Citizen's Income *newsletter*

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Editorial

We are most grateful to the *Political Quarterly* for permission to reprint 'The Many Faces of Universal Basic Income', by Jürgen de Wispelaere and Lindsay Stirton. This substantial article offers us "a better appreciation of the wealth of proposals falling under the rubric of universal basic income, and the potential diversity of arrangements that exist at the level of concrete design and implementation."

It raises a question about that rubric, debated before in this newsletter and also on our website: the question of terminology. Since the first Basic Income European Network congress in 1986 the terms 'Basic Income' and 'Citizen's Income' have referred to an unconditional payment to every individual as a right of citizenship, paid automatically, and nonwithdrawable. The article employs the term 'Basic Income' to denote a family of schemes, the schemes characterised by a diversity of conditionalities, withdrawabilities and coverage. The question is: Should 'Basic Income' and 'Citizen's Income' be used to denote only schemes in which nonwithdrawable payments are made to every individual unconditionally, or should the meaning of the terms be stretched to cover other income maintenance programmes sharing one or more of the characteristics of a Citizen's Income ?

Readers' comments are always welcome.

Main article:

The Many Faces of Universal Basic Income

by Jürgen de Wispelaere and Lindsay Stirton

During the past decades the debate on the desirability and feasibility of universal basic income has reached maturity. Associated with a growing number of scholars, social activists, public advocacy groups and political parties, basic income is no longer perceived as yet another crackpot idea of the radical left. Indeed, it is increasingly accepted that basic income advocates have something valuable to contribute to the debate on welfare reform and employment regulation. But with maturity comes the need to rethink the ideal of a universal basic income. As the debate expands, the standard definition of basic income as an income granted by right to each individual, without means test or work requirement, may no longer capture the diversity of policies advanced within the basic income community and beyond.

This article contributes a first step to this enterprise by charting the many faces of universal basic income. Our starting point is the belief that successfully implementing a universal basic income crucially depends on our being able to match the design features of a particular scheme with the surrounding policy context or administrative environment, which differs extensively from one country to another. This, in turn, requires a better appreciation of the wealth of proposals falling under the rubric of universal basic income, and the potential diversity of arrangements that exist at the level of concrete design and implementation. It is towards this latter task that this article is specifically directed.

The devil in the detail

For many scholars and practitioners, basic income constitutes a distinctive social paradigm within contemporary welfare theory, leading to vigorous normative arguments and ideological disputes between its proponents and adversaries. This is not to say that there is no substantial disagreement pertaining to form or content of the normative principles underlying universalism amongst its principal advocates. Neither does it imply that we must buy into ideological cleavages to find arguments for or against basic income. In fact, one of the intriguing aspects of basic income is precisely its capacity to secure support *across* the ideological spectrum.[1]

Moving from social philosophy to policy it becomes apparent that the paradigm of universalism does not constitute a single identifiable policy, but represents a myriad of social support schemes that differ substantially along a range of policy dimensions. Basic income supporters readily acknowledge that there exists ample choice of which policy to pursue within a broadly universalist approach. Consequently, the debate has now moved from defending universalism writ large to a dispute within the basic income community itself over the preferred form of basic income. The result is substantial disagreement at the level of ideal-type policies: some scholars favour a negative income tax scheme, others advocate an unconditional basic income or a participation income, and still others believe stakeholder or basic capital grants are superior, and so on.[2]

Furthermore, at the level of fine-grained design and implementation, apparently similar proposals are even further differentiated along dimensions that are characteristically not captured in ideal-type analysis. An additional concern is that universal schemes that are substantially similar in design may still end up producing widely divergent outcomes because of different *interaction effects* with policies already in place. It is a mistake to assume that a universal basic income would operate in something resembling an institutional vacuum. To the extent that fine-tuned distinctions also produce distinctive outcomes, both normative and empirically driven research ought to take differential design features seriously. In the next section we discern seven principal dimensions along which concrete basic income proposals can be differentiated.

Dimensions of basic income

Universality

Universality refers to the extent of the population that is covered by a given policy. Typically, universal policies are open to all, while more selective measures single out a subset of the population as beneficiaries. One category of subjects often excluded from even the most universal schemes is non-citizens (however defined), while more selective measures discriminate even further to select eligible individuals or groups from the broader population. Selectiveness immediately invokes debate regarding the principles and mechanisms employed to decide on eligibility. In practice this implies building in some level of conditionality, discussed further below.

The distinction between universal and selective measures, however, is often overstated on ideological grounds. To begin with, the label 'universalist' is misleading in cases where policies are universal in some respects but selective in others. Most policies in contemporary welfare regimes appear to fit this mixed-bag category. In addition, a strict divide between universal and selective measures is easily blurred in practice. Circumstances typically introduce selective effects in an otherwise universal policy; conversely, selective measures may well combine to mimic the effects of a universal policy.

Basic income advocates often favour an incremental approach to instituting a full basic income. One way in which this could be done is to have basic income type policies in a specific domain—child benefit, basic pension or sabbatical accounts—which are then gradually expanded or 'universalised' over time.[3] Here too we must be wary about attaching too much importance to the label and ignoring what happens on the ground. In what follows we review various ways in which universal basic income schemes can be more or less universal, as well as other salient dimensions in which concrete proposals can be differentiated.

Individuality

Individuality refers to the standard unit at which a policy is directed. Welfare policy schemes basically face a choice of administering their services either directly to individuals or indirectly through a household unit. Basic income is routinely advocated as a form of income support that caters to individuals. However, some advocates, mainly for reasons of goodness-of-fit with traditional approaches in welfare policy, have been willing to compromise on this and recommend instituting a basic income targeted to households. The dimension of individuality therefore does not lose its relevance for policy purposes.

In the case of households many questions arise with respect to the appropriate definition of a household and its internal composition. Tony Atkinson distinguishes four types of household units, each with its own delineation and composition problems: 'households' based on common residence; 'spending units' based on common spending patterns; 'family units' defined by blood ties or marriage; and finally the 'inner family' defined in terms of a sustained dependence relationship. Switching from one household base to another in policy design has been shown to imply up to a quarter of reductions in the measurement of people on low income.[4] Measuring the actual effects of welfare policies is clearly sensitive to choice of household type. Similar observations can be made regarding the administrative challenges associated with targeting policies to households. These reasons often lead policy-makers to favour a more individualised approach.

From a normative point of view, the chief sources of concern are the often arbitrary discrimination of life-style choices associated with household-based policies; unacceptable inequalities between single-income and double-income households and between single persons and double-income households (sometimes leading to perverse redistributive effects from the poor to the well-off); and the fact that non-individualised rights often generate employment traps or trap partners into a dependency relation.[5] While conservative political factions are often keen to use welfare policies to strengthen the traditional nuclear family unit, the increasing variation of living arrangements within and across generations suggests this argument may have outlived its usefulness. Although much attention has recently been devoted to the effects of individualising benefits on intra-householder power relations, the research remains surprisingly ambivalent about its implications for basic income.[6]

Conditionality

Conditionality implies the extent of conditions built into a policy that may restrict a person's eligibility for a service. Most welfare policies come with different types of conditions attached that recipients need to satisfy to gain or maintain eligibility. Basic income is of course distinctive precisely in that it is purportedly *un*conditional or, failing that, at the very least only employs conditions that do not violate the programme's inclusiveness. An example of a conditionality requirement that ostensibly does not affect inclusiveness is Tony Atkinson's well-known proposal for a participation income.[7]

To understand better the dimension of conditionality a number of distinctions need to be kept in mind. Conditionality refers in the first instance to formal criteria of eligibility that either imply a set of characteristics necessary to acquire eligibility status or, alternatively, impose certain behavioural constraints to retain eligibility (*ex ante* and *ex post* conditionality, respectively). In addition to these two main types we can discern hidden or implied forms of conditionality: a universal basic income can become more conditional because of the interplay with external contingencies, which may result in the policy effectively treating recipients differently within a formally uniform framework. Suppose we institute a fully unconditional basic income at a variable level related to a macroeconomic performance indicator such as GDP or employment rates. The level of the grant decreases when more people opt out of formal employment or if productivity decreases below a certain threshold indicator, which serves as a 'soft incentive' to push people back into work. While such a scheme does not have any formal conditions attached to it, it nevertheless institutes a set of incentives to contribute towards maintaining a certain level of production or employment.

Next, conditions can be *strict* or *weak* depending on whether they are 'set in stone' or there is a significant measure of bureaucratic discretion in assessing when a claimant has satisfied a requirement. Bureaucratic discretion invites a measure of arbitrariness, and may induce welfare administrators to engage in behaviour that violates professional standards. Interestingly, welfare workers often oppose discretion and prefer a system that rigorously outlines their duties precisely because they want to minimise the risk of unprofessional conduct.[8] In addition, bureaucratic discretion may boost administrative error, particularly when rules change rapidly and become increasingly complex.[9] At the same time, basic income research should be aware of the literature in public administration and administrative law that points to the limits of administration 'by rule and rote' and of the appropriate uses of discretion.

Finally, conditions can also be *narrow* or *broad* depending on whether they result in more or less exclusive policies—that is, policies that capture a larger subset of the population. The Earned Income Tax Credit, for instance, only applies to those in work, whereas a participation income is meant to encompass a broader range of activities, and hence a broader range of target beneficiaries. This of course raises the precarious problem of who ends up making the decision to value certain social activities by including them in the participation requirement. This is not a moot point: conditions are often introduced within a universal basic income for political reasons, because decision makers believe there will not be sufficient political support for unconditional measures—although occasionally economic grounds are also put forward as arguments in favour of some conditionality. On the other hand, increased target efficiency associated with improved take-up rates is often cited as the strength of unconditional measures. In practice, the choice of a basic income scheme and its level of conditionality will depend in large part on which constraint we believe to be the stronger.

Uniformity

Uniformity is the extent to which all those who are eligible receive a similar level of benefit. Universal basic income schemes can deviate from this strict interpretation in at least two ways. First, we may decide to allocate different levels of transfer to different types of recipients, thus imposing a form of *ex ante* conditionality within the scheme. A familiar example is the use of age to differentiate the allocation of grants to children, adults of working age and pensioners. By making good strategic use of a distinction that is already embedded in existing welfare systems, basic income proponents have a better chance of bringing basic income in via the back door. Even noted opponents of unconditional basic income, such as Gøsta Esping-Andersen, favour universal child benefits and basic pensions, effectively endorsing a basic income ideal for a subset of the population. Differentiating uniformity provides a handy tool for policy design and advocacy.

Contingencies also affect the uniformity of basic income. Imagine, for instance, a universal scheme that is formally uniform but with the value to its recipients fluctuating in line with a set of external circumstances, such as the regional variation in cost of living. It is a matter of some discussion whether a basic income should remain uniform, as argued by Philippe Van Parijs, or instead regional price differences should provide a legitimate departure from the uniformity rule.[10] Of course, policy-makers may well decide to use the differential value of the grant to actively influence certain behavioural traits: like taxes, grants may end up serving multiple purposes that need to be balanced. In principle, then, both uniformity and differentiation are consistent with most forms of basic income. Of course, one should keep in mind that at the margin a heavily differentiated scheme may no longer satisfy the key requirement of universality, blurring the line between 'differentiation' and 'selectivity'.

Frequency/Duration

Until recently, the dimensions of frequency and duration were somewhat neglected within universal basic income schemes. But at the end of the 1990s, a real cleavage emerged between universal basic income proposals that provide a regular income *stream*, as in unconditional basic income or participation income, and schemes where beneficiaries receive a one-off payment, constituting a capital *stock* as in stakeholder or capital grant proposals.[11] With respect to income streams, a further relevant distinction should be made with respect to the timing of regular instalments. It does make a difference whether a recipient receives the grant on a weekly, monthly or even yearly basis. Shorter intervals often draw support from those who emphasise basic security, whereas advocates of equal opportunity, suspicious of any form of paternalism, typically favour longer intervals. Of course, timing may simply be determined by the surrounding administrative time frame: until recently, wages were commonly paid in weekly instalments in the UK and Ireland as compared to the majority of European countries which employed a monthly pay system. Having basic income 'piggy-back' on whatever system is in operation at any given time often makes good administrative sense.

While the distinction between streams and stocks informs much of the current debate, the distinction is prone to overstatement. Under the right circumstances income streams can be converted into stocks and vice versa, though it remains unclear whether such conditions are currently present in even the most advanced welfare regimes. In addition, many of the basic capital approaches seem to have some in-built mechanisms of ensuring that the entire grant is not wasted on so-called 'stakeblowing' activities. Once we take this expansion into account, the distinction between income and capital grant schemes diminishes.[12]

A final consideration concerns the duration aspect of basic income. Putting a time-limit upon receipt of assistance is a measure common to most selective income support policies, but could conceivably be used to render universal basic income socially and politically acceptable. A recent proposal by Stuart

White argues in favour of introducing a temporary basic income scheme to combat exploitation and free-riding.[13] Limiting the receipt of basic income to, say, a total of five years may deflect free-riding by recipients who would otherwise take advantage of the scheme, or at the very least render its overall effect less socially damaging. In addition to these normative considerations, a time-limited basic income policy may also reflect practical considerations, such as fitting neatly with other policies that make up the institutional background of that particular welfare regime (such as child benefit or universal pension provisions).

Modality

Modality refers to the particular shape that a universal transfer takes. When debating basic income we commonly think about cash transfers, but certain forms of in-kind transfers (for example, food coupons, education or travel vouchers, housing benefits) should not be dismissed out of hand. The defining feature of a universal basic income scheme is not the distinction between cash or in-kind transfers as such, but rather whether social assistance takes the form of *public* or *private* goods. Universally distributed private in-kind measures such as education vouchers may be considered part of a universal basic income, as opposed to strict public goods such as road infrastructure. Having said this, there are many good reasons why most universal basic income schemes will rely on cash transfers, but in principle at least part of a basic income or capital grant could be transferred in kind.

Few researchers seem to appreciate fully how many distinctive forms cash transfers can take. Consider, for instance, the difference between schemes that deliver the grant by postal cheque, in the form of a debit card with automatic top-up, or as a refundable tax credit. Each of these forms has benefits and drawbacks that need to be carefully considered at the level of design and implementation. One important administrative factor is the level of *integration*, the ease with which a given scheme operates within the existing administrative environment. Highly integrated grants make use of existing tax-and-transfer mechanisms only, whereas weakly integrated versions may require additional, often costly, administrative measures. The latter must of course be offset by the corresponding advantages: for example, higher levels of take-up of schemes that operate independently of other, more selective, welfare benefits.

Adequacy

A final dimension of universal basic income schemes relates to the capacity to satisfy recipients' basic needs. Strictly speaking, a universal basic income need not be fixed at subsistence level: it can conceivably both exceed as well as fall short of what is commonly considered adequate in a given society.[14]

Some scholars have made the case for a *partial* as opposed to a *full* basic income, and most cognate universal schemes can be varied along this dimension. The key distinction here is between partial proposals that allow for basic income to be complemented by other types of cash or in-kind assistance, and proposals where the partial basic income becomes the sole means of social assistance. Not surprisingly, ideological positions differ considerably as to which form is most desirable. Neo-conservatives like James Buchanan, Milton Friedman or Charles Murray have all at times endorsed a welfare state that adopts a single universal scheme for social assistance, provided we simultaneously cut all other types of state intervention. Socialists and social democrats, on the other hand, oppose such proposals and insist that a partial basic income should always be complemented by other forms of social assistance. With respect to one-off grants, things are slightly different: in this case the goal is not primarily income security but rather improving one's stock of personal assets. Typical examples of how to use a basic capital include investing in education or using the grant as start-up capital for a small business.[15]

Focusing for the moment on income stream versions of universal basic income, the adequacy dimension raises a number of problems. There is first the familiar problem of defining and measuring the level of subsistence at any given time or place. There exists an immense literature on various ways of delineating basic needs in contemporary welfare societies. While most of this literature accepts that there is something arbitrary about determining a uniform level of subsistence across society, we should nevertheless appreciate that even arbitrary benchmarks often serve a useful purpose in social policy. This is not merely a matter of debating the proper criteria but also of finding ways to properly assess how differential contingencies affect people's lives.

A related concern is whether the level of a universal grant needs to be fixed at all. Perhaps we should take a dynamic approach by making the level of the grant periodically revisable, which could be done in two ways. First, the level of the grant can be periodically revised by Parliament or an independent commission, taking into account reflections of economic performance, political will and so on. A second possibility is to link the level of the grant automatically to some macro-economic indicators, as is already the case in some European countries. This *indexation approach* has the clear advantage of minimising direct political interference, but it remains a question whether this is in all cases a good thing. Two further advantages of the dynamic approach, whichever form it takes, are that the resulting level of grant reflects the overall state of the economy as well as being able to respond much quicker to dynamic changes in behaviour that will inevitably occur with the introduction of a basic income. A potential downside of such a dynamic approach, however, is perhaps that it does not instil the same degree of basic security as a fixed level grant achieves, which in turn may have adverse effects at the personal as well as the social level.

From 'adversarial' to 'fuzzy' policy design

The history of basic income is replete with deep-seated divisions between advocates and adversaries. Today, both camps still regard basic income broadly as a radical departure from welfare policy rooted in the Bismarckian or Beveridgean traditions. However, as mentioned before, this adversarial approach to policy design is increasingly inadequate because welfare policy defies simple normative and ideological opposition. The point applies to almost any kind of policy, but universal basic income is a case in point.

Basic income may end up serving a number of goals, not all of which are compatible or even desirable. More significantly, what Brian Barry has labelled the principled argument for basic income can only justify its broad contours, leaving detailed features, such as those discussed, undecided.[16] This raises a serious political problem for basic income advocates, who remain unsure which political forces to court. Each political faction on the ideological spectrum seems divided as to whether they should fully endorse basic income and, even in cases where they do, which particular variant to sponsor. And even if all of this could be resolved, as we argued, practicalities associated with the implementation of basic income repeatedly interfere with neatly drawn theoretical categories, rendering a principled, adversarial approach fruitless. Taking a less antagonistic approach, we propose that the mature stage of basic income debate would be more suited to the sort of 'fuzzy' policy design that features prominently in recent policy discourse.[17]

This has a number of potential advantages. First, it takes seriously the idea that policies do not simply follow from a prescriptive statement of desirable goals. It is often suggested that policy design has to contend with second-best solutions because of economic, political or administrative feasibility constraints. But this assumes that a preferred policy can be determined independently from these background constraints, which in our view does not make much sense. Because policy must necessarily fit a number of contingencies, it is inherently pragmatic and compromising in nature (even if one agrees that any policy must start from a normative argument about desirable social goals). Fuzzy design clearly welcomes the idea of basic income as a *family* of concrete proposals, which can be better fitted to the background circumstances at hand.

Following from this, we recommend that basic income design take a bottom-up approach where circumstances dictate both constraints and opportunities, and good policy requires that policy-makers experiment with different ways of solving practical problems and achieving certain goals. The idea of basic income having many faces sits well with the rejection of 'one size fits all' approaches in public policy analysis. From a fuzzy perspective it is perfectly congruent to advocate basic income in principle, while recognising that the detailed outlook of any actual proposal will be largely determined by the specific constellation of goals, constraints and opportunities. One interesting implication in the context of an emerging social Europe is that different states or welfare regimes do not need to endorse precisely the same policy in order to deliver universal welfare. Recent years have witnessed a massive literature on the difficulties of obtaining positive coordination on social measures across EU member states.[18] The variety within the basic income ideal should be appreciated as one of its key advantages, allowing it to match a wide range of political limitations.

Relinquishing antagonism to 'fuzzy congruence', then, has important implications for the *comparative analysis* of universal welfare policies. Acknowledging the many faces of basic income allows for a specific comparative approach to basic income research which need not focus on *programme specifics*, but instead allows for evaluating *policy outcomes*. To policy-makers it matters less whether a basic income is fully unconditional or incorporates a weak participation requirement, as long as both score roughly equally well on desirable goals such as combating poverty, increasing equal access to employment, supporting a variety of life-styles, etc. And even where programmes score unevenly, a comparative approach might provide good indications why this is either not desirable—maybe different countries rate competing social goals differently—or perhaps not feasible. After all, different economic, political or administrative background conditions entail different possibilities for policy implementation.

Summary

The main lesson of this article can be summarized as follows: there is no such thing as a preferred basic income scheme independent of the overall institutional and policy context. The debate concerning the best possible basic income design can only generate productive results when carried out within the rich institutional environment of case studies. It is part of the policy-making balancing act that what works here may not work over there, and what seems a good idea now might become counterproductive or obsolete at a later time. This insight should not lead to despair; instead, the crafty policy designer should wholeheartedly embrace it. 'Fuzzy' policy design paints a world in which policy reform explicitly acknowledges the many faces of basic income, and uses this feature as its main strength to further the cause of social justice across Europe and beyond.

Acknowledgements

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Notes

1 Philippe Van Parijs, 'Competing justifications of basic income', in *Arguing for Basic Income*, London/New York, Verso, 1992. Brian Barry has suggested the capacity to transcend ideological cleavages is a particular strength of basic income, but unfortunately so far it has not generated sufficient critical mass to influence agenda-setting or coalition-building strategies in advanced industrial countries. See Barry, 'Surfer's saviours?', *Citizen's Income Bulletin*, no. 22, 1996, pp. 2–4.

2 Keith Dowding, Jurgen De Wispelaere and Stuart White (eds), *The Ethics of Stakeholding*, Basingstoke, Macmillan, 2003.

3 Philippe Van Parijs, 'Reply', in Philippe Van Parijs, Joshua Cohen and Joel Rogers, *What's Wrong with a Free Lunch*?, Boston, Beacon Press, 2001, pp. 124–7.

4 Anthony Atkinson, *Poverty in Europe*, Oxford, Blackwell, 1998, pp. 34–5.

5 Maria Jepsen and Danielle Meulders, 'The individualization of rights in social protection systems', in Hedva Sarfati and Giuliano Bonoli (eds), *Labour Market and Social Protection Reforms in International Perspective*, Aldershot, Ashgate, 2002, pp. 108–10.

6 Compare, for instance, Tony Fitzpatrick, 'Feminism and basic income', in *Freedom and Security*, Basingstoke, Macmillan, 1999; Ingrid Robyens, 'Hush money or emancipation fee? A gender analysis of basic income', in Robert van der Veen and Loek Groot (eds), *Basic Income on the Agenda*, Amsterdam, University of Amsterdam Press, 2000; Alisa McKay and Jo Van Every, 'Gender, family, and income maintenance. A feminist case for citizens' basic income', *Social Politics*, vol. 7, 2000, pp. 266–84; Anne Allstott, 'Good for women', in *What's Wrong with a Free Lunch*?

7 Anthony Atkinson, 'The Case for a Participation Income', *The Political Quarterly*, vol. 67, no. 1, 1996, pp. 67–70.

8 See Mary Jo Bane and David Ellwood, *Welfare Realities: From Rhetoric to Reform*, Cambridge, Mass., Harvard University Press, 1994.

9 Atkinson, *Poverty in Europe*, pp. 131–3, discusses errors in administration due to imperfect information. For a sustained discussion of formal and informal discretion in the welfare state see Robert Goodin, *Reasons for Welfare: The Political Theory of the Welfare State*, Princeton, Princeton University Press, 1988; for a socio-legal view of discretion in welfare administration see Jerry Mashaw, *Bureaucratic Discretion*, New Haven, Yale University Press, 1983, and, more generally, Keith Hawkins (ed), *The Uses of Discretion*, Oxford, Clarendon Press, 1992.

10 The implications of regional differences in purchasing power are in fact barely discussed with respect to universal basic income; but see Philippe Van Parijs, *Real Freedom for All*, Oxford, Clarendon Press, 1995, pp. 37–8 and 244, note 8.

11 For a comparative analysis of income and capital approaches see Keith Dowding, Jurgen De Wispelaere and Stuart White, *The Ethics of Stakeholding*, as well as a recent issue of *Politics and Society*, vol. 32, no.1, 2004. Although in some proposals the actual delivery of a one-off payment will still occur in a few large instalments, this remains substantially different from a life-long regular income stream.

12 See in particular Robert van der Veen, 'Assessing the unconditional stake', in *The Ethics of Stakeholding*.

13 Stuart White, 'Fair reciprocity and basic income', in Andrew Williams and Andrew Reeves, *Real Libertarianism Assessed*, Basingstoke, Macmillan, 2003; 'Freedom, reciprocity, and time-limited citizens' income', in *The Ethics of Stakeholding*. White's proposal is very similar to the sabbatical grant idea proposed by Claus Offe.

14 See Van Parijs, *Real Freedom for All*, pp. 30–57, for a discussion of 'the highest sustainable basic income'. Theodore Marmor rightly distinguishes between 'aggregate' and 'individual' standards of adequacy. See Marmor, 'On comparing income maintenance alternatives', *American Political Science Review*, vol. 65, 1971, pp. 86–7.

15 Bruce Ackerman and Anne Alstott, *The Stakeholder Society*, New Haven, Yale University Press, 1999; Julian LeGrand

and David Nissan, 'A capital idea: helping the young to help themselves', in *The Ethics of Stakeholding*.

16 Brian Barry, 'Real freedom and basic income', *Journal of Political Philosophy*, vol. 5, 1997, pp. 274–86.

17 B. Guy Peters, 'Policy reform: is uniformity the answer?', *The Political Quarterly*, vol. 74, no. 4, 2003, pp. 421–8.

18 Fritz Scharpf, *Governing in Europe*, Oxford, Oxford University Press, 1999.

Reviews

Hedva Sarfati and Giuliano Bonoli (eds.) *Labour Market and Social Protection Reforms in International Perspective*, Ashgate, Aldershot, 2002, 494 pp., hb, 0 7546 1926 5, £55; pb, 0 7546 1927 3, £23.50.

This book originates in a project by the International Social Security Association (ISSA) looking at the close interaction between social security and labour market regulation. It has been clear to anyone interested in either area that one cannot really know how to provide properly for income security for various social groups without at the same time looking at how these groups are affected by what happens on the labour market, yet a systematic and detailed analysis of such interactions has been largely missing. Similarly, labour economists in particular have known for quite a while that one of the crucial elements affecting how individuals behave, in terms of job-seeking, expending work effort and so on, is precisely the background of social security arrangements on which they can draw (or not) if they ever need to. But labour economists too by and large only have a crude understanding of security systems and seem only interested in how benefits affect the reservation wage or the supply of labour etc. Policy advances in both areas, in particular the focus on activating welfare as well as the appreciation of how 'permanent austerity' (Pierson) affects policy choice, now demand that we integrate insights where possible.

The present collection explicitly aims to contribute to this enterprise, charting significant evolutions in the labour market as well as social protection systems. The book takes a comparative approach, looking at a wide variety of countries and welfare/employment regimes as well as covering an extensive set of issues. The inevitable consequence is that the book turns out to be a bit all over the place. Also, as is often the case in such volumes, the emphasis is on describing current systems in place and how they evolved using country-by-country case studies. The overall result is that many interesting insights are buried within material that yet again describes a particular country's evolved labour market and social security arrangements. Granted, comparative researchers may disagree but to this reader at least a bit more analytical rigour would have benefited the collection. Nevertheless the volume includes a number of papers that will be of great interest to basic income supporters.

Maria Jepsen and Daniele Meulders's chapter 'The Individualization of Rights in Social Protection Systems' discusses the problematic status of one of the cornerstones of the early Welfare State: derived rights to assistance for spouses and children. Recent events have seriously impacted upon the capacity of such derived rights to generate adequate protection, and Jepsen and Meulders point out some of the key issues and investigate some ways in which countries have moved towards increased individualization of protection rights. The individualization of assistance is of course one of the core arguments in the basic income debate.

Somewhat related is Robert Salais's piece on 'Security in a Flexible Economy'. Salais suggests we now have entered a third age of social protection, characterized by a concern with choice and quality in employment as opposed to merely minimum subsistence and adequate employment levels. Of course the third age also requires a rejuvenated policy agenda which, according to Salais, should move towards broader strategies of inclusion and social participation. Such an agenda is hardly alien to the community of basic income supporters, many of whom have adopted a post-industrialist or social inclusion stance in defence of their preferred policy.

Jane Millar neatly reviews New Labour's welfare-to-work policy: her article serves as a reminder of the Labour Government's goals as well as some critical notes on why it hasn't delivered on its promises despite Government protestations to the contrary. Chief amongst these is a fundamental confusion in New Labour's various New Deals - to wit, that it rather indiscriminately targets everyone without a job instead of those who are really unemployed. This is not a matter of semantics as anyone who is disabled or suffers from long-term illness can testify. Here again, basic income supporters will find much of use.

Finally, the only paper that explicitly mentions basic income is by Jean-Michel Belorgey. In a comprehensive review of the French experience, Bergoley charts the ways in which labour market evolutions have threatened social security. In the absence of a state guarantee to provide all (ablebodied) workers with a job, the state has a duty to provide income security instead. The question remains what form such a system should take. Belorgey first pays homage to basic income's innovative approach, only to dismiss it out of hand later on for not making economic sense and remaining ambiguous. Unfortunately the author spends too little time detailing his criticisms, so there is not much to be said in response. It seems to me, however, that Belorgey's appreciation of basic income, and in particular the way in which different proposals that fall under this label operate, is quite different from that of most basic income supporters. In short, Sarfati and Bonoli have delivered a volume which offers many interesting thoughts on the important relation between labour market regulation and social security, but it seems readers will have to surf through quite a bit of material before actually coming across something that captures the mind. And it is still a bit of a shame that basic income has not managed to impact more on a volume that deals directly with issues at its very heart.

Jurgen De Wispelaere

Michael Otsuka, *Libertarianism without inequality*, Oxford University Press, 2003, 158 pages, hb, 0 19 924395 6, £25

According to the dust jacket, "Michael Otsuka sets out to vindicate left-libertarianism, a political philosophy which combines stringent rights of control over one's own mind, body, and life with egalitarian rights of ownership of the world." In so doing, he creates a political philosophy more true to the ideal of self-ownership than libertarian philosophers such as Robert Nozick, and more true to the idea of society as a voluntary association than liberal egalitarian philosophers such as John Rawls. Otsuka reconsiders self-ownership and the "Lockean proviso" on which much of Nozick's argument against the redistribution of property rests. He presents his work as a revision of Locke, but one that is true to the voluntary spirit of Locke's treatise.

Otsuka defines "robust self-ownership" as "in addition to having the libertarian right itself, one also has rights over enough worldly resources to ensure that one will not be forced by necessity to come to the assistance of others in a manner involving the sacrifice of one's life, limb, or labour". Nozick does not consider robust self-ownership and seems willing to sacrifice it to preserve nominal self-ownership and unrestricted rights of property ownership. He, therefore, ends up with a world in which people are much less free than Otsuka's society.

Locke, like many other philosophers, begins with the recognition that all people have equal claim to the land and resources of the world, and argues that individuals can appropriate portions of it as long as they leave "enough and as good" for everyone else. If one interprets this to mean that others are no worse off than they would be in a primitive state of nature, the proviso allows great inequalities to result from the appropriation of land. But Otsuka defines an "egalitarian proviso" to mean that one can only appropriate resources if they leave others with the ability to acquire an equally advantageous share. Such a rule might allow inequalities, but none that follow from control of resources outside of one's own mind and body.

By basing his theory of government on the principles of robust libertarian self-ownership and the egalitarian Lockean proviso, Otsuka seeks to create a society in which all people give their actual consent to the political society in which they live, not the weak tacit consent offered by Locke nor the hypothetical consent offered by Rawls. Otsuka goes on to apply his theory to issues such as the right to punish and intergenerational equity. However, the distributive implications of these two principles will be of most interest to readers of the Citizen's Income Newsletter.

Otsuka does not discuss what practical policy would be needed to ensure that these two principles are upheld in a modern society, and he does not discuss basic income at all. He sticks instead to the hypothetical model of an agrarian society in which these principles can be attained by granting plots of land. However, a very good case for basic income could be made using these two principles. The egalitarian proviso justifies a large amount of redistribution from the wealthy to the poor, and the principle of robust libertarian self-ownership implies that redistribution should come in the form of an unconditional grant large enough to cover one's basic needs. What policy could do this other than basic income?

Karl Widerquist

Peter Dwyer, *Understanding Social Citizenship*, The Policy Press, Bristol, 2004, pb, 1 86134 415 5, £17.99, hb, 1 86134 416 3, £50.

Peter Dwyer's book is essentially an introductory textbook on the history of citizenship and the theoretical debates that inform modern conceptions of citizenship. It is designed for students on social policy, sociology, social work and certain politics courses. At times it might be a little dry for the ‘general reader’ but it is informative for those interested in the history of citizenship and how this affects attitudes towards social policy. Nested within the chapters are boxes containing bullet points or summaries of the main arguments and points. These will be useful for students and those ‘cramming’ on the subject.

The book is divided into three sections, Part One dealing with Citizenship and Welfare, Part Two with ‘Issues of Difference’ – meaning how one designs social policies for those facing different kinds of problems; and Part Three looking to citizenship beyond the nation state and towards the European Union and beyond.

The main themes of Part One include the needs of citizenship seen largely as a collective coalition of contractually obliged individuals who can work together to fulfil each other’s needs. Welfare issues are discussed in traditional categories such as ‘equality’, ‘need’, ‘desert’, and the issues of universality and conditionality contrasted. Chapter Two examines the major traditions of citizenship, liberalism and the renewed contender ‘civic republicanism’, which seems to include communitarianism here. Chapter Three is addressed to a British audience and discusses the thinking of T.H. Marshall. The final chapter of Part One discusses Marxist challenges, the new right, and the communitarianism of Etzioni. A final brief discussion considers the policies of ‘new labour’, though says so little that it hardly seems worth the while.

Part Two tackles poverty, what gender issues throw up for citizenship rights and welfare, and the problems of disabilities, and race or ethnicity. For some reason some people imagine that these ‘issues of difference’ cause problems for universal benefit schemes, which simply seems a misunderstanding of the terms of the debate, but Dwyer discusses these issues in a generally sensible and sensitive manner.

The final part looks towards the possibility of a social Europe where citizenship and social security schemes might converge. Whilst a theoretical possibility, convergence is only likely to be towards the lowest common denominator since too much that is different is already invested in the diverse systems, unless, that is, a radical alternative – such as a Basic or Citizen’s Income – can be instituted throughout Europe. The final chapter considers globalization.

This is an excellent student textbook for specialist courses on citizenship and social welfare. It covers a lot of historical material in a competent and thorough manner. I would have liked the author’s voice to shine through more, however, and there could have been more extensive discussion of the possible radical alternatives to the traditional accounts covered here.

Keith Dowding, London School of Economics and Political Science

Richard Berthoud and Maria Iacovou (eds), *Social Europe: Living standards and welfare states*, Edward Elgar, 2004, 296 pp, hardback, 1 84376 676 0, £59.95

This book reviews the findings of a major research programme on family, employment and income dynamics in Europe and draws conclusions about life changes and welfare regimes.

Chapter 1 introduces Esping-Andersen’s welfare regime typology:

1. “The ‘social-democratic’ regime type, with generous levels of state support, with benefits based on individual and universal entitlement, and an emphasis on support from the state, rather than the family or the market. This is typified by the Scandinavian countries.
2. The ‘liberal’ regime type, with rather modest levels of benefits and an emphasis on the market as the dominant means of support. Benefits are heavily means-tested to target those most in need. This regime type is prominent in English-speaking countries, and is represented in Europe by the UK and Ireland.
3. The ‘conservative’ regime type, with an emphasis on the central role of the family in support for individuals, with a reduced role for the state, and a predominance of insrance-based benefits. Esping-Andersen includes the countries of continental Europe in this group: the Benelux countries; France, Germany and Austria; plus the southern peninsula countries of Spain, Portugal, Greece and Italy” (p.15).

The editors divide the third category into ‘corporatist’ (Benelux, France, Germany and Austria) and ‘residual’ (Spain, Portugal, Greece and Italy).

Chapter 2 charts the diversity of family patterns across Europe; chapters 3 and 4 explore the relationshiop between family life and employment at key stages of the life-cycle; chapter 5 examines the trend towards non-standard employment contracts, chapter 6 mobility in and out of work, and chapter 7 the impact of unemployment. Chapter 8 finds both similarities and dissimilarities between different welfare regime types in relation to overall distributional effects (p.197) and to effects on income of particular life events, so "we should be careful not to use the regime-type classification without testing its relevance and appropriateness in light of the issue under study" (p.199).

Chapter 9 studies the dynamics of income poverty and concludes that "poverty is experienced by a far higher number of individuals when viewed longitudinally rather than cross-sectionally," but that "if we extrapolate from the mean cross-sectional poverty line to an *expected* experience of poverty on the basis of independence between years in poverty, what we actually see are far fewer people experiencing poverty and a polarisation of persistent poverty. This is important since it suggests an 'inertia' to the experience of poverty that can 'trap' individuals and households, but the effect varies between countries, with those from more social-democratic and employment-centred regimes being less polarised and closer to expectations based solely on probability theory" (p.221). Thus liberal and residual regimes are shown to increase the risk of persistent poverty (p.221).

Chapter 10 explores the complex relationship between household income and the family's living standards and finds that persistent poverty is a significant cause of social exclusion but that in different countries different additional factors are also important.

Chapter 11 concludes that comparative cross-national longitudinal research is important.

We can only agree – and suggest that with such a wealth of data it might be possible to abandon the normal three- or four-category characterisation of welfare regimes, and instead rank individual regimes against a range of variables and evaluate the data against each variable in turn. Of particular interest would be the correlations which might result from studying income mobility, stability, security and inequality in relation to the level of universality in the benefits structure of a welfare regime. The researchers would need to develop a measure of the relative universality of a benefits regime. Such a measure might lead to further interesting correlations.

Virpi Timonen, *Restructuring the Welfare State: Globalization and Social Policy Reform in Finland and Sweden*, Edward Elgar, Cheltenham, 2003, ix + 222pp, hb, 1 84376 124 6, £45.

Timonen shows how the choice of countries studied determines the theory of welfare state transformation which emerges. All European economies have experienced globalisation (involving lower trade barriers, liberalised financial markets, global competition, and downward pressure on tax rates), but their welfare states have reacted in different ways. Finland and Sweden have developed 'encompassing' or 'institutional' welfare states, and these have adapted to globalisation and economic crises by taking on 'liberal' (or residualist) and 'conservative' (earnings-related insurance-based) characteristics in order to retain their basically institutional character – i.e., they have taken on characteristics long-established in Anglo-Saxon welfare states (such as that in the UK) and in Bismarckian systems (such as that in Germany) in order to remain 'encompassing' structures. In particular, greater reliance on means-tested benefits of last resort (which characterise social security provision in the UK), higher employees' (rather than employers') contributions, and greater reliance on private insurance (which mirror recent changes in the German and French insurance-based systems) have enabled the basic structure of the Scandinavian welfare states (characterised by universal pensions and by sickness and unemployment benefits to which employers make considerable contributions) to survive.

The detailed chapters on welfare state development and restructuring, on globalization and other outside pressures which have triggered welfare state restructuring, on political parties and interest groups, on power resources at work, on restructuring of public health and social services, and on the greater reliance on means-tested benefits, lead to the conclusion that particular stabilising forces (such as Trades Unions and employers' organisations) and a structure which gave to all Scandinavian population groups an incentive to contribute to the system when it was built, have resulted in *increased* public approval of the system during a recession, rather than the kind of unwillingness to finance the welfare state which the UK has experienced. As Timonen puts it, "in a game of politics against markets, politics scored another victory" (p.17).

Of particular interest to those interested in social security reform is chapter 7. During the recession of the 1990s pensions ceased to be universal in Sweden and became earnings-related and means-tested, and some other benefits became more tightly work-related. As Timonen sees it, no particular organised groups were defending universal benefits – but that doesn't mean a permanent slide away from universal and towards means-tested benefits, because the median voter is likely to favour universal benefits. It is interesting that Sweden's child benefit has remained universal, as has the UK's. As Timonen suggests,

> "child benefits could have been taken away from high-earning families, but this option was not seriously considered at any time during the 1990s, partly because the resulting reduction in expenditure would not have been significant but more importantly because it would have undermined the support and legitimacy of the system as a whole" (p.180).

This book suggests that means-tested benefits will remain important but also that problems of means-testing are understood and that there are parts of the benefits system where means-testing doesn't belong – and this seems to be particularly true of benefits for children.

The author suggests that we *ought* to expect that universal benefits in general will be more popular and thus better-defended than means-tested ones because everyone receives universal benefits but not everyone receives means-tested benefits – but this isn't what happens, except in relation to public services which benefit or potentially benefit everybody substantially (such as litter collection), because for increasing numbers the value of universal benefits is negligible so they wish to see as little of their taxes spent on benefits as possible – hence the drive towards means-testing.

So why has universal child benefit survived? If a benefit structure's survival is merely the result of an emotional reflex, then the future of universal benefits might look bleak – unless, of course, organised interest groups argue for them.

Holly Sutherland, Tom Sefton and David Piachaud, *Poverty in Britain: the impact of government policy since 1997*, Joseph Rowntree Foundation, 2003, pb 1 85935 151 4, 80 pp, £14.95

The report assesses the progress made in the reduction of poverty during the six years since 1997 and asks whether the same reduction would have occurred if the policy changes made during those years had not been made. Using a definition of poverty of 'income below 60% of the median income', the authors model policy changes and conclude that if there had been no changes to direct tax or benefits then poverty would have been higher for children by 62% if income means 'income before housing costs' but only by 38% if income means 'income after housing costs'. For pensions poverty would have been higher by 53% based on income before housing costs and by 129% based on income after housing costs. The Government's tax and benefit policy changes are calculated to have removed 1.3m children from poverty.

One problem is that household expenditure data is only available about two years after the event, and because a variety of labour market, earned income, family composition and other factors can change considerably over six years, the actual change in poverty levels cannot easily be estimated. The researchers estimate that the actual number of children taken out of poverty will be about 1m and that the Government will therefore have met its target of reducing child poverty by 25% by 2004.

Looking to the future, the authors conclude that, if employment levels are maintained, and if benefits and tax credits keep up with median income, then poverty levels will not rise – but the fact that Income Support rates remain well below the Government's own definition of poverty will mean that some sections of the population cannot be lifted out of poverty.

A problem with the Government's definition of poverty is that if earned incomes rise then the median (and mean) income rises and the poverty line rises, meaning that tax and benefit changes are needed simply to stop poverty levels rising. Thus "more redistribution will be needed each year simply to maintain the progress which has been made." This means that "further reductions in child poverty are likely to be increasingly difficult to achieve" (p.63).

During the period under review, Tax Credits entered the landscape. These have not only affected income calculations but will also have had labour market behavioural effects which in turn will have had an effect on incomes. If it proves possible to use household expenditure data to isolate these effects then it will be interesting to see how significant they are. Equally interesting would be predictions of future poverty levels based on further changes to the structure of tax and benefits rather than simply on changes in rates within the current system.