

Freedom and Democratization:

Why Basic Income is to be Preferred to Basic Capital

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Despite the popularity of democracy in the 1990s, relatively little attention has been paid in recent academic debates to the democratic significance of a basic income. The focus is usually on such questions as social justice, relief of poverty, equality of opportunity, promotion of flexible labor markets, and individual freedom. I am not suggesting that these questions are unimportant or unrelated to democracy. Rather, this approach reflects the extent to which recent political philosophy tends to put democracy in a separate compartment, or merely takes for granted a democratic background in order to analyze social justice and other questions. Two other aspects of contemporary scholarship on stakeholding also work in the same direction. First, the insights available from three decades of feminist scholarship have been neglected, even though they bear directly on some central questions about basic income, basic capital and democracy. Argument is often contained within some narrow parameters set by controversies about, for example, liberalism and communitarianism. Second, the theoretical framework adopted is frequently drawn from neo-classical economics.

In this chapter, more precisely, I am concerned with democratization. That is, with the creation of a more democratic society in which all citizens, women and men alike, have full standing and enjoy democratic rights and individual freedom. I shall argue that, if democratization is taken seriously, a basic income is to be preferred to basic capital (often called a stake). My idea of a “basic income” is that a government pays a regular sum over an adult life-time to each individual citizen. By “basic capital” or a “stake” I mean a one-time capital grant from a government to all citizens at, say, age 21. In both cases the payment is unconditional.<sup>1</sup>

Basic income and basic capital have come to be seen as two different ways of giving individuals a “stake in society” so that they can feel that they belong and have a reason to be a responsible member of their community. For democracy to function well individuals need to be stakeholders, but if their standing and freedom as citizens are also at issue, then a “stake” in the form of basic capital is insufficient, and a basic income is required. Although I am going to argue for a basic income, I am not dismissing basic capital. A stake would be an advance over present arrangements in the Anglo-American countries, and, in the current political climate, may well be more easily accepted than a basic income by both the public and politicians.

Philippe Van Parijs’ Real Freedom for All (1995) and Bruce Ackerman and Anne Alstott’s The Stakeholder Society (1999) have become central to the debate about basic income and basic capital respectively, and I shall take these arguments as my points of reference. In many ways they are two very different books. Van Parijs presents a “real libertarian” argument and discusses recent arguments in analytical political philosophy,

while Ackerman and Alstott draw on republican political theory and write for a more general audience.

Apart from their influence, the other reason that I am concerned with Real Freedom for All and The Stakeholder Society is that in both books the aim of stakeholding is individual freedom. Ackerman and Alstott see a stake as “making freedom’s promise universal and concrete” (1999, p.44), and Van Parijs is concerned with “real” individual freedom. They also agree that “freedom” means opportunity for individuals. To frame the debate around whether basic income or a stake would best promote freedom as individual opportunity pushes aside the question of the adequacy of such a view of freedom for democratization.

Neither the idea of a basic income or a basic capital grant, in itself, stipulates a level at which the income or grant should be set. Ackerman and Alstott argue for a stake of \$80,000, and Van Parijs argues that a basic income should be set at the highest sustainable level. My assumption is that, if a basic income is to be relevant to democratization, it should be adequate to provide what I shall call a modest but decent standard of life. This is a level sufficient to allow individuals a degree of control over their lives and to participate to the extent that they wish in the cultural, economic, social, and political life of their polity.

My argument will be that, from the perspective of democratization, a basic income should be seen as a fundamental or democratic right, like universal suffrage. This is because a basic income would help remove impediments to freedom, help citizens enjoy and exercise citizenship, and help provide the security required if citizenship is to be of equal worth to everyone. My understanding of individual freedom is as self-

government or autonomy. I see this as a political form of freedom in contrast to an economic form of freedom as individual opportunity. The latter is necessary in a democracy, but is insufficient for democratization, the political process through which all citizens obtain full standing, and become first class – democratic - citizens.

As a democratic right a basic income has the potential to assist democratization because, unlike basic capital, it can help break the long-standing link between income, marriage, employment, and citizenship. Both basic income and a stake would enlarge individual opportunities, but the opportunities provided by a basic income would be much wider. A major difference between the two forms of stakeholding is that a basic income would give citizens the freedom not to be employed. A basic income opens up two possibilities important for democratization. First, it would encourage citizens to reflect on the place of the institution of employment in a democracy; second, it has the potential to foster institutional change and uncouple standard of life and citizenship from employment.

In much discussion of basic income and basic capital the implications for women's citizenship and women's freedom is ignored. Contrary to my own view, some feminists have criticized proposals for a basic income and I discuss their criticisms below. In 1919, Bertram Pickard, who was much more aware than contemporary scholars that a state bonus (a forerunner of a basic income) was important for women, wrote that the state bonus “must be deemed the monetary equivalent of the right to land, of the right to life and liberty” (1919, p.21). My conception of the democratic significance of a basic income is in the spirit of Pickard's statement.

At first sight, it might seem that there is little to choose between basic income and basic capital as means for strengthening citizenship. Ackerman and Alstott state in The Stakeholder Society that stakeholding “is a citizenship program”, and that a stake “serves as a mark of citizenship” (1999, p.197; p.88). The ideal of free and equal citizenship is, they state, “the master key to stakeholding” (p.33). Moreover, the republican tradition within which Ackerman and Alstott situate themselves emphasizes the connection between property and citizenship.

Earlier versions of republican political argument were not democratic. Only property holders were deemed capable of exercising the rights of citizens; the propertyless were excluded from citizenship. Ackerman and Alstott universalize property holding in the form of basic capital, but they depart from republican argument by reversing the direction of the link between property and citizenship. They present a capital grant as “creating a public foundation for private life” (1999, p.186). This is a depoliticization of republican theory in which property was a private foundation for political life, for active citizenship.

The sense in which Ackerman and Alstott see stakeholding as a citizenship program is that it underwrites economic citizenship. They compare “one citizen one vote” as the mark of political citizenship to “one citizen one stake” as the emblem of economic citizenship. But the comparison of basic income with universal suffrage is much more apt. The standing of “citizen” and the right to vote continue for an individual’s whole adult life. Basic capital is a one-off payment at the beginning of adulthood, whereas a basic income is paid regularly throughout life. It thus provides the security necessary to

participate in social and political life and to exercise citizenship; heroic efforts are not required. Universal suffrage is the emblem of equal citizenship, and a basic income is the emblem of full standing as a citizen, of citizenship that is of equal worth.

The comparison between a basic income and universal suffrage was first suggested to me by a little-noticed passage in T. H. Marshall's Citizenship and Social Class: "to have to bargain for a living wage in a society which accepts the living wage as a social right is as absurd as to have to haggle for a vote in a society which accepts the vote as a political right" (p.1963, p.116). However, there are two problems with Marshall's argument.

First, as indicated by his reference to a "living wage", he linked standard of life to employment, by which he meant male employment (a issue I shall turn to shortly). Second, Ackerman and Alstott's separation of citizenship into economic and political components echoes Marshall's famous categorization of social, civil, and political rights of citizens. The problem is that dividing up citizenship in such ways causes needless difficulties in thinking about democratization. Attention gets diverted into endless wrangles about which category is primary (is it economic or political citizenship?), or which rights properly can be seen as "rights" (do social rights count?). The issue of what constitutes the democratic rights required for autonomy and full standing for all citizens is then glossed over.<sup>2</sup>

By a democratic right I have in mind a fundamental right in Henry Shue's (1996) sense of a right that is essential if other rights are to be enjoyed. A basic income as a democratic right can be compared to the suffrage, another fundamental right. Universal suffrage underpins an orderly change of government through free and fair elections, and

so enhances citizens' security, and enables each citizen to share in collective self-government. A basic income provides the security required to maintain full standing as a citizen, and enables each citizen to exercise individual self-government. I shall first say something about security and then turn to freedom as self-government.

Ackerman and Alstott reject basic income as an illegitimate, paternalistic constraint on freedom, but Van Parijs, although presenting a libertarian argument, introduces a "mild" paternalism. The issue of paternalism arises in connection with the question whether payment of income to individuals in a single lump sum at one point in time (basic capital), or as a series of regular payments during their lifetime (basic income) best promotes individual freedom. The choice between the payment methods is more than a matter of administrative convenience, since, from the perspective of individual opportunity, basic income can be seen as an unjustified restriction on freedom.

The most obvious reason for preferring the regular installments of a basic income is that a lump-sum capital grant could very easily and quickly be squandered or lost, even if individuals avoided Las Vegas or prolonged spending or drug sprees. Many responsible individuals could lose their basic capital; small businesses, for instance, have high rates of failure despite the best efforts of their owners, and stock markets crash. In Ackerman and Alstott's words a stake provides a launching pad - but an individual's trajectory could be very short indeed (1999, p.215).

In his discussion of payment method, Van Parijs remarks that if the problem of individuals throwing away their stake is that the consequent poverty leads to theft, and puts at risk human dignity and worth, then income paid at regular intervals is "the obvious choice". Further justification is required if "the rationale is phrased in terms of

real freedom” (1995, p.46). To be sure, more argument is necessary, but there is no need, as this comment suggests, sharply to separate an argument from freedom from an argument about poverty, dignity and worth, not, at least, if freedom as self-government is at issue. Dignity is not the same as freedom, but a basic income is necessary to maintain the dignity and autonomy, and to uphold the standing, of all citizens, not just those near destitution; regular payments provide the security required for the enjoyment of citizenship of equal worth.<sup>3</sup>

In contrast, Ackerman and Alstott see the risk of losing a stake as part of freedom. Basic capital does not offer paternalistic protection. Adults know that their actions have long-term consequences, even if many outcomes are unexpected, so they should not be prevented from deciding for themselves what to do with a lump-sum payment. Each “competent citizen should be deemed responsible for shaping the larger contours of his existence – for better or for worse. To treat him otherwise is to treat him as an eternal child” (1999, p.213). Thus, they reject the alternative suggested by LeGrand and Nissan (2000). The latter propose that their £10,000 capital stake should be administered by trustees who will scrutinize requests for payment and allow it to be paid only for a number of approved uses, such as education, starting a business, or a down payment on a home. Ackerman and Alstott see such limitations on payment of the capital sum as unacceptable “freedom-within-boundaries” (1999, p.215).

Nonetheless, Ackerman and Alstott introduce an element of paternalism into their argument in two ways. They propose that basic capital should be paid to each individual in four installments. Individuals can then learn from any mistakes they may make at first. In answer to the problem of individuals rapidly squandering their basic capital, Ackerman

and Alstott propose a combination of a capital grant with retirement pensions that are paid unconditionally to all citizens (which makes their scheme more complicated than a stake or basic income alone.) This ensures that if young citizens lose their stakes they will not be destitute in their old age.

In Real Freedom for All, Van Parijs' real libertarianism turns out to be fairly weak and involves some significant departures from the logic of libertarianism, including the introduction of paternalism. A typical libertarian would take a position similar to that of Ackerman and Alstott. Indeed, Van Parijs duly notes that individual freedom (opportunity) would be increased if individuals received their income as a single lump-sum payment and could do with it as they wished. But he argues for basic income as follows; he assumes that individuals "in their right minds" at any point in their lives wish to protect their freedom in later years against unwise actions when younger. Thus "a mildly paternalistic concern for people's real freedom throughout their lives, . . . makes it sensible to hand out the basic income in the form of a (non-mortgageable) regular stream" (1995, p.47).<sup>4</sup> This is not a very convincing argument from a libertarian standpoint, nor is it very compelling as an argument for basic income if democratization is a concern.

Ackerman and Alstott are concerned about paternalism because the opportunities opened to individuals by basic capital are opportunities to use their energies and abilities to become economically successful. This is also the view of Legrand and Nissan (2000, p.1) who state plainly that the point of a capital grant is that it provides "a springboard to accumulate wealth". The problem from which Ackerman and Alstott begin is that of young individuals' unequal economic starting points. Some begin their adult journey with

a handicap because of their parents' lack of economic resources. A capital stake gives each young citizen his or her fair share. It ensures that he faces a "level playing field when he enters the marketplace as an adult", and provides resources to meet the challenges of competitive markets (1999, p.22). Whether or not individuals make the most of these opportunities is up to them. As Ackerman and Alstott state, they "are interested in opportunities, not outcomes" (p.24).

Equipped with their basic capital grant, young citizens, Ackerman and Alstott declare, will be able to "inaugurate a new age of freedom" (1999, p.217). However, the "massive increase in effective freedom", and the "promise [of] more real freedom for all", is an opportunity, no more (1999, p.35; p.76). A universal stake would make a big difference to the lives of many citizens, not least, as they point out, to members of minority groups and to women, but stakeholding is not a "cradle-to-grave safety net" (1999, p.119). It relies on youthful energy and enterprise, unlike a basic income; a "basic income cushions failure; stakeholding is a launching pad for success" (1999, p.215).

Paternalism looms large when freedom is seen as individual opportunity because basic income inevitably seems like a constraint on freedom. But if one begins from another conception of freedom, and from the perspective of democratization, then the problem is different. Assisting young people to make a start in their adult lives is all to the good, but basic capital is insufficient to answer the problem of how the necessary security can be furnished to enable citizens, at any time in their lives, to enjoy individual autonomy, and participate when they wish in the life of their society. The problem not paternalism, but of the necessary social and political change to create a robust democracy

for all citizens, whether successful or not. A basic income offers part of an answer to this problem.

Equality of opportunity is, of course, part of democracy, but individual freedom as self-government is the core requirement. To see why this is the case, it is necessary to consider very briefly why freedom is a central principle of democracy. Modern (i.e., universal) democracy could not have developed without the assumption that individuals were born free, or were naturally free, and were equal to each other. It follows from the assumption of universal freedom and equality that all individuals are self-governing or autonomous – a political form of individual freedom. It also follows that the only justification for government of one individual by another (or one group by another) is agreement (consent). If individuals are to maintain their autonomy they cannot be mere subjects who are governed, they must become citizens with rights that allow them to govern themselves collectively and individually.

In Real Freedom, Van Parijs rejects any necessary connection between individual freedom and democracy. On this question he follows standard libertarian doctrine, and assumes that democracy is merely incidental to freedom. He distinguishes a free society – one that can determine its own fate and exercises collective sovereignty - from a society in which the members are also individually sovereign, and considers two possible answers to the question of what constitutes individual freedom or sovereignty.

The first is that individuals have an equal power in making collective decisions. Such individuals live in a “maximally democratic society”, one that “subjects everything to collective decision making”. A “thoroughly democratic form of collectivism” involves “public ownership of both people and capital” (1995, p.8). Not surprisingly, he rejects

this nightmarish view of democracy. He also rejects a second conception of individual sovereignty, closely related to the first: that is, individual sovereignty as active participation in collective endeavors. Both these views of individual freedom are inadequate, he argues, because they posit a necessary, rather than instrumental, relationship between individual freedom and political life. They make the “individual’s relationship to . . . political life . . . a matter of definition” (1995, p.17). Any connection between democracy and a maximally free society is contingent, a possible empirical condition for individual freedom.

Van Parijs identifies democracy with collective decision-making, and sets it at odds with individual freedom. But to see maximal democratic decision making as radically collectivist is to beg a great number of questions about meaning of “democracy”. My references to collective self-government have nothing to do with “collectivism” as public ownership; they refer to citizens’ participation in the government of a political system. At a minimum this requires a democratic electoral procedure - “free and fair elections” - based on universal suffrage, with its associated civil and political liberties. Individual freedom of opportunity is one of the liberties, and some citizen participation is required to keep the electoral system in operation.

Indeed, Van Parijs seems to have this conception in mind when setting out his three conditions for real freedom, i.e., a society in which all the members have maximum freedom. One condition is that security in the form of a structure of rights is necessary. He says little about these rights, but his argument requires the rights necessary for formal freedom, a market economy, and the protection of private property. He occasionally refers, without elaboration, to a basic income as a right (e.g., 1995, p.37).

Democratic theorists have paid more attention to collective self-government than to individual self-government or autonomy. But individual freedom is not exhausted by participation in the government of the state (collective self-government). When individual freedom is interpreted as the availability of economic opportunities that individuals can pursue untrammelled by (governmental) paternalism, another dimension of “government” drops out of sight. That is, government as the exercise of authority by one individual, or category of individuals, over another in any area of social life. If individuals are governed by others where this is unwarranted, their enjoyment of self-government is denied or limited.

Individual autonomy depends not only on collective self-government and the extent of available economic opportunities, but also on the structure of institutions within which individuals interact with one another. Individual freedom as self-government requires that individuals interact within authority structures that enhance their autonomy, and that they have the standing, and are able (have the opportunities and means), to enjoy and safeguard their freedom. When the two dimensions of self-government are prized apart, questions never arise about individual freedom within familiar institutions, such as marriage. Yet feminist political theorists have criticized the curtailment of wives’ self-government for three centuries, and, at least since the 1790s, have analyzed the structural connection between marriage, women’s livelihood and citizenship. But democratic theorists do still not give their arguments the attention they deserve, nor are they taken nearly seriously enough in the debate about basic income and basic capital.

A basic income has the potential to open up avenues of institutional change necessary for democratization. For this to take place citizens must begin to consider the structural interrelationships between their institutions, and a basic income could encourage this reflection. An appreciation of the fashion in which the major social institutions of marriage, employment, and citizenship, developed together and mutually reinforced each other is absent from too many discussions of basic income and basic capital. Without such an appreciation, the democratic significance of basic income never gets onto the agenda.

As feminist scholars have been demonstrating for many years now, the social insurance system of Anglo-American countries was constructed on the assumption that wives not only were their husbands' economic dependents, but that they were lesser citizens whose benefits depended on their private status and husbands' contributions, not their own citizenship. Ackerman and Alstott acknowledge this in their proposal for unconditional retirement pensions. The addition of retirement pensions to a stake allows them to write of a transition from worker (i.e., male worker) citizenship to universal economic citizenship. Their proposed unconditional payment to older citizens breaks the link, forged in the New Deal in the United States, between men's employment histories and retirement pensions. As they note, the pension would be particularly significant for older women whose benefits still largely derive from their husbands' employment.

To make this point another way, it is only paid employment has been seen as "work" (as the phrase "going out to work" indicates), as involving the tasks that are the mark of a productive citizen and contributor to society and the polity. Other contributions, notably all the work required to reproduce and maintain a healthy

population, and care for the sick and infirm – the caring tasks, many of which are contributed without payment in the private household, and are undertaken by women – have been seen as irrelevant to citizenship. Despite reforms to the social insurance system, the institutional connections and beliefs about “work”, masculinity, and femininity, are still powerful social forces.

Few participants in discussions of basic income have noticed, as has Van Parijs, that free-riding exists “on a massive scale” in household interactions (1995, p.143). Free-riders are individuals, or a section of the population, who continually take advantage of the efforts of others with no contribution on their part. Discussions of a basic income are full of apprehension about free-riding, but who are the free riders in the household?<sup>5</sup> Barry notes that full-time housewives can be seen as free-riders (1996, p245).<sup>6</sup> Yet housewives are working, as feminist scholars have emphasized for a very long time, by undertaking many vital tasks in the home, not least the necessary caring work.

The majority of wives are now in some form of paid employment, but their labor force participation is different from that of men. This reflects the legacy of a wage-system that enshrined the belief that husbands (men) not wives (women) are “breadwinners”. Many more women than men work part-time, and women earn less than men. The private and public sexual division of labor, that is to say, continues to be structured so that men monopolize full-time, higher paying, and more prestigious paid employment, and wives do a disproportionate share of unpaid work in the home. Given the structure of institutions and social beliefs, this appears as a “rational” arrangement. The mutual reinforcement of marriage and employment explains why husbands can take

advantage of the unpaid work of wives, and avoid doing their fair share of the caring work. That is why there is massive free-riding in the household – by husbands.

The conditions under which the institution of employment and the Anglo-American social insurance system was constructed have now crumbled. “Old economy” male breadwinner jobs are being swept away in global economic restructuring. New jobs have been created but many are low paid, lacking benefits, and temporary. “Downsizing” and economic insecurity are widespread. Views about femininity, masculinity, and marriage are changing too. We are still in the midst of these changes and the eventual outcome is uncertain, but at present we are living in circumstances in which it has become possible to rethink the connections between income and paid employment, between marriage, employment and citizenship, between the private and public division of labor, between caring work and other work, and reconsider the meaning of “work”. This is crucial if proper account is to be taken of women’s freedom, which has received rather short shrift in discussions of a basic income.

In 1792, Mary Wollstonecraft (1993) argued that rights, citizenship, and full standing for women required, among other radical changes, economic independence for both married and single women. A basic income would, for the first time, provide women with life-long (modest) economic independence and security, a major reason why it is central to democratization. Thus feminists might be expected to support the introduction of a basic income, or, more generally, stakeholding (see, e.g., Parker 1993; Alstott 2000; McKay and Vanevery 2000).

Yet some feminists are critical of the idea of a basic income because they fear it would reinforce the existing sexual division of labor, the current pattern of free-riding in

the household, and women's lesser citizenship. They argue that provision of an income without having to engage in paid employment would, in light of women's position in the labor market combined with lingering beliefs about the proper tasks of women and men, give women an incentive to undertake more unpaid work in the household. Conversely, men would have a greater incentive to free-ride by avoiding the necessary work of caring for others. That is to say, a basic income would reinforce existing limitations on women's freedom.<sup>7</sup>

Ackerman and Alstott address this issue. They argue that, in the longer run, basic capital can help diminish "pervasive cultural vulnerabilities" (1999, p.60). They reject the claim that a stake might reinforce such vulnerabilities by encouraging women to use their basic capital to subsidize their unpaid work, leaving them little better off as competitors in the market. Women's judgment, they argue, must be respected. In the short run, since it is women who are expected to combine paid employment and unpaid work in the home, basic capital will allow them to make a rational accommodation to this unfair arrangement. Over the longer term, a stake will enable "enterprising women" to challenge tradition and "make their own way in the world" (1999, p.208).

No doubt enterprising women would improve their position if they had a capital stake - many already do - and a stake would help change women's bargaining position and view of themselves. But although cultural assumptions, views, and vulnerabilities are major obstacles to change, institutional structures are involved as well. A stake, in the long run, is much less likely than an income that offers modest economic independence for life and makes employment truly voluntary to change both cultural views and institutions. A basic income would also change women's standing as citizens since

employment would be dethroned from its position as the only work that really counts as a contribution by citizens. A basic income would not only encourage citizens to think about the implications of current arrangements, but would give men the opportunity to do their fair share of the unpaid work of caring for others.

One crucial difference between a stake and a basic income is that the new opportunities made available by a basic income (set at the requisite level) would not be confined to the competitive market. On the one hand, a basic income acts as a subsidy that allows individuals to take low paid jobs. On the other, it gives citizens the freedom not to be employed and uncouples standard of life from the institution of employment. Both basic capital and basic income would enable individuals to make the kinds of choices discussed by Ackerman and Alstott in their “profiles in freedom” (1999, ch.4). Stakeholding would make it possible for anyone (at any point in their life, not merely while they are young, if they had a basic income) to go back to school, or to retrain to move to a new occupation, or to open a business.

But a basic income would do more than this. If it allowed citizens to live at a modest but decent standard, they could “take time off” to, for example, do voluntary work, develop their political capacities and skills, learn to surf, to write or paint, devote themselves to family life – or undertake caring work - or just have a period of self-reassessment or contemplation. By loosening the tie between marriage, income, and employment, a basic income can assist, in a way that basic capital for young people cannot, in removing impediments to freedom. It would allow individuals more easily to refuse to enter or to leave relationships that violate individual self-government, or that involve unsafe, unhealthy, or demeaning conditions.

The freedom to take a break from, or not to engage in, paid employment is a freedom that runs counter to the direction of recent public policy and much political rhetoric. Some commentators even claim that the capacities and skills necessary for citizenship can be developed only through employment. A widespread assumption underlying the reforms based on “workfare” is that, ideally, the whole adult population should be in paid employment – including the mothers of young children, which is a major historical shift. Whether, in light of current technological change and productivity increases, such a policy of universal employment is feasible is an open question, especially if it is employment at a living wage (“full employment” in the past referred to male employment). The effect of such policies and rhetoric is to draw even tighter the long-standing link between employment and citizenship, at the very time when change makes possible a reassessment of the connection.

It is also worth noting that a reinforcement of male free-riding is a likely outcome of universal employment. Advocates of workfare tend to remain silent about how the necessary caring work would be undertaken if all adults were employed. Either the tacit assumption seems to be that employment patterns would remain sexually differentiated, and women would continue to do most of the unpaid caring work. Or it is assumed that care would be provided through the market. But there seems little evidence that all citizens would have sufficient means to be able to purchase the necessary services, or that care of sufficient quality and quantity would be profitable enough to be made available.

To move the discussion of basic income forward, two changes are needed. First, democratization and women’s freedom must be brought into the argument. Proposals for stakeholding are about social change, and the direction of social and political change

depends, among other things, on the reasons why it is advocated and the claims made about what it is expected to achieve. If the beneficial consequences for women are not a prominent part of the debate, and if the reasons for supporting a basic income do not emphasize its democratic potential, then the outcome is unlikely to strengthen democracy or women's freedom. So it is vital for a case to be made in terms of democratization, which, if it is not to reproduce the long history of "democracy" as a masculine preserve, necessarily includes women's standing and freedom.

Ackerman and Alstott argue that a stake encourages individuals, in a way that a basic income cannot, to reflect upon what they want to do with their lives, and appraise their situation. "Civic reflection" and attention to "the fate of the nation" become possible when economic anxieties are lifted (1999, p.185). A "purer form of patriotism" will arise out of the "simple gratitude to the nation" that citizens will feel as they think about their capital grant and the debt that they owe to their country for the economic citizenship that comes with basic capital (1999, p.186; see also pp.43-44). Patriotism and gratitude, however, have only a tenuous connection to individual freedom.

Provision of a one-time capital grant will no doubt encourage individuals to consider what courses of action are open to them, and might even foster reflection on the debt they owe to their country. But it seems implausible that it would help open up reflection on the political implications of the structural connections between marriage, employment and citizenship. A one-time payment, argued for in terms of economic citizenship and economic success, does not provide a context that gives encouragement to think about broader connections between social institutions and democratization. In contrast, a basic income, which provided a modest standard of living independently of

employment, would offer an incentive for citizens to think in wider terms about the institutions within which they live. It has the potential assist in an institutional and cultural democratic transformation.

It is impossible to predict what the outcome of a stake or a basic income might be. All human activities have unintended and unforeseen consequences. The fears of feminist critics of a basic income could be borne out, and the possibility is certainly increased if feminist scholars and feminist insights, together with democratization, remain outside the debates about a basic income.

The second requirement is that theoretical arguments about basic income acknowledge the relationship between individuals' freedom and the structure of institutions. Many unnecessary problems arise when political theorists borrow from neo-classical economic theory. An abstractly individualistic theoretical framework is imported that works against an appreciation of the democratizing potential of basic income. Van Parijs' conception of freedom illustrates how the separation of individuals from institutions robs real freedom of the limits required for a plausible account of basic income.

I referred earlier to Van Parijs' three conditions for real freedom in Real Freedom For All. The first was the security of a structure of rights, and the second is that "each person has the greatest possible opportunity to do whatever she might want to do" (1995, p.25).<sup>8</sup> This is maximum freedom or real freedom for all (subject only to the limitations of security of rights and self-ownership).<sup>9</sup> He states that he decided against a definition of freedom in terms of what individuals actually want to do because focusing on "might want" avoids the problem of want manipulation.<sup>10</sup> He argues that really to be free means

not just that the formal right exists to do whatever individuals might want to do, but that they have the means to do so (another claim drawn from anti-libertarian sources). A basic income provides the requisite means. Whether or not Van Parijs' claim that a basic income should be set at the highest sustainable level involves a bigger or smaller amount than my assumption of a sum sufficient to sustain a modest but decent standard of life is an empirical question. However, I doubt that a level sufficient to underwrite his real freedom is possible, since real freedom has no limits.

Van Parijs states that real freedom is not merely the freedom to consume but to be able to choose among different ways of life. A real libertarian is not concerned with maintaining a living standard or obtaining what you want. There must be opportunities to do what you might want to do. He gives two brief examples: if a person lives in a commune, the assumption is "innocuously enough" that they might, one-day, want to live alone; if you live in the country, you might want to live in the city (1995, p.38). But I might want to build and live in a replica of the White House in the Malibu hills, I might want to ride to an orbiting space station, I might want to . . . what I might want to do at some stage of my life is unlimited.

Van Parijs' argument rests on concepts, drawn from economic theory, such as preference satisfaction, rents, opportunity costs, and endowments. Despite Van Parijs' caveat about consumption, his "individual" closely resembles the consumer of neo-classical economics. This individual has desires that know no limits, since what he might want to do is determined by his subjective preferences (measured through market prices), and individuals can have preferences or tastes for anything whatsoever.<sup>11</sup> Van Parijs'

“individuals” are, in effect, mere vessels for preferences, severed from social relationships.

Consider his analysis of free-riding in the household. He recognizes that it occurs on a large scale, but he reduces the problem to a comparison of two sets of preferences or tastes. Free-riding, Van Parijs states, occurs when benefits enjoyed by both partners in a household are produced by only one of them, the partner who happens to care most about the particular benefit. His example is that the partner who most strongly prefers tidiness will make sure that the home is tidy. But “tidiness” is part of the more general work of housekeeping, and there is abundant empirical evidence that shows that it is the female partner who is most likely to do the housework, including tidying up. The empirical data do not show this pattern just by chance - female partners do not by some quirk happen to prefer tidiness more strongly than their male partners. Rather, as feminist scholarship has demonstrated at length, this persistent pattern of behavior is the result of the interlocking structure of two institutions, marriage and employment, and social beliefs about what it means to be a “wife” or “husband”.

The institution of marriage has vanished in Van Parijs’s analysis of free-riding in the household and there are merely two individuals, indistinguishable except for their different tastes for tidy surroundings. Thus he can recognize that free-riding exists, but not that it is a problem about men (husbands) and caring work. He has nothing to say about the structure of relations between the sexes in Real Freedom for All and a whole area of debate is, therefore, removed from discussion of basic income.

Yet, in the end, either individuals and institutions have to be brought back together, or some other connection between them must be postulated. The connection that

Van Parijs makes in his closing pages is through “solidaristic patriotism” (1995, p.230). He argues that the “political feasibility” of justice is, in part, a matter of the design of institutions that “approximate one-man-one-vote [sic] democracy on a world scale” (1995, p.228-29). Solidaristic patriotism is needed to foster a commitment to a conception of justice and “pride in the collective project in which [individuals] are . . . involved” (1995, p.230). He even toys with the idea of compulsory public service to maintain social cohesion. This is hardly a move one would expect from a libertarian, but it is indicative of the problems generated by the abstractly individualist approach of economic theory. These, very familiar, problems have been explored extensively by such theorists as Hegel, Durkheim, and Parsons. Yet political theory deriving from the concepts and assumptions of economic theory is written as if their arguments did not exist, and as if Hobbes had not given us his great lesson in the political consequences of atomistic individualism in Leviathan.

Van Parijs states that compulsory public service is the indirect and instrumental way that real libertarians can restrict freedom and take account of some “anti-individualist” concerns of communitarians (1995, p.231). But basic capital and basic income are about the enlargement of individual freedom, not compulsion; the resort to compulsion is an artifact of a theoretical starting point. And why should communitarians be the reference point, especially if the concern is individual freedom (see also Ackerman and Alstott 1999, pp.43-44; p.186)? Have other contributors to political theory nothing to say of relevance to individual freedom?

I now want to return to the comparison between universal suffrage and a basic income, which raises a problem that I have not seen discussed. Universal suffrage means that the vote is no longer a privilege from which certain categories of individuals are excluded, but a democratic right. Thus, virtually everyone must be able easily to meet qualifications for enfranchisement; hence the importance of age, or in the case of candidates for naturalization, length of residence, and being of sound mind.<sup>12</sup> Similarly, if a basic income is to be a democratic right, all citizens must be able to qualify; there can be no conditions.

Apprehension about free-riding has led to many proposals for conditions for the payment of a basic income, such as Atkinson's (1996) "participation income" (see also e.g., Anderson 2000, Galston 2000, and Phelps 2000). Both Ackerman and Alstott and Van Parijs introduce conditions. The former restrict full stakeholding to individuals who have a high school diploma, and make loss of part of basic capital a penalty for certain crimes. Van Parijs suggests that under certain conditions, usually found in poor countries, a work test is appropriate. Ackerman and Alstott could respond that their criteria resemble those for the suffrage; virtually everyone could meet them. Van Parijs' believes the relevant circumstances are unlikely to obtain in rich countries such as the United States or Britain.

Once conditions are introduced, however generously interpreted, a basic income becomes a privilege not a right. The problem then arises of the status of those who fail to, or refuse to, meet the conditions. Are they to become second-class citizens? This problem has been glossed over in current debates, but once democratization is at the center of argument the question of conditional citizenship becomes harder to avoid. It is

unconditional – democratic – citizenship that is at the heart of the case for both basic income and basic capital. Ackerman and Alstott argue that, in the end, the justification of a stake “rests on each American’s claim to respect as a free and equal citizen” (1999, p.209). Both basic capital and basic income have symbolic as well as material significance by helping to remove the temptation for some citizens to see others as less worthy of respect, and so as lesser citizens, because of their lack of economic resources.

They also argue that individuals (and their success) depend on a complex web of cooperation by others, and that stakeholding recognizes this social fact. Here Ackerman and Alstott are drawing on the tradition of argument that all citizens have a right to a fair share in the collective patrimony because the wealth and resources of a society are built by the cooperative endeavors of preceding and present generations. In the twenty-first century surely it is time that all citizens in a democracy should enjoy a share of the patrimony in the form of the security and freedom of a guaranteed basic income.

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<sup>1</sup> For ease of exposition I shall refer to “citizens”, leaving open the question of permanent residents. I shall also leave children aside, together with some other issues that are outside the scope of this chapter.

<sup>2</sup> On Marshall, see also Pateman (1996). The problems are exacerbated by the existence of two UN Covenants, one dealing with civil and political rights, and the other with economic, social and cultural rights. Moreover, as feminist legal scholars have pointed out, standard interpretations of “human rights” have endlessly reproduced the separation between public (political) and private, a separation that also characterizes most discussions of a basic income.

<sup>3</sup> For an argument that destitution in the form of homelessness is a denial of individual freedom see Waldron (1993)

<sup>4</sup> Van Parijs and Ackerman and Alstott treat the question of method of payment as a problem about personal identity, in the sense of whether one is the same person at 60 as at 20. If the self is a series of discrete entities over time, then the later self cannot blame the earlier for youthful folly. The problem of personal identity is interesting, but of little concern in discussions of a stake and a basic income, which are about citizenship and social and political change, not individual identity. The latter issue assumes a central place in individualist theoretical frameworks (extreme individualism in Van Parijs’ case).

<sup>5</sup> I make some general comments on the free-rider objection in the webcast of Pateman 2001.

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<sup>6</sup> McKay and VanEvery (2000, p. 281) remark that critics of the free-rider objection argue in “masculinist terms which ignore the implicit relegation of family carers to this category”.

<sup>7</sup> Like Robeyns (2001) I have frequently encountered this objection when I have talked about a basic income, but less often seen it in academic discussions (see also the comments in Walter, 1989, pp.123-5).

<sup>8</sup> The third condition is self-ownership, which I will not pursue in this chapter. Van Parijs (p.9) states that the idea of self-ownership cannot be attacked on grounds of freedom. For such a criticism see Pateman (2002).

<sup>9</sup> Strictly, real freedom involves leximin opportunity, but this is not relevant to my argument. Leximin means that the person with least opportunities has no less opportunities than those of the person with least opportunities under any other arrangement. If there is such an alternative feasible arrangement, the calculation is made for the person with the second least opportunities.

<sup>10</sup> He also extends real freedom beyond coercion to include obstacles that have not been produced by anyone: “Even stating that I am not free to travel faster than light is only slightly odd, if at all” (1995, p.23). For some other comments on his conception of freedom see Barry (1996, pp.250-55).

<sup>11</sup> The problem then arises of why, if tastes vary, income should not vary also. In discussing “undominated diversity”, Van Parjs rescues his assumption that a basic income will be paid at a uniform level by introducing the restriction that preferences must be genuine, and available to and understood by others. However, this presupposes the network of social relationships that is absent from his examples, which highlight such bizarre cases as individuals who prefer to be blind rather than sighted, crippled rather than able bodied.

<sup>12</sup> The debacle in Florida in the 2000 Presidential election drew attention to the 14 states that continue to strip former felons of the franchise for life (around one and a half million people).