would be unfair to punish people for this brute luck.
3.5.4.3 A (More) Feminist Proposal

As opposed to what Van Parijs stated, I argued in the previous chapter that the UBI does not help to re-evaluate unpaid and care work (2.4.6). Because the UBI is given unconditionally, the stipend does not signal that society values this kind of work over other kinds of leisure activities. In contrast, this evaluative message is inherent to the Participation Income. The participation conditions lists taking care of dependents as one of the requirements to get a stipend. As such, the PI signals that this kind of care work is as worthy as working full-time. Caring activities are regarded as equal to having a full-time job. This is a very powerful message to send to women and to society as a whole. Women should no longer feel ashamed for taking care of relatives because by doing so, they – just like people who work full-time – have done their share in carrying the social burden. The PI, in contrast to the UBI, does differentiate between taking care of dependents and spending days surfing the waves in Malibu. The PI will be given to the caregiver but not to the surfer. This highlights the main difference between these two: the work of the caregiver is so valuable to society that a monetary stipend is given whereas surfing activities do not carry the same kind of societal worth. What is more, the PI puts unpaid care work on par with voluntary work or taking educational classes. The latter are highly esteemed activities and, as a consequence, this same respect is being reserved for the women who take care of dependents.

Critics might point out that the PI might induce women to stay at home and participate less in the labour force. This might indeed be the case, but I posit that such a resulting end state might still be preferred by feminists over our current state of affairs. In a society that implements PI, women might be more tempted to stay at home but they will get financial compensation for that and this decision will be regarded by society as a choice that is as worthy as working full-time. In contrast, in our current system, women who decide to take care of their children do not get a stipend, nor are they being regarded by society as performing duties that are as important as working. As such, the PI might be preferred on feminist grounds, even if it induces women to stay at home.

3.5.4.4 A Rawlsian Idea

In the preceding chapter, we argued that the Universal Basic Income is not in line with Rawls’ theory of justice because it decreased the self-respect and autonomy of the least well-off (2.4.5). In contrast, the Participation Income fits nicely the principles of Rawls’
idea of a just world. The PI, as opposed to the UBI, is in line with the Rawlsian conception of democratic citizenship. It is an example of social cooperation that is based on fair terms. The participation condition guarantees the fairness of the system. As a consequence, it is very likely that the people will agree to its terms because there is no risk of free-riding behaviour.

Adding to that, the PI will increase the self-respect of its recipients because these people will have done their fair share to carry the social burden. By fulfilling the participation condition, the recipients are acknowledged by society in having done their part and that they, rightfully, should get a stipend. The recipients of the PI are not being regarded as parasites, as might be the case with the UBI, but as worthy members of society who have given something back to society. Their self-respect is also increased because of the social activities they can choose from: doing voluntary work, helping dependents, or taking classes are activities that foster the self-esteem of the participants. People no longer live in social isolation but get the chance to develop their talents. In the long run, these kind of stimulating activities will help the autonomy of the people. By taking classes, taking care of people in need, or doing voluntary work, people learn skills and get work experience that will help them in the future to become more autonomous. By doing so, the PI helps to maximize the long-term prospects of the least advantaged of society. Because this difference principle is one of the central tenets of Rawls' theory, we can rightfully claim that the PI is an idea that is in line with the thinking of John Rawls.
Conclusion

According to Van Parijs, a Universal Basic Income is a justified mechanism under a liberal theory of justice (Van Parijs, 1991, 102). In this thesis, I argued that the UBI is unjustified because it does not respect the principle of reciprocity nor does it respect the principle of personal responsibility. The former principle states that one is expected to contribute to the cost of production and maintenance of the arrangement from which one willingly benefits (Attas & De-Shalit, 2004, 311). The UBI does not respect this principle because it is given unconditionally: people get this stipend irrespective of their willingness to work or to support the system. There is no guarantee that the extra leisure time it generates will be used to improve society nor is there any certainty that the recipients will continue contributing to their social system. Social systems, like UBI, that do not respect the reciprocity principle are a recipe for exploitation. This is so because the UBI promotes free-riding behaviour from which the high-income workers will suffer the most.

The principle of personal responsibility states that if people suffer from disadvantages for which they can be held responsible, they should not be compensated for them. The UBI does not respect this principle of responsibility because the entitlements are given unconditionally. Under UBI, everyone gets a stipend regardless of their willingness to work. If people freely decide not to work, they still get a compensation even though this decision is a matter of bad option luck. This is unfair because people should not be compensated for the suffering for which they can be held responsible.

Apart from these concerns, I also refuted the justifications that were given by Van Parijs. The UBI does not respect the principle of liberal neutrality because it is an invasive conception of the good life. Also, we should interpret liberal neutrality not as outcome neutrality but as neutrality of aim. Contrary to what Van Parijs stated, I argued that the UBI does not eliminate envy because there was no envy in the first place. Thirdly, the UBI might cause a decrease in the real liberty of the working people which contradicts the idea that the UBI would help to increase the real liberty of all. I, also, argued that there are some problems with the External Assets Argument because there are some relevant differences between external resources and jobs. Adding to that, I demonstrated that it is hard to defend the UBI from a Rawlsian perspective because it will harm the self-respect of its recipients and it undermines the Rawlsian conception of democratic citizenship. Adding to that, the UBI might make it harder to maximize the long-term prospects of the
least advantaged members of society. Finally, the UBI gives women incentives to reproduce the present imbalanced economic relations between the sexes and, therefore, can hardly be defended from a feminist perspective.

Instead of the UBI, we should implement a Participation Income. That is an income that is given to all members in exchange for an activity that is useful for society. Besides working as an employee or being self-employed, these activities would include giving care to young, elderly or disabled people, studying, or doing voluntary work (Atkinson, 1996, 68). Because of the participation requirement, the PI respects the principle of reciprocity because it expects of citizens to do something to reciprocate their claim on the social product. The PI also respects the principle of personal responsibility because it does not give an income to those who decide to spend their days idly in the sun. They are held responsible for their option luck. Likewise, people who suffer from brute bad luck are exempt from fulfilling the participation condition (Atkinson, 1995, 301).

Thanks to those reasons, the PI has a higher political feasibility. It is a better alternative than current welfare systems because there is no poverty trap. At the same time, the PI might help to increase the support for the social system because people see that everyone is giving something back to society. The Participation Income might help to address unmet social needs because this kind of work will satisfy the participation condition that allows people to get a monetary stipend. It is more stable than the UBI and might help to revalue the importance of non-market work for society at large. For those reasons, I posit that we should try to implement the just Participation Income, instead of the unjust Universal Basic Income.
Bibliography


Quilley, S. (2000). European Basic Income or the Race to the Bottom: Why Politicians Might Come to Think the Unthinkable. In R. van der Veen & L. Groot (Eds.) *Basic Income on the Agenda* (pp. 170-186) Amsterdam: Amsterdam University Press.


