The Ethics of Basic Income

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# Table of Contents

Introduction ................................................................................................. 3
  Central question ...................................................................................... 4
  Why basic income? ................................................................................. 4
  Reading guide ....................................................................................... 5

A Brief Account of Basic Income ................................................................. 6
  Unconditional ....................................................................................... 6
  The case for basic income .................................................................... 8
  The free rider problem ....................................................................... 10

The Ethics of Basic Income ....................................................................... 12
  The moral case for basic income ....................................................... 12
  Objections against the distribution of assets ...................................... 18

Industrial Justice ..................................................................................... 22
  Technological inheritance .................................................................. 22
  Reciprocity in the (dark) future ....................................................... 25

Conclusion ................................................................................................ 26

Literature ................................................................................................ 27
Introduction

Automation and the deepening divide between rich and poor will constitute some of the most profound changes of human society in the 21st century. Earning power becomes more polarized within and between countries, and the fundamental question that arises from this development is how the vulnerable members of a society can be ensured the means to a life with decency. A partial solution to this concern that has gained attention in recent years is the idea of a basic income scheme. A basic income provides a guaranteed regular cash payment to all individuals within a society regardless of societal position or income. The first idea of basic income emerged at the end of the 19th century and various forms have since made appearances yet none have ever fully materialized. The persistence of the idea can partly be explained by its simplicity; give money to solve poverty. Of course, a consideration of the effects of basic income on society as a whole is deserved before such a nation-wide scheme is implemented. Countries already aim to solve poverty by aiding its citizens in need through benefits or by stimulating them to enter the workforce. Basic income differs from existing social benefits programs in that it gives its recipients a periodic cash payment without a work requirement or means test and has therefore been recognized as unconditional or universal. The absence1 of any pre-requisites to receive such an endowment has significant implications that can address ailments in the society of today and tomorrow, but serious concerns have been raised in response that question the economic sustainability and ethical grounds of basic income. The coming decades will see a transformation of the world that has made the idea relevant again. The challenges that follow this transformation can very well prove that basic income can be a solution to these and older problems, functioning as an insight into a new kind of society where human labor is made more and more redundant.

1 The universality of basic income is limited in one aspect; only those belonging to a certain political community are expected to receive this endowment (Van Parijs & Vanderborght, 2017: p. 8). A particular country will not provide basic income to any foreign workers or students as they will be part of their own native community.
Central question

Poverty and its sources have been a constant in human history that has never seen a solution. Work that restricts, rather than emancipates inhibits much of human potential and happiness. Basic income is not the end-all solution but provides a foundation to overcome these challenges. The economic and ethical critique raise legitimate concerns, however, as to whether basic income is the right path to be taken. The economic critique questions the sustainability of basic income and is concerned about inflation and the weakening of economic incentives. Its core argument is that basic income as an arrangement cannot be funded. Proponents rebutted and stated that a basic income or partial basic income is realistically possible by swapping out social programs, configure new ways of taxation and supplementing taxation with different revenue streams. The ethical critique questions whether people can lead satisfying lives without work and states that basic income is ethically not justifiable because it is unfair for able individuals to live off the labor of others. Those who receive basic income will essentially benefit from the assets of society, whilst providing nothing in return and can be called free riders. How can the case for basic income still be made if that were to happen and would it still be a fair society? I believe the ethical critique must be given precedence\(^2\) because funding the scheme is dependent on whether society is willing to accept the idea of basic income. The question whether society thinks basic income is fair is more important than the question whether basic income can be funded. Basic income has to be approved through legislation, implemented by government and finally survive as an integral provision of a (welfare) state. All of this requires a belief in the good that a basic income scheme can bring and the ethical critique undermines this belief. The central question of this paper can then be formulated as follows:

"How can basic income be ethically justified?"

This study will center on the debate originating from Van Parijs’ *employments rents* argument. The intriguing argument defends the claim that even those who choose not to work are justified in receiving the benefits of basic income. This has attracted various critiques and the two main objections shall be examined. Finally, I will build upon current developments regarding

\(^2\) It should be noted that the economic critique is in no way any less important. Kay (2017: p. 69) illustrates how the introduction of a basic income scheme is impossible without taking contingencies into consideration that would end up making the scheme similar to existing welfare programs.
displacement of human labor and argue for an additional line of reasoning, justifying the ethical case for basic income.

### Why basic income?

The risk of automation displacing the working population has been raised and rebutted before as low-skilled workers were replaced, yet new opportunities of employment were created in return. Factories would replace human labor with machines doing repetitive well-defined tasks and provide new jobs as the machines required programming and maintenance. The same logic presupposes the next chapter of automation as some conventional occupations will be replaced, but new creative and innovative occupations will spring and flourish. Only time will tell if this logic is justified, but there are signs that the next chapter of automation proves to be of an entirely different kind. Machine learning allows computers to self-educate and anticipate through algorithms that mimic human capacity far greater than before. Basic income has been regaining attention in light of this development and has made its discussion relevant again as the next generation of automation complicates the problems of poverty, unemployment, and dissatisfaction.

### Reading guide

The introductory chapter discussed the premise, objective and relevancy of this study. The second chapter will provide a brief overview of basic income as an idea and the ethical critique of the free rider problem. A portion of this chapter is dedicated to technological developments and is important for the fourth and final chapter. The third chapter will review the ethical justification and subsequent objections to basic income. The last chapter will delve into automation and how it strengthens the ethical justification of basic income. I will highlight the transformative nature of automation and artificial intelligence in this chapter and connect these with an idea of common inheritance, a notion underlining the first conception of basic income by Thomas Paine (Kaye, 2006: p. 87). The goal of this exercise is to construct an additional argument that will strengthen the idea of basic income. The study will conclude with comments on the future of basic income.
A brief account of Basic Income

The Anglican bishop Richard Watson published his sermon *The Wisdom and Goodness of GOD, in having made both Rich and Poor* in 1793, expounding on the natural appointment of God himself when the human species is divided into rich and poor. Having read the sermon, Thomas Paine decided to publish his own pamphlet *Agrarian Justice* in advance arguing that rich and poor are not the product of Providence, but an arbitrary division (Kaye, 2006: p. 87). Paine reasoned that God had only made male and female and gave them the earth as a common inheritance. Owners of private property were in debt to those that were deprived as the land was meant for all mankind. A ground rent was owed that would redistribute wealth through a national fund paying every person from a certain age for his or her loss of natural inheritance. The discussion between Watson and Paine signifies the persistence of the debate between the ethical critique and the case for basic income. A brief explanation of basic income is needed however wherein its core elements and arguments are explained before this discussion is revisited.

### Unconditional

The simplicity of basic income is often illustrated with Eduardo Suplicy’s phrase *the way out is through the door*, referring to money as the (obvious) solution to poverty. The idea of basic income can be described as a social security scheme that aims to provide all members of a particular political community with a minimum amount of money paid regularly without the need for a means test or work requirement. That is to say, there is no specific income threshold that needs to be fulfilled nor is the willingness to work tested before a recipient can receive his or her allowance. Four critical elements can be discerned from this description and are important in fully understanding the concept of basic income (Van Parijs & Vanderborght, 2017: p. 8). The income has to be paid in cash, is an individual entitlement, universal and obligation free.

The first element entails that the endowment from a basic income scheme has to be cash

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3 The argument goes that God had permitted private property in accordance with the pursuits of mankind that tended to result in a discrepancy in property; that the rich are rewarded for their diligence and the poor are punished for their laziness.
and cannot take the form of goods or services (Van Parijs & Vanderborght, 2017: p. 12). Various welfare programs have opted to integrate a form of food distribution for example with the suspect that a cash payment runs the risks of wasteful spending, instead of being directed to the basic necessities of a household. Yet the recipient is then restricted to the specific object and timing of consumption. A cash payment would mean greater freedom as the recipient can choose how and when to spend. The risks of irresponsible spending are taken into consideration by providing certain provisions attached to the scheme, so a certain amount will be spent on health-care and education.

The second element underlines the importance that each individual is to receive the income without considering that person’s household composition (Van Parijs & Vanderborght, 2017: p. 14). A distinction can be made between adults and minors but the general argument stays the same; a strictly individual payment equalizes the power distribution within a household. Women⁴ have traditionally been subservient to men as the latter often provided the lion share of a household’s income. Giving the endowment directly to women would secure them greater economic freedom and control.

The third element secures the endowment as a universal income for all people by excluding any form of means test (Van Parijs & Vanderborght, 2017: p. 16). The means are any factors that could influence the amount of income received. Existing welfare programs usually involve an income test or a consideration of the value of one’s property and holdings (Sommer, 2016: p. 8). A basic income scheme would not require any prior assessment other than the person’s affiliation with a political community, e.g. citizenship. This means that every person, rich⁵ and poor, will receive a basic income. The fundamental argument herein is that it frees people from the exclusion of work and the unemployment trap. Under current welfare systems, recipients would be discouraged and hesitant to work because they would lose their endowment as soon as they start working. The problem is that the jobs available for those that struggle to make ends meet are usually of a precarious nature. The loss of a job would then mean a loss of both income and benefits as the period between an employed position and being eligible for unemployment benefits could take up months, forcing individuals to consider excluding themselves from work rather than try seeking

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⁴ The same argument can, of course, also be made for men who are now increasingly dependent on their significant other for their livelihood given a state of partnership.

⁵ The result is counterintuitive as basic income is put forward as a solution to poverty. Why would the rich receive any money then? Funding any form of a basic income scheme would likely involve the taxation of income and consumption, making the rich and those who spend big essentially pay for their own endowment.
employment. The unemployment trap follows the same logic as any income will correspondingly reduce the amount of benefits received. Basic income solves these current welfare problems by adding the endowment to their net income. Assuming low-paying jobs will be exempt from income taxation, unemployed will be less discouraged to seek out new employment opportunities.

The final element frees recipients from an obligation to be available for employment and saves them from the so-called employment trap (Van Parijs & Vanderborght, 2017: p. 21). Existing welfare schemes give disproportionate power to employers and authorities as recipients can be required to accept any form of employment or else forego their eligibility for assistance. Terrible bosses, badly paid positions and little to no prospect for better positions are the bleak consequences for those that are reliant on benefits and are essentially forced to work in suppressing conditions. Freedom from obligation solves this and works together with the element of universality in providing a form of freedom to do what you really choose⁶. Universality empowers individuals to seek employment, freedom from obligation enables them to refuse dire places of employment.

The case for basic income

Thomas Paine argued for basic income from a principally moral standpoint, part of an ethical strand of argumentation that has been supplemented with two other rationales; the anticipation on transformation by technology and the reduction of complexity and costs in providing social security (Kay, 2017: p. 69). Only the second and third rationale will be explored for now as the ethical rationale will be the focus of the next chapter.

Technological progress has been indispensable for mankind that has evolved from a hunter-gatherer society into the all-consuming species of the world. The Neolithic Revolution paved the way for human expansion and the Industrial Revolution firmly established scientific inquiry as the guide for human action. Some were displaced along the way yet others found new forms of employment and, up until now, more jobs were created than lost. Likewise, there is no need for concern in the current century as the same logic is presupposed where old jobs perish and new jobs arise. The Industrial Revolution saw production jobs being replaced for example with big machines that could reproduce human labor at a far more efficient and effective pace. Yet factory owners did not replace human labor altogether in favor of machines, they capitalized by increasing their

⁶ This freedom is not be understood as a directive to live a life of vice and irresponsibility but to give people a real choice to do what they really want with their lives without compromising for the sake of financial independence.
production as a result of synthesizing the machine’s output with new ways of employing human labor. The digital revolution has already begun, but the potential effects of its maturity raises concern and gives pause over whether this revolution will follow the same path. The foremost argument is that computers replace humans on such an invasive level, that no substantial levels of employment are created in return this time around. The internet is a typical case that creates massive new opportunities, but also destroys entire industries. Digital purchasing and servicing is rising in prominence, making brick and mortar stores redundant. The same products and services are made available for purchase with far fewer people, yet the maintenance and construction of the software infrastructure has not given the proportional opportunities of employment in return.

The transition from the physical to the digital brings an enormous economy of scale in business models that cannot directly facilitate the creation of new jobs to make up for lost ones. The argument goes further than just economies of scale however. General purpose artificial intelligence enables computers to learn and adapt within a specified boundary and is proposed to be the pivotal element that makes the digital revolution different from any technological innovations that have materialized before (Wajcman, 2017: p. 120). The coming wave of automation is then a different beast where humans are replaced\(^7\) in their entirety. New jobs will be created and humans could fulfill those positions until software development catches up and replaces them, again. The rate of replacement would theoretically increase exponentially until the point is reached where machines are favored to perform new tasks outright, excluding human labor entirely from the process of innovation.

Even if the digital revolution does not result in massive waves of displacement, it would almost certainly mean a greater disparage between rich and poor (MacEwan, 2016). The owners of machinery and software, the means of production, will gain the most from the digital revolution, along with a small group of elite workers that are directly employed by the major companies and although higher productivity as a result of technological innovation can result in a general improvement of life overall, its distribution between the rich and poor is likely to be ever-increasingly skewered (Brynjolfsson & McAfee, 2015: p. 12). Income inequality will rise to new levels as the vast majority is not specialized or skilled enough to join in and reap the benefits and thus

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\(^7\) Google designed its machine learning software AutoML to help their engineers build other machine learning software and it has now able to create an artificial intelligence that is better than any system designed by humans (Lant, 2017). Paving the way for it to replicate itself and become better with each iteration.
contributes to a more polarizing society and underscores many of its societal problems\textsuperscript{8}. Basic income then becomes a solution to the dark side of technological progress that is expected to transform society in unprecedented ways.

The last rationale, basic income in favor of costly and complex social security schemes, posits current welfare systems as too cumbersome, arguing that the simplicity of basic income can reduce overall costs and better protect people from poverty (Kay, 2017: p. 69). The absence of any means or income tests offers less administrative procedures as there is no need for information-gathering, monitoring for compliance and misuse and sanctioning those that abuse the system. Every legal recipient will automatically receive his or her endowment ex ante, which is in contrast to current welfare systems that distribute benefits ex post. The replacement of the infrastructure of welfare systems is also crucial to funding a basic income scheme as the resources saved will directly go towards funding the endowments. The institutions, political interests and entire apparatuses of civil service that are invested into the current welfare systems make any kind of replacement an act met with great resistance. But basic income is a bold idea that does not necessarily fit our current view of society, yet might prove to be a suitable solution for problems to come.

The free rider problem

A society with basic income allows people to contribute nothing whilst living off the labor of others. Some people in this society might choose to work, help or invest in their community, and others choose to do nothing at all. A burden is then placed on everyone else for each person that does not carry his or her own weight. The intuitive assertion that this is an unfair situation can formally be defined as the exploitation objection (White, 2006: p. 2). A society that provides for everyone, based on the efforts of its members implicitly raises a duty of reciprocity. Everyone ought to make an effort into contributing to the larger system that feeds all. A person does not need to contribute something of the exact same value for what is received or taken, but at least a genuine effort has to be made. The moral objection to exploitation is a profound argument that touches all human communities and can also be identified in the reasoning of the English Bishop. Richard Watson asserted that “God gave the earth to be a means of support to the whole human race … but he never

\textsuperscript{8} Income inequality becomes a problem when the lower end does not have sufficient resources for a chance at a better life. That is to say, access to education, health-care and security. This overall environment in which lower-income families subside is a contributing factor to generational poverty.
meant that the idle should live upon the labor of the industrious, or the flagitious should eat the bread of the righteous” (2010: p. 2). The division between rich and poor was claimed righteous because it was supposed as the result of every person’s choice of what to do in life. The next chapter will address the exploitation objection as it is still relevant today.
The Ethics of Basic Income

*You get what you deserve*, or the Biblical version *as you sow, so shall you reap* are typical sayings that signify the underlying ethos of many religions and world views stating that you are responsible for whatever good or bad that comes your way. It is a normative statement that aims to persuade people in doing good deeds, and dissuade them from doing bad ones. Living of the labor of another whilst providing nothing in return violates the duty of reciprocity and is a strong argument against basic income that is morally intuitive because another has been done wrong through no fault of their own. The sayings mentioned above also implicitly prescribe a balance to the acts of people; not only should bad people deserve bad things, good people deserve good things. When an unfair transaction has taken place where one party has taken whilst the other has received nothing in return, the damage is twofold because the taker is undeserving of what he received and the giver is cheated out of his expected return. The duty of reciprocity is such a strong sentiment in human behavior because, I believe, it (partly) stems from evolutionary biology where organisms would enable another organism's capacity, with the expectation that the other organism would behave similarly in a form of reciprocal altruism. Any scheme that enables people to violate the duty of reciprocity has human nature already working against it. Various arguments have been developed for basic income in spite of this strong intuition. This chapter will contextualize the exploitation objection and review the ethics of a basic income scheme by outlining the arguments for the introduction of basic income from a moral standpoint. The employment rents argument of Van Parijs will be introduced in this chapter and it deserves much attention specifically, as I will assess two critiques on van Parijs' argument originating from White and Van Donselaar.

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9 The biologist Robert Trivers (1971: p. 35) explains cooperation between organisms as the result of cumulative occurrences of mutually altruistic behavior.
Three instances show how the objection deserves contextualization (Van Parijs & Vanderborght, 2017: p 101). First, there is a double standard in treating the rich and poor. Those unwilling to work are thought to be undeserving of the enjoyment of leisure, and by extension idleness. If a poor person who is not willing to work is thought to be undeserving of leisure, then a rich person unwilling to work must also be undeserving of leisure. The opposite is true in reality as the rich are thought to be entitled to leisure whilst the poor must work as much as possible or else be stigmatized as having bad and unproductive habits.

Second, the assumption that a significant proportion of society will contribute nothing because of a basic income scheme can be heavily contested with two counterarguments (Van Parijs & Vanderborght, 2017: p 102). The first counterargument is that basic income will solve the unemployment trap, empowering people to take on jobs that would otherwise be a risky endeavor. The second counterargument adduces the smaller experiments with basic income or similar versions that show how people would work less or quit, but take up community service, spend more time on childcare or volunteer; thereby contributing to society nonetheless. Thirdly, it can be argued that the intuition that you need to work for your income is outdated the further our productivity increases. Innovation and specialization have led to leaps in productivity whereby a small percentage of the population is needed to provide for all the basic necessities needed to sustain a population. I would furthermore like to argue that a time will come where the needs of each individual can be guaranteed through artificial labor. It is not unreasonable to think that somewhere in the future much of human labor is made redundant and this would force us to reconsider how to live our lives. Working for your income is, again, an intuition that signified an unspoken rule beneficial in historic and contemporary times, but times are changing. The three instances show altogether how the exploitation objection can be put into question, yet it is still a strong argument. What would justify an idle person to receive the shared resources of a society?

I. The Good Life

The objection that has often been made against a basic income scheme is that one has to work, in order to lead a fulfilling life (Van Parijs & Vanderborght, 2017: p. 99). That is, if an individual is not working he or she is not living what is considered a ‘good’ life. It is even considered a vice as is portrayed in the Biblical saying; idle hands are the devil’s workshop. The sermon Richard Watson gave underlines this assessment and is centerpiece for his further argument that the division between right and poor is righteous because of this. Those who do not work lack the virtuous
characteristics that enables the rich to work hard and earn their rightful wealth. Society today still regards those who do not work as being susceptible to vice and is evident in the way society is constructed; working is encouraged and non-employment is discouraged. Government aid and programs in this regard fulfill a pivotal role in enabling those in a bad spot to overcome and contribute towards society. Yet the doctrine working is good does not have to be the right doctrine as there are many conceptions of what a good life can be. The point is that basic income can facilitate a myriad ways of living the good life. A multitude of different conceptions of the good life will probably be more accepted when the need for work is separated from receiving income. Spending time with loved ones or dedicating oneself to mental clarity have been pursuits that have given way to working, but can gain importance again if basic income is a reality. That is not to say that (formal) work is not important or that it is not central to some, it is just not a necessary part of human nature. It must also be stated that the conception of the good life as a counter-argument to basic income does not speak against the exploitation objection specifically (White, 2006: p. 4). The objection concerns itself with what is fair to other people, and not what a good life should be. An idle person living of others is not criticized because he is neglecting the doctrine of working is good, but because he is doing something unfair to others.

II. A more impartial society

A society that is more impartial after the introduction of basic income can be argued for in mainly two ways (Van Parijs & Vanderborght, 2017: p. 103). The first line of reasoning relies on the claim that basic income will distribute fairness more evenly by (better) preventing injustice. The most prominent example recalls the freedom from obligation as a central element of the idea of basic income and shows how it will better protect the disadvantages on the labor market. Those who genuinely suffer under miserable work conditions will have freedom to excuse themselves and seek better prospects because their financial security is secured by basic income as it protects them by removing their vulnerability. Another example shows how injustice in current societies can also be identified in those unable to work. Those with mental or physical disabilities that are unable to work are sometimes recognized as not willing to work, and therefore miss out on benefits as a consequence (Van Parijs & Vanderborght, 2017: p. 102). Determining whether someone is unable to work or not willing to work is a difficult task and some individuals have most likely been judged wrongly because of this complexity. Basic income can remedy this and prevent any further unfair
punishment.

The second line of reasoning is based on the duty of reciprocity, and it is argued that a society with basic income will fulfill this duty better than a society without basic income and can be illustrated with two examples (Van Parijs & Vanderborght, 2017: p. 102). The first example of this fulfillment recalls the element of *universality* where each individual is entitled to their endowment regardless of any means test. This would enable the unemployed to seek employment opportunities and thereby contribute to reciprocity. The second example recognizes the unjust fact that some labor is not being compensated. Parents and caretakers are some examples of a group of people that carry out an indispensable task within every society; taking care of the handicapped, elderly and children. Compensating these individuals would greatly respect and enhance the duty of reciprocity. Summarizing, the general argument is that the current system is unfair against certain groups of individuals; the unemployed and caregivers. Introducing basic income would address this unfairness. It is still worth debating whether basic income is a good solution overall. It can be argued, for example, that the duty of reciprocity is better respected with a basic income scheme by compensating the caregivers. But basic income does this at the cost of compensating those who deliberately choose not to contribute while being able to. The discussion regarding reciprocity is then centered on whether this tradeoff is worth it. If we assume that the duty of reciprocity is engrained in human behavior, which partly originates from evolutionary biology, then this leads to reason that the cost might be too high.

III. Basic income yields a fair distribution of assets

The prevention of injustice and better adhering to the duty of reciprocity are both strong moral arguments in favor of introducing a basic income scheme. Both arguments do concede however that the exploitation objection is a valid argument, and argue that the potential positives of basic income outweigh the potential negatives. The last argument challenges the objection by arguing that an idle person living of the resources of a community is not doing others wrong. The grounds

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10 This contribution in the form of unemployed turning employed has to be measured first against the amount of employed turning unemployment to ascertain whether there is a negative or positive effect. Basic income does have the potential to improve the duty of reciprocity if there is a net gain of individuals turning to employment.

11 Distribution of assets can additionally be understood as the fair distribution of burdens and connects with preventing injustice. Some are happier in their jobs than others and there are of course cases where a cleaning lady is happier than a person sitting in a comfortable desk job. But the point here is that overall, the jobs where people are happier tend to be harder available. For all intents and purposes one could even claim that the amount payed is
for making this claim go back to at least Thomas Paine when he stated that every person is entitled to an endowment extracted from society’s assets as a compensation for the loss of natural inheritance. Van Parijs & Vanderborght (2017: p. 106) build upon this notion by claiming that every individual has the right to a share of the assets of society. Justice is then understood as a fair distribution of the common assets. This share would take the form of a cash payment as a way of distributing the inheritance. What these common assets are is best understood by retracing the steps Van Parijs has taken in order to formulate his justification of basic income.

Van Parijs’ (1995: p. 129) ethical justification incorporates job scarcity as a central component in his work Real Freedom for All. Following the works of Rawls, Van Parijs builds his case for basic income by firstly adopting the notion of liberal neutrality, affirming an equal treatment of all variations of what is considered the good life. He then constructs his leximin criterion, an elaboration on Rawls’ maximin criterion, which entails that in a just society, a form of rules must be adopted that favors the worst off group and if there is a tie between two sets of rules, the set of rules selected then must favor the next worst-off group and so on (White, 2003: p. 260). These two notions are encased in real libertarianism; a particular position that Van Parijs holds in order to conceptualize justice. The real libertarians are concerned with a just society wherein the real freedom of the most disadvantaged person is maximized. Real freedom is understood as “… not only the sheer right but also the genuine capacity to do whatever one might wish to do.” (Van Parijs & Vanderborght, 2017: p. 104). Van Parijs then adopts the idea of resource egalitarianism from Dworkin. Resource egalitarianism states that external resources that are not created by others belong to everyone and can, in a sense, be regarded as an entitlement (Birnbaum, 2012: p. 98). Van Parijs elaborates on external resources in a broad definition, stating that they are all the external objects that relate to the endowed wealth of a person. The external wealth of a society that is subject to resource egalitarianism are then the resources collected from innovation through technology, inheritance of property and money and gifts. Yet these resources do not amount to a sufficient level needed to fund basic income that is able to secure the livelihood of all (Birnbaum, 2012: p. 99). Van Parijs solves this by arguing that jobs are also to be considered as assets subject to resource egalitarianism because they are “taps fitted on to a pool of external assets to which all have an equal
Jobs are the conduit for wealth, as taps are for a body of water. Van Parijs (1995: p. 130) finally opposes the idea of directly sharing jobs within a population, and advocates instead for the sharing of employment rents. These rents refer to the scarcity of jobs and entail that there is a discrepancy between the limited amount of jobs available, and the surplus of people that want to work. This reasoning is best understood with the help of the economic concept of competitive equilibrium or Walrasian equilibrium (Wispelaere, 2000: p. 238). This equilibrium is a state where supply and demand for a given product or service is equal, and in the case of jobs this would mean that the supply of workers is always equal to the demand for workers. The Walrasian world is used as a thought experiment to envision a situation where there is no job scarcity and wages then reflect the fact that labor markets will always clear. That is to say, wages are set at a point where everyone who wants to work can actually work. Comparing the Walrasian world with ours leads to at least one significant difference; involuntary unemployment. This means that in the real world, income derived from work is always set higher because there are people who want to work but can’t and as a result drive wages up as the labor supply is reduced. The difference in income, and other potential benefits, between the real wage and the hypothetical wage is the employment rent. The people who receive these have an advantage over those who don’t and happen to have gotten them by luck as those without are excluded unfairly because of involuntary unemployment. This all leads to the following assessment: the actual wages would be lower if those unfairly excluded were able to work and the difference should be shared in order to bring more justice in society. Basic income is one way of doing this by taxing the incomes of those who work in order to pay every individual in society an endowment. Taxing incomes because of employment rents is to be understood as not necessarily a tax, but as fees collected from relatively well-paid workers who enjoy their (undeserved) position within a scarce supply of labor (Wispelaere, 2000: p. 100).

A direct comment can be made regarding those unemployed that would take advantage by declining employment even if it were available, free riding the system by receiving the endowments. Van Parijs (1995: p. 131) argues that these free riders are actually no problem for the idea of basic income as they have contributed to the scarcity of jobs by choosing not to work, enabling the workers to earn a higher actual wage. Proposing that free riders contribute to job scarcity justifies the taxation of income not only to the benefit of those who cannot work, but also to the benefit of those who choose not to work.

Sharing employment rents is quite an ingenious proposal that justifies the, seemingly, burdening of those who work for the benefit of free riders because they (unknowingly) contribute
to the scarcity of the labor supply and thereby raise the actual wages. This is because a commodity, in this case a laborer, is made scarcer which leads to a higher price, or in this case, a higher income. In other words, giving an endowment to free riders does not actually burden those who work because their actual wages would be lower if the free riders did choose to work. Those who are unable to work and those who choose not to work each contribute in their own way to job scarcity, and a basic income endowment would then reflect the difference between the actual and hypothetical wage.

The ethical arguments for basic income address injustices in current societies, claims to better respect the duty of reciprocity and challenges its most urgent ethical critique; idle persons should not live of the labor of others. Van Parijs reframes what an idle person in a given society is entitled too, and argues that it is fair because job resources have to be shared because of job scarcity. It’s an attractive and strong argument, which inevitably attracts a number of counter-arguments.

### Objections against the distribution of assets

Van Parijs builds his ethical justification for basic income from the ground up to justify the taxation of income in order to fund basic income for all. In his case the argument is made that even those who choose not to work should benefit, because they (unknowingly) contribute to a higher actual wage for those who work. The employment rents argument has been the source of a lively debate which has produced a number of counter-arguments. Two substantial arguments can be identified that question whether free riders deserve a substantial basic income scheme endowment put forth by Van Parijs.

The first objection asks if basic income enables one group of people to gain at the expense of another group of people. Van Donselaar argued this in his parasitism objection in which he envisions two types of peoples with regard to the effects of a basic income scheme. The people who favor income, and the people who favor leisure; respectively called the Crazy and the Lazy. Parasitism occurs between two parties, A and B, where “A is worse off than she would have been had B not existed or if she would have nothing to do with him, while B is better off than he would have been without A, or having nothing to do with her, or vice versa” (Van Donselaar, 1997: p. 4). An example is used where a certain Mr. Pickles diverts a stream of water flowing through his land from a village downhill and the villagers are then forced to pay him for water. Mr. Pickles is regarded as a parasite as the village would have been better off without him, whilst Mr. Pickles would have been worse
off has the village not existed. Van Donselaar argues that the same parasitic relation exists if basic income is introduced. The Lazy is better off because of the existence of the Crazy, while the Crazy is worse off because of the existence of the Lazy. Both groups of people are given a plot of land to illustrate this example (Van Donselaar, 1997: p. 136). The two groups are both equally able in their capacity and are both entitled to their share in society. The people who prefer income could, for example, grow crops on their entitled plot of land in order to sell it, while the people who prefer leisure will do the bare minimum that enables them to meet their needs. The leisurely people could subsequently rent out their land to the other group for a fee or part of their produce, losing nothing significantly given their preference for leisure. The people who prefer income would, having to pay and thus losing something significantly given their preference. This trade-off is parasitic because those who prefer income would be better off without the leisurely people given that each individual is entitled to the same share.

If the independent interests of individuals would be considered first, then the working people would be granted a bigger share of inheritance because they are more willing to work on it, and the leisurely people less share as they are less willing to work on it. The distribution of shares would then be fairer because there can be no parasitic trade-off; the leisurely could not rent out more because what they then have is in accordance with their preference. An unconditional basic income is thus unfair because one group would then be better off whilst the other is made worse because of it.

The objection is sound as one group is arguably worse off because of the presence of the other, but is it a substantial argument that constitutes an injustice that threatens the idea of basic income? Surely, the people who favor income will have a smaller share to work with, but this does not entail that they have been seriously impaired. Van Parijs put it frankly as “the alleged parasites are not harming their alleged victims but simply taking their fair share of an inheritance, a share systematically smaller than the one appropriated by their “victims”.” (2017, p 280). If a (modest) inheritance is to be distributed among impoverished siblings which could help meet their basic needs, then a fair distribution of the inheritance is warranted. The individual preference of one brother to invest in real estate would be secondary to the needs and entitlement of his brothers and sisters. An equal share for all is, simply put, not an injustice to those who favor income but a necessary trait of a more just society with basic income.

The second objection recalls the duty of reciprocity and states that society has to be understood as a cooperative community and is known as the exploitation objection (White, 1997:
This objection states that the assets of a society that are not natural are the product of combined labor; a social endeavor that implicates all who enjoy the benefits in a commitment to contribute. Those who enjoy the benefits of society – the products of combined labor – and consciously choose not to contribute are forsaking their obligation to this social cooperation. White (1997: p. 318) is aware, however, of the different capacities each individual possesses, indicating that each must contribute according to his or her ability and calls this the baseline reciprocity. The argument of reciprocity is a powerful intuition as has been mentioned before, yet White’s objection is not without problems. Wispelaere (2000: p. 244) voices counter-arguments with the first regarding how the concept of baseline reciprocity can include the internal and external handicap of an individual. Every person should contribute according to their own capacity, and if a person is handicapped then a reduced contribution is justified. The internal handicap is secured with the baseline reciprocity, considering a person’s mental or physical disabilities. Yet it can also be argued that a person’s external ‘disabilities’, his or her poor environment or violent upbringing, constitutes a handicap that has to be accounted for with the same logic as the external productive handicap of people would acquit them – like the people suffering from an internal handicap – from the obligation to contribute. Taking handicaps into account means that people are already contributing everything they can according to their own capacity. White has invited a fallacy in his reasoning by considering the baseline reciprocity as any individual cannot forsake their obligation to contribute due to any handicaps, internal or external, which are outside his or her control.

The second counter-argument refers to an individual’s willingness to contribute (Wispelaere, 2000: p. 245). The issue is practical and notes the difficulty in assessing each person’s willingness to contribute, risking an unfair treatment of some. The final objection notes that White’s social cooperation is not reconcilable with Van Parijs’ distribution of assets (Wispelaere, 2000: p. 246). The problem arises when the opportunity to contribute cannot be secured for whatever reason and people are then left with the same ‘injustice’. They cannot claim the ex-ante entitlement of Van Parijs as it is rendered invalid because of the notion of social cooperation, and they cannot receive the ex-post benefits in White’s view as it is dependent on what they contribute to society.

A final reply to White’s exploitation objection has furthermore been made in the most recent work of Van Parijs, stating that justice is to be understood as distributive and notes that the duty of reciprocity “is compelling as a conception of cooperative justice … But it is not compelling as a conception to distributive justice … the just distribution of entitlements to resources among the
members of a society ... And it is to a conception of distributive justice, not of cooperative justice, that one must appeal in order to best defend the fairness of an unconditional basic income.” (2017: p 103).

The case for basic income is then a valuation of justice that is to be understood as either cooperative or distributive. Van Parijs argues that the latter must be favored in our ambition to equalize the unfair division between rich and poor. This trade-off is not satisfactory however; understanding justice as distributive means forsaking the duty of reciprocity. The idea of basic income is, seemingly, haunted by this duty where advocates reason that the amount of bad is outweighed by the amount of good that basic income will bring.

Both the objection of parasitism and exploitation raise two sets of significant questions pertaining to whether those who prefer to work and gain income are truly harmed by a basic income scheme, and whether justice should be conceptualized as cooperative or distributive. The parasitism objection is argued to be underwhelming in light of the aims of basic income and does not warrant any reconceptualization of the idea. The cooperation objection put forth by White on the other hand is not flawless, but the underlying notion of reciprocity is still a strong (common sense) intuition that underpins the free rider problem. I will argue in the next chapter how the duty of reciprocity can still be respected with regard to a basic income scheme as automation and the digital revolution will fundamentally change society. A transformation that shines new light on the concept of a common inheritance which strengthens the case for basic income.
Thomas Paine argued that the division between rich and poor is arbitrary, a chance happening, and proposed that this inequality should be corrected because of it. The condition of poor individuals is to be understood as arbitrary because they have had no say in where they were born and under what circumstances they became adults. Even before a man is fully mature and takes matters into his own hands, much of his path in life has already been shaped. If we accept that prosperity or poverty is significantly impacted by brute luck (as luck egalitarians would call it), then a moral intuition is established for equalizing this disparity. Justice understood as distributive calls for this equalization and underpins Paine’s and Van Parijs’ ethical justification of basic income. Yet this has come at the price of neglecting justice understood as cooperative. The previous chapters have sketched out the elements of basic income and have presented the arguments for and against. The ethical justification rests on the idea of basic income envisioned as the mean for the distribution of society’s assets that all are entitled too. The final chapter of this study will examine how automation as a transformative change can strengthen the ethical justification of basic income and argue why free riders are deserving of basic income whilst respecting the duty of reciprocity.

Technological inheritance

Automation has the potential to significantly replace human labor in unprecedented ways. To summarize briefly, low-skilled manual labor is progressively being replaced by machines and there are signs that higher education jobs will face similar replacement. General purpose artificial intelligence is the game-changer that makes the coming waves of automation different as they do not facilitate job-creation proportionately to the expected job-loss; newly created positions are simply filled with artificial labor. Unemployment and the deepening divide between rich and poor are the resulting problems that signify the need for a solution like basic income. The attention for this idea has experienced a rejuvenation as a result, positing basic income as a pragmatic solution.

12 Without delving into the nature-nurture debate, it is noteworthy to consider that a person’ nature – his endowed capabilities – is as much out of his reach as is his nurture – his environment. Individuals should still be held responsible for their own lives, but the question is raised as to how a just society deals with unfair circumstances.
Although a strong argument in itself, there is also an ethical justification to be argued for. Automation and technological progress in general have increased the productive capacity of society dramatically. For example, less than two percent of the population in developed countries is employed in the agricultural sector\(^\text{13}\), a far-cry from developing countries where figures range from twenty-five to seventy-five percent (World Bank, 2015). Increased production has translated into overall increased wealth, yet the problem is that this wealth has been distributed unevenly. An analogy can be drawn between the common lands bestowed by God for the benefit of all mankind, and technological progress that is the product of mankind. As Paine exclaimed that a rent was owed to those bereft of their natural inheritance, a similar argument can be made for the fair share of a technological inheritance that each person is entitled to. It is necessary, however, to argue why technological progress should be viewed as an inheritance to all mankind before this analogy can be expanded which Gar Alperovitz provides in his argument for basic income.

Consider the lives that we live in comparison to medieval times or antiquity. Our general health and wealth has increased dramatically and none of us has done anything to deserve that gift (Alperovitz, 2016). The general level of welfare that we are born into is the result of all the work that has been done by past generations. Bernard Chartres would compare this thought with dwarves perched on the shoulders of giants as each new generation is able to see a little further because we are lifted up. Advances in medicine, computer science and production power all enable an overall improvement of life and is arguably also a catalyst for the improvement of human rights as communication technology, for example, grants greater access to information and distributes opinions easily which can greatly help the process of democratization\(^\text{14}\). It can be argued that technological progress is largely the result of some of the brightest minds in history, rather than a collective product of mankind. Yet this assumption neglects society as a whole that is able to facilitate those bright minds (Alperovitz, 2016). All the discoveries and advances of researchers and thinkers were facilitated by their freedom from mundane labor. A society needs to have farmers and soldiers before it can have scientists and philosophers. Technological progress could not have happened without the exceptionally smart, nor without the masses of laborers and is therefore a product of society as a whole; a product of collective human endeavor.

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\(^\text{13}\) The first fully automated farm located in the United Kingdom is able to plant, cultivate and harvest barley crops without any human assistance (Feingold, 2017). This does not mean that the entire agricultural sector will be fully robotic within a couple of years but does foreshadow the possibility when costs fall beneath a certain threshold.

\(^\text{14}\) Communication technology can of course also be used to distribute false information and coerce societies into autocratic states.
Establishing technological process as an inheritance in which all have an equal claim leads to the problem of its uneven distribution. Our health and wealth has increased overall, yet the specific distribution of improvement is so skewed that some are arguably worse off in various points in time. Automation is the prime example of how the owners of machinery have seen their wealth increase exponentially, while the unskilled laborer is forced to seek other places of employment. The disadvantaged have worked much of their life in a specific field and have little hope of finding a job in the same industry as it is subject to the encompassing wave of automation and competition is fiercer due to the exodus of many similar ill-fated. Uneducated jobs with worse pay or unemployment is the result, while the company executives receive million dollar bonuses for having reduced annual labor costs by ten percent. Rhetoric aside, this is the general development that is expected to happen all over the world in almost every field. Two lines of thought can discerned as to what is unfair. First, there are those that benefit from technological progress (greatly) in comparison to others and have done nothing to deserve that. Second, there are those who are truly harmed by technological progress through no fault of their own. Individuals are not held responsible for any (mis)fortunes that have come their way but the situation can be judged as unfair, establishing a moral intuition to amend this inequality. Assuming that each is entitled to a fair share of technological inheritance, basic income is then a way of equalizing the unequal distribution of its benefits.

Industrial justice seeks to amend the unfair distribution of technological inheritance because we are all members of the same continuous body. Various pragmatic solutions put forth by Bill Gates or Elon Musk offer insight in how to actually tax technological progress (Clifford, 2016). Taxing machines, for example, is relatively easy as the trade-off with human labor can be measured in terms of production power. Say, a machine replaces five workers. The income tax usually derived from those five workers would then be the new tax that the factory-owner would have to pay. This provides a baseline of taxation upon which other complementary revenue streams can be added that are derived from increased output or sales volume. Taxing software is more difficult because of its intangibility but the same principles could be adjusted and applied in order to tax the trade-off between human and artificial labor. Arguing for basic income through the fair distribution of technological inheritance justifies free riders to benefit from a basic income scheme and provides an additional argument for the case of basic income. Each is entitled to a fair share of the benefits of technological progress and the free rider is equally deserving of it whether he chooses to work or stay idle. In summary:
1. Technological progress is the result of collective human endeavor
   ➢ Therefore, each individual is entitled to a fair share of its benefits

2. The benefits of technological progress have been distributed unfairly
   ➢ Therefore, taxing machinery and software to fund basic income as a mean for the equal distribution of technological inheritance is fair

Reciprocity in the (dark) future

One important caveat has not been addressed; respecting the duty of reciprocity whilst providing basic income to all. Free riders violate the duty of reciprocity because they take from society whilst providing nothing in return. The goods and services of a society are mainly based on human labor with some industries enjoying the help of robotic labor. This robotic labor is still directly tied to its owners as they have invested in the creation or purchase and maintenance of these machines. But a time could come when machines will make machines without human coordination. A generation of proprietary-free machines raise significant questions to all sorts of matters. The matter interesting to the case of basic income is of course whether free riders still violate the duty of reciprocity when the goods and services they enjoy are made by proprietary-free machines. If we assume that robots have no rights then the conclusion follows that free riders are free to take as they want and still not violate the duty of reciprocity. No other human is done injustice after all. However, this assessment does entail a potentially grim future. Robotic labor would be regarded as nothing more than slave labor.

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15 The production of any machine could be retraced through its chain of machine-makers up until a human hand. Yet for the sake of argument, it is imaginable that for some reason that human hand has no proprietary right to a specific next-generation machine. For example, one argument is that the legality still has to be agreed upon whether the proprietary right of a machine belongs to a human that has made the machine-maker, or the machine-maker itself.
Conclusion

Seeking a solution for poverty, unemployment and all of its miseries, proponents for basic income have argued that a guaranteed, universal and obligation-free endowment is the way forward. It’s most urgent ethical critique judges free riders, idle persons living of the labor of others, as unjust because they violate the duty of reciprocity. The ethical justification of basic income is argued for through four lines of argument. First, basic income offers more possibilities in regarding how to live the good life. Second, the introduction of basic income would make society more impartial as unemployed and caregivers will be less discriminated against. Third, basic income facilitates a more fair distribution of society’s assets. Van Parijs’ employment rents is central to this argument as it also justifies free riders in their receiving of assets as they too contribute to the scarcity of labor supply and raise the wages of those (lucky) workers. Van Donselaar and White rebut with the parasitism and exploitation objection respectively. The parasitism objection is found to be underwhelming as a fair allocation of each person’s inheritance is more important than the individual preference as to what to do with it. The exploitation objection does give pause on the other hand as there is no satisfactory way that the duty of reciprocity is respected whilst providing basic income. I have tried to address this in the fourth and last line of reasoning, which argues that automation and the digital revolution highlight the concept of a common inheritance founded in the technological progress of humanity. The duty of reciprocity can be reconciled with the idea of basic income when proprietary-free machines produce the products and services free-riders will enjoy. This does not come without concern as these robots will essentially be slaves. The question if and when machines deserve rights, or if they should be treated as autonomous beings worthy of respect is an arduous topic that is entirely deserving of its own paper and study. For now, automation and the digital revolution will lead to a radically different society in which the idea of basic income is a viable solution that seeks to safeguard and provide for all.


