Universal proposals of income distribution: a normative revision

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ABSTRACT

The idea of guarantying an unconditional and universal income to each member of the political community is rooted in Thomas Paine and Joseph Charlier writings some centuries ago. In recent years, the debate on this topic has been renewed. Among the recent initiatives, the mostly spread ones have been the Universal Basic Income mainly developed by Philippe Van Parijs and the capital grants proposal elaborated by Bruce Ackerman and Anne Alstott. These two redistributive proposals present many coincidences and differences, both in the normative and factual area. This article contains a strictly normative analysis of both proposals, mainly concentrated in their key objectives. These two initiatives have been mainly conceived as normative programs aiming to improve freedom, justice and equality between individuals. The purpose of this article is to develop some arguments to uncover the main problems and weaknesses that the two proposals show when trying to meet their goals.

Keywords: Universal basic income, equality of opportunities, capital grants proposal.

Introduction

There has been since the mid 80’s a renewed interest in unconditional and universal redistribution of income proposals as egalitarian plans. To guarantee that each individual’s income falls below certain levels, it is a proposal that has gained its place in the current debate (Widerquist, 2001a). This recent interest can be explained partly by the necessity of finding solutions to the “crisis” of welfare estate institutions, as well as to the loss of prestige undergone by other alternative institutional models, as socialism or communism (Dowding, De Wispelaere, White, 2003). Facing to this problem, in the last years, two important redistribution initiatives were consolidated, because of their normative principles and their practical viability.

On one hand, there is the Universal Basic Income proposal (UBI), mainly promoted by Philippe Van Parijs (1995). It consists in granting an income to all members of a specific political

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community, without making any kind of discrimination (rich or poor people, workers, unemployed people, etc) and without asking for any special condition or requirement.

On the other hand, there is the Stakeholder or capital grants proposal (CG) presented by Ackerman and Anne Alstott (Ackerman-Alstott, 1999, 2004, 2005). Basically, this proposal implies to grant a sum of 80,000 dollars to all United States citizens in four yearly instalments beginning on their twenty-first birthday providing that they have finished their high school studies and have not criminal antecedents (Widerquist, 2001b: 1022).

By means of this income, which can be used in the way that each one considers appropriate, the objective is to improve the citizenship’s opportunities to carry out the way of living that each one desires. As Erik Olin Wright has suggested, these models that were thought to diminish the high prevailing levels of inequality, can be considered as “real utopian”, since they present an important grade of coherence and institutional viability.

In this sense, these proposals contain a set of values which are genuinely emancipating, counting on a potential feasibility in the development of public policies (Olin Wright, 2000:144).

In this work, I concentrate on discussing both redistributive plans from a normative point of view. Thus, this article is divided in five parts. Firstly I present the features that characterize and define each program. Secondly, I discuss some of the advantages and disadvantages attributed to each proposal. Thirdly, I argue that a UBI is preferable to a CG, arguing that a CG achieves in a lesser extent its equality objectives (Fitzpatrick, 2005; Fabre, 2003; Pateman, 2004; Lewis, 2005).

Since the egalitarian component is essential to maintain the rest of the proposal, I affirm that the equalization of opportunities proposed by Ackerman and Alstott is ephemeral, late and inoperative in several occasions (Lehman, Malamud, 2000; Fabre, 2003). In fourth place, I analyze the possibilities of some intermediate ways between a UBI and a CG proposal. Finally, I present some considerations.

1 Real freedom, incomes and equal opportunities

Let us begin by a general definition. A UBI and a CG are income redistributive plans that share two main characteristic: universality and unconditionality. The first principle implies that any person who receives that income will not have to give something to anybody in return. It also entails that there are not requested special conditions to get it. It is useful to think about a conditional income scheme to see more clearly the difference. For instance, under a scheme of conditional subsidy, as its name stated, the beneficiary will have to meet some conditions in order to accede to it (e.g. unemployment insurance, old-age pension, maternity leave pension, etc.) However, both UBI and CG proposals are subsidies that require as exclusive condition to their beneficiaries to be member of the political community that provides it. The second principle, the notion of universality, refers to the extent of the population that is covered by these programs (De Wispelaere-Stirton, 2004: 267).

In this sense, some authors argues that these proposals have a hard core related to the idea of universal suffrage. (Doménech, 2001; Ackerman-Alstott, 1999; Pateman, 2003, 2004).

Of course, somebody facing the idea of a universal and unconditional income distribution can be unconvinced at first. The inexistence of conditions and the universal character of this kind of redistributive policy can be interpreted not only as utopian but also as unjust and undesirable.

Some authors place UBI and CG proposal within two more general categories. On one hand, they talk about stream to refer to incomes that are received regularly or frequently on a temporal basis (per month or per week). On the other hand, they talk about grants to refer to the proposals based on one payment. See for example: (Fitzpatrick, 2005; De Wispelaere, Stirton, 2004).

As we will see later, a CG proposal requires certain special conditions such as certain age, having finish high-school and not having criminal antecedents.
Naturally, some questions arise: People that do not work would have to receive an income financed by the rest of society’s work? Why would we have to subsidize the life of those who do not contribute with their effort to productive tasks? Or, is it fair that in our communities those in better conditions receive the same income that those in worse ones? In any case, why do we have to grant a subsidy to Bill Gates? (Block, 2001) But beyond these normative questions, we could ask what technical viability or what possibility exists to implement a redistributive program of this type. To respond this question it is useful to consider two significant examples. In the first place, we nowadays have the case of Brazil, where his president Luis Ignacio “Lula” Da Silva, in a meeting held on February 8th of 2004 in Brasilia, enacted a law project 4, establishing the gradual implementation of a UBI starting from 2005. A second case is Great Britain. For years, the government of Tony Blair has been committed to the implementation of a program called Child Trust Fund. To be more precise, since the spring 2005, the British government decided to guarantee that each English child born after August 31st 2002 receives a bond of approximately 500 euros. This “Baby Bond proposal” is a universal income granted to all the children who are born, which is invested in a fund and which will be available for its use when their beneficiaries reach the age of 185. (Fitzpatrick, 2005) Thus, each citizen starting his adult life would have approximately 7,500 euros to his disposal. This means that Great Britain is taking the first steps in the implementation of this kind of programmes.

Putting details to one side, an interesting aspect here is that these two policies could be decisive at the time of determining the success or the failure of the proposals discussed in this article. Moreover, it is important to point it out, because far from existing decisive answers in the normative plane, these initiatives are already being implemented. For some authors, the debate on the wish and feasibility of universal and unconditional income distribution policies has already reached its maturity (De Wispelaere - Stirton; 2004:265). This can be mainly noticed through the increasing interest in these ideas from different sectors of the academic and political left around the world. Nevertheless, the expansion of the debate has produced certain erosion in the concept, caused mainly by the changes and adaptations of these proposals in different contexts and situations. Wispelaere and Stirton hold that it is extremely important that the implementation of this kind of policies takes into consideration the institutional characteristics of the place in which it is going to be carried out. Considering that political and administrative context differs from one country to another, it obliges us to think about adaptations of the ideal model before putting it into practice. Thus, it is also possible to say that within the debate there is a substantial disagreement in the level of the ideal types of policies. While some are in favour of a negative tax to the income, others support an unconditional basic income or income participation, others believe in capital grant subsidies.6

The two income distribution policies that I am going to deal with in this work have been identified by some authors within a new social termed as ‘stakeholding’ paradigm (Dowding, et al 2003:2). This paradigm supposes an efficient coordination of the markets respecting certain levels of equality and social inclusion (Dowding et al, 2003). Thus, the term “stakeholding” refers to a

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4 This Project was originally submitted by Eduardo Suplicy, currently Senator of the “Partido de los Trabajadores”. Suplicy has been one of the main promoters of UBI proposal in Latin America. The project submitted to the Brazilian Parliament was approved unanimously in 2002 and by the Chamber of Deputies in 2003. Finally, it was approved by President Lula in 2004. For more information see Eduardo Suplicy’s Work (2002) “De la renta mínima a la renta básica en Brasil, La reciente evolución de un instrumento de combate a la pobreza y a la desigualdad” en Agásia nº 71/72, 2002

5 There is a lot of literature about the “Baby Bonds” implementation. See among others Prabhakar, 2003.

6 The authors propose seven dimensions from which the different UBI distributive proposals can be differentiated. 1. Universality; 2. Individuality; 3. Conditionality; 4. Uniformity; 5. Frequency-duration; 6. Modality of Payment; 7. Adequacy (De Wispelaere, Stirton, 2004). These dimensions contain the hard core of the different distributive proposals with universal and sometimes unconditional distributive vocation.
particular form of understanding how the enterprises should be organized and managed. In the light of this approach, companies are seen as places in which Stakeholders’ different interests are involved in the productive process (Dowding et al, 2003). In spite of it, what unites the UBI and the CG with a “Stakeholding” model is not the sense of collective decisions, but its common adhesion to the paradigm in social policies which is focused on fostering individuals as independent economic agents. These “stakes” would allow individuals to participate in an active and committed way in the economy. What is important here is the belief that, behind these proposals, individuals must responsibility on the possession and use of an income that will allow them to make decisions within the economic system. Both policies point to an egalitarian direction adding new rights and social duties. As we will see, in these cases, income distribution can be conceived as a form of being more egalitarian without leaving aside the goals of economic efficiency.

1.1. Universal Basic Income

Philippe Van Parijs defines UBI as: “[…] an income paid by government to each full member of society (1) even if she is not willing to work, (2) irrespective of her being rich or poor, (3) whoever she lives with, and (4) no matter which part of the country she lives in” (Van Parijs, 1995:35).

A second definition equally accepted, has been proposed by Daniel Raventós:

A Universal guaranteed subsidy is no more than an income paid by the government to each full member of the society, even if he does not want to work in a remunerated way, without taking into consideration if he is rich or poor. In other words, regardless of other possible income sources he could have, and without taking into consideration with whom he lives. (Raventós, 1999:13)⁷

From these two definitions we can get the main components of the proposal. Firstly, it is necessary to note its universal nature. A UBI consists in a monthly income that each citizen of a certain political community receives, just because of being a citizen. In other words, this means that anyone would receive this income without any class of distinction (rich, poor man, employee, unemployed, etc.). A second key component in this proposal resides in its unconditional nature.⁸ All citizens receive this income and none of them are asked anything in return. There are no conditions to get it. A UBI can be paid in different political administrative levels (European Community, MERCOSUR, central, provincial and state governments, etc). This fact explains, in some way, the existence of discrepancies about who could qualify as its. It is discussed for example, if full members should be the only beneficiaries or if the residents, immigrants, etc. should be considered too.

There are also discrepancies regarding the amount to be paid, as well as if it is necessary to distinguish among beneficiaries by their age. For instance, that is to say, if children could receive a UBI or if it is only for adults (Raventós, 2001). Beyond these discussions, some authors see in the core of UBI proposal, a similar structure to the universal suffrage one. In short, some authors believe that universal suffrage and UBI share two distinctive components such as its unconditional and universal character (Doménech, 2001; Pateman, 2004).

1.2. Universal Basic Income and “Real freedom”

⁷ There are different definitions and denominations of an UBI. This is mainly due to the different translations that have been done of the English expression Basic Income. For instance, in Spain, it is mainly known as Renta Básica Universal; in Argentina as Ingreso ciudadano. See Grott, Van der Veen, Lo Vuolo’s prefaces, 2002.

⁸ An aspect to point out is that a UBI can not be understood as a conditional subsidy. Contrarily, conditional subsidies have been typical instruments of welfare states and to get them, it is needed the accomplishment of some conditions (to have low income, to be unemployed, among others) See (Raventós, 2001).
Currently, it is possible to distinguish two main areas of debate on UBI. On one hand, there exists a discussion of normative nature, is discussed the ethical viability of the proposal. On the other hand, there exists a technical debate where are discussed the most relevant aspect related to its implementation (Raventós, 1999). Within technical discussion, UBI proposal has been thought as a measure against the high levels of massive unemployment, poverty and social exclusion (Van Parijs, 1995, 2004; Raventós, 1999; Miller, 2003; Noguera, 2001).

Otherwise, the normative discussion has been centred on the idea of reciprocity. That is to say, for the fact of receiving an income without any type of requirement or contribution (Elster, 1987; Van Donselaar; White 1997; Widerquist, 1999). In spite of this fact, the normative debate has been concentrated on discussing the Philippe Van Parijs’ defence of UBI proposal which is widely considered as the most important normative justification of it. Throughout his several works-identified within the debate on egalitarianism during the last three decades- Van Parijs tried to identify the necessary institutions for a free and fair society. Although his argumentation has shown two great moments, one Marxist and another closer to egalitarian libertarianism, his arguments enjoy a privileged coherence. In few words, UBI was thought originally as a reformulation of certain Marxist principles, “like a capitalist way to Communism.” However, nowadays Van Parijs places his defence within the parameters of the rawlsian theory. Firstly, he develops his analysis taking into account two premises: (1) Our capitalist societies are replete with unacceptable inequalities and (2) Freedom is of paramount importance (Van Parijs, 1995: 1) Starting from these premises, he tries to build a theory that presents the ideals of freedom and fairness as compatible values, as it has been fervently criticized from other positions (Nozick, 1974). Van Parijs also asks himself which of the known political regimes has better institutions in order to think about a free society. He compares exhaustively the results of Socialism with those of Capitalism. His conclusion is that certain forms of Capitalism can be better if we want to live in a free society. Basically, Van Parijs thinks that a really free society has to count on three fundamental characteristics that a socialist system would not be able to fully satisfy. These characteristics are:

1. There is some well enforced structure of rights (security).
2. This structure is such that each person owns herself (self-ownership).
3. This structure is such that each person has the greatest possible opportunity to do whatever she might want to do (leximin opportunity) (Van Parijs, 1995:25).

Regarding the first condition, Van Parijs thinks about a structure of individual rights as we know it currently, while the second condition implies that in a truly free society self-ownership is guaranteed. What is important here is that the idea of self-ownership implies that each individual (and not the society or anybody else) has the moral authority to decide his way of living (within the restrictions that the life of the others supposes). Finally, in the third condition a UBI proposal plays a central role. The leximin order of opportunities is directly associated with the introduction of a UBI, since it guarantees the resources with the purpose that each individual has the greatest possible opportunity to do whatever he might want to do. It is important to clarify that Van Parijs is thinking about an idea of freedom regulated by a leximin principle non maximin nor equal. This singular conception, 9

9 See the famous article written by Van Parijs and Van Der Veen (1986)
10 Without doubts, the most important defence of a UBI proposal can be found in the work of Philippe Van Parijs titled Real Freedom for All (Van Parijs 1995). In this paper, I will follow the author’s ideas outlined in this work, adding some few modifications that Van Parijs has introduced in his later papers.
11 A lexicographical order can be defined formally as followed: (a1, b1) is major than (a2, b2) if and only if: i) a1 is major than a2 or ii) if a1=a2 so that b1 is major than b2. For instance, the order given to the words in a dictionary is a lexicographical order. The principle of priority is the series of letters in the alphabet (Raventós 1999: 31).
which is inspired by the rawlsian\textsuperscript{12} principle of difference, supposes that a \textit{leximin} distribution of opportunities should be subordinated to a priority order among these three principles. Thus, in this case the third component is subordinated in a soft way to the former mentioned security and self-ownership principles. It simply means that in the name of a \textit{leximin} distribution of resources we cannot violate people’s formal freedom. Therefore, Van Parijs affirms that security counts on a soft or weak lexicographical priority, attenuated regarding principle of self-ownership which has priority face to the lexicographical principle of equality of opportunities\textsuperscript{13}.

From this perspective, Van Parijs affirms that these two first conditions for a free society are directly associated with the formal freedom that is practised in current societies. The newness is indeed in the third condition, where UBI appears as a decisive institution at the time of transforming formal liberties into “real freedom”.

Equally important in Van Parijs’ theory is the principle of “liberal neutrality”. Considering this principle seriously, the author places himself far from any “perfectionist of good life” argument, arguing precisely that all conceptions of good life must be respected provided that they do not attempt against the freedom of the others. This idea of “liberal neutrality” acts as a decisive premise in the distributive procedure marked by the author. Van Parijs simply thinks about equalizing opportunities as an effective and real way, and not in making the results equals. The attempt consists in improving the opportunities so that each one can do what he truly wants to do, and not by reaching a certain level of happiness or welfare. This fact strongly defines Van Parijs’ proposal, moving him away from other alternatives of equalizations in the results, in people’s welfare or happiness\textsuperscript{14}. Here we can see the sense given by the author to the UBI unconditional character. Precisely because all forms of life are respectable, those who are willing to spend their life practising surf have all the right to do it. If somebody thinks that surfing is the most important thing in his life, and he cannot do it due to his lacking of resources, or because he must work to live and he does not have time to do it, we would be face to an unjust fact, from Van Parijs’ perspective. The unconditional character of a UBI has its normative foundation in the respect of the principle of liberal neutrality. If somebody does not truly want to work, he should not have had to do it\textsuperscript{15}.

Although a UBI can play a fundamental role as redistributive policy, it seems intuitive to think that through an income distribution of an equal amount among individuals with unequal talents and capacities it could have a non-egalitarian outcome. In order to see it graphically, it is useful to suppose that for a person who needs to spend all his income in medical treatments, a UBI cannot mean the same that for a completely healthy person. The simple verification that we are not all equal imposes serious problems when thinking about a distributive measure. Van Parijs solves

\textsuperscript{12}Roughly speaking, the central idea of this principle is that social and economic inequalities should be examined considering how well off they leave the worst off (Van Parijs 2003, Rawls 1971). In this sense, that principle establishes that economic and social inequities have to satisfy two conditions: a) give more benefits to the poorest people in society b) to give accessible positions to all in conditions of equal opportunities (Rawls, 1971).

\textsuperscript{13}Van Parijs explains the sense of the principle maximin or leximin, saying that “\textit{some can have more opportunities than others, but only if their having more does not reduce the opportunities of some of those with less. In other words, institutions must be designed so as to offer the greatest possible real opportunities to those with least opportunities, subject to everyone's formal freedom being respected}” (Van Parijs, 1995:5)

\textsuperscript{14}An opposed position to Van Parijs’ proposal can be found in the works of the American philosopher Richard Arneson. He has made some critics that I will consider again in the following pages. It is important to underline that Arneson, in contrast to Van Parijs, argues from a utilitarian perspective that our egalitarian metric should be focused on “the equality of opportunity for welfare”. See for example (Arneson 1989, 1992, 1998, 2003).

\textsuperscript{15}The image of the Malibu surfer is taken by Van Parijs (1991) from some Rawls’ written material, in which Rawls affirms that it is unjust that those who devote to surf the whole day in Malibu beaches receive part of the wealth that society generates without their collaboration. See fundamentally (Van Parijs, 1991).
this fact by introducing a criterion which was originally proposed by Bruce Ackerman, known as “undominated diversity” (Ackerman, 1980). By means of this evaluating criterion, Van Parijs suggests how to recognize those individuals who need a complementary compensation to a UBI. The criterion of undominated diversity suggests that the internal endowments of X dominates the Z’ internal endowments, if and only if every person, according to his conception of good life, prefers the endowments of X to the Z’ ones. The conditions for the non-dominated diversity test are that the preferences are genuine and generally accessible. Ackerman argues that there are only two possible readings of this criterion. Either X genetically dominates (in internal endowments, capacities, talents) Y and therefore Y may properly demand compensatory assistance; or (in internal endowments, capacities, talents) there is no domination of any individual and this does not leave margin for any type of compensation (Ackerman, 1993). That’s why a society is unjust (dominated diversity) when an individual prefers the total endowments (internal and external) of other individuals.

On the contrary, in a situation of non-dominated diversity, no one would prefer the total endowments of another individual. In order to understand it more easily, Van Parijs, as well as Ackerman, find that this criterion is effective to delimit those individuals with “normal” internal endowments of those individuals and that for this reason have certain disabilities that deserve compensation. Thus, Van Parijs establishes two ways of redistributing the resources, the first directed through the principle of “undominated diversity”, and the second one, through the application of a UBI policy.

1.3. Capital Grant proposal

The main arguments of Ackerman and Alstott (Stakeholder Society) can be summarized as follows. By means of this program, each American individual when reaching the age of 21 and after have finished High School, will have the right to receive the unconditional payment of 80,000 American dollars. According to Ackerman and Alstott, this subsidy of unique capital would allow to each citizen of that country to take ahead the life he/she wishes. This means that each one can use the eighty thousand dollars in the way he believes advisable. In this way, one could pay its university studies, buy a house, invest in the stock-market, or simply blow the entire sum in one night in Las Vegas. This program is a variant of social security policies, a conscious universal program which allows citizens to receive the benefits in the beginning and not in the end of their lives. The unconditional character of the proposal is in the non-existence of conditions to use this subsidy. Those that would want to take the SS to pay his education could even use it beforehand. Those who have finished their high-school would receive the SS in four quotas of 20,000 during four years as from the age of 21. Those who have not finished their high-school education would only receive the SS annual interest until they finish their studies. On the other hand, being criminal before reaching the age of 21 would jeopardize the right to the SS. Ackerman and Alstott affirm that the application of this distributive policy nowadays is not only desirable but political and economically possible. (Ackerman and Alstott 1999, 2004). The institutional viability is an information to take into account. As it is suggested by Carole Pateman (2003, 2004), nowadays there is a propitious political and economic climate for taking ahead proposals as the SS one. In the same way, Olin Wright suggests the existence of an ample institutional viability, considering that the SS implementation would not represent too much economic or information costs, as well as it would require a minimum degree of supervision and regulation on the part of the State (Olin Wright, 2001:148). According to the estimation made by the authors, for 1999 the sum of 245.000 million dollars would be needed. In spite of it, on first instance, the funding of this proposal is based on an annual 2% tax to the wealth. This tax burden would only fall on 20% of the citizens with more income. Also, the authors think that although this tax would constitute the main financing source, as time passes, the generations benefited with this unique subsidy, will have the responsibility to collaborate with the coming generations. (Ackerman, Alstott, 1999: 13-14)
1.4. Equality of opportunities for all

Ackerman and Alstott defend their proposal based on normative principles of liberalism. Their plan tries to achieve better levels of justice, equality and freedom on the basis of an adequate redistribution of private property. By means of this kind of redistribution they seek to improve citizen’s opportunities. The authors argue that the fact that each born boy does not have the option to choose his parents implies among other things that the starting economic point of each individual is far from similar. This fact is little acceptable, since nobody should be affected by the failures or successes of his ancestors. For that reason, a CG is conceived as a birth right. From this point of view, each citizen would have a legitimate right to get for himself a fair part of the wealth generated by preceding generations. The wealth of each generation would have to be acquired by new generations on the base of egalitarian principles and not by a familiar inheritance system as it happens in the present. Thus the fundamental principle of the proposal is “one person, one life, one stake” (Ackerman and Alstott, 2004: 46).

The authors’ intention to introduce a unique capital, and through it, to improve the individuals’ equality of opportunities, challenges or at least it is shown as a possible alternative to two ideas or positions that have dominated the discussion in all century XX: the “welfarist” and the libertarian postures. Ackerman and Alstott propose a third way that takes elements from the previous proposals. Like the libertarians, they think that individuals have a full right to do with their resources what they wish and that it is not a government’s task to interfere in it. Nevertheless, they do not think that the equality of opportunities can be left to an invisible hand’s action. On the other hand, similar to welfarist postures, the authors defend the accomplishment of a social genuine responsibility towards the social welfare. But for them, the government’s role must be to guarantee equality of opportunities at a beginning and not to interfere later. With this, they reject the idea that there is an insuperable trade-off between freedom and equality (Ackerman-Alstott, 1999: 24). Thus, from Ackerman and Alstott’s perspective, the notions of equality and freedom have been used as if they were always in conflict, which is an error. In this sense, their liberal project consists in eliminating that dichotomy.

In fact, the formulation of the CG proposal is expressed in a form of liberalism sustained in two key affirmations. In the first place, an affirmation of equality when insisting on that each citizen has a fundamental right to share the resources freely or in a fair way. And secondly, a reaffirmation of freedom, recognizing that individuals can make a differential use of the resources they have. (Ackerman – Alstott, 2004: 41-42). The Liberalism that they defend, is also clearly committed to individualism, but also worried about the non-wished effects of inequality. But at the same time that they advocate for a reduction of government’s action and interference in people’s life, Ackerman and Alstott affirm that each individual must have a place within the market. By this, the market is not seen as an undesirable institution; but it is desirable but under certain conditions. For that reason, one of the fundamental conditions is to establish institutions that promote equality of opportunities. There are currently institutions in our society that were thought to improve the

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16 See mainly Nozick (1974).
17 Ackerman’s influential work “Social justice in liberal states” refers to a perfect society as a society in which the relations of power as well as the distribution of all the scarce resources must be subjected to a dialogic test. This means that these relations could be rationally justified in a public requirement, a dialogue that should be organized according to some restrictive norms or a restrictive talk; the answers should be interpersonally intelligible and also with an inner consistence and they should never violate neutrality. This restriction means that there is no reason for a group or a person to impose his idea of a good life. Each one can believe and think what he wants but he cannot justify an unequal distribution of scarce resources. In this work, Ackerman is worried about the fact that several public and political decisions can dramatically affect the new citizens’ lives, and he argues about the legitimacy that each one of these powers play. See (Ackerman, 1980).
opportunities of each citizen. Two typical examples are the extension of education towards all the society, and the establishment of health public systems (Anderson, 2001).

More precisely, Ackerman and Alstott, use as a premise that without an adequate equality of opportunities at the beginning, the freedom of many can be pressed by others. Thus, in this point some typical considerations of utilitarianism are rejected. Basically, the authors say that utilitarianism is based on the general sum of welfare and it does not consider individual’ self-realization and the importance of self-determination. Therefore, they affirm that the liberal challenge consists in constructing Liberalism that: (a) takes individualism seriously, (b) recognizes that the starting point in each individual’s life is conditioned by the confrontations of his educative and economic opportunities and therefore, (c) grants the state a potentially constructive role in the just distribution of these opportunities (Ackerman - Alstott 1999: 24). Within this version of Liberalism, money matters directly and indirectly.

Directly, as it allows gaining more control and independence in the life of each one, 80 thousand dollars means something more than improving consumption possibilities; they become a plan that fosters individual’s independence, autonomy and responsibility in their actions. Indirectly, as it affects his opportunities at the beginning. It is not the same to be born in a poor home that in a rich one. Therefore, if we take into account that wealth is a tool for each one’ self-realization, property must be a right from the birth (Ackerman -Alstott 2004: 42). In this way, a CG can be firstly understood as an attempt to go beyond the “typical mentality” of welfare states promoters, freeing individuals from governmental intervention in each of their decisions, and without stimulating the creation of a new bureaucracy that takes part in the individual’s decisions. All this makes Ackerman and Alstott propose neither to abolish nor to regulate private property, but on the contrary to distribute it, giving rise to a “economic citizenship” (Ackerman –Alstott,1999: 10) In the same way that a vote expresses the political citizenship, a unique capital would be the expression of an economic citizenship. In spite of this, CG is not thought as a welfare state reform, but it is understood as a new liberal enterprise.

2 UBI vs. CG

When comparing UBI and CG proposals, it is not strange to find points in favour and against each proposal. There are several reasons to prefer an UBI rather than a CG. In the same way, there are reasons to think just the opposite. In the first place, it is possible to think that a UBI could guarantee more security to individuals before their own acts, in the sense that it could protect them from bad decisions more successfully (Fitzpatrick, 2005; White, 2004; Lewis, 2005). Under the scheme of unique payment, or of the modality of four successive payments, CG presents more possibilities of wastefulness without a possibility of revenge. (Lewis, 2005; Lehman – Malamud, 2000). Secondly, and within the line of the first argument, some people affirm that a UBI is safer face to external shocks or face to those events beyond our own responsibility. The reasoning is that although one acts in a responsibly way, one cannot anticipate how the economic performance will be. Others think that an UBI grants more control to the government, in case of a change in the scene, than what a CG policy could grant (Fitzpatrick, 2005). It has been also stated that an UBI, given its characteristic of stream income (paid on a regular basis), could help break the long-standing link between income and labor market (Pateman, 2004: 90)

This would lay the foundations for citizens to do activities that weren’t able to carry out, not only for money reasons but for time availability. An example of this could be a more active participation of each political community in the political decisions. (Raventós, 1999; Pateman, 2003, 2004) But there are also arguments to prefer a CG. In the first place, the main argument showed by Ackerman and Alstott is that a CG would reduce the inequality of opportunities levels in our societies in a more effective way than a UBI.
Secondly, some people affirm that a CG policy would be a proposal of ample institutional viability as it would not imply too much costs, or at least unaffordable costs, requiring a degree of regulation and minimum supervision on the part of the state (Ackerman - Alstott 1999, 2004, Olin Wright, 2000).

Thirdly, a CG is more attractive than a UBI when emphasizing the individuals’ responsibilities on their actions, leaving aside the paternalism that UBI presupposes. It is argued that this proposal would reaffirm the value of personal responsibility and it would lower the degree of state paternalism (Olin Wright, 2000:154).

In fourth place, a special emphasis is put on the fact that the magnitude of a CG allows to carry out more actions or investments than with a UBI policy, as buying a house, paying a university education, etc (Ackerman - Alstott, 1999; 2004).

Finally, it is argued that a CG has the possibility, as long as the individual wishes it, of transforming itself into a UBI, but it does not happen on the other way round (Ackerman - Alstott, 1999; 2004). In spite of all this, if we deepen in some of the implicit advantages of both models, we can find good reasons to prefer one or the other. Mainly, if we evaluate both proposals in the light of its fundamental ideas (such as freedom, equality and justice) we face to situations that can be considered crucial in favour of UBI as oppose to a CG. Bellow, I will try to show some arguments to consider the application of each proposal, evaluating their potentiality at the time of reaching the proposed objectives.

3

Freedom or equality?

The concepts of equality, freedom and justice play a decisive role in the normative formulation of the proposals above developed. If we took as axis the concept of freedom stated in the defence of a UBI and a CG proposal, we can find convergent points in each argument. In fact, among the UBI and CG constituent pillars, the respect to individual freedom appears as the most important value. This is strongly tied with the belief that the idea of freedom should not only considers the formal opportunities that each one to do whatever he might want to do, but that it is necessary to think about the means that each one has to become real those opportunities. In one way or in the other, this argument confronts several positions devoted to draw up a limit between formal opportunities and the means or resources that people employ to make use of such opportunities. An opposed position to the one defined in UBI and CG plans, can be found in the classical Isaiah Berlin’s works, as well as Robert Nozick and John Rawls’s writings. All of them, from different positions, have defended the idea that freedom must be differentiated from the possession of means or resources. In spite of it, in the UBI theoretical formulation as well as in CG one, resources play an essential role, so that individuals can reach the wished levels of “real freedom.” That is simply because material resources are essential to take ahead the actions that each one wishes to do. Besides this convergence, it is useful to point out that in the different Ackerman and Alstott’s works; it is not possible to find a precise development of the “real freedom” concept as we can find it in the Van Parijs’s works. This makes difficult the comparison.

As we have seen, for Van Parijs both “real freedom” and “formal freedom” are considered as individual freedom. In this way, collective freedom - commonly, in a political entity level- is

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18 In the classic Isaiah Berlin’s work Two concepts of freedom (Berlin, 1979) the author states the division between the concepts of a negative freedom, mainly understood as the absence of other individuals’ interference in our actions, and the idea of a positive freedom, understood as autonomy. During the last four decades, this distinction has been discussed several times. For a critical analysis of Berlin’s characterization, see among others (Cohen, 2000)
only relevant for both kinds of liberties in an instrumental form. But unlike formal freedom, “real freedom” is not only related to the right to do what one might want to do, but that also with the means to do it (Van Parijs, 1995: 25).

It looks quite intuitive to see that in Van Parijs’s statement, private property plays a decisive role simply because “real freedom” is associated with the idea that each one of us can do what he really want to do, and if in our goals the possession of certain resources is determining, then this possession determines in a good degree our real levels of freedom. This reasoning can be found also in the Gerald A Cohen’s last works. He affirms fervently that lack of money interferes in people’s freedom. Cohen says that the old and very poor woman who wishes to visit her sister in Glasgow, but that does not have enough money to pay the train ticket, has her freedom affected by this fact, no matter she has the formal freedom to do it (Cohen, 2000a: 61).

However, the decisive point here is that “real freedom”, as it is understood by Van Parijs, Ackerman and Alstott, needs an egalitarian component that can guarantee certain egalitarian levels in the possession of resources. Perhaps it is in this point in which Berlin could remark the difference between what it is freedom and what it is not. What indeed differentiates “real freedom” from “formal freedom” is not a different consideration of the same concept, but the incorporation of another value: equality. As egalitarian programs, UBI as well as CG are concentrated fundamentally on the idea of “equality of opportunities” as an important space of equalization. Using Amartya Sen’s terminology we can say that in this case the “focal variable” selected to make the equalization is in the individuals space of opportunities and not in the results at which each ones arrives. This idea has sense, due to it is little logic (and debatably desirable) to think about an equalization of each one of us in each one of the aspects that differentiate us. The decision to equal in the field of opportunities is clearly different from any initiative that tries to equal in the field of results. We can find this kind of initiatives in normative proposals focused on the maximization of preferences or happiness, such as Utilitarianism during its long and successful history. Van Parijs, as well as Ackerman and Alstott, rejects that the outstanding space of equality for a distributive policy is the satisfaction of each one of the individuals’ preferences. Their reasons are quite reasonable. On one hand, the satisfaction of each individual’s preferences is information very expensive and difficult to obtain. Even if we promote instruments to collect these data, we would be in danger to fall in an extreme paternalism. On the other hand, this type of egalitarian procedure falls on the distributive problem of “expensive tastes”, that is to say, that an individual who satisfies his preferences by drinking water, has less distributive problems than one who only does it if he drinks French champagne. If we had to compensate the second when he cannot satisfy his preferences, it would be more expensive to us than if we had to compensate the first one (Dworkin, 1981a, 2002; Van Parijs, 1995).

In the same way, the division between egalitarian theories can be thought taking into account the time (ex- ante, ex- post) in which equalization is proposed. We can speak of equality of opportunities, when an ex- ante equalization is considered important, (Van Parijs, Ackerman, Rawls, Dworkin, etc) unlike an ex- post equalization of results, (e.g. Arneson’s proposal). By means of an equalization of opportunities, it is tried that all individuals can start from an equitable and right point, from where to make their personal choices. However, by means of an equalization of results, it is tried that all individuals can satisfy their authentic preferences. The “focal variable” taken into account, (variable whose distribution is significant to achieve a just distribution as such) will orientate towards the result - if what it is central are people’s goals, with which they finish their choices – or towards opportunities - if what counts is people’s real freedom, their potential to make decisions (Van Parijs, 1998; Arneson, 1998).

However, one of the ideals implicit and shared by both proposals is the respect for the ideal of liberal neutrality. Only assuming that postulate, the different components of each theory acquire coherence. Regarding freedom, it is assumed that it does not consist in reaching a particular form of

19 The problem of expensive tastes is formulated in Dworkin (1981 a – 1981 b, 2002).
good life for all, but that each person must have the same possibilities of pursuing his own ideal life. It is deduced here that all the preferences must be respected, as long as the accomplishment of them does not imply a reduction in the freedom of the others. The same happens to the ideal of equality that is defended. A scheme of equality of opportunities would allow that each one, once the equalization is done, can start the kind of life that he or she wishes. The unconditionally component is deeply defined by this fact. The non-existence of conditions to receive a UBI or a CG, as well as to make use of each of them, are fundamentally due to the respect to the idea of liberal neutrality.

To sum up, we can say that equalization of opportunities, thought by instances of equalization in income distribution, is the essential component at the time of validating the conception of real freedom handled by Van Parijs, Ackerman and Alstott. But it is possible to ask oneself: To what extent can these egalitarian programs be considered right? Naturally, the defenders of each of them believe in the ideal of justice of these proposals.

In the same way, both proposals appear as non-perfectionist answers towards the problem that raises from an egalitarian ideal of justice. In few words, none of these initiatives define a concrete ideal of good or satisfactory life to which it would be desirable to arrive. Certainly, in both arguments justice appears when individuals can do with their lives what they really might want to do. An opposite way or perfectionist one would be to affirm for example that justice consists in achieving certain “virtues”, or ideals of good life. Taking into account the importance of the concepts of equality, justice and freedom in each one of these proposals, it is possible to ask: Can these plans take us towards a really free society, in which each one of us reaches the levels of real freedom proposed by theory? How egalitarian are they? Do we have to consider them as truly right distributive alternatives? Or perhaps the most important question: Can we decide in favour of one or another taking into account the strengths of each of them face to these problems?

### 3.1. Towards real freedom and equality of opportunities

As we have seen, both proposals present relevant normative similarities. Nevertheless, the difference in the way of payment is distinctive when choosing one of them. Even if we assume that both are economically applicable to any political community, this characteristic defines substantial divergences. Even if we assumed that the rest of the exposed normative conditions in each program are identical, the mode of payment (if this is periodical or unique) is substantial to delimit the scope of each proposal. Advancing a little in the conclusions, I state that the CG egalitarian objectives are affected by its distinctive characteristic as a unique subsidy payment. Let us see some critics in this sense.

One of the most significant arguments regarding the egalitarian reach of a CG proposal is presented by Cecile Fabre. She affirms that Ackerman and Alstott’s proposal is much less egalitarian than what they suppose, arguing that a CG fails because it does not offer a genuine scheme of equality of opportunities (Fabre, 2003:115). Ackerman and Alstott’s idea of equality is focused on the fact that individuals’ opportunities and freedom are not threatened by the surroundings in which each one of them lives in. However, Fabre argues that this statement is barely fair, mainly because it does not contemplate those individuals that have different visions of a “good life” which can be more or less expensive. This implies that some individuals could not have the way of life that they want to. Nevertheless, it is clear that this fact can be rejected by Ackerman and Alstott as well as by Van Parijs, for the simple reason that although it is quite reasonable to think that some preferences could not be satisfied through a UBI or a CG scheme, trying to surpass it would leave us exposed to the critics of the “expensive tastes”.

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20 It is important to point out that not all the defenders of these proposals agree with all these points. There are versions of both proposals based on perfectionist ways and not on neutral ones. See, for instance (Raventós, 1999).

21 Fabre does not take into account the case of a UBI proposal in his work.
Another important point, also treated again by Fabre, is whether the inequities coming from people’s choices deserve compensation. Ackerman and Alstott, backed up by Ronald Dworkin’s analysis, affirm that individual inequalities resulting from their choices would not have to be compensated. In other words, this type of inequality is not condemnable from this particular conception of justice, whereas what it is condemnable are those inequalities which individuals cannot control. But Fabre holds that one cannot be always responsible for the fact that his conception of good life is beyond of his available resources. If one supports the equality of resources and a radical liberalism, one would have to take into account not only natural inequalities, but also inequalities that come from the choices that each one does. If what matters is to try that individuals do not have their opportunities affected by the environment, this egalitarian proposal should worry about the disadvantages that could be generated by bad results, as well as about the personal disadvantages that individuals have among them. Fabre suggests that the Ackerman and Alstott’s position is ambiguous in this point as it would not be fair that somebody had to spend all his CG in an expensive medical treatment, whereas others can give a more appropriate use with their preferences of good life. If that point is considered, the “radical freedom” can fail. It is the problem of equalling only the opportunities and disregarding the rest.

On this basis, an interesting point to evaluate the advantages of a UBI face to a CG, is formulated by Michael Lewis. Essentially, Lewis says that the choice between an UBI and a CG cannot simply consist in choosing between a plan that grants more freedom as opposed to another which grants less, but that the extension of the freedom should take into account how the individuals make their decisions, and how they use the money (Lewis, 2005: 22). Lewis’ message is clear: the real the possibility of that some individuals can make bad and prejudicial choices with their grants, should lead us to prefer a UBI rather than a CG (Lewis, 2005: 25).

### 4 Reciprocity and intermediate solutions

According to some authors, the main political obstacle that these proposals must surpass to be implemented is in its unconditional character (Goodin, 2003; Elster, 1987; Atkinson, 1996). The problem of reciprocity has dominated the normative discussion about an UBI, but it is not so evident in the CG case (Pateman, 2004). The main point of this discussion consist of responding to the question: Is it desirable to receive an extra income in exchange for nothing? (Atkinson, 1996; Goodin, 2001). For some authors, this fact is seen like a new modality of exploitation or parasitism (Elster, 1987; Gijs Donselaar, 1998). The central argument of the opponents is that it is unjust that some citizens are allowed to free ride on the work and efforts of their fellows. Against this idea, others have answered that it is equally unjust that some individuals in our societies can live without working, taking advantage of its social position or inheritance (Ackerman-Alstott, 1999, 2004; Van Parijs 1995).

Beyond this discussion, other authors affirm that proposals like UBI or CG could be normative programs with an important political acceptance, as long as they leave aside their unconditional character. In this sense, Robert Goodin speculates in the necessity of putting conditions in order that policies as a UBI or a CG can be implemented. Basically, Goodin considers the some ideas of Anthony Atkinson, about giving an income but in exchange for an activity that is

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22 See especially Dworkin (1981 a, 1981b)
useful for society. It could be any class of activity, from working at the labour market, to taking care of young or old people, or participating in ecological movements, etc.

Obviously the participation income proposal formulated by Atkinson is a conditional plan. Anyway, everything depends on which it is considered socially useful and who decides if a person has done enough or not (Atkinson, 1996). For Goodin the great virtue of these modest schemes is that they can be politically possible (Goodin, 2003). In the same way, Atkinson asked himself: why does UBI has not been implemented yet if there are so many politicians who support the idea? He believes that there are no problems related to the non existence of a test, nor with the universality principle, but there is a problem in its unconditional character. In the author’s proposal, payment would have to be limited to the receiver’s social life participation This does not suppose a strict participation in the labour market, but on the contrary, he thinks on an ample idea of social contribution. (Atkinson 1996).

Even though it seems evident that (in the name of political feasibility) the claim for conditionality can distort the proposal, it is important to note that it can also collaborate in diminishing some problems associated with the “bad” or “harmful” use of the resources by the beneficiaries.

In this sense, Stuart White suggests that it is necessary to evaluate hybrid proposals of income redistribution which contemplate the problem that can cause a subsidy in some people (“alienation problems”, in White’s words) after a detrimental use (White, 2004). Thus, among other alternatives White proposes a hybrid alternative of UBI and CG that he denominates as Development Grant. It consists basically in a guaranteed capital that may be used only for approved investment purposes and certain aims previously established. This change responds to three main points. In the first place, since it is difficult to make a distinction between the disadvantages attributable to bad luck and those that come from bad choices that individuals do, it is necessary to consider the disadvantage cases more carefully than what is proposed by the defenders of the UBI and the CG. Secondly, it would be precise to complete this type of subsidies with education, that allows individuals to count on more tools at the time of making use of the money. And finally, we would have to contemplate the possibility of establishing a paternalist base that restricts the number of possible uses of the subsidized money (White, 2004).

White argues that if the dependency relation is due to individuals choices, what should matter to us is the disadvantage originated by the “bad brute luck”25. Therefore, we have reasons to be worried about situations of dependency even if they derive more from ambiguous results of the choice than on from individuals’ luck. For that reason, White presents the hypothetical case of “Rose”, who after having received a CG, makes a transaction that badly affects her, and she must work for Brian. He benefits on this situation, because he offers her a lower payment than he should offer her. As Rose does not have other chance than to get the job, he has the possibility of generating a relation of dependency. This clearly harms Rose’s freedom. It is obvious that White seems to use a fictitious argument that could be found in any situation of wage regulation. As Raventós and many other have affirmed a UBI would allow workers to increase their capacity of negotiation with their employer. However the most important point here is that, although it could not be considered unjust (since she lost her capital by supposedly voluntary actions), in the same way it is unfair that somebody takes advantage from this fact through a relationship that leads to the dependency of the affected person. Therefore, it is necessary to recognize that not only our choices are affected by our personal and social characteristics, but also that our capacity to handle our resources.

In the same way, Michael Lewis affirms that the introduction of certain restrictions of freedom can be beneficial at the time of evaluating real freedom. For this reason we should prefer a UBI rather than a CG. Lewis’ main point is that a UBI, as income paid on a regular basis, would give individuals the opportunity to change and adapt their preferences (Lewis, 2005:18). But White

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25 For a discussion about this topic see among others (Cohen, 1989; Anderson 1999, Scheffler 2003)
is not satisfied with this due to a UBI in its pure form it violates the principle of reciprocity (White, 1997). On this account, White believes that it is necessary to introduce restrictions in the way that individuals use their assets. In Ackerman - Alstott, as well as in Van Parijs’ proposals, it is clear that the State should not interfere in the individual’s decisions. White suggests that some paternalistic arrangements could be advisable and tolerable by liberalism. If it is considered that the objection to alienation is a genuine one (one cannot distinguish easily when the actions are done in a responsible way and when they are not) we must consider two ways to overcome this problem. In first place, by means of education, trying that each individual can improve his capabilities at the time of taking his decisions. And secondly, by the acceptance of certain degree of paternalism that limits the individual’s possible uses of the redistributed resources. Naturally, Van Parijs, as Ackerman and Alstott, reject this second way, since any State restriction would be understood as interference in the people’s freedom. In response to that objection, White argues that the fact that Van Parijs prefers a UBI pay per month is also in some way paternalist. Something similar happens with Ackerman’s proposal due to it only considers people under a specific age in order to avoid a bad use of the resources.

Considering all these issues, it seems evident that a UBI as well as a CG proposal have normative problems at the time of achieving their egalitarian objectives. Since their compensations do not contemplate the “bad” or “harmful” decisions that some individuals can effectuate and their possible consequences, it is reasonable to analyze the incorporation of certain conditional clauses that limit their use (White, 2004: 74-75).

5

Final Considerations

Up to now, I have reviewed some of the main components of the normative debate of two universal and unconditional income distribution policies. After presenting the essential components of each proposal, I proposed following Lewis, Fabre and White’ arguments, that a UBI is preferable to a CG, since it could potentially achieve in a greater way its egalitarian objectives. But at the time of comparing advantages and disadvantages, I list other specifications. Olin Wright for example, thinks that both proposals can be complementary and that although there are no reasons to prefer one to the other, it is possible to think that the mode of payment of a UBI would offer a base of material support more permanent than a CG (Olin Wright, 2000). In a similar fashion, Carole Pateman also believes in the advantages of a UBI as opposed to a CG, arguing that a UBI has the virtue to create institutional conditions that would allow individuals, if they wish, to live even without participating in the labour market. Therefore, if the objective is to enhance our democracies, then the UBI is preferable to a CG, since a policy of this kind permits us to break the relation between income and employment. Among other things, a UBI is a desirable measure because it would help us to raise the levels of democratization and increase the individual’s autonomy (Pateman, 2004, 2003).

Besides it seems evident that the CG proposal is more appropriate for developed countries than for developing ones. This clearly limits the scope of this proposal around the world. If we add the educative requirements that this proposal supposes, we could implement an extremely regressive policy, at least in developing countries where educational systems usually function without achieve its most important and egalitarian objectives. An argument in this line of reasoning has been developed by Jeffrey Lehman and Deborah Malamud. For these authors even in the United States context a CG would not enhance the opportunities of the poorest ones, but that it would have repercussions in those that are less in need (Lehman-Malamud, 2000).

In spite of all these arguments, similar to Lewis I believe that a UBI, thanks to its mode of payment in the form of an income stream, offers more possibilities as it is able to adapt individuals’ preferences. Considering that one cannot spend all his income in one night, we could think that its
continuity would control in some way the “bad” or “harmful” choices that individuals do. We can even radicalize this point of view and think, together with John Roemer, that since individuals preferences were shaped in an unequal past, we cannot try to correct those inequalities only through an income distribution policy (Roemer, 1988: 153). Of course, by this way we did not escape to the fact that some choices that people can make using a UBI can be highly unfavourable for themselves. But this is one of the costs that we should assume if we opt for an equalization of opportunities and not for an equalization of results.

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