CITIZENS OR WORKERS?
BASIC INCOME VS. WELFARE-TO-WORK POLICIES

José Antonio Noguera
Department of Sociology
Universitat Autònoma de Barcelona
08193 - Cerdanyola (Barcelona), SPAIN
jose.noguera@uab.es

Abstract

In this paper I intend to show how the idea of an unconditional income guarantee (or Basic Income) is directly embodied within the moral intuitions which underlie the political traditions that built the modern welfare state. I shall give some reasons why this guarantee should not be subjected to any kind of work condition, such as those which are required by present workfare and welfare-to-work policies. These policies, unlike Basic Income, try to intensify the link between employment and the right to cash benefits. My thesis is that, in present socio-economic conditions, it is much more equitable and efficient to uncouple income support from employment. I will develop this thesis against the sophisticated defence of reciprocity and welfare-to-work policies made recently by Stuart White in his book The Civic Minimum (2003).

Keywords: Basic Income, Welfare-to-work, Workfare, Activation, Reciprocity, Social Policy, Welfare State, Social Justice

THIS IS A FIRST DRAFT, BASED ON WORK IN PROGRESS. COMMENTS WILL BE MOST WELCOME.

This paper is based on work developed within a research project funded by the Spanish Ministry of Science and Technology and the FEDER (reference SED 2002-02480).
The first thing egalitarians need to do is make people realize how much we are given, and how unequally.

Philippe Van Parijs (1999)

1. Introduction: economic security in exchange for nothing?

One of the main aims of the welfare states which were built in post-war Europe was undoubtedly to guarantee basic economic security ‘from the cradle to the grave’ for the whole population. Full male employment, a patriarchal nuclear family, a system of conditional monetary benefits for securing income in defined situations, and a set of public universal in-kind services (like education or health) were the pillars upon which that project rested. Social and economic citizenship was then strongly anchored in formal employment, and its definition was biased in an androcentric way; at the same time, and consistently, social protection and public income guarantees were divided into two separate levels: a ‘first-class’ or contributory one, which was expected to replace wages in situations such as involuntary unemployment, sickness, or old age, and a ‘second-class’, non-contributory one, which was activated only when insufficient participation in the labour market had not raised rights of the first type, or had just exhausted them (as in cases of poverty, long-term unemployment, insufficient contribution-records, or others).

While civil and political rights are unconditionally granted in every democratic state as a basic part of citizenship, social and economic rights which the welfare state aimed to guarantee were institutionally designed as highly conditional ones; in most cases, being entitled to those rights depended upon the participation in the labour market (as in contributory benefits and even some non-contributory ones), the income level (as in means-tested social assistance) or the type of household (the composition of which was relevant in order to determine the right to the benefit, its level and its duration). Leaving aside some variations among countries, and some timid innovations, this is still the prevailing institutional design in advanced European countries in order to guarantee the economic security of the population.

But the context has changed in some important ways. Full employment is not a reality any more, not even for male adult breadwinners. Unemployment -including long-term unemployment- has become a regular feature of our social landscape. Even among those in
employment, the certainty of a life-long job has vanished, and job careers have become more unstable and fragmentary. In most cases, wages are not high enough to sustain a whole family economically. Poverty levels among women, young people and the aged have grown. Women no longer seek to have a life as mothers and spouses without an income of their own, but to participate in the labour market in equal conditions. The traditional nuclear family is giving way to new forms of family and new household compositions. Governments have abandoned full employment as one of their economic policy priorities and cut the coverage, duration and level of public monetary benefits. The eligibility conditions -including those linked to employment- for the benefits are growing and becoming tighter.

In other words, social and economic citizenship is going through a period of bad health, and does not seem to be able to recover in the near future; it was always a conditional part of citizenship, but today that conditionality -especially work-conditionality- is being intensified, and workfare and welfare-to-work proposals are increasingly popular among governments and policy-makers -and among a growing part of public opinion-. Some times, the ‘workfarist obsession’ leads even to the abandoning of the other two conditions which were to be traditionally satisfied in order to be entitled to some public benefits: having an income below the poverty level, or living with dependent relatives are no longer pre-requisites for being eligible for benefits such as tax credits; yet in order to receive those benefits it is necessary to be in formal employment at least for a certain number of hours every day. In-work benefits of this kind have developed unstoppably in last years, beginning in Anglo-Saxon countries, but spreading to continental European ones as well (Atkinson, 2002; Groot and Van der Veen, 2000). This work-related conception of social and economic rights treats citizens, to some extent, as if they were ‘on probation’.

However, in present social policy debates, calls for an innovative proposal which seeks to give citizens real freedom beyond controls or conditions sound insistently and with growing force: a Basic Income (BI henceforth) would be a monetary benefit paid by the state to everyone, on the sole basis of citizenship; it would be paid individually, unconditionally, and regardless of income level, labour market participation or household composition (Van Parijs, 1995; Raventós, 1999; Noguera y Raventós, 2002). But from the first time it was introduced into the academic and political debates, BI has been confronted with the following objection: why should society pay an unconditional income to those parasites and lazy people who do not want to work, and who thereby refuse to ‘do their bit’ for the common good? In short, why give something -and something like BI- in exchange for nothing? Would it not be better to require some work condition -perhaps even a very weak one- in order for able-bodied citizens to be eligible for
public benefits? Is it not more reasonable just to give benefits to those who are ready to accept a job, or to go on occupational training or subsidized jobs programmes? Why not to give support to those in paid employment and to “activate” and encourage the rest to look for a job? Should we not differentiate, when designing income guarantees, between those who have been, are, or want to be in paid work and those who do not?

This objection seems very powerful at first sight, and may even convince many people who are honestly committed to equality, solidarity and the welfare state. On the contrary, I maintain that it is wrong, and in the rest of this paper I will try to explain why. One of the main difficulties which BI supporters have to face is that they argue from an almost entirely contra-factual position: nothing like BI exists anywhere in the world, at least in the usually advocated terms; instead, defenders of conditionality argue -allegedly- ‘from facts’: virtually all existing monetary benefits in advanced countries (either direct ones or those delivered through the tax system) are conditioned to a means-test, to past, present or future participation in employment, or to both of them at the same time. Only two types of benefits are paid, in some countries, regardless of these two conditions: universal basic pensions for people over 65 and universal child benefits; the only difference with BI is that eligibility is based on an age condition.

Let us leave aside for now the obvious fallacy of assuming that what exists is the only or the best possibility. True as that may be, there is probably one fact that speaks in favour of BI, even if it has nothing to do with its material existence: what I will try to show in the following pages is that within the moral infrastructure of the social and political traditions which have built the modern welfare state there exist powerful intuitions which lead clearly to the idea of a universal and unconditional income guarantee such as BI. Henceforth, I will provide some reasons in defence of the unconditional nature of that guarantee in relation to any possible work-related requirement, such as those involved by present workfare and welfare-to-work policies: these policies, contrary to BI, seek to intensify the link between employment and the right to monetary benefits. I am particularly interested in stressing this point: what I will criticise in the rest of this paper -and what BI supporters are in fact criticising- is not at all the attempts to help and assist poor and unemployed people in order to get trained, to find a job or to improve their employability; what should be criticised, instead, is making the receipt of the benefit conditional on any of those activities. The thesis to be defended here is that it would be much more equitable and efficient, in present social context, to completely decouple both things.

---

1 See Noguera (2002) for a previous discussion, in great part complementary of the one developed here.
2 The exception is the state of Alaska, though the specificities of the case rule it out as a possible generalized model.
2. The reciprocity principle and justice in the distribution of employment and work

The renewed spreading of workfare and welfare-to-work policies during recent years relies to a great extent on the philosophy of ‘reciprocity’ -a concept which, though not always clearly defined, has been used by different traditions of social and political thought in order to justify the intensification of the link between work and the right to an income guarantee-. In a previous work (Noguera, 2002) I discussed in detail the important debate about reciprocity which has taken place in political philosophy, and how it relates to BI and to the distribution of employment and socially necessary work. Here I intend to develop and update some of the arguments presented in that previous article, but in a more pragmatic and policy-orientated way; I will focus, in the present section, on the recent defence of the reciprocity principle undertaken by Stuart White in his important book The Civic Minimum (2003). In section 3 I will detail some pragmatic objections to the institutional arrangements which have been proposed from that point of view (such as ‘participation income’ or tax credits for low-income workers). Section 4 will make explicit why there is something intuitively unacceptable in those arrangements from a normative point of view. Finally, Section 5 will conclude with some brief considerations about the prospects of BI in the context of the present reshaping of the welfare state.

It will be useful, before discussing White’s proposal, to summarise briefly the theoretical background in which it has appeared. As it is well known, the most sophisticated normative foundation of BI to date is Philippe Van Parijs’ book Real Freedom for All (1995); this foundation is based to some extent on pushing to its last consequences the theory of justice as fairness advocated in John Rawls’ egalitarian liberalism (Rawls, 1971; 2001). In short, starting from that theory, nobody should be made responsible for the resources, social positions and opportunities which have been allocated to him by the ‘lottery’ of natural and social fate, that is to say, by those circumstances he could not control. Since it is unfeasible to abolish that lottery and to distribute in an equal and direct way those assets (for reasons that have to do with technical, economic and social coordination factors, as well as with unequal talents and diverse individual preferences), and so long as implementing such an equal distribution could conflict with other moral principles to which we give great value, a just society should establish some acceptable compensatory principle for the distribution of ‘primary goods’. At the same time, a just society should guarantee state neutrality towards the different conceptions of the ‘good life’ that citizens may embrace, of course within the limits of respect towards the principle of equal basic rights and liberties for all.
A ‘Left Rawlsian’ like Van Parijs argues that the best way to satisfy such conditions is to implement the highest universal and unconditional BI we are able to sustain. In the first place, this would maximise citizens’ ‘real freedom’ - and not just the ‘formal’ one - for pursuing the life projects which are more in tune with their particular conceptions of the ‘good life’. And, secondly, it would constitute the best possible ‘compensation’ for the social and natural ‘lottery’ we suffer: in particular, in a non-Walrasian market economy where formal employment is an important source of income and welfare opportunities in general, paid jobs should be regarded as scarce assets, monopolised by some groups of the labour force, while others equally able and willing to perform them are denied access; the first group is then taking advantage of his privileged position in the form of ‘employment rents’, whose existence comes precisely from the exclusion from those jobs of a part of the potential labour force. In short, a portion of the income received by those who have good jobs is unfairly appropriated, because it is raised by the exclusion of a part of the population from the employment opportunities enjoyed by the first. Society would be then justified in ‘recovering’ that portion of income (as if it were a ‘rent’ for the occupation of scarce opportunities) and distribute it equally among all citizens, and the best way to achieve that would be to introduce an unconditional BI.3

Why, anyway, should we pay a BI to those who, even if they had an opportunity to accept a good job, have no intention of doing so?4 Here is where the liberal principle of neutrality comes into the scene: if egalitarian liberalism is really consistent with that principle, argues Van Parijs, then it cannot advocate a differential -and better- treatment for those who have stronger preferences for work and high levels of income (for instance, because they have expensive tastes) than for leisure and more austere ways of life. From a truly liberal point of view it makes no sense to reward those who have expensive tastes for appropriating a scarce and valuable asset such as jobs, and for excluding in this way those who could and would take advantage of a similar opportunity. On the other hand, those who voluntarily give up the portion of employment opportunities which would fairly correspond to them, should not be punished for doing so, all the more so when those who do not have the same preferences are appropriating a portion of income that would not even exist were it not for that renouncing.5

Against this way of reasoning - and undoubtedly more akin to what Rawls himself would have said -, Stuart White (2003) adduces that economic justice necessarily embodies some ‘fair reciprocity’ principle: citizens have some degree of responsibility for the common good, which

3 See an interesting variant of this argument in Hamminga (1995).
4 This is the famous objection of the Malibu surfer mentioned by Rawls (1988).
5 For detailed and extended explanations of this argument, see Van Parijs (1990, 1995, 1999 and 2000), Van der Veen (1998), and the valuable compilation of critical essays edited by Andrew Reeve and Andrew Williams (2002).
should be reflected in making useful contributions to society. Economic and social citizenship would consist then on a ‘civic minimum’, which would be composed of rights to appropriate a share of the social product as well as obligations to make productive contributions in order to generate that product. The reciprocity principle advocated by White reads as follows: ‘each citizen who willingly shares in the social product has an obligation to make a relevantly proportional productive contribution to the community in return’. White’s fair reciprocity involves the idea that, where state institutions satisfy other basic principles of justice (like civil and political rights) and citizens have a right to claim a sufficiently high minimum share of the social product in order to avoid poverty and vulnerability, then they have also the duty to make a ‘decent’ productive contribution in return, in terms which are proportional to their abilities. In other words, everybody should ‘do his bit’ according to his capabilities and aptitudes.

This principle, however, may be institutionally applied in a number of different ways, depending on what is to be considered as a ‘decent’ and ‘proportional’ productive contribution. An ideal fair reciprocity would require, according to White, the existence of equal access to the market opportunities and the means of production which enable individuals to make the expected contributions. But, as White himself acknowledges, such a situation is not feasible in the foreseeable future. We are forced, then, to find some non-ideal model of reciprocity: provided the state undertakes a set of policies against privation, market vulnerability, class inequality and lack of self-realisation, then citizens have in return the obligation to do a socially defined minimum of hours of paid work all through their lives, that is, to accomplish a ‘basic work expectation’. This expectation, White adds, should also include other kinds of non-paid work, such as care work, voluntary or community work, or even some capital-generating activities. It is in this sense that White defends a certain ‘welfare contractualism’ which is close, in the music if not in the lyrics, to the ‘Third Way’ discourse of British New Labour: the state does not limit itself to assist citizens or deliver one-way transfers, but proposes for them a contract which includes rights and duties, and the latter do not only involve observance of the law -as reflected, for instance, in payment of taxes-, but also a certain work and employment-orientated behaviour. Of course citizens are free to ‘sign the contract’ with the state or not, but if, having the chance to do so and to observe their ‘basic work expectation’, they refuse, then -it

---

6 White (2003: 18).
7 This philosophy is probably closer than BI’s to the one Marx had in mind when, in his *Critique of Gotha’s Programme*, posed his well-known distributive rule for communist society: ‘from each according to his abilities, and to each according to his needs’.
8 In previous work I have tried to show that to explore consistently the consequences of this fact leads to dissolve the reciprocity principle itself as something different from the unconditional nature of BI (see Noguera, 2002: 67-68).
is to be supposed— they lose their civic right and their moral legitimacy to claim a public income guarantee. The ‘civic minimum’ works then in both directions: as the ‘minimum economic rights’ which are guaranteed by the state, and as the ‘minimum work contribution’ which individuals must make in return.

White’s proposals for the design of policies which are consistent with such principles can be summarised in three basic strategies:

a) ‘Making work pay’ (along the lines of the British Labour Party slogan) through the combination of a minimum wage with in-work benefits such as tax credits for low income workers (as in the Working Families Tax Credit implemented by the British Labour government, or similar schemes approved in the United States, Holland or France); it is intended, in this way, to reward better those who do their bit for social production.

b) Moving from ‘work-test’ to ‘participation-test’: this means allowing some non-paid activities such as care and family work, training, or community work, as a ‘decent contribution’; this strategy may result in policies like ‘participation income’—first suggested by the economist A. B. Atkinson (1996)—, ‘civic work’ (Beck, 1999) or ‘citizens’ service’ (McCormick, 1994), all of them sympathetically considered by White.

c) Providing a two-tiered income support system: on the one hand, a tier of conventional work or participation-tested benefits, which should not be time-limited, as tax credits or unemployment benefits when real employment opportunities are missing; on the other, a tier of time-limited but not work-tested benefits: the relevant policies here would be ones such as ‘sabbatical accounts’ which allow individuals to live out of employment for a certain period—say, for familiar or training reasons—while enjoying an income guarantee, or as ‘capital grants’ linked to certain investments like training (in the line of the ‘baby bond’ instituted by the British Labour government).

White goes on to concede that some of the above mentioned policies could give rise to certain variants or modalities of BI which would be compatible with his idea of justice as ‘fair reciprocity’; for example:


10 Something similar has been advocated by Luis Sanzo in his proposal of a BI scheme for the Basque Country: see Sanzo (2001).

1) A ‘republican’ BI, which would be the counterpart of ‘civic work’ or ‘citizen’s service’ programmes as those defended by Atkinson or Beck.12

2) A targeted BI, to be delivered only to those citizens most disadvantaged in their labour market opportunities, or in their chances for self-realisation in work.13

3) A ‘time-limited’ BI, that is, an income guarantee to be enjoyed only for a certain period of time throughout the citizens’ working life (for example, in the form of the already mentioned ‘sabbatical accounts’).

4) A universal ‘basic capital’, like a ‘social inheritance’ linked to certain productive activities in the economy.

It seems clear that none of these policies coincides exactly with what supporters of BI like Van Parijs regard as such, though some of them are much closer to BI than the present situation. Be it as it may, all these ideas and policy proposals are nowadays quite widespread among the Left (and not just among those supporting the ‘third way’). I intend to discuss below some pragmatic (Section 3) and ethical (Section 4) shortcomings of these proposals when they are compared with BI.

3. Pragmatic problems of welfare-to-work policies

I will examine in this section some of the policies which, like those defended by White, seek to maintain, intensify or introduce some link between receiving a benefit and undertaking some kind of productive activity, even if the latter is understood in a broad sense. One may point out that the most radical workfarist proposal -a guaranteed right/duty to work for the whole able-to-work population - can be dismissed as far more problematic than BI in terms of efficiency and equity.14 Several problems of authoritarianism, distribution of the quality of jobs, economic and organisational costs, and others, would made that option unfeasible, even if it were thought of as a massive and direct distribution of employment (or perhaps precisely because of that). The set of policies supported by White and others are no doubt more flexible, feasible and in some cases less ‘employment-centred’ than a workfarist full employment policy or

12 However, see Casassas & Raventós (2002) for a very different republican justification of an unconditional BI.
13 It is debatable though in which relevant sense we could speak of ‘BI’ in this case as different from other targeted income transfers like disability pensions or child benefits.
14 I argued this point extensively in Noguera (2002); see also Elster (1988). For a critical view on BI from the ‘right-to-work’ side, see Harvey (2003); for an intermediate position, see Watts (2002).
than many present social policies. I will review those proposals, following a sequence from the less ‘employment-centred’ (such as ‘participation income’) to the more employment-centred ones (such as tax credits); in doing so, I will try to elicit their comparative disadvantages when faced with a universal and unconditional BI.

1) Atkinson’s participation income, in the first place, would consist of paying a basic benefit to the population unable to work, as well as to every able-to-work citizen who undertakes some activity regarded as socially useful (including paid employment, domestic work, care work, training, or voluntary and community work). Its main shortcoming compared with BI is easy to see: the coverage of the benefit would likely be quite similar (because only recalcitrant idlers would fail to qualify, and that would represent, say, between zero and five per cent of the able-to-work population), but its implementation would involve a far higher cost, because it would be necessary to make remarkable investments in inspection, control and selection of the claimants, only to exclude, at most, the potential five per cent of idlers. One may also imagine how easy fraud would be: anyone could plausibly pretend that he/she does ‘domestic work’ or some kind of ‘training’ or ‘community work’, just by registering in some language school or NGO. And think also of how unfeasible - and perhaps even ridiculous - inspection might be when trying to check all these matters (‘Good morning,’ the inspector would say, ‘I am coming to check whether you take care of your children, cook or clean for your family, and whether your son is really studying languages’). It is easy to notice that, sooner or later, a participation income would become a de facto BI even if not officially acknowledged as such. Notice finally, that if this proposal were seriously implemented, it would encourage - contrary to BI - the reproducing of the subordinate role of many women, because of the link between the benefit and the performance of domestic work.

2) Civic work or citizens’ service proposals made by Ulrich Beck (or White’s ‘republican’ BI) would probably have a more reduced coverage and scope than participation income. Now the aim would be to offer the possibility to earn a wage by performing socially useful activities which are not sufficiently supplied by the market; this would allegedly give scope for increasing civic solidarity and enhance self-esteem among the unemployed. However, these policies combine all the disadvantages of subsidised jobs; to mention just a few: a) wages tend to be very low, and most of them amount only to the minimum wage; this fact leaves one asking why vulnerability in the labour market is denounced only to propose, immediately afterwards that the state fosters it too; b) ‘second-tier employment’ circuits are created, some times including

‘artificial’ jobs which are likely to be stigmatised by the rest of the population, so that the whole scheme becomes counterproductive, at least to the extent that it aimed to generate self-esteem and social recognition for those workers: it is quite difficult to achieve that aim through subsidised jobs which often become chronic second-best solutions for workers with low market opportunities; c) the quantitative limits of these schemes are evident, and it is hard to see how they could reach all the citizens who lack a minimum income level. The most probable outcome of these schemes is therefore to consume public resources while achieving poor results in return and sending recipients back to the starting line.16

3) The extending of contributory benefits to citizens who perform some non-paid activities - like housewives -, or to those who interrupt their job career in order to undertake occupational training or to improve their professional abilities, has been often supported (Offe, Mückenberger & Ostner, 1996), but it is not free of some inconsistencies. For instance: why should the state pay the social insurance contributions of people who are not in paid work, when it does not do the same with others who are, like the self-employed or some part-time and stationary workers? Why should the former be entitled to a ‘contributory’ benefit, while some employed people might end up being entitled only to social assistance (for example if their contribution record is not long enough)? Whatever we may think about letting the state ‘contribute’ on behalf of some people, this would surely pervert the contributory principle in which social insurance schemes are allegedly based (Noguera, 2001). One may even think that to endorse such payments would not leave us very far from BI, or, at least, from participation income: why should we not, for instance, consider those ‘contributions’ as being part of a BI or negative income tax scheme, instead of a fictitious social insurance one? Let us note finally, that the problems related to fraud and inspection which affected participation income could be raised also in this case.

4) Basic capital proposals are also advocated by White to some degree. They may take two different forms: either an unconditional and universal endowment, which would be in fact another form of unconditional BI17; or, as would seem consistent with the reciprocity principle, a...

---

16 In Spain we have recently witnessed the failure of this type of “charity job” in the form of a workfarist “active income” policy for long-term unemployed with dependent children and who have exhausted their right to unemployment subsidies: during the two years this scheme has been running, very few people have applied; the reasons may easily be imagined: the wages are so low, the jobs so hard and unpleasant, and the means-test so tight, that it is much better for unemployed workers to seek their income in Spain’s extensive shadow economy. These problems are co-extensive with those affecting some of the minimum insertion income programmes of the Spanish Autonomous Communities, which are in fact workfare schemes.

17 This is the case of the ‘stakeholder grants’ advocated by Ackerman & Alstott (1999); besides, and as they point out, a basic capital could be privately administered in such a way that it becomes a monthly paid benefit as BI; conversely, a BI could be capitalised through any finance company which gave a loan with BI as guarantee.
conditional benefit, the payment of which is subjected to it being used in some socially productive ways (like vocational training, creation of new business, moving to a new area in search of employment, or establishing a family). If this is the case, then ‘basic capital’ would just amount to reshaping and bringing together some already existing benefits (which, when they are called by their usual names, do not look very innovative), namely: students grants, or subsidies for business creation (be they in the form of direct transfers or tax exemptions). There is nothing to object to that kind of benefits as such, but one may simply say that they are not ‘new’ proposals at all, and that their rationale as earmarked grants is very different from the rest of the income guarantee policies we are dealing with here.

5) White suggests paying a ‘targeted BI’ to those citizens who are ‘less talented’ or have fewer opportunities to find good jobs and self-realisation in work. According to him, that benefit would be justified because the ‘basic work expectation’ of these groups (that is, the ‘civic minimum’ to be expected from them as a ‘decent’ contribution to social production) should be reasonably lower than that of other social groups which enjoy better opportunities. The first objection to be raised - and which is mentioned by White himself (2003: 172) - is that it would be certainly hard to identify the potential recipients of such a benefit, and - one may add - it is likely that low qualifications or wages would in the end be the preferred criteria for that identification; in such a case, few differences are to be expected between this ‘targeted BI’ - a seemingly self-contradictory term - and tax credits for low-income workers (which I will discuss below), or some social assistance schemes for poor or marginalised people; if the latter is true, the well-known shortcomings of that kind of policies - selectivism, stigmatisation, non take-up, and so on - would then be reproduced (Offe, 2002).

6) A time-limited BI or a ‘sabbatical accounts’ programme is another policy choice towards which White or Beck are sympathetic. Under such schemes, citizens would be allowed to ‘surf’ if they wish but only for a certain period throughout their lives (say, two or three years). However, there is some inconsistency in defending these policies from the standpoint of reciprocity theory; in order to show this, it will be useful to distinguish two possibilities: under the first one, only those in paid employment would be entitled to receive the benefits; under the second, the chance to ‘surf’ for some years (while receiving the benefit) would be offered to every citizen regardless of work or employment performance. Suppose we choose the first option (as most of the existing proposals in fact do); then we would be enhancing unfair differential treatments which are not consistent with the reciprocity principle: for instance, why offer paid sabbatical years to Wall Street brokers and to weapons or tobacco producers, while we deny them to volunteer NGO’s workers or family care-givers? Besides, we would be
rewarding those who are generally not in need of income support, in line with earnings-related contributory benefits, but, in this case, the funding would not come from social security contributions, but from general tax revenues (because generous subsidies to employers are to be expected in order to make the sabbatical accounts acceptable to them)\(^\text{18}\). Once again, why not deliver those resources directly to citizens as a partial BI or a negative income tax (which would both be much more redistributive than sabbatical accounts)? In short, if only those in formal employment could qualify for the ‘sabbatical accounts’, then the reciprocity principle would only be satisfied in a full employment society in which every able-to-work citizen had a job; but the unfeasibility - not to mention the undesirability - of such a situation is precisely the standpoint of the whole debate about income support, so those who support these proposals may be in fact putting the cart before the horse.

Let us turn now to the second possibility, namely to spread the right to ‘sabbatical accounts’ among all citizens, and to institute a ‘time-limited’ but universal BI. However, some questions arise when we carefully consider such policy: what would a ‘sabbatical year’ mean for a housewife or a family caregiver? Would the state fund and organise the performance of their domestic and care work, while paying them an income for two or three years so that they could ‘surf’ or plant bonsais? It is quite difficult to think so, but then the reciprocity principle would be again unfulfilled, and unfair differential treatment between those in formal employment and those who are not would arise. In addition, if the right to paid ‘sabbatical years’ is made independent from having a job, in which sense would we be assuring the reciprocity principle? In order to be consistent with it, we should make the right conditional to the performance of some ‘decent contribution’ to social production, be it paid or not, and so we would have to face all the above-mentioned pragmatic problems of participation income.

7) Let us now consider tax credits for low-income workers, another policy option which has been adopted by several European governments after its alleged success in the United States, and which White also supports under certain conditions. It has been claimed against them that, by raising the worker’s net income, they allow employers to pay low wages or even to reduce them; but a defender of tax credits would reply that this is, in fact, one of their rationales: to make possible the existence of a certain provision of jobs which are socially demanded but whose low productivity makes it unlikely for employers to pay higher wages; on the other hand, if a proper minimum wage legislation is enforced, it should be assured that wages will not fall below a certain subsistence level. Objections, therefore, should point in another direction. First,

\(^{18}\) For a discussion of the relationship between basic income and earnings-related contributory benefits, see Noguera (2001).
we may again find one of the usual problems of in-work benefits - and one about which reciprocity theorists should be most concerned -: the discriminatory treatment of unpaid workers, who, precisely because they work for free, would not receive any tax credit\textsuperscript{19}. This fact raises the question of why one should reward work contributions only when they are paid, leaving aside millions of people who are undoubtedly making a ‘decent contribution’ to society (and maybe even a more ‘decent’ one than some of the paid workers).

I would like to explore now a second objection against tax credits from the point of view of efficiency, although we shall see it has some ethical implications as well: a closer look at tax credits reveals that they consist of bribing some citizens to accept some jobs which they would not be willing to accept otherwise. One may say then that these benefits are operating a double shift from traditional income support policies: in the first place, a shift from ‘bribing’ employers (who often are already given a whole package of subsidies and tax reliefs in order to hire some workers they would not want to hire otherwise) towards ‘bribing’ workers as well (something that may sound interesting for BI supporters, since the subsidy is now received by persons and not just by firms). However, in the second place, there is also a shift from ‘bribing’ some people not to be in formal employment or to abandon their jobs (as is the case, for instance, of mature workers who are paid additional benefits for accepting early retirement, and of some workers who are given ‘sabbatical leaves’ as already mentioned, or paid a ‘second cheque’ if they reduce their working hours\textsuperscript{20}) towards ‘bribing’ others to engage in paid work.

However, if the aim is to guarantee a decent minimum income level for paid workers, and then a more efficient performance of the labour market, one may well ask why not simply universalise the tax credit in the form of a negative income tax or a BI, and let workers decide without bribes or coercion what kind of working lives and jobs they are willing to accept; this way, the supply and demand of jobs would adjust each other in conditions of greater equality between those seeking work and those offering jobs (Alstott, 1999). We are in fact doing no favour to any ‘fair reciprocity’ principle when we obtain with a bribe the acceptance of a job by somebody who would not accept it without receiving that bribe, or the hiring of a worker by some employer only because he is being paid to hire that worker. Under a BI, in contrast, the incentive to accept a ‘real’ job would depend on the job as such, and not on any conditional subsidy, which supports its acceptance, so that it is likely that the worker’s motivation, his

\textsuperscript{19} This is in fact the case of almost all existing tax credit schemes, though this is not necessarily the only possibility: a BI or a negative income tax could in principle take the form of a universal tax credit.

\textsuperscript{20} This would also be the case of young people who receive grants under the condition they are full time students, or of housewives who would eventually receive a ‘domestic work wage’.
productivity and his social usefulness would be much higher. And these are matters which reciprocity theorists should be concerned with.

The present labour market situation is indeed a curious one: many people who would be willing to engage in paid work, or to devote more time and efforts to it, cannot find the opportunities to do so; at the same time, and conversely, many who would want to leave, or to devote less time and effort to their jobs, are impeded from doing so because of the drop that would mean in their income level. It is easy to see that a BI could elicit a more rational distribution of jobs and working time according to the citizens’ working preferences. Tax credits, in comparison, seem a quite disappointing tool - even if not a completely dismissible one, at least as an intermediate stage. If reciprocity were really the rationale for tax credits, then they would have to be paid to the whole working population, and not just to low-income workers; the fact that only the latter qualify for them shows that their rationale has to do also with income redistribution and labour market efficiency; but, on both of these grounds, BI would clearly perform better (and in fact, as I mentioned above, it would also on the ground of reciprocity itself, since unpaid workers would be eligible too).

8) Finally, a ‘welfare-to-work’ policy which is in no way innovative - and which, maybe because of that, is rarely advocated by theorists such as White - consists of hardening the eligibility conditions of unemployment or social assistance benefits for citizens in working age and able to work. In that case, for instance, the refusal of a job offer may be enough reason to withdraw or deny benefit. It is somehow surprising, but quite significant, that none of the Left’s reciprocity theorists who adhere to welfare-to-work policies has defended something remotely similar: on the contrary, in White’s book one may find several mentions to the need for a generous and non-stringent unemployment benefits policy. However, it is hard to see why reciprocity theorists should a priori reject those kinds of measures. In order to understand why this inconsistency arises, we will have to discuss some normative questions about the reciprocity principle. In the next section I will try to go through that discussion and to relate it to some extended ethical intuitions which - so I will argue - are conceptually linked to the idea of an unconditional BI21.

21 Of course, this normative discussion is analytically different from the one about how efficient those hardening measures are. We will not deal with that issue here, but we may say that research in the field has shown the relative failure of such programmes when they try to ‘activate’ the recipients of benefits and to create employment, as long as the social exclusion problems which are produced by its selective philosophy - see Aho & Virjo (2002), Handler (2002), Standing (2002) or Van Oorschot & Abrahamson (2003). In addition, Ramos-Díaz (2002) or Goodin (2001) have pointed out that selectivism and hardening of work requirements do not lead to better results in creating jobs than other less workfarist and less stringent policies.
4. Some ethical intuitions in favour of BI and against the philosophy of reciprocity

There are different types of ethical objections to be made against activation and welfare-to-work policies, but here I would like to focus on one fact which seems very significant to me: the existence of certain strong and extended ethical intuitions which point in the direction of an unconditional BI. In this section I will sketch some of these ideas in an exploratory fashion, as well as how they may affect the philosophy of reciprocity and welfare-to-work. But perhaps a clarification is due from the start: it should be obvious that BI’s supporters do agree that those who work for a wage in the labour market should see their income increased as a result of that performance, and that they consider this as perfectly compatible with the existence of a BI; the level of that increase, of course, would depend on the income tax rates needed to finance a certain sustainable amount of BI. This having been said, let us then turn to other, less trivial, ethical matters.

To begin with, it seems intuitively hard to call on justice and fairness as reciprocity theorists do, and at the next moment bribe citizens to accept jobs they would refuse in conditions of real freedom such as those BI would provide. As I noted before, some activation or welfare-to-work policies like tax credits for low income workers are in fact ‘bribes’ which allocate unequal resources to citizens just because of their different preferences about the work-income-leisure trade-off. Van Parijs’ proposal for introducing an unconditional BI at the highest sustainable level seeks, among other things, to bring to an end those kind of ‘buying-off’ strategies in social policy: with a BI, we would not be ‘bought-off’ by the state in order to work or stop working depending on our situation -as it is the case now, but we would be allowed to decide for ourselves how to balance work, employment, income and leisure in our lives. But if that decision is to be a free one, we need a guaranteed material basis which undermines the effectiveness of any kind of coercion or ‘buying-off’ strategy. In order to behave in accordance with the reciprocity principle, or to sign a ‘contract’ like White’s ‘civic minimum’, we need something which is previous: the freedom to make that decision without coercion. To the extent it makes possible a higher level of real freedom, BI may be then a precondition -and not an obstacle- of individual responsibility and of the proper application of any ‘fair reciprocity’ principle.

I regard it as a useful and urgent task to go deeply into this fact, because BI is very often attacked as a highly counter-intuitive proposal, as being incompatible with deeply rooted values which are allegedly crucial for social cohesion (as for instance the ‘centrality of paid work’ and similar ones).
In second place, it is hardly acceptable from a progressive point of view that those who enjoy good jobs impose on the rest, in order to guarantee a decent income for themselves, the acceptance of jobs and working conditions that they would not be willing to accept, and that, in most cases, they can afford to refuse only because of good natural or social luck. Drawing on Rawls' well-known ‘difference-principle’, Guy Standing (2002) has formulated this idea as a policy evaluation principle which seeks to avoid paternalism coming from the most privileged. According to that principle, we should not impose controls or conditions on the most disadvantaged which are not imposed on the most advantaged; let us think, for instance, of the situation of a person of private means or a rich inheritor: they are not asked to make any ‘decent productive contribution’ in order to have access to a quite substantial share of the social product, and, surprisingly, reciprocity theorists would not even think of doing so. Not everyone who fails to ‘do his bit’ is then given the same treatment.

So it is easy to see, as argued by Van Parijs (1998, 2000) or Schroeder (2001) that we are not dealing with a conflict between the ‘hard-working’ and the ‘idlers’ (or ‘surfers’), but with an issue about justice in the distribution of opportunities to make ‘decent contributions’: the so-called ‘idlers’ would not hesitate to accept the jobs performed by the supposed ‘hard-working’, while the latter would not do the same the other way round. So who is then the ‘hard-working’ person and who the ‘idler’? This is not just an abstract issue for political philosophers: it has to do directly with day-to-day decisions about how to manage benefits and public employment services in our societies; it has to do, in short, with the impossibility of a non arbitrary distinction between ‘voluntary’ and ‘involuntary’ unemployment. Is a fired executive who would not accept working as a waiter ‘involuntarily’ unemployed? Is, on the other hand, a fired clerk ‘voluntarily’ unemployed if he does not accept working as a bricklayer? If we had to apply White’s reciprocity principle consistently, why should we not force some recipients of public benefits to accept some job offers under the threat of withdrawing their benefits? It is difficult to see why not, but from a progressive view -and, so, from White’s view- that would be intuitively regarded as a highly inconvenient and rejectable policy.

In fact, our public employment services normally operate in a rather more flexible way than would be demanded by any coherent reciprocity principle; that is so because the policy of those services towards the unemployed often rely on the vague concept of ‘appropriate job offer’ in order to decide whether or not they deserve to keep their benefits. Since the determination of what counts as an ‘appropriate’ job offer is quite ambiguous, there is in practice

---

23 We have witnessed, in recent years, many attempts to apply these kinds of policies in western countries, attempts which are usually rejected as unjust by most of the social, political and intellectual groups on the Left.
a broad discretionary margin to, on the one hand, allow arbitrariness and coercion depending on the government policy or the administration level, and even on the civil servants’ moods; and, on the other hand, to give scope to interpretations so flexible that the benefits would in fact become almost unconditional (as has been the case of some schemes of rural unemployment benefits in southern Spain, or of some social assistance benefits in other European countries). Basically, the fiction of the ‘appropriate job offer’ conceals what we all intuitively know: that we do not have the right to force anybody to accept a job he does not want to accept, and that the fact somebody rejects such a job does not deprive him of his right to an income guarantee in order to survive decently. At the root of this intuition we find an underlying principle which is as basic as (or perhaps more than) the reciprocity principle (and one that is present in many written constitutions of democratic states): the freedom to chose one’s profession and/or job. And that principle is better guaranteed by a BI than by any workfarist, welfare-to-work or activation policy.24

It is worth stressing this point, since it forces left wing reciprocity theorists like White to face a quite unsolvable dilemma: we intuitively regard as unjust, from a leftist point of view, the idea of pressuring and forcing the unemployed to accept jobs they do not want, under the threat of withdrawing (or denying) their benefits. But, if we accept the reciprocity principle, even in White’s flexible and moderate version, sooner or later the time will arrive when we will have to do exactly that with some unemployed people. In other words: if the reciprocity principle is consistently applied, then that will lead us, sooner or later, to practical consequences which are intuitively unacceptable from a left wing point of view; if, on the contrary, the reciprocity principle is applied in a weak and flexible way, then that will lead us, sooner or later, to a de facto BI, or to something very close to it; and in that situation, the transition to a de iure BI would be a much more efficient and less hypocritical way of acknowledging what we are doing anyway, in flagrant contradiction with the reciprocity principle. I cannot see any way out of this dilemma if we accept the philosophy of reciprocity: there is no sense at all in opposing in a principled way a harder and more stringent

---

24 A certain overlooking of this principle and its anti-paternalistic implications is something to be found not only in the new activation and ‘third way’ policies, but also in some nostalgic defences of classical Nordic social democracy -see Navarro (2002) or Esping-Andersen (1999)-, which regard as a panacea the rise of the female activity rate by virtue of massive public job creation in the sector of welfare in-kind services. It is not always noticed that this strategy would rely on gender segregation in employment, and would not necessarily respect women’s preferences and choices. On the contrary, a BI would not trap women in the household nor in feminised employment sectors (in which they would perform tasks which are very similar to housework), but would deliver more real freedom to decide for themselves.
policy towards the unemployed, while opposing, at the same time and also in a principled manner, an unconditional BI. This position is simply inconsistent.²⁵

Why does this inconsistency arise? We could venture the hypothesis that within the ideal of reciprocity itself there is something which is in deep conflict with some of our most solid values and social links. If the reciprocity principle as such precludes giving something in exchange for nothing, then it precludes some types of conduct we are constantly involved in throughout our daily life; it precludes, in fact, society itself, understood as something different from a pure self-interested agreement, namely as a community of people who often give without expecting anything in return, and not with the intention of being reciprocated, but because they intuitively believe that doing so is their duty towards their fellow citizens, neighbours, friends or relatives. As Robert Axelrod (1984) has shown, the reciprocity principle is a typical rule of behaviour for selfish agents, for those who do not give anything in exchange for nothing, but only conditionally.²⁶ This is also noticed, from a different standpoint, by Helena Béjar (2003: 34) when she affirms that reciprocity ‘may be the subject of interaction if we adopt a utilitarian perspective, but reciprocity can never be the core of morals, either politically or socially’.

Let us now clarify an important point: it is obvious that giving unconditionally cannot be a principle which rules all social interactions, and that different versions of the reciprocity principle would be broadly applied in many exchanges of any just society (Bowles & Gintis, 1999); however, the disputed issue between reciprocity theorists and BI supporters is not the application of the principle to social exchanges in general, but only to those which affect basic economic subsistence and minimum acceptable levels of individual freedom to direct one’s life. Quite clearly, there are certain things which are given in exchange for nothing in every society, and one of these things should be the right to minimum acceptable levels of subsistence, autonomy and real freedom: that should be an unconditional right, not subject to any duty of reciprocity, and even less in the form of employment. Such a right should not be made dependent, in a just society, on a principle based on egoism and ‘tit for tat’. It is in this specific sense that something like BI is an important part of the moral infrastructure of societies that not so long ago sought to grant security ‘from the cradle to the grave’ for every citizen. BI would be a

²⁵ Van Parijs (1999) has noticed this when, in his answer to Bowles and Gintis’ defence of the reciprocity principle (Bowles & Gintis, 1999), he points out that such a principle ‘is not a very attractive prospect for anyone who believes that egalitarianism can and must go hand in hand with emancipation, not with liberticide for the poor’.

²⁶ In a study published in Nature, Axelrod and his collaborators show, using simulation tools, that reciprocity - be it direct or indirect - is not necessary in order to make social cohesion and cooperation possible (Riolo, Cohen & Axelrod, 2001); those properties may be evolutionary achieved even if direct reciprocity, memory of past encounters or anticipation of future ones are absent; they may just arise as a result of the perception of some ‘tag’ or common trait. See also Wax (2002) or Ridley (1998) for an interesting hypothesis on the evolutionary origins of certain ethical intuitions about reciprocity and work.
characteristic trait of a society whose members conceive of themselves as living together for reasons which go beyond self-interest: such a society would be implementing an ‘extensive solidarity’ principle in order to grant solidarity between strangers, which is the only way to ensure the cohesion of increasingly complex and diverse societies. And even if, for the reasons mentioned, reciprocity is not the rationale for BI, it is worth keeping in mind that BI would ensure in fact a much greater degree of social reciprocity than the one that present situation allows, or any welfare-to-work policy would produce.

5. Conclusion

Everyone who has tried to defend the proposal of an unconditional BI in front of broad and diverse audiences is well aware of the pedagogical and even psychological obstacles which impede its understanding; there is no doubt that the idea of an income guarantee which is made independent from work or employment performance requires strong persuasive efforts to be convincingly explained. In Section 4 I have tried to balance those obstacles by pointing to some deep and quite widespread moral intuitions which, on the contrary, seem to favour -and even to require- the acceptance of BI. But it is obvious that moral intuitions are not operational if they are not embedded in social projects capable of being institutionalised, as was the case of post-war European welfare states.

Today, those who regard a more inclusive and egalitarian society as a desirable aim have to face a crossroads with three different ways: the first one leads to a persistence of the present impasse of successive reforms in order to apply temporary and insecure remedies to a welfare state which has to manage with problems it was not designed to tackle; the second implies intervening directly in the primary income and employment distribution which is done by the market, in order to ensure real full employment and higher wage equality; the third moves us in the direction of introducing, in a gradual and pragmatic fashion, an unconditional BI as a citizenship right. It seems clear enough that we cannot wander indefinitely along the first road; the second is quite difficult to travel, full of risks, and counterproductive in the present economic and social context -not to say undesirable for normative reasons, as we saw; so there is only the third one left. Perhaps BI supporters should begin to think of reversing the burden of proof and ask their critics: if not BI, which alternative and feasible policy is today available aimed at granting economic security to every citizen and avoiding any kind of exclusion? The gauntlet has been thrown down; will anyone take up the challenge?
References

Ackerman, Bruce and Alstott, Anne (1999): The Stakeholder Society. New Haven, Yale University Press.


