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Liberty, Reciprocity, and the Justification of a Basic Income

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Liberty, Reciprocity, and the Justification of a Basic Income

In this dissertation I will argue in favour of a Basic Income, that is, I will present arguments which support my conclusion that specific forms of a Basic Income can be justified.

Basic Income in its general version is a policy that describes schemes of income support paid to members of a particular community. The most frequently discussed version of Basic Income is the Unconditional Basic Income (UBI). This is, as Philippe van Parijs described it, an income which is “paid by a political community to all its members on an unconditional basis, without means test or work requirement” (van Parijs, 2004, 7). Further, the UBI is paid in form of a regular payment, yearly, monthly or even daily. It is also non-withdrawable, which means it is paid irrespective of income to rich and poor alike. Finally, the UBI, as defined here, is set at a level which is high enough to cover a standard set of basic needs and is financed through an income tax on working members of the community.

I will proceed as follows. In the first chapter of this thesis I will develop the ethical justification for the UBI with arguments from within the liberal-egalitarian tradition supporting this public policy. In the following chapter, I will discuss objections to the UBI concluding with an argument that the UBI has little hope of being considered a justifiable public policy. The third chapter will examine how, even though the UBI seems to be problematic, there are good arguments justifying a different version of a Basic Income. I will propose the case for a Time-Restricted Basic Income (TBI) and will argue that this version of a Basic Income is almost equally successful in achieving the goals outlined in the first chapter. Moreover, it is less open to the objections that the UBI faced. The TBI is therefore a compromise palatable to both, the proponents of the UBI and also to those that objected to this policy.

I

In this chapter I will put forward the strongest available line of arguments in favour of the UBI. That is, I shall argue in the liberal-egalitarian tradition drawing mainly on the work of John Rawls and Philippe van Parijs.

Of course, one of the characteristics of the UBI consists in the variety of political ideologies supporting this public policy, such as left-libertarianism (Otsuka 2003), right-libertarianism (Friedman 1962; Murray 2008) and also communism (van Parijs 1986). Hence, one might think that a synthesis of these justifications could in fact make the strongest case for the UBI because it could gain affirmation from the whole political spectrum. Nevertheless, I believe that combining these various lines of argumentation on theoretical grounds is most likely to fail due to substantially contradictory premises on which the different concepts rest. Therefore, I claim that the most effective, consistent and broadly shared ethical case for the UBI can be made by embarking on liberal-egalitarian arguments.

Thus, after briefly having presented a consequentialist justification of the UBI (1) claiming that this policy would effectively eradicate poverty in the community of implementation, I will consider the liberal-egalitarian self-respect (2) and liberty arguments (3).

1. Poverty Eradication

Many proponents of the UBI claim that the implementation of this policy would essentially eradicate poverty in the community. It is argued that a UBI, set at a level sufficient to satisfy a standard set of basic needs, is simply the most effective public policy available in order to tackle the problem of poverty primarily due to its unconditional character. The fact that the UBI would be paid unconditionally on a regular basis, without any work- or means-test ensures that nobody would be affected by poverty.

One can assert that the current social safety-net which exists in modern welfare states already fulfils this goal sufficiently by offering work- and means-tested unemployment benefits and other social security services. On this line, it is argued that the UBI would not be necessary to eradicate poverty because it would essentially offer 'too much'. That is, if we assume that people who might experience phases of poverty throughout their life are effectively being helped by current social policies, then we would not have to implement a more universal, generous and unconditional public policy.

If we consult recent empirical data from one of the economically best-off but means- and work-testing welfare states in Europe – Germany – one might be negatively surprised to find 13 million citizens, among them many young people, currently being directly affected by poverty (Federal Statistical Office, 2013).¹ These people are in danger of falling beneath the poverty line or are living under this line and, by definition, are only “barely able to secure their subsistence” (*Ibid.*). Many analysts of modern welfare states point out that this situation is caused to a certain extent by the so-called poverty trap (Fitzpatrick 1999; Petrongolo 2008). They argue that current welfare systems, even if they are otherwise fairly effective, discourage claimants of benefits to take up paid employment. That is, due to means-testing the payments of benefits would be reduced as income rises and thus in many cases claimants of unemployment benefits are financially made worse-off if they take up paid employment. In contrast, the UBI avoids this poverty trap by offering an income grant without any means-test. Therefore, any additional income on top of the non-withdrawable UBI would make people financially better off and not discourage them to take up paid employment.

Hence, I think it is uncontroversial that a public policy which would effectively provide a large part of the (younger) population with the means to live a life without being affected by poverty and destitution and successfully avoid the poverty trap might seem entirely reasonable. Thus, the consequentialist argument of poverty eradication builds a strong initial case for the UBI as the preferable option to current public policies which are seemingly not able to eradicate poverty effectively. Let me now move on to consider the two most relevant normative justifications of the UBI, stemming from the liberal-egalitarian tradition.

2. Self-Respect Argument

In the following section I will develop the consequentialist self-respect argument in favour of the UBI by drawing on John Rawls’s prominent and highly influential “Theory of Justice” in which he spells out his commitment to liberal-egalitarian values of individual rights, individual liberty, and equality. I argue that if we take into account the consequences of different policies on the social primary good of self-respect, which

¹ These statistics follow the common definition of poverty as earning less than 60% of average income.

Rawls values as the most important primary good (Rawls 1971, 440), the UBI appears as a very promising policy in order to successfully fulfil these demands. Specifically, I argue that the UBI has the force to shape the institutional policy design as to secure the self-respect, particularly of the least-advantaged in society and thus accomplishes Rawls's difference principle. In contrast, current policies of workfare seem not to be justified by this commitment. Characteristically – as I will argue below in more detail – the conditional nature of workfare appears to harm the self-respect especially of the least well-off and thus contradicts Rawls's difference principle.

In order to properly lay out this argument I will briefly introduce Rawls's two principles of justice and explain how the social primary goods relate to these principles. The *first principle* states that “each person has the same inalienable claim to a fully adequate scheme of equal basic liberties, which scheme is compatible with the same scheme of liberties for all” (Rawls 2001, 42). The *second principle* is mostly concerned with the distribution of inequalities and states that:

“social and economic inequalities are to satisfy two conditions: first, they are to be attached to offices and positions open to all under conditions of fair equality of opportunity; and second, they are to be to the greatest benefit of the least-advantaged members of society” (Ibid.).

This second principle, which specifically emphasises the situation of the least-advantaged in society, is often referred to as the maximin-rule or the difference-principle. This basic social structure of a fair society has as its goal the development of human beings so that they become “fully cooperating members of a society of free and equal citizens” (*Ibid.*, 57).

In order to assess if a given society operates according to these two principles, Rawls introduces the concept of social primary goods. He defines these goods very broadly as things which free and equal citizens do need in order to live a complete life. Therefore, if we want to make claims about the justice of institutional systems or specific policies, he suggests we measure how fairly institutions manage to distribute these primary goods among citizens (*Ibid.*, 59). As he values the primary good of self-respect as the most important, I will focus in the following on that.

Initially, Rawls conceptualises the primary good of self-respect as the “secure conviction” to successfully plan and carry out a rational life plan – which also “includes a person’s sense of his own value” and “a confidence in one’s ability [...] to fulfil one’s intention” (Rawls 1971, 440). In order to highlight the importance of this good, Rawls describes the absence of self-respect quite pictographically as a horrific vision, which includes that “nothing may seem worth doing” and “all desire and activity becomes empty and vain” to the extent that we “sink into apathy and cynicism” (*Ibid.*). Accordingly, we want to make sure “to avoid *at almost any cost* the social conditions that undermine self-respect” (*Ibid.*, own emphasis).

According to the difference principle policies work to the greatest benefit of the worst-off only if they secure the self-respect of members of that group. Thus, if we follow Rawls’s liberal-egalitarian argumentation we have in fact very good reason to endorse the UBI as to secure the self-respect particularly of the least-advantaged.

The UBI with its core features of being paid unconditionally to each member of the community at a level which secures satisfaction of the basic needs allows very straightforwardly the conceptualisation and realisation of a rational life plan. With the UBI each individual can be assured that the means will be provided so that everybody has the ability and “secure conviction that his conception of his good, his plan of life, is worth carrying out” (*Ibid.*). These matters convey the necessary basis to secure one’s self-respect. In addition, if we take into account that the UBI might be of particular value to the least-advantaged who are at the bottom-end of the income distribution it seems that this policy directly fulfils Rawls’s difference principle because the least-advantaged are the most likely to value an additional income higher than, for instance, a multi-millionaire would. Further, the UBI allows individuals to opt out of unsatisfactory employment situations or other non-rewarding life situations (such as a financially dependent wife in an abusive relationship), all of which are harmful to an individual’s self-respect. The UBI would give these individuals back the means to successfully fulfil their intentions and conceptualise their good as free and equal persons.

Yet, in order to make the self-respect case in favour of the UBI even stronger let me contrast this policy with current welfare-systems based on means- and work-tests

(i.e. workfare). On this line, I am claiming that current workfare-policies do not secure or perhaps even actively decrease the self-respect of the recipients.

This may seem to be a controversial empirical claim because it may well be that some mild forms of workfare which are implemented in a sensitive and careful fashion do in fact not threaten the self-respect of the recipients. It might be even reasonable to argue that workfare has quite positive effects on those recipients who wish to work hard but are hindered by their weakness of will (White 2004, 275). In this regard, it is said that workfare may help to secure self-respect and support people in carrying out their rational plan of life.

As a response to this objection I argue in line with Jonathan Wolff that, even if some specific forms of workfare are not harming the self-respect of its recipients, the general nature of workfare inevitably includes a so-called “shameful revelation” (Wolff 1998, 114). That is, due to the conditionality which all forms of workfare necessarily endorse, the welfare recipient who is in need of unemployment benefits has in fact to convince the welfare bureaucrat of his lacking talents and skills. It is quite easy to imagine how this situation might decrease the self-respect of the person who seeks unemployment benefits, because “one is required not merely to admit but to make out a convincing case that one is a failure, unable to gain employment even when there is no difficulty for others” (Wolff 1998, 114).

Thus, as I have argued throughout this section, the UBI appears as a very promising public policy which is able to secure self-respect, especially for the least advantaged. If we follow Rawls’s liberal-egalitarian theory of justice we have indeed very good reasons to endorse the UBI. Let me now move on and consider a principled justification from within the liberal-egalitarian tradition.

3. Liberty Argument

Arguments building on the value of liberty are probably the most frequently used justification of the UBI (van Parijs 1995; White 2003). These arguments usually depart from the premise that citizens have a right to liberty, and that ownership of sufficient material or economic assets are a necessary prerequisite for citizens to successfully exercise that right. Thus, the UBI is said to be securing citizens’ liberty by legally guaranteeing everybody a basic share of the economic resources of a given community.

Philippe van Parijs emphasizes this claim in his notion of ‘real-freedom-for-all’ when he states that in a society committed to the value of liberty every member of the community shall “possess the means, not just the right, to do whatever one might want to do” (van Parijs 1995, 32).

Initially I argue that citizens have a right to liberty in line with Jean-Jacques Rousseau’s conception of liberty as non-dependency. As he defines it, the worst thing which might happen in human relationships is “to find oneself at the mercy of others” (Rousseau 1984, 87). Rousseau takes as a starting point for his considerations the state of nature, in which everybody was equally free and argues that any limitations on this liberty need particular justifications. Hence, as Mill argues and many contemporary liberal-egalitarian theorists agree, the “*a priori* assumption is in favour of freedom” (Mill 1963, 262).

Further, I argue that even in a society which fulfils all formal requirements for being defined as upholding liberty, that is a well-enforced structure of rights where every person owns him- or herself, economic poverty directly restricts liberty. This is similar to the essential claim of van Parijs’ Liberty-argument in which he contends that “security and self-ownership, though necessary for freedom, are not sufficient for it, because doing anything requires the use of external objects which security and self-ownership alone cannot guarantee” (van Parijs, 1995, 21).

To illustrate this point, let us assume that a person lacks liberty in our society if she is unable to do whatever she might want to do; that is, if she is hindered to do some action due to the fact that others have the power to restrain her legally from performing this action (White, 2003, 81). Further, I believe it is fairly uncontroversial to argue that without external resources any action one might want to perform in our society seems impossible. Even if I wish to perform a passive action such as sleeping I necessarily require external resources, that is, an adequate space for lying down. Imagine now, that a person is thrown into a world in which every single external resource, including space, is privately owned by some legally enforced owner.² Further, let us assume that this person who wants to lie down – let’s call him Stephen – does not own any external resources. In this world Stephen is not only poor of material resources, he also is lacking the freedom to do anything. Any action which Stephen

² On this point I am following Stuart White’s (2003) line of thought.

might want to perform requires some external resource which belongs to someone else. Even if he wants to perform such a passive action as sleeping, he would inevitably violate someone's private property right to that space. Thus, I believe this gives us enough reasons to arrive at the initial conclusion that absolute economic poverty, and hence the impossibility to legally dispose of external resources, translates into an absolute lack on liberty.

This example might seem detached from reality but, as Jeremy Waldron points out, the situation of our imagined Stephen is actually quite comparable with the experiences of many homeless individuals in today's Western societies (Waldron 1993).³ One major difference between the imagined world of Stephen, consisting exclusively of privately owned spaces, and our real world is the existence of many publicly owned spaces, such as parks, pavements and streets. To be sure, one could argue that a homeless person would be free to perform many actions including sleeping, in these public spaces, but as it can be observed in many countries, the authorities are tightening the restrictions on actions which can be performed in public spaces. Again as Waldron argues, increasing numbers of local US-authorities pass laws which limit the freedom to perform basic actions such as cooking or sleeping in public spaces. Public and private spaces should complement each other and thus, as sleeping, urinating or cooking are rather activities to be appropriately conducted in private spaces, there are often restrictions on their performance in public (*Ibid.*, 301). Hence, the homeless in today's society are restricted in their freedom to perform those actions that they may want to perform because there always might be someone who is legally empowered to prevent them. I believe that this is a conclusive argument that external resources are essential in our advanced capitalist world in order to possess some form of basic liberty.

If we now agree on the point that all individuals have a right to this form of liberty we ought to grant everybody a share of resources in order to exercise this freedom effectively in society. The UBI essentially secures this demand by providing each member of the community with the necessary means, that is, with the necessary external resources. Thus, in light of these considerations the UBI ought to be

³ I developed the example of the homeless as also appealing to the broader liberal-egalitarian demand of the Rawlsian maximin-rule which particularly emphasises the opportunities of the least-advantaged members of society (see especially van Parijs, 1995, 25).

recognised as a justifiable public policy and the best available option which effectively meets individuals' entitlement to liberty.

II

This second part of my paper raises several objections, both on consequentialist and principled grounds, against the UBI. That is, I will argue throughout this chapter that despite the strong case in favour of a UBI – as shown in the previous section – this public policy is open to serious objections. Therefore, I am afraid that the UBI might not sustain the following examination.

1. 'Gentle Nudge' versus 'Hard Shove'

As the first objection to the UBI let me briefly consider the consequentialist claim that policy reforms are more successful when they are implemented gradually, that is, as a 'gentle nudge' rather than a 'hard shove'. In this regard, some argue that the UBI as a major and radical institutional change – a 'hard shove' – “rests on a massive overestimation of our ability to predict and steer the course of economic development” mainly because “the state of the social sciences is light-years away from allowing us to predict the global net [...] effects of major institutional changes” (Elster 1986, 709). On this line it is argued that we should abstain from trying to implement such a drastic change due to unforeseeable drawbacks which might outweigh the positive aspects of such a proposal. In this vein, policy makers should consider rather more manageable 'gentle nudges' than 'hard shoves' due to the empirical uncertainties a 'hard shove' might involve (Kahan 2000).

Communist policies might seem as one of the most obvious failures of a 'hard shove-policy'. That is, while many people are quite sympathetic with the theoretical idea of a class-less society of equals, the radical implementation of policies based on these considerations has proven as having many drawbacks and not being very long-lasting – as became apparent during the time of the Soviet Union. Of course, as for instance van Parijs points out, utopian and radical thinking is often prerequisite for very successful policy reforms, but only if the empirical evidence for the feasibility of this policy is absolutely convincing (van Parijs 2013). On this line he argues that

communist policies did not work, primarily because the ‘hard shoves’ were not sufficiently supported by reliable evidence from the social sciences.

Thus, I conclude in line with Jon Elster that because our social sciences are in fact “light years away” from allowing us to predict such ‘hard shoves’ it is simply not possible to collect sufficiently reliable evidence as to predict that the UBI might work when implemented.

2. Disincentive Objection

The Disincentive Objection claims on consequentialist grounds that the implementation of the UBI might cause the collapse of the economic and social system due to a disincentive effect on the labour market. More precisely, it is argued that “people will stop working if they have access to income security without employment conditions” (Pasma 2010, 2). This scenario is particularly relevant regarding jobs which are necessary for a community in order to maintain its essential services – like for instance waste disposal, construction work or repetitive assembly-line assignments – but are low-paid and involve rather unfulfilling or dangerous activities. Especially these jobs, it is argued, are at risk of not being done if a generous UBI would be paid to each citizen because nobody would have any incentive to keep working under possibly unpleasant employment conditions. Thus, the disincentive objection claims forcefully that the UBI might lead to a collapse of the economic system and could therefore threaten the necessary production of key resources for the fulfillment of basic human needs.

As a response to this objection, advocates of the UBI usually embark on two different lines of argument. The first tries to offer empirical evidence showing that the work disincentive effect will not occur after implementing UBI. The second, inspired by feminist philosophy, challenges the definition of work underlying the disincentive objection.

On the first line, let me initially evaluate the most recent and especially among UBI-proponents widely discussed empirical studies concerned with the correlation between this policy and its effects on the labour market. In this regard, three pilot studies were conducted by academics and NGOs and funded by UNICEF in order to research the empirical impact of the UBI on the economic and social system (see

Standing 2012). These studies were carried out in rural Indian villages between 2010 - 2013 using the methodology of randomised control trials (RCTs).⁴ They came to the conclusion that the UBI in fact makes people work even more as compared with the conditional benefits they received before (Vanderborght 2013). Among other positive effects like significantly better health, increased performance of children in school or improved diet, the researchers showed primarily that the households which received the UBI “were twice as likely to have increased their production work as non-transfer households” (*Ibid.* 2013). Thus, on basis of these studies, proponents of the UBI claim to have found reliable evidence that unconditional cash-transfers in general do not have a disincentive effect on people’s work behaviour. In contrast, they might rather stimulate economic activity.

Now, I believe that this research has certainly its merits, especially in the local context of Indian policies regarding the alleviation of poverty in rural areas. But I do not believe that these findings are able to offer many useful insights about the causal effect of the UBI on work performances in advanced capitalist societies like ours and thus fail to present a powerful response to the disincentive objection. In line with Philosopher of Science Nancy Cartwright I argue that even if RCTs produce high internal validity, that is, even if the causal relation between implementing the UBI and getting higher economic participation might be correct in light of the specific Indian village, these findings do not necessarily possess high external validity, meaning that these specific findings do not necessarily apply to other populations (Cartwright 2012). If we now remember the scope of the disincentive objection, which argues that the UBI might cause the collapse of the economic system, I believe we want to be very sure to avoid this scenario. In addition, this research does not offer any grounds on which to definitively conclude that the unconditional payments – assuming that they are actually an incentive for productivity – have to be paid infinitely, as the UBI suggests. More precisely, the studies were only conducted over a restricted period of time and accordingly it might be more reasonable, if anything, to argue on the basis of these findings for a *time-limited* basic income as I will propose below.

⁴ RCTs are currently regarded from many policy-makers and social scientists as the “gold standard” when it comes to assessing the effectiveness of a public policy (Cartwright 2007). This characterisation is not uncontroversial as I will show below.

A second response argues that our definition of work rests on a misconception. This line of argumentation initially concedes that due to the implementation of the UBI some working citizens might withdraw from the labour market and live off the UBI. Now, and this is the crucial point, it is argued that these people would only substitute their regular labour-market-jobs with an engagement in socially necessary but non-paid activities (Pasma 2010). More precisely, it is claimed that these people would after the implementation of the UBI not just sit on their sofa without doing anything, but would engage in meaningful non-paid activities like child caring, caring for the elderly or voluntary community work, which are in fact socially necessary for our society and thus ought to be defined as actual work. Therefore, the UBI would correctly reward these activities, which are still very often performed by women, with an income and further offer an incentive to engage in these useful tasks. These activities, it is finally argued, “are no less important than the lowest paying jobs available” (*Ibid.*, 7).

Even though I have sympathies for this response, I do not think it can satisfactorily rebut the disincentive objection. I argue that this response rests on empirical claims which seem quite controversial. It assumes that many people possess an intrinsic motivation to perform socially necessary tasks, but it is equally reasonable to assume that some will feel no such inclination to work for the social community at all. Even though I am leaning to believe the former, it is dubious to base arguments in favour of the UBI on mere optimistic speculations about human nature when our economic and social system might be at risk of collapse. Therefore, even if I agree that some socially useful activities outside the regular labour market ought to be recognised as actual work, I think the proponents of the UBI still fail in offering convincing empirical arguments that provide proof that enough people would remain being employed particularly in socially necessary but undesirable jobs so as to make sure society continues to function well after the implementation of the UBI.

3. Reciprocity Objection

Let me now move from these consequentialist arguments to an objection against the UBI which argues on principled grounds. The most serious objection in this regard is, I believe, the claim that, due to its unconditionality, UBI would allow citizens to live off

the labour of others without productively contributing anything to the community in return (Elster 1986; van Donselaar 2009). This would, it is argued, violate the principle of reciprocity which roughly states that “if one willingly enjoys the fruits of one’s fellow citizen’s labours, than, as a matter of justice, one ought to provide some appropriate good or service in return” (White 2003a, 49).

Let me initially consider an example in order to demonstrate the connection between this principle and the UBI. Imagine a society in which a UBI has been implemented at a level high enough to cover a standard set of basic needs. Imagine further a group of individuals who are living as citizens in this society. After the implementation of the UBI each member of this group, who happen to live in separate flats but all on the same street, deliberately decide to stop working in their regular jobs. Instead, each of them spends a huge amount of time inside their flat, reading books, watching TV, and, once in a while, going to the pub to meet one of the other individuals living on this street. Everybody obeys the law, but nobody on this street produces any goods or services to be enjoyed by others and neither do they have any care duties for children or the elderly. Thus, the UBI allows this group of individuals a permanent lifestyle according only to their own preferences and gratification.

Under principle of reciprocity these individuals are doing something wrong even if they do not directly harm anyone. It is claimed that this group exploits their fellow citizens by living off the UBI – which is financed through a tax on the income of the working members in society – without contributing anything in return, even if they would be able to do so (van Donselaar 2003, 99). I believe that the intuitions underlying this principle are widely shared and that it is reasonable to assume that hard-working taxpayers are under specific circumstances correct in expecting a certain reciprocal effort of their fellow citizens. Similarly, I find it intuitively appealing to expect from my friend with whom I am going to the pub once a week, that, after I have paid several times for our drinks, he also ‘picks up the bill’ some day. These intuitions seem to coincide with empirical surveys conducted in the UK which show that the public tends to expect some reciprocal effort from the receivers of unemployment benefits (Taylor-Gooby 2005).

How, then, might these intuitions underlying the principle of reciprocity be justified and thus make a case against the UBI? Initially, I want to elaborate on this

question by appealing to the value of mutual respect between fellow citizens. That is, I shall define mutual respect as referring to the liberal-egalitarian ideal that all persons are equal in their worth and moral status and thus shall be treated with mutual respect (Wolff 1998). Hence, I argue that this value of mutual respect demands from each individual who benefits from the shared social product a reasonable contribution in return “to ensure that other members of the community also benefit from and [...] are not burdened by his or her membership of this scheme” (White 2003a, 62).⁵ More precisely, when I would be consciously withdrawing benefits from society while choosing not to make any reciprocal contribution it can be persuasively argued that I enjoy a morally objectionable free-ride on the efforts of my fellow citizens. This free-ride would express a significant lack of respect for the efforts of the working citizens who contribute to the society. In contrast, if I regard my fellow citizens as my respected equals I would certainly be willing to share the costs of working for the social product and show a willingness to contribute so that they also benefit from my membership in the community.

Let me now further specify the reciprocity principle by distinguishing two frequently discussed versions. I will show in the remainder of this section that even if we agree with the overall justification of the reciprocity principle and hence have a convincing objection against the UBI, we might not necessarily approve every interpretation of this principle. Thus, I will reject the strictly proportional version and argue instead in favour of the liberal-egalitarian interpretation of the reciprocity principle, the fair-dues reciprocity (White 2003a).

The first version claims that a socially just society necessarily demands strict proportional reciprocity from its members. On this conception, members of society are only entitled to claim benefits from the shared social product to exactly the extent to which they are contributing to it. Therefore, if Ben contributes to society goods or services with value x , and Alfred puts in value z , then Ben is entitled to benefits of the amount x , whereas Alfred would receive amount z . In public discourses this conception of justice as strict proportionality is often referred to as *tit-for-tat* or *an-eye-for-an-eye*.

⁵ Of course, as I will point out later, this does not imply that we should withdraw redistribution to the non-able-bodied, who can't contribute to society due to no fault of their own.

Even if strictly proportional reciprocity has some merits, especially due to its fairly intuitive and seemingly simple design, I believe this version of the reciprocity principle has certain drawbacks. I think that the most serious problem of this conception of reciprocity consists in the failure to integrate brute luck disadvantages and background injustices of society. To illustrate this point imagine a member of society, Bob, who contributes goods with the value w to society while working highly concentrated 10 hours each day. Now, a second individual in this society, Caroline, contributes value v while working with low concentration for 6 hours every day. Further suppose that $v > w$. In addition, imagine that Bob was born handicapped and was unfairly discriminated against by institutions within society. In contrast, Caroline did not face any discrimination and enjoyed splendid educative opportunities which helped to perfectly develop her cognitive abilities. Now, according to the strictly proportionate version of the reciprocity principle, Bob, who contributes only value w , would be entitled to many fewer benefits than Caroline even though he is working more concentrated and longer hours, has faced past discrimination and was born handicapped.

To my mind, the exactly proportionate distribution of rewards in this example seems arbitrary and morally doubt worthy. I do not think that Bob deserves fewer rewards from society than Caroline does, because it is not Bob's fault that he cannot contribute more value to society. It is simply a matter of brute luck that he was born handicapped, and he should not bear the consequences from unjustly operating institutions.

Thus, I think that this version of the reciprocity principle overestimates the value of equivalence and therefore neglects other very important facets of justice. But how can we integrate these other demands of justice, particularly brute luck disadvantage and background injustice, if we hold the view that according to the general principle of reciprocity "it is unfair for able-bodied people to live off the labour of others" (Elster 1986, 719)? Yet, if we think that a just society must value the principle of reciprocity, but we do not agree with the implications of strictly proportional reciprocity, which conceptualisation shall we endorse?

To solve this dilemma I suggest interpreting the principle of reciprocity again from within the liberal-egalitarian tradition. I think that we are correct to demand

reciprocal efforts on behalf of citizens but only if society meets certain liberal-egalitarian standards, and hence is structured in a sufficiently just way. More precisely, I argue that the duty to reciprocate should also take into consideration criteria of equality of fair opportunity as well as the fair structure of institutions which enforce this form of equality (Rawls 2001) and further protect citizens against brute luck disadvantages by offering compensatory redistributions for non-able-bodied citizens (Cohen 1989). In contrast, I argue that if we would not take into consideration these other demands of justice and only apply strictly proportionate reciprocity, those citizens who benefit from possible structural injustices in society would not have a right to demand as much reciprocal effort from wronged citizens as they would have in a sufficiently just system. It follows that only above this baseline – defined as a sufficiently just society – are we correct to endorse the principle of reciprocity and to expect a sufficient reciprocal effort of citizens *proportionate to their abilities and circumstances* in return to their share in the social product. In Rawls’s words, in a just system “all citizens are to do their part in society’s cooperative work” (Rawls 2001, 179).

Thus, according to the liberal-egalitarian interpretation of the reciprocity principle, the UBI cannot be justified, assuming it would be implemented in a sufficiently just society. That is, the UBI cannot overcome this objection because the core feature of this policy, the unconditional payment, would allow members of the community to free-ride off the labours of others. This policy would therefore tolerate, or even invite, people willingly not to ‘do their part’ in return for the unconditional payment they receive.

III

In light of the objections raised in the previous part, the UBI seems to be a rather problematic public policy, but I do not want to conclude that we therefore can’t justify the general policy of a Basic Income altogether. In contrast, I strongly agree with the justifications of the UBI, that is, I think eradicating poverty, securing self-respect, and providing liberty are correctly ultimate goals of a good public policy. However, I do not think that the UBI is the best available version of the Basic Income to reach these goals. Therefore, I will now argue in favour of a two-tiered income support system

which combines conventional unemployment benefits with the proposal of the Time-Restricted Basic Income (TBI).⁶

I shall define the first tier of the TBI as very similar to existing work-tested income support policies. That is, members of the community would receive benefits when they face times of unemployment but have to fulfil certain conditions in return. These conditions may include the requirement to actively search for jobs or even take up some additional job-training. But if they fulfil these conditions the benefits will be paid without any time-restriction. That is, if someone might fail to secure a job, even when actively searching for a job and taking additional training, her benefits would not be withdrawn. In addition, this first tier of the TBI includes pension schemes for the elderly and common child benefits. The second tier of the TBI constitutes the core of this proposal. I shall define this tier as an income grant which is paid to every adult member of the community without any work requirement or means-test. That is, this grant is paid by the community to all members at a level to satisfy a standard set of basic needs and without demanding any reciprocal efforts in return. Now, the only significant difference to the UBI consists in the time-limitation which is attached to the TBI. That is, members of the community will not be able to claim this grant indefinitely. Instead, there will be a limited amount of years in which people can decide to receive this unconditional grant – perhaps a maximum of five years within a working life with an upper annual withdrawal limit.

Let me briefly pause at this point and explain clearly what I believe is a distinctive characteristic of my further argumentation. That is, throughout the first and second chapters it became increasingly apparent that especially the conflict between the principles of liberty and reciprocity might be irresolvable. While the UBI evidently secures liberty, primarily by providing economic resources on an unconditional basis, it has at the same time drawbacks regarding reciprocity, because it allows people to free-ride off the labour of others. Yet, a proponent of the UBI might not be very impressed by this serious contradiction on the level of first-best arguments. In contrast, she might just argue that while the reciprocity objection is in fact a *valid* objection, it is not *decisive*. The objection is not decisive because all-consequences-considered the positive effects of implementing the UBI would outweigh the moral

⁶ For a similar definition of this policy see also Stuart White 2003a, 170.

costs, particularly regarding the principle of reciprocity. While I was initially sympathetic to this argumentation I believe it ignores an important fact. That is, this line of argumentation tacitly implies that the UBI is in fact the only policy which would secure the highlighted benefits at this certain moral cost. However, I argue that – as I have indicated above and will show in the remainder of this dissertation – there is at least one other policy which secures roughly the same benefits as the UBI but at *less* moral cost, which is the TBI.

Still, in order to let my following argumentation in favour of the TBI succeed, I need to rebut an important objection. That is, some might argue that while the TBI would violate the principle of reciprocity to a lesser extent than the UBI, it still violates this principle and thus cannot be justified. In this regard it might be pointed out that even if the recipients of the TBI would only violate the reciprocity principle to the extent of one penny, it is still a *de facto* violation. This seems initially like an irreconcilable conflict between two principles but these contradictions are in fact a feature of many policies we regard as morally successful.

To illustrate this point let me highlight an actual UK-institution which is very well-perceived by the public despite the fact that its policies rest on contradictory principles. That is, while the National Health Service (NHS) is recognised by almost eight in ten people as “one of the best health services in the world” and the government institution which made people “most proud to be British” (Ipsos 2012, 23), NHS’s policies are based on fundamental contradictions mainly between the principles of equality and efficiency. More precisely, whereas the principle of equality demands that “everyone’s needs translate equally into a claim to healthcare” (Magalhaes 2010, 2010), considerations of efficiency and cost-effectiveness are essentially restricting this principle. That is, because public expenditures are not infinite, some very expensive treatments – which would be necessary for a single patient’s cure – cannot be provided by the NHS. In these specific cases the egalitarian principle to provide healthcare for everyone according to one’s need is trumped by the more utilitarian efficiency-principle which considers rather the maximisation of total utility. Yet, despite this obvious contradiction between two core principles, the overall policy of the NHS – as the surveys demonstrate – is certainly not being perceived as unjustifiable. Therefore, I argue that contradictory principles within one policy are in fact not too troublesome;

they occur quite often and do not necessarily force us to condemn a policy altogether. Similarly, Jonathan Wolff describes the balancing of contradictory principles as a “more piecemeal matter” which includes that “we may have to compromise some values or principles in order to live by others” (Wolff 2004, 288). Thus, I believe that I have given a sufficiently strong argument to support my claim that the balancing of two contradictory deontological values within one policy is in fact a reasonable approach.

On the basis of these considerations I will now turn to examine the TBI as a possible way to balance the contradictory demands of the principles of liberty and reciprocity at less moral cost than the UBI. Prior to that I will argue that the TBI is also almost equally successful in achieving the consequentialist goals of the UBI while being less open to the consequentialist objections the UBI faced.

1. Consequentialist Level

Poverty Eradication

Initially, I argue that the TBI effectively eradicates poverty, similarly to the UBI. That is, if somebody is in danger of falling into poverty due to unemployment, especially the first tier of the TBI would offer sufficient economic help in the form of time-unlimited unemployment benefits. In addition, if someone feels she is currently not in the position to fulfil the reciprocal demands attached to this first tier of the TBI, she can always opt out and instead claim the unconditional benefits of the second tier.

Someone may well object and point out that the second unconditional tier of the TBI is essentially time-limited and therefore this policy cannot eradicate poverty as well as the UBI. On this line, imagine a person who is in danger of falling into poverty but has already withdrawn her entire unconditional grant. Further, she is fully able to fulfil the conditions required on the first conventional tier of the TBI, but doesn't want to complete these. Consequently, this person faces poverty, while she would not face this kind of poverty given the UBI. Thus, it might be said that while the TBI is in fact an effective policy to help people overcome *temporary* phases of poverty it lacks the feature of the UBI to *structurally* eradicate poverty.

I believe that a proponent of the TBI has to concede this point to a certain extent. But as I have argued above, in order to effectively defend a public policy which

might be able to balance the justifications and objections regarding the UBI, it seems necessary to compromise on this point. That is, the TBI may well be a major improvement in contrast to current work- and means-tested welfare systems which are seemingly not in the position to even help people to overcome temporary phases of poverty.⁷ Therefore the TBI is de facto nearly as effective as the UBI in eliminating poverty.'

Self-Respect Argument

Further, I argue that the TBI also secures the self-respect of people almost equally as the UBI. That is, if an unemployed individual feels that her self-respect might not be secured by the first conditional tier of the TBI, she has always the possibility to freely opt out and claim unconditional payments on the second tier of the TBI. Therefore, the TBI offers members of the community the possibility to avoid the potentially humiliating encounter with a welfare representative and society, as earlier argued in the context of the UBI.

In response, some may again correctly object that the TBI only allows people to claim these unconditional benefits for a certain amount of time. After this time, they have to face strict conditionalities attached to the first tier of the TBI. In contrast, the UBI would guarantee unconditional payments essentially without any time restriction and thus secures self-respect on a permanent basis. Once more, the time-limitation of unconditional payments appears to be the major drawback of the TBI in comparison with the UBI. While proponents of the TBI obviously have to concede this pragmatic argument, I want to offer a brief caveat. If we follow the liberal-egalitarian tradition, which essentially stipulated the self-respect argument in favour of the UBI, we actually might have a reason to feel satisfied with the TBI, even if the claimant's self-respect isn't sponsored indefinitely. More precisely, I think it as reasonable to rely on the ability of people to rationally plan their life, given their abilities and circumstances. Therefore, it might not be necessary to equip people with infinite resources in order to secure their self-respect. It may well be sufficient to provide people with a limited amount of unconditional resources which they can integrate into their rational life plan so as to utilise when facing considerable constraints on their self-respect. Thus, I

⁷ On this point see my detailed considerations in I.1.

claim that if we believe in people's ability to reasonable dispose of their resources, the TBI is sufficient in order to secure people's self-respect and fulfils almost equally efficiently as the UBI the demands of self-respect.

'Gentle Nudge' versus 'Hard Shove'

I argue that the TBI avoids this first objection which I raised against the UBI, essentially because it ought to be characterised as a 'gentle nudge' rather than a 'hard shove'. That is, I argued above that the UBI as a major institutional change – a hard shove – would empirically not be predictable and hence might have unexpected disadvantages upon implementation. In contrast, the TBI is rather a policy reform which can be defined as a 'gentle nudge' because it simply amends an existing policy design as opposed to changing it radically. More precisely, the two-tiered system of the TBI keeps the current workfare-style benefits system in place, but proposes as an additional tier unconditional payments to every individual member of the community, similarly to the UBI. It essentially constitutes a compromise between current work- and means-tested benefit systems and the proposal of the UBI and thus may well be defined as a 'gentle nudge'. Therefore, if the implementation of TBI in retrospect caused unexpected major drawbacks, it could always be abolished, because no major institutional change would be involved. That is, if for instance the unconditional second tier of the TBI entails serious problems, this element can be withdrawn and benefits may be paid again only in the form of the conditional first tier. Thus, the TBI allows policy makers to gently implement and empirically monitor different policy elements so as to be sure that no major drawbacks occur.

Disincentive Objection

Finally, the TBI is less open to the Disincentive Objection which argued that the implementation of the UBI might cause the collapse of the economic and social system due to a disincentive effect on the labour market. That is, due to time-restrictions on the unconditional payments it is in fact not possible for people to infinitely withdraw from the labour market and cause massive strains on production, consumption and government expenditure or even endanger the necessary production of key resources for the fulfillment of basic human needs.

Of course, it might be argued that the implementation of the TBI would invite many people to temporarily withdraw from the labour market and live off the TBI for a limited amount of time. Now, it might happen that particularly one segment of the labour market would face a high withdrawal-rate of workers. Hence, it seems reasonable to assume that partial breakdowns of the economic system, as a result of the disincentive effect of the second tier of the TBI, might occur.

In response, let me point towards the empirical studies which I discussed in II.2. These studies were conducted to research the effect of unconditional cash benefits on the labour market. They concluded that when implementing an unconditional regular payment, the productivity of the community rises, contrasting sharply the general assumption that unconditionality of benefits might lead to the disincentive effect. I argued that we face problems transferring the results of this research to Western societies, because the experiments were conducted in rural India. However, focusing on the core incentive structure, we can see that a time limitation in fact does not interfere with the increases in productivity. That is, the research was essentially conducted in intervals of one year over the total of three years. Crucially, all participants did know that there is a time-limitation on their unconditional payments. Therefore, this study offers good reasons to conclude that there is not much to worry about when implementing the TBI with regards to the disincentive effect.

Principled Level

After having shown in the prior section how the TBI sufficiently fulfils the consequentialist justifications of the UBI while being less vulnerable to the objections raised against this public policy, let me now turn towards examining the two-tiered model of the TBI on the level of principled arguments. I argue that the TBI effectively balances the principles of liberty and reciprocity and is therefore a compromise palatable to both, the proponents of the UBI and also to those that objected to this policy.

Initially I will highlight in which particular ways the TBI secures the demands of the principle of liberty as defined in I.3. I argue that there are at least two features which let this policy appear as effectively promoting liberty. Firstly, the TBI does not attach a time limit on the benefits of its first tier. That is, individuals are able to receive

unemployment benefits without any time-restriction, if they fulfil the conditions attached to this tier of the TBI. Therefore, the TBI protects one's liberty to not being thrown at the mercy of others if one cannot find a job due to no fault of one's own. Thus, this feature effectively secures liberty as non-dependency for members of the community. Of course, in comparison with the UBI we have to acknowledge a minor drawback of the first tier of TBI. That is, while this tier is essentially time-unlimited, it demands certain conditional efforts from claimants of this grant and as argued above, these conditionalities are restricting liberty to a certain extent. Nevertheless, as I will argue below, this drawback will be more than compensated due to the gains of the TBI regarding reciprocity.

Secondly, the second tier of the TBI addresses the demand of liberty even more directly by offering a time-limited unconditional cash grant, which individuals can freely decide to withdraw in order to do whatever they might want to do with this money. This tier essentially consists out of an unconditional basic income for a certain period of time and thus appears as a public policy which sufficiently secures individuals' liberty, very similar to the UBI. Again, proponents of the UBI might object that exactly this time-restriction lets the TBI not adequately secure the demands of the liberty principle. In response, I argue that even though the unconditional payment of the TBI is time-restricted, it may well succeed in guaranteeing individuals who may face periods of financial difficulties due to job-changes, personal crises or other reasons, their liberty from dependency. Thus, the TBI effectively secures liberty particularly for the least-advantaged individuals, that is, those who face periods of crises. This is in fact a very strong reason to believe that the TBI sufficiently secures liberty.

Let me now show how the TBI not only adequately secures liberty but also simultaneously responds to the concerns of the principle of reciprocity spelled out in II.3. That is, I argue that while the UBI could in fact not overcome the reciprocity objection, the TBI is sufficiently reciprocity-sensitive as to be a justifiable on these terms. I will highlight two features of the TBI which elucidate this claim.

Firstly, the benefits which are paid to unemployed individuals on the first tier of the TBI are only available upon conditionality. That is, the element of conditionality makes sure that any objectionable free-riding of otherwise fully able-bodied

individuals on the labour of others will not occur, at least not on this tier of the TBI. These conditions are essentially the same as those demanded from current policies of workfare, namely work-tests, which may include giving proof of actively searching for employment or even additional job training. Thus, according to the principle of reciprocity, this element of the TBI seems as a quite promising feature. In addition, the time-limitation of the unconditional payments on the second tier of the TBI does not allow people to infinitively withdraw from the labour market and live off the labour of others, as it might be the case with the UBI. Therefore, this further element of the TBI effectively addresses concerns of reciprocity.

Thus, I argue that the TBI successfully balances the contradictory demands of the principles of liberty and reciprocity at *less moral cost than the UBI* and effectively bridges them. Crucially, whereas the UBI could in fact not overcome the reciprocity objection, the TBI is sufficiently reciprocity-sensitive as to be justifiable on these terms. To be precise, the TBI significantly gains regarding the principle of reciprocity because it limits the time in which individuals are able to withdraw unconditional benefits on the second tier and furthermore attaches strict conditions for benefits-claimants on the first tier. At the same time, although it slightly loses regarding the liberty principle, because the unconditional payments won't be infinitively paid and the benefits on the first tier come with certain conditions attached, it still sufficiently fulfils the demands of this principle.

Yet, is this altogether a valid argumentation? That is, can we arrive at the conclusion that the TBI might be a justifiable version of the Basic Income, even if this policy proposal faces contradictions of underlying principles and values? In fact, as I argued earlier, we can. Balancing contradictory principles within one policy are not problematic. There are successful examples in which a public policy can be justified, even though some conflicts on the principled level have not fully been resolved. I prudently argue that the TBI is another of these successful examples.

Let me summarise what I have argued in this dissertation and conclude. That is, I have initially argued in favour of the most frequently discussed version of the Basic Income, that is, the UBI. I considered three justifications in favour of this public policy, the argument of poverty eradication and self-respect on the consequentialist level and the liberty argument as a principled argument. Then, I offered three objections against

the UBI, the ‘Gentle Nudge’ versus ‘Hard Shove’ and the disincentive objection again on the consequentialist level and the reciprocity argument on the principled. I concluded that the UBI is in light of these objections, especially in light of the reciprocity objection, not justifiable. Subsequently I argued that a different version of the Basic Income, the TBI, is almost equally successful in achieving the consequentialist goals of the UBI while being less open to the consequentialist objections the UBI faced. In addition, I argued that on balance the TBI in comparison with the UBI gains more in terms of the reciprocity principle than it loses regarding the principle of liberty. To be precise, whereas the UBI could essentially not overcome the reciprocity objection, the TBI offers a promising compromise between the principle of liberty and reciprocity. Thus, the TBI conveys a viable and justifiable public policy relative to the alternative workfare-policies and the UBI.

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