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An Egalitarian Case for Basic Income

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In the good old days, everyone knew what economic equality was. It was everyone having the same income. The case for a basic income emerges from this as a straightforward corollary, as the critics of equality recognized when they complained that no one would be willing to work if they could get just as much income by sitting at home. But the idea of economic equality turns out to be rather more complicated, so that the egalitarian case for a basic income becomes primarily the case for a particular conception of equality from which, as before, basic income can be derived. That, at least, is how this paper is constructed.

In section 1, I set out a general perspective on the nature of egalitarianism and relate it to some familiar conceptions of economic equality. In section 2, I argue in keeping with the popular notion of equality that it makes sense to think of equal income as a baseline against which departures need to be justified. Section 3 discusses some problems which arise concerning departures from equal income justified by different needs, and argues for a particular approach based on what I shall call a 'background agreement' on need. Section 4 looks at the issue of relating income to work, and tries to construct and defend an interpretation of the idea that income inequalities should compensate people for differences in their work. I argue for a system of 'compensating differentials' based on a background agreement regarding the benefits and burdens of different kinds and amounts of work. Section 5 considers the principles of free choice of occupation and of the right not to work, with particular reference to their role in a system of compensating differentials. In section 6, I show how the case for a basic income follows from the conception of economic equality I have put forward.[1]

Before commencing, I want to emphasize that this paper is written as a piece of philosophy and not as a piece of economics. Although I have borrowed some concepts and techniques from economics, their use is very informal and heuristic. The question I am primarily concerned with is what counts as an egalitarian distribution of work and income. How such a distribution is to be brought about by means of appropriately designed economic practices is a question which I do not address.

1. The general character of egalitarianism

What kind of outlook is egalitarianism? Clearly it is an outlook dominated by the idea of equality, but what is the character of this dominance? Many different answers have been given or suggested to this question, and to understand the argument that follows my own answer has to be briefly sketched and compared with other more familiar approaches.

In my view, egalitarianism is to be identified in the first instance via the beliefs of people in a particular political culture who see themselves and are seen by others as believing in equality. It is first and foremost a real-world political outlook in search of a justification, rather than a theoretical outlook in search of an application. Of course, real-world
egalitarianism will inevitably consist of a family of similar outlooks, and for theoretical purposes these need to be sifted and critically assessed. But a discussion which tries to maintain the primacy of real political outlooks will try to avoid simplicity and abstraction for their own sakes if these lead us too far away from actual beliefs.

If we start with this fundamental assumption about methods, I think we are likely to articulate egalitarianism in a number of ways which are not typical of philosophical theorizing (Baker 1988). First, we will see egalitarianism, even in a cleaned-up version, as consisting of a number of principles, not a single principle. Secondly, we will see it as clearly derivative of other moral considerations, not as philosophically foundational; or more precisely, as having a logical complexity in which some principles of equality are seen as more basic than others, but in which the more basic are not themselves either fully constitutive of equality or completely beyond further justification. Thirdly, we will see it as historically and socially relative to particular political circumstances, not as fixed and eternal. We might even see it, fourthly, as comprising several different types of principle, each having some kind of egalitarian character, and not a single type. This is not, I think, unique to egalitarianism, but typical of real-world political outlooks, including conservatism, socialism, Marxism, nationalism, and liberalism, to name a few. But it makes egalitarianism very different from certain philosophical theories, notably utilitarianism.

Egalitarianism, on this view, may be construed as having several dimensions. There will be the familiar trio of social, political, and economic equality. There will be, cutting across these, sexual, racial, ethnic, and religious equality, and other more limited principles of non-discrimination. Some principles of equality, such as the right to the satisfaction of basic needs and the right to certain basic forms of respect, will have a justificatory role to play in all of these dimensions, while others, such as educational equality, will be systematically connected to them in a more derivative but equally synoptic way.

Attempts to reduce this rich complexity to a single principle, even within the area of economic equality, are not, I should say, doomed to fail, but they are at least worth approaching sceptically. One such reduction, to equality of welfare, has been very effectively attacked by Dwarkin (1981a&b), and for the purposes of this paper is not even on the map. But it would be clearly mistaken to infer that the only alternative to equal welfare is equality of resources as he defines it. Cohen has argued, following Arneson (1989), that equal opportunity for welfare satisfies most of the criticisms Dworkin makes of equal welfare, and that 'equal access to advantage', which is a development of equal opportunity for welfare, is the true egalitarian ideal (Cohen 1989). To be sure, 'advantage' is not a welfarist concept in the narrow sense of want-satisfaction, but it is broadly on the 'well-being' side of a distinction between well-being and resources.[2]

On the resources side of that distinction, Dwarkin himself mentions Rawls, of whom he makes several criticisms. But there is at least one important difference between Rawls and Dwarkin which the latter does not acknowledge, concerning the very idea of
resources. For Dworkin, resources are the things people enter into economic activity in possession of: they use them not just for immediate consumption but also, and primarily, for production and exchange. Thus Dworkin characterizes them on occasion as 'productive resources' and 'initial resources' (1981b: 287n, 291). The goods someone ends up with as a result of these economic transactions may be very different from those they start off with. It is only by means of what Dworkin himself calls an 'artificial construction' (1981b: 295-6) that people whose 'gambles' yield very different pay-offs are said to maintain a state of equal resources. The market economy which Dworkin is at pains to endorse is permeated through and through by such gambles; even allowing for the insurances Dworkin proposes, we can expect substantial inequalities of net lifetime incomes.

Rawls's theory is fundamentally different from this, because the economic 'resources' distributed by the difference principle are not initial productive resources but final income and wealth. This is not to say that Rawls distinguishes sharply between the two; certainly not that he forbids people to use their income and wealth productively. But the income and wealth created by economic activity are themselves governed by the difference principle, and this necessarily affects the payoffs available from economic gambling in a way Dworkin's principle does not. So if we mean by resources what Dworkin means, we cannot describe Rawls's theory as resourcist but perhaps more accurately as 'goodsist'. Alternatively, we may think of the difference principle as dealing with one kind of resources (namely net final primary social goods) and Dworkin's as dealing with another (initial productive resources). In either case it is clear that Dworkin is primarily concerned with equalizing a certain conception of what it is to have an opportunity to gain the kinds of thing which Rawls, in the difference principle, is concerned with directly.

All of the views I have mentioned are philosophically forceful, but each seems to allow for greater inequalities of overall condition, however that is defined, than many egalitarians would hope for. For such egalitarians, the core idea is an 'equality of outcome' as opposed to either the forms of equal opportunity promoted by Arneson, Cohen, and Dworkin or the inequality of outcome expressed by the difference principle. The contrast between equality of opportunity and equality of outcome raises some familiar arguments, and I cannot rehearse them all here. Insofar as our egalitarianism expresses a direct concern for people's well-being, it will drive us towards the most acceptable account of equal outcome available. In addition, our concern to foster universal respect and self-respect and to promote cooperation in place of competition will make us sensitive to the winner/loser mentality encouraged by an emphasis on equal opportunity. We will also be mindful of the effects of unequal outcomes on a sense of community and of a common culture, on equality of power, status, and basic freedoms, and, indeed, on equal opportunity itself. Of course it may turn out that a form of equal opportunity as thorough-going as Dworkin's or Cohen's would promote equality of outcome anyway; but anyone who uses this point in defence of such theories is already conceding the moral force of equality of outcome itself.

As we shall see, the idea of an equal outcome is not at all easy to construe, and cannot be
wholly divorced from the idea of equal opportunity. The inequality involved in the difference principle also presents a challenge, which I shall comment on in section 5. But the idea of equal outcome will be the guiding idea in what follows, with basic income as its ultimate implication.

2. Equal income as a baseline

Although the most natural starting-point for a theory of equal outcome is probably the principle of equal welfare, or more broadly of equal well-being, the attacks to which it has been subjected are by now unassailable. A central argument deployed by Rawls (and, Cohen argues, by Dworkin) is that equal well-being pays inadequate attention to people's responsibility for their own preferences and overall aims in life (Rawls 1982: 168-169, Cohen 1989: 913-914, 921-924). In particular, it is intuitively unfair for some people's prospects to suffer for the sake of others' freely chosen expensive preferences. A second key Rawlsian argument is that the idea of equal well-being cannot be well defined. Different people have different conceptions of well-being, and any attempt to define equal well-being is bound to be unfair in giving precedence to some conceptions over others (Rawls 1982: 170). Yet another important argument is that even on an agreed conception of well-being, estimates of well-being are elusive, and are wide open to strategies of dissimulation (Barry 1989: ch. 3).

All of these arguments push us towards the use of resources, and of income in particular, when defining equality of condition. For equal income is a publicly acceptable and observable way of providing each individual with a fair share of the means necessary to realize their final ends, whatever conception of well-being they possess: it thus represents a specific form of equal opportunity, one justified by (among other things) the problems involved in pushing the notion of 'outcome' all the way to well-being. It is also strongly connected with a liberal commitment to freedom of choice, by providing for a wide range of choice among both conceptions of well-being and individual ends and means. Naturally, equal income will have the effect of making some options easier to realize than others, but that is not the intention which the choice of income as a distribuendum expresses (Rawls 1988: 262).

The principle of equal income is therefore a plausible candidate for the idea of an equal outcome, but it has its limitations. For there seems to be a clear inequality of outcome if two people have equal incomes but differ either in their basic needs or in the occupational burdens they have undertaken on society's behalf. Equal income can be seen only as a baseline from which departures might well be justified. The case of need is less directly relevant to our ultimate aim than that of relating income to work, but there are a couple of problems concerning it which will help us on our way.

3. Provision for needs

The principle that societies should ensure for the satisfaction of the most basic needs of their members is widely held, and is particularly important to egalitarians. But the principle raises several problems, two of which are most relevant to our aims here. The
first is that people's needs can vary and thus justify a claim for unequal resources. But publicly establishing such claims presupposes a common understanding of what a need is and of what counts as satisfying it. The second problem is that making societies responsible for satisfying basic needs seems to absolve individuals from taking on this responsibility themselves. Is that what egalitarians really want?

The problem of providing an account of 'need' is well worked over, and I do not want to pursue it here. The central issue for what follows is that if need is to be used as a publicly accepted reason for distributing resources, the political community in which it operates must have a common understanding of how the concept is to be applied, an understanding which reaches beyond general definitions to its use in particular cases. But the concept of need inevitably makes use of concepts like 'normal functioning' or 'vital interests' (e.g. Braybrooke 1987, Wiggins 1985), concepts which are implicitly normative and presuppose a conception of human well-being. Since one of the central reasons for choosing equal income as a baseline was to avoid the difficulties associated with the concept of well-being, this seems to present a major problem.

And so it may be, but not necessarily. The reason is that although a society may contain a wide range of conceptions of well-being, it is easier to envisage an accommodation between them in relation to need than in relation to the whole field of personal well-being. For, first of all, there will surely be a substantial overlap among diverse outlooks in what they identify as needs, as Braybrooke's consolidation of several lists of needs illustrates (Braybrooke 1987: 34-36). Moreover, the use of the concept as a publicly accepted criterion of distribution does not require agreement on the truth of every claim of need, but simply on the reasonableness of these claims. I may not actually believe that you need to eat meat or to go to church, but I may accept that it is reasonable for you to think so. I shall call such an agreement on the reasonableness of need-claims a 'background agreement' on need. In a democratic society, this agreement can be extended indirectly: for once we accept that needs should be satisfied, it can be democratically appropriate for each us to accept the reasonableness of claims of need endorsed by substantial majorities of our fellow citizens. Dominant views about what people need can thus sometimes claim a certain democratic legitimacy, even if they are not universally shared.

Doubtless even this extended form of consensus will not cover every claim of need in a diverse society, but it may cover enough of these claims to give the principle of need-satisfaction a significant role in that society's affairs and to persuade people that there is no severe injustice in treating the remainder of their need-claims as if they were mere preferences. Whether it will accomplish even this much does seem to presuppose some significant restrictions on the range of conceptions of well-being in circulation and thus threatens a certain kind of theoretical 'neutrality', namely an openness to any possible conception of well-being consistent with the principles of justice. Fortunately, societies are never completely neutral in that sense. They construct and maintain one or more dominant conceptions of well-being and use various means to contain the range of social deviance. Where they succeed simultaneously in illiberally constraining the range of conceptions of well-being while liberally sustaining mutual tolerance among permitted
conceptions, they are well placed to give principles of need a major social role.[3]

The second problem I mentioned relates to the issue of responsibility. If we assert, as egalitarians usually do, that societies should ensure that their members' basic needs are satisfied, does this imply that individuals have no responsibility for satisfying their needs themselves? That position is not just implausible, but absurd. For the only way 'society' can satisfy people's needs is through the efforts of its members; thus to claim that its members have a right to their needs being satisfied but no obligation to help to satisfy them is simply inconsistent.

Thus there must be at least a prima facie duty to participate in the social task of satisfying people's needs. Clearly the duty ought to be waived in the case of sheer inability, and there may be further cases in which a good society would be willing to permit someone to opt out (see section 5). Of more immediate interest is the penalty someone should pay for neglecting this duty. Is it, as some traditions would have it, that those who choose not to contribute should get nothing in return: that whoever does not work does not eat? In very harsh circumstances, this may be unavoidable. But the commitment to meet people's needs is not a strictly contractual one (Walzer 1983: ch. 3). It is also based on sheer humanity and fellow-feeling, on a concern for each person's well-being regardless of their faults. Thus there is some force in the idea that a reasonably affluent society should be unconditionally committed to meeting basic needs, and that the sanction for disregarding the obligation to contribute should be something other than personal deprivation. Thus, as we shall note in section 6, the idea of need takes us some of the way towards the case for a basic income.

4. A system of compensating differentials

So far, I have tried to set out the case for thinking of equal income as a baseline for economic equality and to consider some issues concerning the use of need as a criterion for unequal income. In this section, I want to consider the question of how the distribution of resources should relate to productive activity, and in particular to explore some of the issues which arise in trying to apply the widely held idea that inequalities in this sphere are justified if and only if they compensate people for differences in the burdens of their work. I shall refer to such a scheme as a system of compensating differentials. For simplicity's sake, I will abstract in this section from the questions of need discussed in section 3. I will begin by considering some general arguments in favour of compensating differentials, and will try to clarify the kind of 'equality of outcome' which a system of compensating differentials represents. I will then try to give an account of the nature and presuppositions of such a system, using an application of the device of an indifference map. In section 5, I shall consider the role in such a system of free choice of work, and in particular of the freedom to choose not to work at all.

The basic case for a system of compensating differentials arises straightforwardly from the idea of equality of outcome. We have already seen why equal income should be taken to represent equality of outcome in the absence of production. Income is a publicly acceptable and assessable benefit which can be equally shared. But in a productive
In an economy, people also undertake the burden of work. If everyone worked the same hours at identical jobs, equal income might arguably continue to represent an equal outcome. But if people do different kinds and amounts of work, constituting different kinds and degrees of burden, equal income will no longer suffice. Equality is restored only if the burdens of work can somehow be balanced off against the benefits of income. That is what a system of compensating differentials tries to do.[4]

There is also an argument for compensating differentials based on desert. In general, we say that people deserve compensation for burdens which are thrust upon them but not for burdens which are their own fault. In particular, people usually deserve compensation for performing an onerous duty (although it is sometimes part of their duty to do it without compensation). For instance, it is widely accepted that people deserve to be compensated for fulfilling their duties as jurors or public representatives. Insofar as an economy is seen as a cooperative arrangement for the common good, which is how egalitarians usually see it, the productive efforts of each individual fall into the category of social obligations, and thus the idea of deserved compensation comes into play. By contrast, compensation has a much more limited application in an economy seen as a competitive arena for self-advancement.

What we need, then, is a form of equality of outcome defined in terms of both income and work. Since, in general, we have to think of work as burdensome and of income as beneficial, such an equality will generally take the form of a system of compensating differentials. The question immediately arises, however, as to how well defined any such equality can be, since people do differ dramatically in their preferences among different forms of work, as well as on the relative values they attach to income and leisure. What sense can be left to the very idea of an equal outcome?

I don't want to deny the difficulties here, and yet it would be outrageous to conclude from them that a corporate executive with an income of €100,000 a year cannot be compared with an unemployed parent living on welfare benefits. The problem is to establish the terms for such comparisons in a way which can capture or at least can construct a common understanding of what it is for one person to be better off than another in a relevant sense. Now, since we have already rejected the idea of equality of welfare, we cannot resolve the issue simply by setting incomes so as to equalize welfare. For much the same reason, we cannot try to compensate each person according to their individual preferences between different kinds of work and between work and leisure: we would end up, for instance, compensating people's deliberately chosen 'expensive' preferences against certain kinds of work or against work in general. (This point is particularly clear when we consider the case for compensating differentials based on desert, since people do not in general deserve compensation for costs they have deliberately incurred.)

It is intuitively more plausible to think of compensating people according to some function of the complete set of preferences. For instance, we could set each occupation's rates of pay according to what the typical person (defined by mean or median or mode) would consider to be an adequate level of compensation for a given number of hours. [5] Or we could set a range of legitimate rates of pay for each occupation, where the range
was defined, say, by the middle two quartiles of preferences, and allow people to earn any available income within that range. Such proposals have their attractions, but also their problems. If a reliance on individual preferences has been rejected because, among other things, it pays inadequate attention to people's responsibility for their own preferences and overall aims in life, then why should the complete set of preferences enter into the determination of compensation at all, even by way of averaging? People's preferences about work will be shaped by many factors which for just this reason it is intuitively implausible to compensate for, such as a personal taste between teaching English and teaching French, or a desire to carry on a family tradition. The impact of these matters may well disappear in the process of averaging, but there seems to be a good reason in principle for excluding them in the first place.

These last remarks suggest a procedure similar to that adopted by Braybrooke (1987: ch. 2) in his treatment of needs, namely to begin by making a list of the kind of consideration which egalitarians will want to consider in thinking about compensation ('matters of compensation') and then to apply this list to particular occupations to establish levels of compensation. Matters of compensation will include the kind of thing people have in mind when they distinguish between 'impersonal' or 'objective' benefits and burdens on the one hand and 'personal' or 'subjective' needs and preferences on the other (cf. Norman 1987: 81-82). On the burdens side, some obvious candidates for compensation include whether the work is unavoidably dangerous, tiring, stressful, tedious, dirty, isolated, or of low status. Some plausible examples of objective benefits are job security, flexibility of hours, and degree of autonomy.

As with need, the use of the concepts of benefit and burden as publicly accepted justifications for the distribution of income presupposes a common understanding, that is, a broad consensus over how the idea of compensation is to be applied. As before, what this requires is not a complete agreement on the truth of every claim of compensation, but a background agreement defined in terms of what people can accept as reasonable claims, motivated not just by their own direct assessment of these claims but by their commitment to democracy and therefore their willingness to accept as reasonable the views of a substantial majority of their fellow citizens. The degree of applicability of the principle of compensation will be governed by the degree of any such consensus: the more attitudes converge over matters and levels of compensation, the more scope there will be for arguing in detail about the justice of particular income differentials. Perhaps the degree of disagreement will make it implausible to think about anything more than a rough equality defined in terms of ranges or bands of legitimate incomes for different broad categories of work. At the limit, there may be no more agreement than that no job is so burdensome that it requires more than five times average earnings in compensation. Even that would create a significant social role for the principle of compensation.

It is not my aim in this paper to discover whether the attitudes on compensation in contemporary societies are sufficiently congruent to make a system of compensating differentials a practicable standard for assessing the justice of a distribution of income. The shift from preferences to matters of compensation would seem to provide some reason for optimism, since even among people with diverse conceptions of well-being
and sets of preferences there may be considerable agreement over what count as objective benefits and burdens, or at least over the reasonableness of such claims. It seems likely that there would be less agreement over what would count as reasonable financial compensation for such benefits and burdens; but here again it is not, I hope, wholly implausible to expect people's views to fall within a fairly limited range, or to think that they might be prepared to accept certain procedures or arbitrations as fair processes for establishing levels of compensation. As with need, we are talking about real societies with considerably less real diversity than some versions of liberalism presuppose. But all of these are empirical issues which lie beyond the scope of this paper. My point at present is only that the degree of consensus does matter for the usefulness of compensation as a publicly acceptable criterion of justice. It is also worth emphasizing that what is in question here is the construction of principles for assessing the equality of a distribution of earnings, not the development of institutions for implementing these principles. In what follows, I will assume that a very precise consensus exists because this makes the exposition easier, but it is important to remember that even this degree of background agreement does not represent identical preferences but only a shared belief that a certain set of differentials constitutes a set of reasonable levels of relative compensation with respect to a reasonable list of objective benefits and burdens.

What can we say, in general, about the nature of such compensation? The first point worth making is that the amount of income necessary to compensate for any form of work will in general be an increasing function of the number of hours of work done: the more work, the more pay. ('In general', because this assumes that more work is always more burdensome, which may not always be the case.) Moreover, since we can in general assume that income has a decreasing marginal value and that time spent on work has an increasing marginal onerousness, we can plausibly suppose that there is an increasing marginal rate of compensation between income and hours of burdensome work. Finally, levels of compensation will always be relative to points of comparison: adequate compensation for an additional five hours' work will depend on prior levels of work and income.

It might occur to anyone who knows even a little economics that what I have been describing can be represented by means of a kind of indifference map, the curves of which represent equalities of overall benefits and burdens.[6] Figure 1 illustrates such a map for a particular kind of work.
Figure 1. A compensation map for one kind of work

I shall henceforth call this a compensation map and its curves compensation curves. My use of such maps will be purely informal and heuristic. Note that it makes perfectly good sense for such curves to terminate on the left at points of no work and some income ('no-work points'), a matter to which we will return. It is also worth noting that the map is effectively bounded by some curve S, not itself a compensation curve, which represents bare subsistence. Below S the compensation function is (to put it delicately) simply undefined.[7]

Let us now consider how the idea of compensating differentials ought to work in a very simple case, where we have two people producing a single good with a common productivity.[8] The elements of the situation are a compensation map and a production function, as in Figure 2.

Egalitarian distributions consist in A and B being on the same curve of the compensation map, constrained by total production. Thus, for instance, if A works $w_a$ hours and B works $w_b$, the total product is $P = p_a + p_b$. An egalitarian distribution is generated if $P$ is divided as $y_a$ and $y_b$. We can perhaps see the relationship between product and income more clearly if we superimpose the production function on the compensation map, as in Figure 3.
Figure 2 An egalitarian distribution for two people with one kind of work and common productivity

Figure 3 Another representation of Figure 2

In the illustrated case, A’s production subsidizes B’s consumption so that the two individuals end up equally well off. Note that nothing has been said about what counts as an optimal egalitarian distribution. In particular, it cannot be assumed that an optimal distribution occurs when both parties are at point Q, unless our aim is to maximize the overall level of objective benefits and burdens for each individual regardless of personal
preferences. That, however, is an unlikely aim.[9]

Figure 4 Compensation map for two kinds of work

If we extend the example to include two forms of work, we get a compensation map as in Figure 4. Here work 1 is generally less burdensome than work 2. Note that the line abc constitutes for our purposes a single compensation curve, since all of the points on this curve are considered equal in overall benefits and burdens to point b. Points on the vertical axis -- no-work points -- thus have a special analytical role in comparing levels of compensation. Figure 5 represents an egalitarian distribution in which both forms of work are equally productive, A does work 1 and B does work 2. B's income is in this case subsidized by A's less burdensome work.

Figure 5 Egalitarian distribution for two people with two kinds of work and common productivity

To complete our survey of the simplest forms of compensation, consider a case (Figure 6) of one form of work with two different levels of productivity, perhaps due to different levels of skill. P(a) is A's production curve and P(b) is B's. Here it is A's greater productivity which subsidizes B's income so that A and B are again left equally well off as defined by the compensation map.
All of the discussion so far has been for the sake of defining what equality of outcome might mean; how to interpret the very idea of an equality of overall benefits and burdens. I have said and will say nothing in this paper about what economic practices (if any) would generate such an outcome. In particular, I want to leave it entirely open whether given certain assumptions the best feasible approximation to implementing a system of compensating differentials would rely heavily on market mechanisms. My aim is to clarify the question of how we should assess the equality of a distribution of earnings, not how we should put one into operation.

5. Occupational choice and freedom from work

It is clear that the level of equal overall benefits and burdens achievable in a particular egalitarian economy is going to be a function not just of current productivity levels but also of the kinds and amounts of work which individuals perform. The question thus arises whether people should be free to choose these issues for themselves. I imagine that there is very little disagreement over the first part of this question, free choice of occupation. It clearly relates to worries someone might have about 'slavery of the talented' (cf. Dworkin 1981b: 311-312), while in Rawls's work it is listed as a separate primary social good (e.g. 1982: 162), the distribution of which seems to fall under the principle of Fair Equal Opportunity. Free occupational choice would thereby seem to have a special priority, ahead of the goods distributed by the difference principle.[10] It is in any case clear that both occupation and the freedom to choose are vitally important to any overall assessment of someone's condition; indeed, the central role of an occupation in providing a sense of identity and purpose, the way it affects not just a person's ability to satisfy needs and desires but the whole shape and meaning of their lives, gives free occupational choice a special importance, one which places it more in the category of needs than of preferences, and which justifies considering it as a vital interest.

This special importance is reflected in and reinforced by the specific character of a system of compensating differentials. In such a system, the balancing of benefits and burdens taken to constitute equality is based on compensation maps which explicitly ignore certain 'personal' factors and which will almost certainly seriously depart from some people's views. Free choice of occupation operates in such a system as a device...
which allows people to act on their own assessments of benefit and burden when these
differ from those widely accepted as reasonable, as well as on the personal factors which
the system of compensating differentials deliberately ignores. It thus plays an important
role in moving beyond socially dominant views to accommodating individual needs and
preferences.

But 'free choice' here can be misleading. No actual society, and arguably no possible
society, could give everyone a perfectly free choice to pursue whatever occupation they
wish to pursue regardless of ability. Does free choice then mean no more than equal
opportunity, with the result that certain forms of talentlessness consign people to
drudgery? If our central concern is for equality of outcome, we must insist on more than
that. We must insist on ensuring, as far as possible, that every occupation is capable of
contributing directly, and not just by way of income, to well-being and a sense of self;
that every person should as far as possible have real access to a significant range of
occupations which by their very nature can help to develop and realize that person's
conception of a good life. Work may not cease to be a burden (though that would be
ideal), but it shouldn't have to be nothing but a burden. As Rawls argues, 'Free choice of
occupation against a background of diverse opportunities [is] required for the pursuit of
final ends as well as to give effect to a decision to revise and change them, if one so
desires' (1982: 166). A choice among different forms of sheer drudgery can hardly
contribute in the way this remark suggests to a person's final ends.

Thus it seems legitimate to claim that people have a vital interest not just in the freedom
to choose their occupation, but in access to an occupation which advances their lives in a
significant way. A conception of equal outcome would take this interest into account by
guaranteeing genuine access for each individual to a significant range of intrinsically
satisfying occupations. Clearly this principle entails a radically different occupational
structure from those we are used to. In keeping with this paper's agnosticism about
institutional arrangements, I leave open the question of how far the formation of such an
occupational structure can be left to market forces. But whatever the arrangements, they
will effectively recognize some occupations as legitimate and discourage or even prohibit
others.

In addition to occupational structure, real freedom of choice must also be concerned with
the costs of choosing. For the principle of free choice of occupation has obvious social
costs, and the way these costs are distributed may seriously limit a person's freedom to
choose. Let us suppose, for example, that your choice is between being a small farmer
and being a specialized farmworker, and for simplicity let us assume that the two
occupations are considered equally burdensome. A small farmer might produce 1000
bushels of corn less; that is the social cost in corn of your choosing that occupation.
Suppose someone now argues: 'You made that choice, so you are responsible for its
effects. Its effects being the loss of 1000 bushels of corn, we will deduct 1000 bushels
from your income.' What's left of freedom then? You face a very strong constraint on
your choice of occupation. It would be much less coercive, and thus more in keeping
with the special importance of a real freedom of occupational choice, for each person to
shoulder an equal share of the social costs of everyone's freedom than for each to bear the
full social costs of their own choices. That is the principle which informs the system of compensating differentials, and it explains why (unlike equality of initial resources: cf. Roemer 1985) this system does not, I think, penalize the talented.

None of this entails that people should never be under any obligation to perform socially useful tasks. We have already noted in our discussion of responsibility and need that there must be a prima facie obligation to work; the further implication that such work should be as useful as possible is obvious enough, other things equal. But this further obligation should not, I think, be pressed too strongly. It is not that to do so would interfere with people's ownership of their talents -- no such thing is in question here -- but that it would interfere with their freedom to decide the very special question of how to spend their lifetimes. Since talents are inextricably embodied in people's lives, a restriction on society's access to them may be a necessary cost of such freedom.

But is this a real dilemma? Surely we can have both free choice of occupation and optimal output, by offering incentives for people to choose the 'right' occupations. That would introduce some inequality, but for the benefit of all. This familiar argument, which makes Rawls's difference principle so alluring, raises many issues which it is impossible to deal with here. In the present context I can only make a few tentative points.[11]

The first is that a system of compensating differentials actually provides some of the 'inequality' which Rawls's argument seeks to justify. Rawls rarely explains how inequalities are capable of benefiting everyone, but when he does he says things like this: 'The function of unequal distributive shares is to cover the costs of training and education, to attract individuals to places and associations where they are most needed from a social point of view, and so on' (1971: 315). Clearly at least part of what's involved here is compensation: the conception of equality of outcome Rawls is using as a foil to the difference principle is not the same as the conception expounded here. We should also remember that the precision conveyed by the image of a compensation map is misleading. Adjustments in pay for the sake of providing incentives may well remain within the range of differentials accepted as reasonable from the point of view of compensation.

Another point worth considering is that in a situation of severe scarcity it might actually be better to restrict freedom of occupational choice than to sacrifice equality to incentives. For if the cost of trying to combine free choice with equality is serious deprivation, the use of incentives will take up crucial scarce resources while restricted occupational choice will trade off the admittedly vital interests of some against the even more urgent interests of others. The incentive argument presupposes free choice of occupation, but severe scarcity challenges that presupposition.

In more affluent circumstances, the case for 'Rawlsian' incentives seems to improve, precisely because it is then less justifiable to sacrifice the vital interests protected by free occupational choice. But in those circumstances, the case for squeezing every productive possibility out of the economy also diminishes, and is easier to override in favour of
general arguments for equality. There is also the risk, highlighted by Barry (1989: 124-125), that once equality is breached it will be extremely difficult to distinguish a genuine Pareto-improvement from a case of strategic bargaining.

Finally, we ought not to ignore the degree of motivational force which an egalitarian system might be able to harness. For if, in general, people got more satisfaction out of work they were good at than work they were bad at; if, more importantly in this context, they got more satisfaction from work which made a high social contribution than from work which did not; if, in any case, they tended to have a real sense of obligation to the common good and this played a major role in their choices; and if, finally, they were generally more productive in jobs which they found satisfying and to which they felt a sense of commitment; then free choice of occupation would be unlikely to conflict with people doing productive work.

If, despite all these arguments, there were still a case for Pareto-improving inequalities, it would not affect the basic argument of this paper, which is to use a conception of economic equality together with the principle of free occupational choice to construct a case for basic income. For the whole point of the Rawlsian position is to show that everyone can be better off than under a defensible conception of equality. Thus if the present argument justifies basic income, it is hard to see how the Paretian improvement on it could fail to do likewise.

The idea of economic equality thus calls for an economy containing a number of recognized occupations, each of which is remunerated at rates roughly in accordance with a common, multi-linear compensation curve defined by a particular no-work point. People would be free to choose among these occupations according to their own needs and preferences. Obviously the no-work point in question and its corresponding compensation curve would be the result of and an influence on individual choices. But we can think of each individual's choice as taking place in the context of a more-or-less fixed set of alternatives established by the current economic situation.

What if, after all this, someone finds that there is no occupation which fits their needs and preferences? Should they then be entitled to choose not to work and to receive the income which corresponds to this choice, namely the income attached to the no-work point on the current compensation curve? In spite of our earlier derivation of a prima facie obligation to work, everything said so far about occupational structure and free choice of occupation, about the construction of the compensation map itself, and about the need for a certain level of resourcism in defining equality, suggests that the answer to this question should be yes.

The principle of free occupational choice is grounded in the vital interest each person has in exercising this freedom and in spending their time in a worthwhile way. The right not to work is a kind of insurance against the failure of collective arrangements to provide a satisfying occupation for each individual and against the possibility that the principle of free occupational choice will be undermined by restrictions on the range of recognized occupations. Moreover, the whole system of compensating differentials is based on a
democratic accommodation among individual assessments of benefits and burdens which is likely to differ dramatically from the assessments of at least some of the individuals in question. The right not to work helps to cater for conceptions of benefit and burden which others do not share. Admittedly, neither of these arguments generates a universal, unconditional right not to work, because neither applies to people who have the option of satisfying work at levels of 'objective' compensation they personally endorse but who prefer not to work. For such people, the obligation to contribute surely overrides their preference for leisure. But in the absence of any reliable way to identify these cases, we may legitimately decide that the best policy is to establish a universal right not to work and to use public education and moral suasion to try to prevent its abuse.

In any case, there is the further general argument we have already considered in favour of equal income as a baseline and for some form of equal opportunity. This is that a central egalitarian objective is to develop a basic framework which everyone can accept as a reasonable account of equality of overall benefits and burdens and which gives every person the same wide choice of the ends and means involved in forming and carrying out their own plan of life. Clearly the right not to work is not only a significant extension of the range of choice, but also helps to compensate for the fact that individual ability will in practice place different limits on people's options. So it both widens the scope for the achievement of final ends and ensures that there is a wider set of options open to everyone regardless of ability. But equality of overall benefits and burdens is maintained only if people who do not work receive an appropriate income as defined by the no-work point on the current compensation curve.

Does the acceptance of a right not to work show a bias in favour of preferences for leisure over preferences for material goods? I think it may, but that this is not necessarily a fault. After all, the scheme's basic motivation is to give special consideration to people's freedom to choose how to spend their time and to the importance to people of the central daily activities which give them a sense of identity and purpose. If it is right to treat these considerations as qualitatively different from preference-satisfaction and, like needs, of a higher priority, and if one way of recognizing this priority is to guarantee a right not to work, then it would hardly be surprising that the resulting system would be biased in favour of leisure. In general, this bias would simply be a special case of the priority of needs over preferences, though (as I have admitted) the fact that it is partly based on the practical difficulties of distinguishing between a genuine need for a non-work activity and a mere preference allows for some preference-bias to slip through the net. But that is only one of several ways in which a defensible conception of economic equality has the effect of favouring some preferences over others. For instance, the use of equal income as a baseline favours cheap preferences over expensive ones. Preference neutrality is desirable, other things equal, but comes rather far down the list of egalitarian desiderata.

As with the general principle of free occupational choice, the right not to work has its potential social costs, which the structure I have described shares equally across all the members of society. It therefore raises the same kinds of question about restricting choice or offering incentives. There is no point in repeating my discussion of those
questions, but a few related comments may be in order. The first is that the right not to work would clearly be easier to defend in a highly productive economy than in a situation of severe scarcity, because the vital interests which underlie it have to be weighed against the cost of unsatisfied needs. In fact, we noted earlier that some compensation curves do not even include a no-work point, but terminate on the curve representing subsistence (curve S in figure 1). These compensation curves could represent the highest standard of living available in a society with low per capita productivity. Since the present argument for a right not to work presupposes the existence of a relevant no-work point, it simply fails to apply in these circumstances.

My second comment concerns the 'Rawlsian' argument for an incentive-producing inequality between workers and non-workers. As we have seen, this argument may be overstated once we take into account not just the incentive effects of compensation itself but also non-material motivations. But in any case, once we have accepted the right not to work as an egalitarian aim, the Rawlsian argument can only improve upon this right, not abolish it.

In these last two sections, I have argued that the idea of economic equality involves at least two interdependent principles. The first is that the distribution of work and income should place everyone on the same compensation curve, as determined by a background agreement on benefits and burdens. The second is that differences among individuals concerning occupational needs, conceptions of benefits and burdens, and individual preferences should be reflected through a system of relatively free choice of occupation, including the right not to work at all. What economic institutions could possibly satisfy these principles is not my concern here. My concern is with the principles themselves.

It may be helpful in rounding off this discussion to consider the objection that equality as I have defined it would be unfair, not because it allowed people to choose options which imposed costs on others (an objection already considered), but because those who chose not to work, or whose incomes exceeded their products, would be free riders on the productive activity of others. This objection is of course unanswerable if we suppose that each person has a moral entitlement to their product, but I see no reason why egalitarians have to accept that. In the paradigm case of free riding, unfairness consists in getting the same benefit as others (the ride) without contributing to the burdens of providing it. More generally, free riding obtains when someone gets an equal benefit for a lesser burden, or a greater benefit for an equal burden. In a system of compensating differentials neither of these results occurs, since equal burdens are equally rewarded while unequal burdens are compensated for by unequal benefits. Put in the language of entitlement, a system of compensating differentials embodies the principle that people are entitled to adequate compensation for their work and beyond that to an equal share of what's left over. Since production is in general more-than-compensating, everyone is entitled to something whether they work or not.

6. The case for basic income

In this paper I have tried to clarify and provide some support for a particular conception
of economic equality, according to which inequalities of income are justified when they provide for unequal needs or compensate for unequal work. I have also argued that within this conception of equality the principles of free choice of occupation and of the right not to work play an integral part. I have not discussed how to combine the criteria of need and compensation into a coherent system, nor have I addressed a question which is likely to arise from that synthesis concerning possible personal variations in claims for compensation. But at this stage it should already be clear that the idea of economic equality is a complicated idea, responding to a number of different moral considerations such as a concern for the well-being of others, collective and personal responsibility, and freedom of choice, and that the apparent simplicity of the notion of 'equality of outcome' can only be articulated through constituent principles of varying types and relating to particular social and economic circumstances. Although the conception of economic equality put forward here is still incomplete, both in the ways I have mentioned and in neglecting the major issue of economic democracy, I think there are enough pieces on the board to give a preliminary answer to the issue of basic income.

A basic income is essentially an income which (1) everyone receives unconditionally, that is, regardless of current work, past work, willingness to work, or a condition of need; and (2) is sufficient to cover one's basic needs. It is not necessary for a basic income to be set at the same level for everyone; indeed, its explicit reference to need suggests that it is likely to vary accordingly. I said at the outset that the strategy of this paper was to put forward a conception of economic equality from which the case for a basic income can be derived; now is the time to spell out that inference.

In section 3 I argued that the need criterion provides some force for the idea that a reasonably affluent society should be unconditionally committed to meeting basic needs, while at the same time generating a prima facie obligation to participate in the social task of satisfying these needs. These principles are not inconsistent: the penalty for neglecting one's social obligations does not have to be personal deprivation. Yet clearly this argument can only make a limited contribution to the case for a basic income, since the humanitarian impulse which it relies on is tempered by the feeling that society should only help those who help themselves, and because it would be satisfied by making public assistance depend on a proven condition of need.

In section 5 I argued, more or less independently, for the right not to work and to receive the income corresponding to this choice on the current compensation curve. Clearly this constitutes a case for or is at least equivalent to providing an unconditional income to every person. But in considering the social costs of that right, we noted again that it was only defensible in a fairly productive economy, one in which the choice of not working did not conflict with the satisfaction of people's basic needs (in fact, we noted that the argument could not even get started below a certain level of productivity). It follows that in applicable societies the unconditional income in question must be sufficient to satisfy basic needs; in a highly productive economy it would doubtless considerably exceed this level. It would be at least a basic income and possibly much higher. These latter arguments took place abstracting from problems of variations in people's needs, and the two issues have not been synthesized in this paper. Nevertheless,
it seems quite clear that the unconditional income which this conception of equality generates would have to be adjusted to variations of need.

Thus the case for an unconditional, need-satisfying income is indeed a corollary of the conception of economic equality put forward here. But the case itself is not conditionless. I have already mentioned that it depends on a sufficiently high level of productivity, but it also depends, as we have seen, on the background agreements which are necessary for applying the central concepts used to define economic equality. Unless a society is sufficiently cohesive to achieve at least some consensus on claims of need and of compensation, then the ideas of need and compensation cannot be theoretically defended or politically implemented in the way equality requires.

I have not argued in this paper that an egalitarian economy is feasible: that it would even be self-sustaining, let alone optimal. In fact, I have not even considered what 'optimal' might mean here. I have pointed out the intuitive plausibility of supposing that economic equality is consistent with almost everyone wanting to work at an acceptable level and have suggested that only rarely would they choose not to work at all; but this question cannot be adequately dealt with without greater attention to the institutional arrangements necessary for generating an egalitarian outcome, and that is something which I have purposefully ignored here.

Since my aim has been to elucidate a certain conception of economic equality and to identify the role of a basic income within it, I have been concerned with a good society radically different from our own. This raises the question of how far the arguments of this paper could be used to defend basic income as an immediate demand. On the face of it, the introduction of a genuine basic income seems to be an obviously egalitarian measure, for the simple reason that there are many people in western societies, both workers and non-workers, whose overall condition is worse than it would be if they were non-workers receiving an income sufficient to cover their basic needs. A basic income would therefore raise the standard of living of the worst-off and reduce inequality. This conclusion is subject to certain important qualifications. The first, following the general line of this paper, is that the introduction of a basic income must be in an appropriate sense feasible. A second is that it should be financed by a clearly egalitarian redistribution, since not every way of paying for basic income (e.g. by reducing some kinds of existing welfare payments) would demonstrably promote equality of outcome. But there does seem to be a prima facie case for basic income now.

What is more difficult is to say whether this kind of argument is enough to make basic income a high immediate priority. Most countries evidence severe inequality of condition, with large proportions of their population living in dire poverty. It may be thought in such circumstances that basic income's unconditionality, in particular, is less important for egalitarians than raising the incomes of qualified welfare claimants and of low-paid workers. Proponents of basic income can argue that the two policies are compatible, or even that basic income is the best feasible means for accomplishing those other objectives, but this becomes a technical question of social policy which is outside the scope of this paper.
It thus seems wise to remain cautious about the immediate implications of the arguments put forward here. But it is important to remember that these arguments are only one possible application of equality, relying as far as possible on matters of principle and interpretation as opposed to empirical and institutional considerations. Many of the other arguments for basic income as an immediate policy rely implicitly on equality, whether the point is that basic income would eliminate the stigma involved in current welfare provision, help to redress the inequalities between men and women, reduce the power of bureaucracies, or reduce the exploitation of low-paid workers. Such arguments, being deeply embedded in the particular cultures and structures of contemporary societies, are perhaps a better basis for resolving immediate issues of social policy than the more remote and abstract case I have put forward here. But precisely because these more immediate issues raise all kinds of empirical complications, there is a real need for an argument which purports to show that basic income is more than a tool of social engineering: that it would be part of the framework of an egalitarian society. That is the work with which this paper has been occupied.

Footnotes

1. The ideas in this paper have developed through several incarnations and with many people’s help. I would particularly like to thank G.A. Cohen, Keith Graham, Attracta Ingram, Prasanta Pattanaik, Jennifer Todd and Philippe Van Parijs for their advice and criticism. I have also benefited from the original versions of Brian Barry’s and Richard Norman’s comments on this paper.

2. Although Cohen has said in correspondence that he is unhappy about using the term ‘well-being’ because it is too easily taken to mean welfare, I shall treat ‘well-being’ and ‘advantage’ as synonyms and as distinct from welfare.

3. Rawls 1988: 260-268 follows Raz 1986: 114-115 in distinguishing various conceptions of neutrality and their relation to liberalism. I cannot discuss here whether the lack of neutrality presupposed by a background agreement on need extends beyond the lack of neutrality endorsed by Rawls, and if so by how much. The present treatment is heavily indebted to Walzer 1983: ch. 3.

4. One of the problems with Rawls’s original account of the difference principle is that the index of primary goods which it employed failed to take the burdens of work into account. Rawls has since accepted (1974: 654 and 1988: 257) that leisure may be considered a primary social good, but his admittedly off-hand treatment of this has so far been inadequate. For, first of all, he says that a person who chooses not to work should get no social support, implying that having full leisure but no income (i.e. starving to death) is at least as favourable as working full-time for the minimum wage. Secondly, he gives no attention to the burdens of different kinds of work.

5. I owe this suggestion to Philippe Van Parijs.
6. I would like to thank Prasanta Pattanaik for kindly leading me towards this point. Let me apologize now to people who find the next few pages unbearably simple.

7. The slight slope in S represents the assumption that subsistence needs increase with work. S is not a compensation curve because working longer hours for subsistence is more burdensome than working shorter hours for it.

8. For the sake of simplicity, the discussion here and for the rest of the paper assumes that labour is the only factor of production, and obviously needs refining for an economy with other inputs. Without wanting to anticipate such refinements, it is worth pointing out that most egalitarians are unimpressed by the argument that returns to capital represent compensation for deferred consumption and thus would resist the use of the principle of compensation to justify such returns. This is, indeed, one of the reasons why egalitarians tend to be socialists. The questions all of this raises for the arrangements for investment in a socialist economy are serious, but well beyond the scope of this paper.

9. It is more plausible to assume that an optimal distribution must at least be Pareto-optimal, although that would need to be argued for, too. It would be easy to show that the simple examples put forward in this section are not Pareto-optimal on all possible sets of preferences, but more difficult, I hope, to show that a complex system of compensating differentials in an actual society would be substantially Pareto-suboptimal. This issue is discussed further in section 5.

10. The special importance for Rawls of free occupational choice is painstakingly confirmed by Barry 1989: Appendix C.

11. I tried to say something about these issues in Baker 1987: 94-102; the following discussion builds on that one but is not intended to be a conclusive treatment of a very complicated problem.

12. See Philippe Van Parijs's introduction to Van Parijs 1992. I have ignored one kind of unconditionality, namely the absence of any poverty trap, because this seems to be a question concerning detailed economic practices and thus beyond the scope of this paper.

13. I choose this cautious wording because I have consistently avoided the institutional issues necessary to draw a stronger conclusion.

References


