BASIC INCOME

A Radical Proposal for a Free Society and a Sane Economy

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Ethically Justifiable? Free Riding Versus Fair Shares

Of all objections to a basic income, one sticks out above all others—and is more emotional, more principled, and more decisive in the eyes of many. It relates to its being unconditional in the sense of being obligation-free, of not requiring its recipients to work or be willing to work. Someone can concede that a basic income would provide an effective way of reducing poverty and unemployment while still being fiercely opposed to it on ethical grounds. This objection comes in two main versions. In one version, the "perfectionist" one, the underlying principle is that work is part of the good life and hence that an income granted without some work requirement amounts to rewarding a vice: idleness. In the other version, the "liberal" one, the underlying principle is not about virtue but about fairness. As Jon Elster puts it, an unconditional basic income "goes against a widely accepted notion of justice: it is unfair for able-bodied people to live off the labor of others."[1] How can this objection be refuted?

Basic Income and Free Riding

If one adopts the view, as we do, that the shaping of our social institutions should not be guided by a specific conception of the good life but by a coherent and plausible conception of justice, this second version of the objection is far more serious than the former. We do not mind people adopting a work ethic in their personal lives. Indeed, we may subscribe to some version of it ourselves. Moreover, as mentioned in chapter 1, we have no difficulty admitting that it is through the actions they perform, in particular through the work they do for others, that human beings earn recognition and esteem.

Besides, a widespread work ethic does not harm the sustainability of a generous basic income—quite the contrary—and some argue that an unconditional basic income would foster an ethos of contribution as a counter-gift.[2] However, none of this justifies making basic material security conditional upon work or willingness to work. The imposition of such a condition would only be legitimate if it could be derived, as implied by the second version of the ethical objection, from a compelling conception of what fairness requires. It is therefore on this second version that we shall focus, even though much of what we say in response to it also applies to the first version.

It is no doubt at least in part because of the appeal of this objection that, from Gracchus Babeuf onwards, many authors advocating a universal income paid to all citizens have also advocated a universal obligation to work. Thus, Babeuf's radical-egalitarian manifesto of 1796, while asserting that "nature gave every man an equal enjoyment of all goods" also asserts that "nature gave man the obligation to work" and that "there is oppression when one exhausts himself and lacks everything while another swims in abundance without doing anything."[3] Similarly, in Edward Bellamy's 1888 socialist utopia *Looking Backward,* the equal income paid to all was coupled with a substantial social service. A wide range of other authors, including Josef Popper-Lynkeus, Jacques Duboin, and Paul Goodman, advocated a more or less rigid version of the same idea.[4] And so did André Gorz before his conversion to an unconditional basic income. The universal right to an equal income was then proposed as the counterpart of a universal duty to perform a social service of twenty to thirty thousand hours to be freely spread, with some quotas, over one's lifetime.[5] The underlying normative intuition, plausibly shared by all these authors, was phrased as follows: "society is a specific and coherent reality to which each is linked by a reciprocal duty: each individual owes society the amount of work society needs to function and to provide all with the necessary, and society owes each what he or she will need to live, throughout his life."[6]

How can the proposal of an unconditional basic income be vindicated against this sort of objection? Let us first accept, for the sake of the arguments of the present section, that enjoying a basic income without doing any work does constitute unfair free riding—that is, that it violates some norm of reciprocity, some conception of justice that stipulates that income should be distributed according to people's productive contributions.[7] There are three reasons why this accusation should be relativized and the accusers should temper their indignation. There are also three further reasons why the introduction of an unconditional basic income, far from increasing injustice as characterized, could reduce it.

The first reason for relativizing the accusation resides in the double standards that are generally at work here. If one is serious about denying an income to those able but unwilling to work, this denial should apply to the rich as well as to the poor. This is not a problem for the likes of Babeuf or Bellamy, since in their schemes all citizens are subjected to the obligation to work.[8] But it is a problem for those who, in today's socioeconomic context, want to refuse to the poor the leisure the rich can get away with. Bertrand Russell stigmatized this asymmetry: "The idea that the poor should have leisure has always been shocking to the rich."[9] And so did John Kenneth Galbraith: "Leisure is very good for the rich, quite good for Harvard professors—and very bad for the poor. The wealthier you are, the more you are thought to be entitled to leisure. For anyone on welfare, leisure is a bad thing."[10] A modest unconditional income that would give to the poor, as well, the option of some chosen leisure would address the unfairness of such double standards.[11]

A second way of relativizing the accusation of free riding directed at idleness in the productive domain rests on the following analogy with idleness in the reproductive domain.[12] It is presumably no accident that a morality that strongly stigmatizes premarital, extramarital, and homosexual sex and thereby tries to restrict sexual gratification to those willing to contribute to society's reproduction has been gradually abandoned as the progress of hygiene and medicine has led to overabundant procreators. Similarly, should a morality that stigmatizes an access to an income without work and thereby tries to restrict material gratification to those willing to contribute to society's production not be abandoned when technological progress is leading to overabundant workers?[13] After all, as a result of a long history of technical progress, division of labor, and capital accumulation—of which the trends mentioned in chapter 1 are only the most recent episode—we have moved from a situation in which, say, 90 percent of the population were required to satisfy everyone's basic needs in food, housing, and clothing, to one in which, say, 10 percent suffice. As pointed out earlier (in chapter 2), those who want to reduce the working week today do not want to do so in order to reduce a burden, but rather in order to share a privilege.[14] In this context, should one still be as outraged as in the past at able-bodied people living off the labor of others?[15]

The third way of relativizing the accusation consists of pointing out that, once the basic-income regime is in place, only a tiny minority will take advantage of it in order to do nothing or very little. This can be expected because the universal nature of a basic income, which makes it combinable with recipients' other income, gets rid of the inactivity trap created by means-tested schemes. Moreover, experiments with basic-income-type schemes suggest that even when freedom from obligation causes a fall in the labor supply, this does not translate into an expansion of leisure as idleness, but rather into an upsurge of productive activities in a broader sense such as education, childcare, and engagement in the community. If one can expect only an insignificant minority of really lazy scroungers, there is no big clash between basic income and justice as reciprocity to get worked up about.

Indeed, there are three reasons why the introduction of an unconditional basic income might even yield progress in terms of justice so conceived. First, any sensible interpretation of the foundation of the reciprocity-based objection to basic income must imply that those unable to work, owing to physical or mental disabilities, should get incomes all the same. Distinguishing such a disability from an unwillingness to work can often be tricky. When information is not readily available or is unreliable, trying to enforce this criterion of justice as strictly as possible can do more harm than good on its own terms, and might moreover prove very expensive. In order to avoid penalizing unfairly people who are sick, and wrongly assumed to be lazy, a modest unconditional income can be justified as the least bad measure.

There is a second, far more general reason why the introduction of an unconditional basic income could help bring about greater justice understood as reciprocity. For those truly concerned about free riding, the main worry about today's situation should not be that some people get away with doing no work, but rather—and this is a central point in the feminist discussion of basic income we will present in chapter 7—that countless people who do a lot of essential work end up with no income of their own. A huge amount of essential, productive work currently goes unpaid, as it is performed at home. As persuasively argued by Nancy Fraser (in 1997) and Carole Pateman (in 2004), if there is massive free riding anywhere, it is within the traditional family structure in the form of men free riding on the unpaid work done by their partners. Some have proposed a direct payment for this work.[16] But such a "household wage" raises serious objections. As it would be withdrawn, unlike a basic income, when "homemakers" opt for paid employment, it would penalize women's participation in the labor market and thereby deepen the "household trap" in which they might get caught (a topic we will take up in chapter 6). Moreover, by constructing household work as a paid job, it would reinforce the gender division of domestic roles and require some bureaucratic monitoring of the work henceforth paid out of the public purse. Given these serious obstacles, an obligation-free basic income may well prove the least bad way of tackling free riding.[17] The best feasible approximation of the principle that income should be distributed according to work does not exclude a basic income. It rather requires one, pitched at such a level that a further increase would worsen the injustice stemming from overpayment of the truly lazy more than it would reduce the injustice stemming from underpaying those who currently care for children, the elderly, or the disabled without any form of payment.

In order to understand the third reason why an unconditional basic income could improve and not worsen the situation in terms of justice as reciprocity, one needs to see that a fair distribution of burdens should also take the irksomeness of work into account. At present, the intrinsic attractiveness of a job and its remuneration are positively correlated. This can be viewed as a form of free riding or exploitation by the better paid: thanks to their bargaining power, they can do jobs they enjoy while benefiting from the toil of people who have no option but to accept low-paid jobs that the better paid would hate doing. A basic income, being obligation-free, would strengthen the bargaining power of the most vulnerable participants in the labor market and would therefore mean that the irksomeness of a job, its lack of intrinsic attractiveness, would be better reflected in the pay it commands. With irksomeness better compensated for, unfair free riding will not expand but shrink.

Real Freedom for All

All the responses presented above accept, for the sake of argument, that it is "unfair for able-bodied people to live off the labor of others" and, underlying this indictment of free riding, embrace some conception of justice as reciprocity. Such a conception is compelling as a conception of *cooperative* justice—that is, as a characterization of the fair allocation of benefits and burdens of cooperation between participants in some cooperative venture. But it is not compelling as a conception of *distributive* justice—that is, as a characterization of the just distribution of entitlements to resources among the members of a society. It is only against the background of such a distribution that people can enter fair cooperative arrangements for mutual benefit, with the cooperative surplus distributed according to some criterion of cooperative justice. And it is to a conception of distributive justice, not of cooperative justice, that one must appeal in order to best defend the fairness of an unconditional basic income.[18]

This is what we did, albeit informally, throughout our first two chapters. An unconditional basic income is what we need, we argued, if what we care about is freedom, not for just a few but for all. We thereby appeal to an egalitarian conception of distributive justice that treats freedom not as a constraint on what justice requires but as the very stuff that justice consists in distributing fairly. This requires that freedom be interpreted as "real freedom," not just "formal freedom"—that is, as involving not only the sheer right but also the genuine capacity to do whatever one might wish to do. Being egalitarian about this real freedom does not imply that one should aim to equalize it at any cost. Inequalities can be regarded as just if they work to the benefit of everyone, even their apparent victims. If we accept this, what we must go for is the greatest real freedom for those with least of it—that is, the maximization of the minimum level of real freedom or, more succinctly, "maximin real freedom" and, less esoterically, "real freedom for all."[19]

Adopting such a conception of distributive justice generates a strong presumption in favor of an income paid to all in cash, on an individual basis, without means test or work test, indeed in favor of such an income paid at the highest sustainable level. For mildly paternalistic reasons touched upon earlier (in chapter 2), it makes sense to distribute this income at short and regular intervals throughout people's lives, possibly at a lower level for children and a higher level for the elderly. And for analogous reasons, it makes sense not to give the whole of this highest sustainable income in cash, but to allocate part of it in particular to free or heavily subsidized education and health care and to the provision of a healthy and enjoyable environment, at the cost of a lower cash basic income. How should the total amount be shared between these various components? There is no neat and general answer to this question, but a simple thought experiment should provide rough guidelines: Suppose we had nothing but the income that can be paid unconditionally to all, and knew nothing about our own life expectancy, health state, and other risks. How would we want it to be spread over our lifetimes, and how much would we want earmarked for specific expenditures?[20]

So far so good. But could it not be objected that we adopt a skewed notion of freedom? An unconditional basic income at the highest sustainable level would suit very well those who care a lot about access to plenty of leisure and enjoyable jobs—call them Lazies—but not quite as well those who care above all about their incomes and associated advantages in terms of consumption, power, and prestige—call them Crazies. For as the basic income needs to be funded, there is bound to be a trade-off between the level at which it is pitched and average post-tax earnings. Maximizing the former does not entail minimizing the latter, but certainly reducing them to less than they could be. This trade-off being inescapable, is our conception of distributive justice not treacherously biased toward favoring the real freedom that matters to the Lazies at the expense of the real freedom that matters to the Crazies?

Answering this challenge requires us to formulate more carefully our conception of distributive justice as real freedom for all, because the Lazies' cherished real freedom to spend their time as they wish and the Crazies' cherished real freedom to purchase whatever they wish pull in different directions. Strictly speaking, what our conception of distributive justice requires is not maximin real freedom—although we shall keep using this expression for convenience—but rather the maximinning of the gifts that form the substratum of this freedom—that is, the maximization of what is received by those who receive least by way of material basis for the exercise of their real freedom. In all sorts of ways, but for most of us primarily as part of our earnings, we benefit very unequally from what was freely given us by nature, technological progress, capital accumulation, social organization, civility rules, and so on. What a basic income does is ensure that everyone receives a fair share of what none of us today did anything for, of the huge present very unequally incorporated in our incomes. And if given to all and pitched at the highest sustainable level, it ensures that those who receive least receive as much as is durably feasible.

The underlying intuition has been well expressed by a number of advocates of basic-income-type ideas. It can be found, for example, in Edward Bellamy's utopian novel *Looking Backward:* "How did you come to be possessors of this knowledge and this machinery, which represents nine parts to one contributed by yourself in the value of your product? You inherited it, did you not? And were not these others, these unfortunate and crippled brothers whom you cast out, joint inheritors, co-heirs with you?"[21]

It was also clearly formulated by the Oxford economist and political theorist George D. H. Cole, one of the very first academics to argue for a basic income: "Current productive power is, in effect, a joint result of current effort and of the social heritage of inventiveness and skill incorporated in the stage of advancement and education reached in the arts of production; and it has always appeared to me only right that all the citizens should share in the yield of this common heritage, and that only the balance of the product after this allocation should be distributed in the form of rewards for, and incentives to, current service in production."[22]

And the same idea underpins the justification of an unconditional basic income by Nobel Memorial Prize winner Herbert A. Simon:

> When we compare average incomes in rich nations with those in Third World countries, we find enormous differences that are surely not due simply to differences in motivations to earn. . . . These differences are not simply a matter of acres of land or tons of coal or iron ore, but, more important, differences in social capital that takes primarily the form of stored knowledge (e.g., technology, and especially organizational and governmental skills). Exactly the same claim can be made about the differences in incomes within any given society.[23]

Consequently, much of what we earn must be ascribed, not to our efforts, but to externalities which owe nothing to them. "How large are these externalities, which must be regarded as owned jointly by members of the whole society?" Simon answers his own question: "When we compare the poorest with the richest nations, it is hard to conclude that social capital can produce less than about 90 percent of income in wealthy societies like those of the US or Northwestern Europe." Hence, if one were to introduce a flat tax of 70 percent to fund an unconditional basic income and all other government expenditures, "this would generously leave with the original recipients of the income about three times what, according to my rough guess, they had earned."[24]

The appeal of the conception of distributive justice on which our principled justification of basic income rests depends on our realizing the extent to which our economy functions as a gift-distribution machine, as an arrangement that enables people to tap—very unequally—our common inheritance.[25] There are other ways of motivating the plausibility of this picture. In actual life, the opportunities we enjoy are fashioned in complex, largely unpredictable ways by the interaction of our innate capacities and dispositions with countless other circumstances such as happening to have a congenial primary school teacher or an inspiring boss, to belong to a lucky generation, to have a native language in high demand, or to get a tip for the right job at the right time. Against this background, justice requires that we should look directly at jobs and other market niches as incorporating very unequal gifts to which we are given very unequal access by a complex, messy combination of factors. All of these gifts, and not only the much smaller amount that takes the form of donations and bequests, are up for fair distribution among all.[26] And note that the correct term is fair distribution and not fair redistribution: the taxes that fund a basic income are not levies on what was created out of nothing by today's producers, but rather fees to be paid by these producers for the privilege of using for their personal benefit what we have collectively received.[27]

Before moving on to other possible philosophical justifications of an unconditional basic income, let us consider three important objections to it. First, can earnings really be assimilated, albeit partly, to gifts? It is true that one generally needs to do something in order to get a job and keep it. However, this undeniable fact does not create a fundamental difference with donations or bequests. Attending politely your aunt's boring tea parties may be one of the necessary conditions for you not to be forgotten in her will. But this investment of yours does not entitle you, ethically speaking, to the whole big chunk of wealth possessed by a person to whom you, unlike us, happen to be related. Similarly, the fact that one needs to go to the office every morning and busy oneself once there does not make one "deserve" the whole of the salary one is able to earn by virtue of a combination of circumstances most of which are no less arbitrary, ethically speaking, than the fact that one happens to have a rich aunt. The granting of a basic income to everyone should therefore not be misunderstood as aiming to equalize outcomes or achievements. Rather, it aims to make less unequal, and distribute more fairly, real freedom, possibilities, and opportunities. Granting a basic income to all helps equalize what people are given—the material substratum of their real freedom—and only as a consequence, indirectly and more roughly, what they achieve with what they are given.

Second, is there a risk of overshooting the mark? How can we be sure that only this gift component of earnings is taxed away? We can ensure that by allowing economic agents to anticipate this taxation and make their decisions accordingly. In order to fund the highest sustainable basic income, any type of taxation can be used—on bequests, donations, labor income, capital income, transactions, consumption, carbon emissions, value added, whatever—and any tax profile can be chosen—linear, progressive, regressive, or any combination—provided they are predictable by those subjected to them. Barring unavoidable mistakes and unlucky gambles, all will then end up with at least the gift incorporated in the basic income they all receive. And because of efficiency considerations under this constraint of predictability, many people will end up with incomes that exceed, and sometimes far exceed, what can pass as compensation for their productive efforts. These people include those endowed with particularly lucrative talents, but also, for example, the entrepreneurs who happen to be in a position to take advantage of unevenly spread information in an economy in permanent flux, or workers who are given more than their reservation wages because this is expected to boost their productivity.[28] Such inequalities can be justified, but only to the extent that they boost the real freedom of those with least of it or, less loosely put, only to the extent that reducing them would shrink the value of what can be sustainably given to those who receive least.

Finally, by giving a key role to a minimal gift expressed in purchasing power, is our conception not giving an unwarranted key role to the market? If what is up for distribution is understood as an inheritance broadly conceived, then a conception of justice as the fair distribution of freedom would seem naturally to lead to the demand that fair claims to this inheritance should be distributed, at least presumptively, in cash form (as discussed in chapter 1). It is, however, important to realize that this gives a crucial role to market prices in determining the fair distribution of budget sets, of the range of choices open to each. In a market that functions well enough, the price of a good is supposed to track its opportunity cost—that is, the cost to others of someone's appropriating that good. This cost is affected by the resources needed to produce the good, given the available technology, and by the demand for these resources, given the preferences of all potential consumers for goods whose production requires these resources. Needless to say, the market can only be given this role to the extent that it is free from discrimination, and to the extent that the prices that form spontaneously are corrected in order to better track opportunity costs unrecorded owing to different types of market failures (not least the fact that tomorrow's generations cannot bid for today's goods).

A defense, on grounds of justice, of an unconditional income paid in cash does not presuppose a blind faith in the perfection of the market, but it does assume sufficient trust in the idea that prices reflect how valuable goods are in a sense that is relevant to determining a fair distribution of access to them. It therefore assumes an economy largely governed by something like a duly regulated market.[29] It seems reasonable enough to suppose that this will remain the case for the foreseeable future. Note, however, that granting to all an unconditional income does not increase dependence on the market. Quite the contrary. As stressed in chapter 1, because of its freedom from obligation, a basic income contributes to weakening the cash nexus, to de-commodifying labor power, to boosting socially useful yet unpaid activities, to protecting our lives against forced mobility and destructive globalization, and to emancipating us from the despotism of the market.

John Rawls Versus the Malibu Surfers

The conception of distributive justice appealed to in the previous section is one that belongs to a family of conceptions commonly labeled liberal-egalitarian. It is liberal in the sense that it does not rest on a particular conception of the good life but instead is committed to respecting equally the various conceptions of the good life that are present in our pluralist societies.[30] It is egalitarian in the sense of taking as a baseline an equal distribution of the resources people have at their disposal in order to try to realize their conceptions of the good life. However, it allows for deviation from strict equality on the condition that it can be justified to people regarded as equal. Such deviation is legitimate if it is required to make room for people's individual responsibility; justice is about equalizing opportunities, capabilities, possibilities, and real freedom rather than outcomes. It can also be legitimate because of efficiency considerations; justice is about sustainably maximizing the prospects of those with the worst prospects, not about equalizing prospects even at everyone's expense. The most influential theory that fits this characterization is the one proposed by John Rawls, founding father of the liberal-egalitarian tradition and of contemporary political philosophy, in his 1971 *A Theory of Justice*. Does Rawls's theory also provide a justification for an unconditional basic income? Yes, no, and perhaps.

At first sight, the answer is an obvious yes. The core of Rawls's theory consists of three principles hierarchically ordered. The *liberty principle* lists a number of fundamental liberties such as freedom of expression, freedom of association, and the right to vote. The *principle of fair equality of opportunity* stipulates that people with the same talents should have equal access to all social positions. Finally, under the constraint of these first two principles, the *difference principle* requires economic and social inequalities to work for the greatest benefit of the worst-off. More precisely, Rawls assumes that with each social position one can associate an index that aggregates the social and economic advantages—income and wealth, powers and prerogatives—enjoyed by people who occupy that position.[31] The difference principle is a maximin principle that requires that the index associated with the worst social position—the position with the lowest index—be as high as possible. Moreover, jointly with the other two principles, it is meant to secure what Rawls calls the social bases of self-respect.

This sounds quite promising for the justification of an unconditional basic income, for the difference principle does not require only that everyone should be guaranteed a minimum level of consumption. In addition to income, it mentions wealth, and an unconditional basic income is tantamount to an endowment spread over people's lifetime. It further mentions powers and prerogatives, and the unconditional nature of a basic income gives power to the weakest in both employment and household contexts. Last but not least, concern for the social bases of self-respect should favor a way of securing a minimum income that both facilitates access to paid activities for everyone (by getting rid of the unemployment trap) and avoids the stigmatization and humiliation that tends to be associated with targeting the needy. The more efficient the targeting, the more the recipients are identified as being really incapable of providing for themselves and are accordingly stigmatized.[32] Moreover, both in an earlier article and in *A Theory of Justice,* Rawls picked up explicitly the (then fairly novel) concept of a "negative income tax" to illustrate how his principles of justice could shape the distributive branch of the institutions of a just society, at a time when that concept was sometimes used in a broad sense that covered the so-called demogrant—that is, an unconditional basic income.[33] Consequently, the Rawlsian case for basic income seems overwhelming. It just needs spelling out.[34]

Yet, John Rawls himself did not agree. He wrote that "those who surf all day off Malibu must find a way to support themselves and would not be entitled to public funds."[35] According to the most straightforward interpretation of Rawls's difference principle, as presented above, people without earnings, whether voluntarily or not, are among the least advantaged and hence entitled to some benefit. How high a benefit? As high as is sustainable, bearing in mind that high levels of both benefits and taxes would presumably induce some workers to leave factories and offices and spend more of their time on the beaches. In order to block off this implication, embarrassingly indulgent—Rawls felt—on Malibu surfers, Rawls proposed to include leisure in the index of social and economic advantages in terms of which his difference principle was formulated. More specifically, he proposed to ascribe to those who choose full-time leisure a virtual income equivalent to the full-time minimum wage.[36] Consequently, full-time Malibu surfers can no longer justly indulge their lifestyle at the expense of the rest of society. If they want to get a real and not just a virtual income, if they want to be fed and housed, they will have to work.

In light of this move, the relationship between basic income and social justice seems settled: a Rawlsian justification of an unconditional basic income is out of the question. But is it really? There is one crucial aspect of Rawls's difference principle which is overlooked both by those who believe that it provides a straightforward justification of an unconditional basic income and by those who believe that it could not possibly provide such a justification. What the difference principle requires is not that the worst-off individuals should be made as well-off as possible in terms of an index of outcomes, as specified by a list of social and economic advantages. What it requires us to maximize is rather *the average value* of this index achieved, over the course of their lives, by the people who occupy the worst social position. In other words, it is not the worst-off individuals' scores, but the worst social positions' average lifetime scores that need to be sustainably maximized.[37]

Is maximizing the average score of people in the worst position not just a rough way of maximizing the score of the worst-off at any given point in time? It would be, if social positions were defined, as Rawls suggests they might be, as income or wealth categories: "Thus all persons with less than half of the median income and wealth may be taken as the least advantaged segment." Such a characterization of the worst-off category "solely in terms of relative income and wealth with no reference to social positions," he writes, "will serve well enough." However, as this passage entails, Rawls thinks of "social positions" as conceptually distinct from income and wealth categories, even though the latter may provide convenient proxies for many practical purposes.[38] A person's social position is therefore best understood as the occupational category, more or less broadly defined, to which she is supposed to belong throughout her life. Examples mentioned by Rawls himself include unskilled workers, farmers, and dairy farmers.[39]

Now, among individuals sharing the same social position in this sense, actual lifetime performance in terms of income, wealth, powers, and prerogatives can vary considerably, as a result of events which combine chance and choice in unequal, generally unspecifiable, proportions. Some keep buying on credit, others work overtime. Some give birth to disabled children, others incur big losses selling houses after costly divorces. Within each position, considerable differences in lifetime levels of income and wealth unavoidably arise as a result of all sorts of unpredictable circumstances. In addition, the average index will vary considerably across social positions, typically as a function of the scarcity of the skills required to occupy them and of the social demand for the services performed within them. Unlike most of the better positions, the worst position is one to which even the "least fortunate" individuals have access.[40] No minimum level of social and economic advantages is guaranteed to these individuals, but only access to a social position with a higher average lifetime level of social and economic advantages than the one offered to the incumbents of the worst social position under any other feasible arrangement.

Paying proper attention to the role played by social positions definitely moves us away from the common yet mistaken *outcome-egalitarian* interpretation of the difference principle, in terms of individual levels of social and economic advantages, and toward an *opportunity-egalitarian* interpretation, in terms of average lifetime levels associated with social positions. What needs to be maximized under this principle is not the outcome (in terms of income, wealth, powers, and prerogatives) actually achieved by the least fortunate, but the average outcome they can hope to achieve by virtue of the social positions they are given access to. What outcome level each individual incumbent of any social position, including the worst one, will achieve over a lifetime will be highly sensitive to individual preferences and choices. Once the difference principle is interpreted in this way, the inclusion of leisure in the index of social and economic advantages has diametrically opposed implications. Under the outcome-egalitarian interpretation, to regard leisure as virtual income, as Rawls proposed, is to strip surfers of their right to a benefit they would otherwise be entitled to, if their leisure were not incorporated in their index. Under the opportunity-egalitarian interpretation, this inclusion pulls in the other direction.

If income and wealth but not leisure feature in the index, a social arrangement with an unconditional basic income will likely do worse by the standards of the difference principle than would one with a work-tested minimum-income scheme that would deny income to full-time surfers. If instead the index is cured of its one-sidedness through the sensible inclusion of leisure time, the optimal option, by the standards of the difference principle, will crucially depend on the relative weights the index places on income and leisure, on the exact characterization of social positions, and on a great many contingent empirical facts. But one thing is certain: once the leisure enjoyed over their lifetimes by the incumbents of a social position no longer counts for nothing, an arrangement that includes an unconditional income and hence makes more room for chosen leisure—career interruption, voluntary part-time work—will have a higher likelihood of doing better, by the standard of the difference principle properly interpreted, than one that is biased against leisure, such as Edmund Phelps's wage subsidy scheme for full-time, low-paid workers (outlined in chapter 2). Ironically, the very move which Rawls thought was needed to prevent his theory from condoning an unconditional basic income actually makes it more sympathetic to it. It does remain impossible to assert categorically that an unconditional basic income can be justified by Rawls's principles, but it has become equallly impossible to categorically deny it.

Indeed, basic income even provides a quite plausible component of what Rawls regards as the only version of capitalism that has the potential of being just. This is what he calls, borrowing an expression from basic-income advocate James Meade, "property-owning democracy"—that is, a regime in which private ownership of the bulk of the means of production is combined with both material and human capital being widely spread.[41] With this in mind, a basic income can be viewed not only as a return on commonly owned capital but also as a capital endowment transferred in small installments to each member of society. And, especially if it is combined with the development of lifelong learning, it can be expected to foster the widespread acquisition of human capital (as argued in chapter 1). Even so, a liberal-egalitarian justification of basic income based on Rawls's difference principle remains far more factually contingent than the one offered in the previous section. And up to the end, Rawls himself remained more attracted to guaranteed employment and wage subsidies than to an unconditional basic income.[42]

Ronald Dworkin Versus the Beachcombers

John Rawls's theory of justice is the most influential but not the only member of the liberal-egalitarian family. The more philosophically inclined among our readers may be interested to find out how another illustrious member of the family, even less indulgent than Rawls of those he calls "scroungers," ends up making room, under some plausible factual conditions, for the justification of an unconditional basic income. Ronald Dworkin's theory of distributive justice as equality of resources is an intellectual tour de force. Its aim is to offer a conception of distributive justice that is better than Rawls's at making people's share of resources both ambition-sensitive (that is, sensitive to preferences for which they can be held responsible) and endowment-insensitive (that is, independent of circumstances for which they cannot be held responsible).[43] For this purpose, he distinguishes impersonal, or external, resources (that is, our material wealth), from personal, or internal, resources (that is, our abilities).

As regards *personal resources,* Dworkin proposes an insurance scheme behind a hypothetical veil of ignorance that can be described as follows. Suppose that we each know the frequency of all talents and handicaps among the members of our society but that a veil of ignorance makes us believe that the probabilities of having any of them are the same for each of us. Suppose further that this veil does not prevent us from knowing our own preferences, including our risk aversion. We should then be able to specify how much we would insure for each possible risk, bearing in mind that the premiums to be paid if lucky will have to cover the indemnities to be received if unlucky, each weighted by the probabilities of the situations that would trigger them. If it could be performed, this exercise would yield a set of person-specific, lump-sum premiums and indemnities, each corresponding to a possible endowment in personal resources of the person concerned. In the real world, each person has such an endowment and, depending on what it happens to be and on the choices she would have made under the veil of ignorance, she will end up with a premium to be paid or an indemnity to be received.[44]

As regards *impersonal resources,* Dworkin initially seemed to propose a distinct device. But in the final formulation of his approach, he proposes to subsume all resources under his insurance scheme. Behind the veil of ignorance that hides their family situation, people are also supposed to be able to insure against being "born to parents who can give or will leave them relatively little."[45]

What emerges is a fascinating construct that involves a frightening amount of intellectual gymnastics and moreover requires information that is unavoidably unavailable (and, even if it were available to some people, could not be expected to be truthfully revealed). Dworkin is aware of these difficulties and therefore falls back on "what level of insurance of different kinds we can safely assume that most reasonable people would have bought" behind the veil of ignorance.[46] The resulting rough approximation, Dworkin conjectures, will be a tax-funded scheme covering a number of specific risks, namely "ordinary handicaps" such as blindness or deafness, but also the lack of sufficient skills to earn some minimum level of income.[47] And the minimum-income scheme to which most reasonable people would subscribe, he further conjectures, will guarantee an income level no lower than the community's poverty line. It can take a number of different forms, from unemployment benefit to training-and-jobs programs, more or less dissuasive for "scroungers," and will need to "stipulate that the beneficiary attempt to mitigate his position by seeking employment."[48] In contrast to what he takes to be Rawls's view, those who opt for "idleness" cannot do so at the expense of the "hard-working middle classes." Rawls's conception of distributive justice, he claims, is inappropriately soft on those who "prefer to comb beaches."[49]

However, as one turns from the demands of justice to policy recommendations, this tough stance on beachcombers had to be softened for two pragmatic reasons. First of all, Dworkin conceded from the beginning that, even though the insurance scheme would justify a transfer system targeted exclusively at the involuntarily unemployed, "perhaps a more general form of transfer, like a negative income tax, would prove on balance more efficient and fairer, in spite of the difficulties in such schemes. And whatever devices are chosen for bringing the distribution closer to [Dworkin's conception of justice as] equality of resources, some aid undoubtedly goes to those who have avoided rather than sought jobs." This is not to be cheered: "This is to be regretted because it offends one of the two principles [ambition-sensitivity] that together make up equality of resources. But we come closer to that ideal by tolerating that inequity than by denying aid to the far greater number who would work if they could."[50] Second, in later writings, Dworkin proposed adding child poverty to the risks the insurance scheme should give us the possibility of insuring against: "How much insurance would children buy, and on what terms against being born to indigent and unemployed parents?"[51] As it is impossible to keep children out of poverty without either depriving them of their parents or keeping their parents out of poverty as well—whether or not they "avoided rather than sought jobs"—this sensible extension of the insurance scheme breeds indulgence for further deviation from what Dworkin's justice would ideally require.

More fundamentally, if one looks closely at the implications of Dworkin's hypothetical insurance scheme, feeding the beachcombers turns out to be more than an ethically regrettable, though pragmatically defensible, deviation from justice. It becomes a possible implication of justice itself. For there is no reason that people should care only about achieving a minimum purchasing power, irrespective of how little choice they are given about how to earn it. Under Dworkin's veil of ignorance (which hides people's assets but not their desires), the "Crazies" who care exclusively about money will choose to be forced to accept any job if they happen to be poorly skilled, so that they can minimize taxation if they turn out to possess highly lucrative skills. But the "Lazies" who care instead for the quality of their lives will opt for a scheme that gives them a minimum income even if they refuse to perform any of the jobs which family obligations or poor skills happen to give them access to, while making them pay higher taxes if their situation gives them access to high-paid work they do not mind performing.

In this light, it is no longer possible to proclaim, as Dworkin does, that "to reward those who choose not to work with money taken in taxes from those who do work" is "inherently wrong because it is unfair," or "that forced transfers from the ant to the grasshopper are inherently unfair."[52] Although even a modest unconditional basic income is unlikely to be unanimously chosen under the veil of ignorance—the "Crazies" would not opt for it—it seems most plausible that the "Lazies," as characterized above, would choose something like it, not as a free ride on the Crazies' work, but as part of their own actuarially fair hypothetical insurance scheme. Within the framework of the first-best (and unworkable), strictly individualized insurance scheme, the ambition-sensitivity of the scheme does imply that the "Lazies" who subscribe to a scheme allowing them to opt out of paid work (in case the only jobs their abilities enable them to do are jobs they do not like) will have to bear the opportunity cost of their choice, in the form of a higher taxation (in case there are lucrative jobs that they will perform with pleasure). But this is consistent with the possibility of transfers, on grounds of justice, to people who choose to remain idle rather than accept jobs they could do but do not like. As to the second-best, more realistic version of the scheme, it is meant to track the choices of "the average person" or of "most reasonable people." Clearly, it should not mimic the Lazies' preferred scheme, but nor should it mimic the Crazies', as too eagerly taken for granted by Dworkin. Departure from the Crazies' preferred scheme is not more or less regrettable than departure from the Lazies'. Consequently, even leaving out pragmatic considerations, allowing beachcombers to be frugally fed need not be regarded as a deplorable concession to scroungers, but can conceivably belong, under some contingent yet plausible factual conditions, to the basic structure endorsed by a responsibility-sensitive, egalitarian conception of justice. In Dworkin's case as in Rawls's, however, this remains a highly contingent justification of a modest unconditional income.

Why Liberal-Egalitarians Disagree

The liberal-egalitarian family is not limited to Rawls and Dworkin, and the approaches proposed by its other members lead to still different conclusions on basic income. Thus, Amartya Sen, unlike Rawls and Dworkin, refuses as a matter of principle to ask and answer the question "What is a just society?" He therefore cannot have a view on the question of whether a basic income would be part of a just social arrangement. But he can have a view and wants to have one on whether introducing a basic income would help make a society more just. The metric of justice he offers is one of basic capabilities, such as access to adequate food, housing, clothing, health, and education. If, under given circumstances, introducing a basic income would help extend some of these capabilities in sustainable fashion to a larger part of the population, his conception of justice would support it. But there may be circumstances in which, given the choice, some other policy, such as guaranteed employment would be preferable to an equally affordable basic income.[53]

Like Sen, Brian Barry proposes a conception of justice that is clearly liberal-egalitarian while being pluralistic and to some extent indeterminate. He therefore cannot provide a principled justification of basic income. In his first explicit discussion of the proposal, he was even rather hostile to it, and he remained critical of the possibility of justifying basic income directly from some general principle.[54] But as time went on, he became increasingly adamant that an unconditional basic income constitutes an essential component of a more just society.[55]

Compared to Barry's or Sen's, the advantage of Rawls's and Dworkin's conceptions of distributive justice, from our standpoint, is that, in addition to articulating fundamental ethical intuitions we share, they provide definite sets of principles from which the justification of an unconditional basic income can conceivably be derived, if only under some plausible factual assumptions. Once Rawls's difference principle is interpreted in opportunity-egalitarian fashion and its "productivist" bias corrected through the inclusion of leisure among the social and economic advantages, it can be viewed, in conjunction with the principle of fair equality of opportunity, as an alternative interpretation of our "real freedom for all." And so can Dworkin's equality of resources, once the "pro-Crazy" bias is corrected in what he believes should follow from his hypothetical insurance scheme. Why do their theories nonetheless lead to conclusions about basic income different from ours? Essentially because they are being spelled out against the background of different stylized pictures of our societies and of the inequalities that prevail within them.

For Dworkin, the key idea is that brute luck has provided us with unequal endowments, both personal and impersonal. This is unjust. Not much can be done about inequalities in personal endowments, but the distribution of impersonal endowments can be reshaped to correct the injustice. And his theory spells out how this could be done. The underlying stylized picture of society is plausible enough for people accustomed to the general equilibrium models of neo-classical economics, in which the option sets of economic agents are fully defined by their personal and impersonal endowments and their fates are fully predictable on this basis. In one form or another, this stylized picture is widely accepted, especially among economists interested in distributive justice.[56] But it fits less well with our messy real world, in which countless factors besides what can plausibly be construed as endowments profoundly affect people's life chances, and in particular their access to jobs and other rewarding productive activities. Rather than trying to imagine a way of reshaping the distribution of endowments in a fair way, our own approach to distributive justice proposes lumping together all the factors that affect what we are given and ensuring that the smallest gift is as generous as possible.

Rawls's conception of distributive justice, like ours, avoids this conceptualization in terms of endowment. It does so by relying on a stylized picture that gives a central role to the notion of social position. This picture works best for a society with a number of distinct, stable occupations in which workers tend to stay for their whole careers and beyond (owing to earnings-related retirement pensions), while nonworkers have their own social positions determined by the positions of their spouses in lifelong, stable households. To apply it to today's economy and society, in which people jump up and down between social positions so-defined, stretches the imagination. But it is not impossible. The difference principle simply asks us to focus on the index of social and economic advantages that can be expected by those spending their whole lives in the worst social position, as defined by the index. The situation gets more confusing as soon as part-time work is involved, or interrupted careers, or long-term unemployment, and with all shades of voluntariness present in varying proportions: each may be willing to do some job, but not any job. We then hit head-on the hard question of how to construct the index in terms of which social positions are to be compared, within regimes and across regimes, and in particular the question of how to weight the two components of the index that tend to be inversely correlated: income and leisure.[57] The alternative we propose sidesteps both the need for a nomenclature of social positions and the need to provide an unbiased index that would make them comparable. Instead, it proposes focusing on the gifts we all receive and maximizing the smallest gift.

Maximizing the smallest gift (or more precisely, its value understood as its opportunity cost for others, itself approximated by market prices) is a way of maximizing the power of those who currently have least of it, along two dimensions. It maximizes their power to consume, but also, by broadening the range of occupations they could viably adopt, maximizes their power to choose the sorts of lives they want to live. This approach has limitations of its own—in particular, the fact that it leaves out of the grasp of distributive justice all those gifts we receive that cannot be taxed either directly or indirectly. This includes no doubt some of those that matter most to our lives, such as the love of those we love. Unlike our talents, these cannot be taxed indirectly through taxation of the incomes attached to the positions to which they help give access. But perhaps this is just as well. Perhaps a conception that boosts as much as is sustainable the market power of those with least market power, and thereby (combined with access to education and other services) their ability to resist subjection to bosses, partners, or bureaucrats, will serve us well enough.

This feature makes our version of the liberal-egalitarian approach a close relative of what is sometimes called, following Philip Pettit, a republican approach—that is, a conception of distributive justice that focuses on non-domination or protection against arbitrary interference, not only in the political realm.[58] We are not denying that such an approach could justify an unconditional basic income.[59] But we prefer a theory that better captures a concern for making those who are least free as free as possible to say no *and* yes.

Libertarianism and Common Ownership of the Earth

Could a plausible justification of an unconditional basic income be found outside the liberal-egalitarian (or republican) tradition? In particular, given our argument's emphasis on freedom, could our intuitive case for basic income be accommodated in a libertarian framework? At the core of libertarianism is the view that all adult members of a society have the absolute right to dispose as they wish of their own persons and of the goods they have legitimately acquired. Consequently, taxing the income that a person has earned as a result of voluntary transactions amounts to the unacceptable theft of the fruits of a person's labor. In this light, this approach has little chance of being able to justify the funding of an unconditional basic income. However, all material goods ultimately derive from natural resources which at some point were not owned by anyone. All libertarian theories must therefore stipulate how these natural resources can be legitimately appropriated.

"Right libertarians" invoke the "first come, first served" principle, sometimes combined with a so-called "Lockean proviso" requiring that no person should be worse off than she would have been had there been no private appropriation.[60] For "left libertarians," on the other hand, the value of land and, more generally, of natural resources—including the value that derives from the private appropriation and exploitation of their potential—is owed in equal shares to all members of the human community concerned, arguably the whole of mankind. One could imagine justice so conceived to be achieved by giving everyone a piece of land of equal value. But the bureaucratic complexity and economic inefficiency of trying to do this would be such, under present demographic and technological conditions, that another way of giving concrete expression to this same principle is far more attractive.

This involves taxing land and other natural resources at their full competitive value and sharing the revenues from this tax equally among all members of the community concerned, irrespective of their personal situations and past or present contributions to production.[61] From a "left libertarian" standpoint, funding an unconditional basic income in this way does not amount to extorting from workers and other economic agents part of what they legitimately possess. Nor does it involve any charity or solidarity on the part of the rich for the benefit of the poor. It rather consists in collecting a fee from those who take advantage of natural resources and transferring it to the co-owners of those resources.

For this approach to be operationalized, a number of points need to clarified. First, the idea is that only the value of "unimproved land," and not what was made with it or built on it, is to be taken into account. This value, meaning the economic rent attached to the plot, is of course mainly determined by its location, or in other words by the "improvements" or lack of them on nearby land. These are what make a plot in Manhattan more expensive than one in Nebraska, rather than, say, the chemical composition of the soil. Thus the question arises: What if I built something on my plot that helped attract investment all around it, and that boosted in turn the value of my plot? Is this increment part of the value of my "unimproved land" and therefore to be shared by all?

Second, the value that must be shared is not just the value of land, but also the value of what lies under that land and indeed what is under the seas. But nonrenewable natural resources unavoidably get depleted. Should we just accept that the stock whose value is to be equally shared will shrink from one generation to the next? Or should each generation increase the stock of capital so as to compensate for its contribution to the depletion of nonrenewable or slowly renewable natural resources? If so, should it adjust the compensation to the expected population growth?

Third, the scarce resources to be shared equally should also include those lying *above* the land—for example, the electromagnetic spectrum, and the atmosphere itself. Can we determine a threshold beyond which the atmosphere is no longer capable of absorbing carbon dioxide without undesirable climate change? And if so, should we fix a tax (or a price of carbon-emission rights) in such a way that emissions are kept below this threshold and distribute its proceeds equally among all human beings?

How high an unconditional basic income could be justified on "left libertarian" grounds depends on the answers to these (very tricky) questions and on (fairly speculative) empirical estimates, to be discussed in chapter 6. Some "left libertarians" have tried to broaden the legitimate tax base, for example, by including those goods left unowned by the deaths of their owners. This would mean abolishing the right of inheritance while maintaining the right of giving *inter vivos,* which can't be prohibited on libertarian grounds any more than market exchanges can.[62] One might be skeptical about how much this would add to the tax yield, as the dramatic difference in treatment of bequest and donation would be bound to trigger an equally dramatic shift from the former to the latter. More fundamentally, this move reflects the libertarians' inability to capture our considered judgments about what a fair distribution requires.[63]

This is even clearer in the eloquent plea for basic income by self-labeled libertarian Matt Zwolinski: "A basic income gives people an option—to exit the labor market, to relocate to a more competitive market, to invest in training, to take an entrepreneurial risk, and so on. And the existence of that option allows them to escape subjection to the will of others. It enables them to say 'no' to proposals that only extreme desperation would ever drive them to accept. It allows them to govern their lives according to their own plans, their own goals, and their own desires. It enables them to be free."[64] This sort of plea we find persuasive enough. But it uses the substantial notion of freedom which we appealed to loosely in the arguments of chapters 1 and 2 and spelled out more rigorously in the present chapter. This approach might be called "real-libertarian" providing it remains clear that it belongs to the liberal-egalitarian family, not to the libertarian one. For libertarianism, understood as a distinct philosophical approach, relies by definition on a system of pre-institutional individual entitlements, which just institutions must respect and protect. Along with other liberal-egalitarian approaches, our own does not operate under such pre-institutional constraints. It may look like a radical extension of a pre-institutional equal right to nature. Instead, it considers that everything is up for distribution without any pre-institutional constraint, but that institutions should be designed in such a way that the distribution of opportunities to which they lead can be regarded as fair and justifiable to all as free and equal persons.

Marxism and the Capitalist Road to Communism

At what might seem to be the polar opposite of the libertarian approach, could Marxist thought offer or at least suggest a distinct yet plausible justification for an unconditional basic income? True, Marx himself was not particularly encouraging. In contrast to the "utopian socialism" of Charles Fourier and others, his own "scientific" approach was not about ethical desirability but about historical necessity. The tone of some of his writings and the presuppositions of his political activism, however, are hardly consistent with this stance. On the contrary, they justify the attempts by some of his followers to work out normative perspectives that could justify the struggle for the replacement of capitalism by socialism, of the private by the collective ownership of the means of production. Two concepts play a crucial role in these attempts—exploitation and alienation—and both are no less relevant to the discussion of an unconditional basic income than to the discussion of socialism.

Exploitation, or the extraction of surplus value, is essentially the appropriation by nonworkers of part of the net product of an economy. Part of the total product in any given period is used to replace the material means of production used up in the production process, from seeds to computers. What is left is the net product, some of which is purchased with the workers' wages. The rest, whether used for investment or consumption, is appropriated by such nonworkers as feudal lords, slave owners, and capitalists. When workers also save and capitalists also work, the picture gets more complicated. But the core of the notion of exploitation can be preserved. There is exploitation if and only if part of the net product is appropriated by virtue of something other than labor.[65] And socialism can then be justified for those who regard exploitation as ethically reprehensible in itself, on the grounds that the collective appropriation of the means of production by the working class entails that workers appropriate the whole of the net product, and hence that exploitation is abolished.

For the justification of a basic-income scheme, this looks at first sight most unpromising. Indeed, an unconditional basic income would seem to be a recipe for the exploitation of workers by those who choose not to work. It is therefore not surprising that some of those fighting against capitalist exploitation should be fiercely hostile to basic income, which they view as extending to all a possibility fortunately confined so far to the capitalist class: living in idleness at the expense of the proletariat. However, concern for the exploitation of working people can also make us look at basic income as a blessing, not a calamity.[66] From this different standpoint, what is problematic in capitalist exploitation is not the parasitism of a small class of capitalists but the fact that a large class of proletarians has no option but to sell them the use of their labor power. What matters, therefore, is the bargaining power conferred by an unconditional basic income to all workers—in particular, to the most vulnerable among them—and the range of attractive alternatives it offers them, from self-employment and cooperatives to taking time off in order to retrain or just to breathe. Not forcing all to work but allowing each not to work is then the best way, not of abolishing capitalist exploitation, but of reducing its extent and shrinking what is most objectionable about it: its obligatory character. It must be conceded, however, that it is not exploitation as such, in the Marxian sense, that is then regarded as unjust. The underlying ethical intuition fits more comfortably in a liberal-egalitarian approach, focusing on a fair distribution of real freedom or opportunities.

An alternative approach, arguably less distant from Marx's own view (as formulated most explicitly in his critique of the Gotha program) does not attribute a direct ethical superiority to socialism over capitalism in connection with the removal of exploitation.[67] It rather regards socialism as instrumentally superior to capitalism in bringing about a state of abundance, itself the condition required for the abolition of *alienation*, understood as the performance of activities that do not have their aim in themselves. The capitalist organization of production—because it lacks central planning, because effective demand chronically fails to match supply, and because the profit motive inhibits the dissemination of innovation—is claimed to hinder the development of productive forces. Socialism, Marx believed, can remove these obstacles and thereby unleash human productivity growth to such an extent that our economy will soon reach a state of abundance. In other words, society will then be in a position to operate in accordance with the principle that defines the communist ideal: "from each according to his capacities, to each according to his needs." The work required to meet everyone's needs will be reduced to such an extent, and will become so pleasant, that everyone will be willing to perform it spontaneously according to their capacities, without any payment being needed to induce them to do so.

There is, however, no reason why one should wait until full abundance to start realizing partially the distributive principle that defines communism. Indeed, if it turns out—in light of historical experience and for deep-seated reasons to which Marx paid insufficient attention—that capitalism does better than socialism at developing the forces of production, this gradual transition to communism could happen in the context of a capitalist economy. The proposal of an unconditional basic income makes a lot of sense in this perspective. While not yet in a state of abundance, our society may plausibly be regarded as *affluent* in the sense that it could cover everyone's fundamental needs unconditionally with a basic income, topped up in some cases to address special needs such as disabilities.[68]

In order to fund this without forced labor, however, producers must have sufficiently strong material incentives to work and train. This means that tax rates on market rewards must remain well under 100 percent. However, as productivity increases, less and less work is required, especially less of the unpleasant work that needs to be compensated with significant net incomes to attract enough takers. Consequently, the proportion of the social product that is distributed according to contribution can gradually decrease and the share that is distributed according to needs can correspondingly increase, with the former gradually reduced to pocket money that tops up the latter. At the limit, the whole of the social product can be distributed according to needs, as alienated labor is no longer necessary to produce enough to cover these needs. Production by human beings is still essential. Robots do not do the whole job. But the work involved in this production is not distinguishable from play: it is so satisfying in itself that enough of it is forthcoming in the absence of any material reward.[69]

It is useful to contrast this "market-communist" justification of an unconditional basic income with the "real-libertarian" justification offered above in terms of maximin real freedom or maximin gift. For this purpose, imagine a capitalist society in which there is no public expenditure apart from an unconditional basic income and no taxation except a linear income tax (as in the figures in chapter 2). Let us further suppose that raising the tax rate produces a negative effect on society's taxable income. As the tax rate increases from 0 to 100 percent, the sustainable level of the unconditional basic income first rises (this is the "normal range" in which the tax rate increases more than the taxable income shrinks) and then falls (this is the "prohibitive range" in which the taxable income shrinks more than the rate rises). Figure 5.1 illustrates this. Let us further suppose that our economy is affluent in the sense used above—that is, that there is a sustainable level of an unconditional basic income that exceeds what is required to satisfy what the market-communist approach explored here would regard as fundamental needs. At the boundary between the normal and the prohibitive range, the sustainable level of the unconditional basic income reaches a peak (GMax) that corresponds to the tax rate recommended by the real-libertarian approach (1). By contrast, the market-communist approach, concerned as it is to minimize alienation, recommends pushing the tax rate higher (2), thereby depressing the unconditional basic income up to the point at which it just suffices to cover fundamental needs (G*).

Under the market-communist option, both the average taxable income Y and the minimum income G, as secured by the unconditional basic income, are lower than under the real-libertarian option. On the other hand, income inequality, as measured by the ratio of average income to minimum income, is also necessarily lower. So is the ratio of distribution according to contribution to distribution according to needs. And so is the level of net earnings—that is, the gap between per-capita income and basic income. These assertions need to be made with some caution. If the economy is open, the higher tax rate could simply lead many people to perform alienated work and earn high earnings abroad. Even in a closed economy, the high tax rate could induce many people to perform alienated activities in the informal sphere or to earn part of their income in the form of untaxed perks.[70] In this case, a significant part of total income would escape taxation and would keep growing as the tax rate rises. In Figure 5.1, therefore, total income per capita Y' would exceed taxable income per capita Y and fall more slowly than Y in response

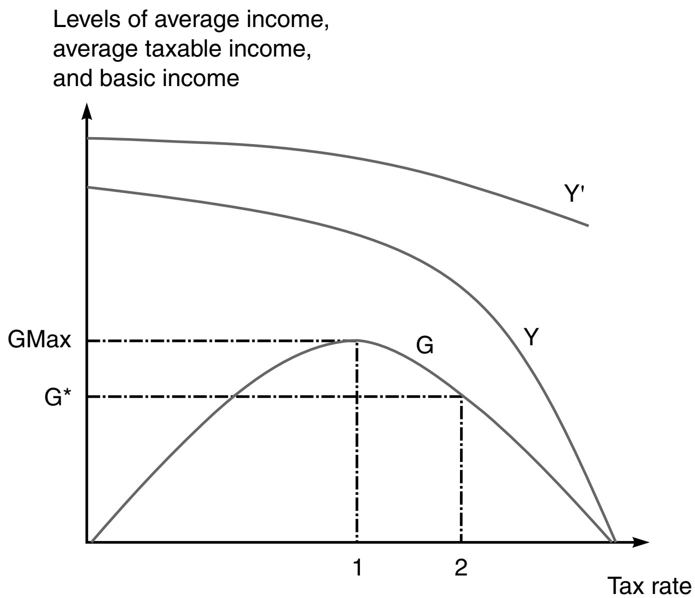

Figure 5.1 Optimal level of basic income from a "real-libertarian" and a "market-communist" perspective

Y: taxable income per capita
Y': total income per capita
Tax rate t: normal range from 0 to (1), prohibitive range from (1) to 100 percent.
Real-libertarian optimal tax rate (1): corresponds to the maximum sustainable level of basic income GMax
Market-communist optimal tax rate (2): highest tax rate consistent with basic income meeting fundamental needs G*

to higher taxation. Let us leave these complexities aside, however, and assume that the simpler version of our graph (with Y' coinciding with Y) fully captures the impact on both equality and alienation.

How can the market-communist option be justified relative to the real-libertarian one? There are two main possibilities. One is on egalitarian grounds. The market-communist option leads to more equality, as simply measured by the lowest income as a percentage of average income—in Figure 5.1, the ratio of basic income G to per-capita income Y. This egalitarian preference may be rooted in the intrinsic normative importance ascribed to greater equality as such, even at the expense of a lower income for everyone. But it may also be rooted in instrumental considerations—for example, a fear that the inequality needed to secure the economic sustainability of a higher basic income might jeopardize its political stability in a context in which the political system is not insulated from economic inequality; or the expectation that income inequality as such, irrespective of absolute levels, has negative effects on dimensions of real freedom not entirely captured by income levels, such as the health of the worst-off.[71]

The other justification could be called the "de-growth" justification. It rests on the fact that the market-communist option leads to less alienation, as approximated by the average level of pay needed to prompt productive contributions and captured in Figure 5.1 by the difference in absolute terms between per-capita income and basic income. For this justification to stick, one needs to assume that minimizing the volume of alienated activities is what matters, rather than maximizing the real freedom to escape from them, which is greater under the real-libertarian option. This assumption may derive from a perfectionist or illiberal standpoint that maintains it is not work but leisure—not busy-ness and consumption but escaping the rat race and opting for a simple way of living—that is essential to the good life, and alienated activity should therefore be discouraged as much as is compatible with covering everyone's needs. But it may also be inspired by instrumental considerations, concluding that a higher volume of (alienated) production today would come at the expense of its sustainability through time, or that its environmental impact would badly affect real freedom in a way that is not fully captured in income levels.

The intrinsic or perfectionistic versions of both justifications are hard to sustain in liberal societies committed to respecting the diversity of conceptions of the good life. In their instrumental versions, however, the difference from the real-libertarian approach is not fundamental and can be interpreted as an invitation to refine the latter so as to make it less naïve. Moreover, whether or not at the highest sustainable level in relative or absolute terms, a basic income would and should help the survival and development of communist pockets in a capitalist society: not only small, voluntary communities that choose to distribute their production according to needs and not according to contributions (in line with the original model of the Israeli kibbutz), but also large-scale collaborative enterprises that make the collective product of thousands of cooperators spread around the world freely available to whomever may find it useful (as the Wikipedia model does). It can therefore be argued that, in affluent societies, a basic income systematically contributes to making the volume of material production smaller than it could be, to "decommodifying" human labor, and to swelling an "autonomous" sphere irreducible to both the market and the state. However, it does not need to do so as a result of our striving for these effects as aims in themselves. These can also simply be by-products of the pursuit of justice as real freedom for all.

Basic Income and Happiness

At the end of this extensive discussion of possible justifications of an unconditional basic income on the basis of a plausible conception of justice, one might wonder whether it was really necessary to take all this trouble. Can it not be simply argued that a basic income is required to make our society a happier society, or even the happiest possible society?

Such a focus on happiness, if understood as the extent of satisfaction of people's preferences, amounts to adopting some version of the utilitarian conception taken for granted by most twentieth-century economists in their prescriptive pronouncements.[72] To assess the merits of this approach, there is no better starting point than the very last chapter of the founding book of welfare economics. Under the title "A National Minimum Standard of Real Income," A. C. Pigou justifies as follows the introduction of a minimum-income scheme: "economic welfare is best promoted by a minimum standard raised to such a level that the direct good resulting from the transference of the marginal pound transferred to the poor just balances the indirect evil brought about by the consequent reduction [of national income]."[73]

The underlying conjecture is that marginal utility diminishes with the level of income—that is, that the higher a person's income, the less her degree of preference satisfaction is affected by her income rising or falling by one unit. It follows that the maximization of aggregate welfare (or happiness or utility or preference satisfaction) will justify taxing high incomes and transferring the proceeds to those with low (or no) incomes of their own. In other words, a maximally happy society will require some form of minimum income.

It does not follow, however, that this minimum-income scheme should take the form of an unconditional basic income. Returning to ground covered in chapter 1, we can observe that, first, the economies of scale resulting from cohabiting make the standards of living of people living with partners higher than those of people living alone, and this pleads against a strictly individual minimum income with a level independent of the household situation. Second, the general utilitarian argument does not entail universality. Pigou himself mentioned that, with universal transferences, the labor supply reaction "would operate so strongly that the dividend would be seriously injured."[74] The subsequent development of utilitarian optimal tax theory justified sympathy for a means test or at least for prohibitive marginal rates—or rates of clawback—on the lowest income brackets: the disincentives they imply concern only a small and poorly-productive proportion of the people, while the revenues they enable the government to collect for the sake of boosting minimum income are massive.[75]

Third, the general utilitarian argument does not imply that the minimum-income benefits should be obligation-free. True, people who, given the choice, would choose not to work could be expected to increase their level of preference satisfaction thanks to this freedom from obligation. But even leaving aside the possibility that such people might overlook their own long-term interests, it is of course important to take account of the impact on welfare of those who will keep working. First, to provide a given level of minimum income, workers need to be taxed more than they would be if only those willing to work were entitled to transfers. And second, if it is indeed (as we quoted Jon Elster observing) a "widely accepted notion of justice" that it is "unfair for able-bodied people to live off the labor of others," some degree of resentment on the part of workers should also be factored in. Each of these considerations may end up weighing little: the economic cost of enforcing the work test may exceed its benefit, and an obligation-free basic income, if framed as a share in a common inheritance, could be perceived as fair by all. But this cannot be taken for granted. Hence, although there is a strong general utilitarian case for a minimum income provision, it can hardly be interpreted as singling out an individual, universal, and obligation-free basic income as its most promising version.

A second common way of attempting to justify basic income by its contribution to happiness, quite different from the one drawing on welfare economics, appeals to the contribution of basic income to economic growth. The marginal utility of income may diminish as a person's income grows, but as long as it remains positive, the growth of income should be regarded as positive by those who view happiness as the ultimate standard. In the long history of basic income advocacy, from Dennis Milner's 1920 *Higher Production by a Bonus on National Output* to Geoffrey Crocker's 2014 *Economic Necessity of Basic Income,* there has been no lack of pleas based on the putative positive impact of basic income on growth. However, most of the arguments used in such pleas are of the Keynesian variety—often implicitly, sometimes explicitly.[76] Consequently, they fail to single out basic income among many other possible forms of redistribution. True, a basic income would act countercyclically, boosting effective demand in downturns and thereby fostering growth when it is most useful for the sake of absorbing unemployment. However, the same can be said of conditional forms of minimum income or indeed of social transfers generally. It seems hard to argue for basic income's superiority in this respect. Indeed, as mentioned already, because of its freedom from obligation, basic income is attractive to those in affluent societies who advocate a stationary state or even "de-growth," out of concern for intergenerational justice or for other reasons.[77] Nonetheless, as explained in chapter 1, this freedom from obligation when combined with universality can boost the development of human capital and hence productivity. But freedom from obligation is also what facilitates turning higher productivity into more leisure and greater labor quality, rather than into enhanced production and consumption. This should logically make it less attractive than more conditional alternatives for those who want to maximize happiness by maximizing economic growth.

The good news for those who want to defend basic income as conducive to greater happiness is that this does not matter. While there is a strong positive correlation between income and happiness for individuals within a given society, and a weaker one across societies, Richard Easterlin drew attention in 1974 to the fact that the phenomenal growth in real income experienced by affluent societies did not translate into significantly higher preference satisfaction.[78] There are at least three mechanisms at work helping to explain this. First, part of the satisfaction derived from higher income comes from the possession or consumption of so-called *positional goods*—that is, goods that contribute to happiness partly or entirely by virtue of distinguishing their owners from those with no access to them. Second, the acquisition and use of some goods can be *counterproductive* in the sense that, once acquired and used by many, they make each user less happy than if no one had acquired them, typically for reasons of congestion. Third and most generally, preferences are not set once and for all but are *adaptive.* In particular, people's aspiration levels adjust upward as their original preferences get satisfied. Consequently, it is an illusion to believe that growth will make our societies happier, and the fact that basic income is not optimal for growth cannot be an argument against basic income for those aiming to make our societies happier.

In any case, our advice to basic income advocates, in closing this philosophical chapter, is not to pay too much attention to the alleged impact of basic income on happiness, and not only because the belief in such an impact unavoidably rests on highly speculative conjectures. More fundamentally, greater happiness does not make sense as an objective for our societies. One way of substantiating this conviction is to consider what could be interpreted as a generalization of Easterlin's paradox. In his *Division of Labor in Society,* Emile Durkheim points out that, leaving out obligation-induced suicides, there is a significant positive correlation between the rate of suicide and the extent of "civilization" in a sense that covers not only the level of real income but also, for example, the extension of equality of rights between all citizens. He writes that "the true suicide, the sad suicide, is in the endemic state with civilized people. It is even distributed geographically like civilization."[79] The more civilized a society, the larger the proportion of its members who feel so miserable that they put an end to their lives. Assume that this rate of suicide is a good indicator of a society's general level of unhappiness and that Durkheim's paradox is empirically established. Should we therefore give up the effort to make our societies more "civilized," and in particular more just? Durkheim did not think so. Instead, he preferred to "resolutely renounce these utilitarian comparisons" and endorsed Auguste Comte's recommendation to "dismiss as vain and futile the vague metaphysical controversy concerning the increase of man's happiness in the various ages of civilization."[80]

We fully agree. As already suggested by our reference to adaptive preferences in connection with Easterlin's paradox, increasing the aggregate level of happiness as preference satisfaction cannot possibly make sense as a long-term objective, because preferences change. In particular, levels of aspiration are strongly affected by what has been achieved previously. It does not follow that it makes no sense to try to make our societies better societies, and in the first place more just societies. On the contrary, articulating a coherent and plausible conception of justice, as we tried to do in this chapter, is essential. And discussing proposals aimed at making our societies more just, as we have been doing throughout this book, is no less important. Without such proposals, there is no hope—neither for ourselves nor for generations to come. But, for there to be hope, what is being proposed must be not only desirable but also realizable. In the following chapters, we turn to the question of the feasibility, economic and political, of an unconditional basic income.