

Near-Universal Basic Income*

Both political ideologies and political theorists often endorse pure political-economic systems, ‘archetypes’ that enact a single elegant principle: communism, the free market, monarchy. But the best systems are often hybrids that eclectically combine several principles. And the considerations that ideologies and theorists advance in favour of pure systems often better support nearby hybrids. This is the case, I wish to argue, for considerations often given in support of universal basic income (UBI). On closer inspection, these considerations lend stronger support to a hybrid which I shall call ‘Near-Universal Basic Income’ (NUBI).

Under NUBI, everyone receives a high level of basic income, sufficient both for a dignified existence and for effective political participation, except for the rich, inasmuch as their earnings far exceed both median income and economic sufficiency. In the United States, the example on which this article focuses, let us assume (rather arbitrarily) that NUBI is phased out around the one or two uppermost income deciles. The only difference between NUBI and UBI is, then, that NUBI is not for everyone: the rich do not receive it. NUBI is only near-universal and it requires means-testing. NUBI is an economic hybrid: a cross between UBI and conservative social relief.

My thesis is that *if* standard considerations often advanced to support UBI against social relief are successful, *then* these combined considerations lend NUBI even greater support. As far as we can tell, some of these considerations prefer NUBI to UBI, while the others are neutral between the two systems. On balance, therefore, NUBI wins. At least for the time being, UBI supporters should consider becoming NUBI supporters.

My argument does not commit me to the success or to the failure of any of these considerations against social relief, only to their collectively and for all we know counting for NUBI a little more than they count for UBI. As an illustration, if UBI supporters are right in expecting UBI to be cheaper than conservative social relief, then my claim is that NUBI is probably even cheaper, or no more expensive. If they are wrong, and social relief is cheaper, then both UBI and NUBI are in trouble, and the trouble for NUBI is probably lesser or no greater.

Let us examine how UBI and NUBI score on (1) sufficiency, and concern and respect; (2) equality; (3) costs; (4) maximin; (5) freedom; (6) the social bases of self-respect; and (7) political resilience.

1. Sufficiency, concern and respect

One said advantage of a generous UBI over meagre social relief, over providing only jobs, and over ‘participation income’¹ is that UBI unconditionally secures a sufficient level of income for all—sufficient both for a dignified existence and for adequate political participation. That security protects everyone’s welfare and shows them the state’s unconditional concern and respect. Al Sheahen seems to express this idea:

Why Not Guarantee Everyone a Job [instead of an unconditional basic income? Because to guarantee only a job] assumes the basic conditions of human life have to be earned. ... There is a moral obligation to provide every man, woman and child with a decent living. A person’s right to be – the right to simple existence –

is not something for others to grant or withhold as an economic carrot, or to give as a gift. It should be a universal right.ⁱⁱ

However, an equally generous NUBI accomplishes the same effect. It too ensures that everyone have a sufficient level of income. The only difference is in how that income level is assured—based entirely on money transfers, or on a combination of transfers for some and market earnings for others. NUBI secures everyone’s dignified existence and political access by giving a subsidy to all except the rich, whose subsistence and political access are secure anyhow. The rich do not need basic income transfers in order to enjoy dignity and a political voice. NUBI thereby shows concern and respect both to transfer recipients, whose dignity and power it actively protects, and for the rich, who know that had they needed transfers, they too would receive transfers. The relevant difference between UBI and NUBI is only in the means that they use to fulfil a shared goal—guaranteeing everyone’s access to a dignitary existence and a political voice, and treating all with concern and respect.

2. *Equality*

In denying income transfers to the rich, NUBI enhances economic equality between the rich and the rest of us, a little more than UBI does. NUBI may thus express *equal* concern a little more fully than UBI does. In that way, NUBI is arguably a little better than UBI.

Other things being equal, ‘Them that’s got shall get’ⁱⁱⁱ is unfair. Under UBI, the rich keep their after-tax earnings, which tend to be undeservedly high even when tax is progressive, *and* receive basic income. This is unfair. Why should the rich take home all

that money? Even some variants of poverty relief flatten the Gini coefficient more than UBI does. NUBI tends to be fairer. Other things being equal, it is fairer to deny the over-privileged added privilege—as NUBI does.

It might seem as though UBI and NUBI facilitate economic equalization to the same extent, because any dollar transferred to the rich under UBI can be taxed away. But for any dollar amount that it is politically feasible to tax the rich to fund either UBI or NUBI, NUBI distributes that dollar amount in more egalitarian fashion. A lower portion returns to the rich, the volume of egalitarian re-distribution under NUBI a tendency to be higher. So while both UBI and NUBI are in principle compatible with any level of equalization, NUBI makes that level easier to reach.^{iv} Certainly when basic income is not based on tax revenues, which can be progressive, but on land or oil revenues, which cannot, NUBI is clearly the more economically egalitarian option.^v

(Some left-libertarians and Georgists consider UBI to be egalitarian in a different way. For them, UBI respects people's equal claims on natural resources. I believe that the premises of this classical left-libertarian argument actually support NUBI better than they support UBI.)^{vi}

3. *Costs*

UBI is for everyone. NUBI wastes no money on the rich, and it thereby saves a lot of money. When the highest income decile or two do not receive NUBI, the state saves 10-20% of all expenditure on transfers—a hefty sum. Sheahen estimates that in 2004, a

generous UBI would have cost \$1,895.6 billion in America. By saving 10-20% of that cost, NUBI would have saved \$190-380 billion.^{vii}

A UBI defendant may point out that, in other ways, UBI cuts costs. Specifically, by eliminating means-testing, it slashes the administrative expenses of means-testing and prevents poverty and unemployment traps. UBI, she may insist, could thus be cheaper overall. But let us examine whether NUBI is likely to generate either steep administrative costs, or poverty and unemployment traps.

Beginning with administrative costs, like UBI,^{viii} NUBI could replace and eliminate many tax loopholes and redundant welfare programs, as well as the long-term costs of poverty. However, in other respects UBI may initially seem much cheaper. An oft-cited economic advantage of UBI over social relief systems is that UBI does not require expensive and intrusive scrutiny of citizens' incomes and inspections against abuse. NUBI on the other hand involves means-testing, and it might seem to require expensive and intrusive measures.

My response is that we can track whether citizens fall in the uppermost income deciles without special expensive and intrusive measures. Income tax returns already give that information, and the authorities inspect them for tax evasion anyhow. To enable NUBI, all the authorities must add is a calculation, based on tax returns, of who falls in the uppermost income deciles.^{ix} Expensive and intrusive additional means-testing or expensive and intrusive additional inspections are *not* required.

(Reliance on tax forms might seem to implicate NUBI in a different problem, namely, administrative time lags. But as I see it, time lags can be averted,^x and some forms of UBI also rely on the declaration of income on tax returns.^{xi})

Let us now turn to poverty traps. It is true that UBI is probably better than conservative social relief systems in preventing such traps. When everyone receives benefits, and not just the poor, then there is no need to remain poor in order to keep one's benefits. The latter are guaranteed anyhow.

None the less, NUBI prevents poverty traps too. The poor have perfectly good incentives to seek income, because they will continue to receive the basic income supplement even if they become middle class. Only the rich are denied that income supplement.

There may seem to be a different potential trap here: NUBI might seem to create a 'middle class trap'. Under NUBI, the members of the middle class might not invest money, or they might work very little, so as to avoid becoming so rich as to lose their entitlements to basic income. Nevertheless, that effect would arguably remain small: basic income, which helps the poor greatly, is far less important for those members of the middle class who are on the brink of entering the uppermost income deciles. Most of them can earn much more money by vigorously pursuing their highly profitable business than by preserving their shares of universal benefits.

This point is not obvious. As Karl Widerquist has pointed out to me, in America, households currently enter the uppermost two income deciles at an annual \$100,000. The prospect of losing their basic incomes—for two parents and their children—remains significant for them.^{xiii}

In response, some economically especially valuable decisions, which the upper middle class makes, decisions on high yield economic enterprise that could potentially make the upper middle class entrepreneur *very* rich, are clearly unaffected by NUBI.

These important decisions are unaffected because the economic prospects for the entrepreneur dwarf any basic income transfers. (U.S. Census Bureau 2008)

Even regarding upper middle class lower yield economic decisions, say, on how much to work, the impact of NUBI is likely to remain small. Not only would any middle-income trap remain small given the very gradual phase out of income transfers, say, along the four uppermost income deciles (centring *around* the cut-off point of 80-90% of households).^{xiii} Empirically, the relation between potential income for the upper middle class on the one hand, and their economic contribution on the other is more complex than this argument takes it to be. Whilst among the poor, income differentials often affect women's decisions whether and how much to work, among the middle class, both men and women's decisions are, within a broad income range, *inelastic* to income prospects.^{xiv} In fact, in contemporary America, both members of middle class couples tend to work although that often exposes their households to quite severe economic risk.^{xv} Unemployment benefits (and disability grants) rarely appeal to American middle income households enough to generate widespread unemployment (and disability) traps.^{xvi}

A number of reasons may explain the observed inelasticity to pay differentials in middle class decisions on whether and how much to work. First, the inescapable costs of employment and enterprise, crucial for many unemployed poor, is for the middle class a sunk cost: they cannot lose *Medicaid* benefits, food stamps, and means-tested rent assistance by putting in an extra day of work.^{xvii} Second, the value of money, including money from market earnings, basic income transfers, and the avoidance of some incremental costs of employment, decreases at the margin, whereas the value of working

often does not: for the upper middle class, a decision on whether to work less can be a decision on whether to lose a high status managerial responsibility; it is not a decision on whether to forego a weekend at a Wal-Mart cashier.

The impact of economic prospects like losing an income transfer on middle class decisions on how much to work is ultimately an empirical question, and a possible informal indication would be as follows. As of early 2009, President Obama promised to increase taxes on the rich but not on the poor and the middle class. If middle America responds to Obama's progressive tax reform by working much less than before, then perhaps we should expect NUBI to have a similar effect. If, as I suspect, the impact on work culture is not dramatic, then the conclusion may be that there is a way to give financial benefits only to the poor and the middle class not the rich, which does not generate a significant middle income trap. Unlike speculation about long-term loss from an alleged middle class trap, NUBI's 10-20% savings would take place both immediately and definitely. Such savings constitute a far more dramatic prospect.

Other traps that UBI prevents include the unemployment trap and the disability trap. If you receive benefits only if you are unemployed or sick, you might deliberately get yourself fired or put your own health at risk, precisely in order not to lose that benefit. However, UBI and NUBI battle such traps similarly, by eliminating poverty and by replacing (some) special unemployment and disability benefits.

In short, NUBI has a clear advantage over UBI in cutting costs. Under NUBI, no money is wasted on the rich. Since NUBI probably introduces neither high administrative cost nor dramatic 'traps', the bulk of this saving is probably retained. For any given size of income transfer per recipient, NUBI is probably much cheaper.^{xviii}

4. *Maximin*

Being cheaper for any given size of income transfer per recipient, NUBI allows the state to increase the transfer size for each recipient, including society's economically least well-off members who are among those recipients. That small increase is often dramatic for them. A little more can mean a lot for people with little money. Economic maximin thus strongly prefers NUBI to UBI. (And that is one reason why NUBI may reduce crime more than UBI would.)^{xix}

5. *Freedom*

For Philippe Van Parijs, 'The main argument for UBI is founded on a view of justice. Social justice, I believe, requires that our institutions be designed to best secure *real freedom* to all...'. As he explains, 'a basic income would... promote real freedom for all by providing the material resources that people need to pursue their aims.'^{xx} More specifically,

A free society requires that 'opportunities—access to the means for doing what one might want to do—are distributed in maximin fashion... In other words, institutions must be designed so as to offer the greatest possible real opportunities to those with least opportunities, subject to everyone's formal freedom being respected...^{xxi}

Van Parijs notes, for example, that purchasing power affects real opportunities and real freedom.^{xxii} He concludes that UBI, which offers the worst-off higher purchasing power than meagre social relief does, is superior to meagre social relief.

However, as we just saw, NUBI promotes economic maximin even more than UBI does, distributing purchasing power, a central means to real freedom: in the exact pattern that Van Parijs favours. NUBI arguably secures Van Parijs's 'real freedom for all' better than UBI does.^{xxiii}

What about 'republican freedom'—freedom from domination? According to Philip Pettit,

...promoting the resilient, republican possession of basic liberties argues for establishing a legal right to a basic income. Such a right would mean that people had adequate income for functioning properly in society. And that income would mean that people would not have to beg the favour of the powerful, or even of the counter-clerk.^{xxiv}

Indeed, both Pettit and David Casassas^{xxv} may be right in saying that republican freedom requires the material independence (as Casassas puts it) that comes with having enough money to afford to 'say No' to otherwise coercive offers (as Karl Widerquist put it).^{xxvi} However, despite these authors, enough money and material independence can be secured without transfers to all citizens: the rich already have much more money than is necessary for material independence (or at least for their fair shares of material independence). A NUBI arrangement secures economic sufficiency for all, including economic access to political participation: enough for material independence. NUBI does so just as much as UBI does, or even more—given that NUBI gives the worst off more

money, both absolutely and relative to the rich. NUBI ensures, equally or more fully, that everyone can enjoy republican freedom.^{xxvii}

Likewise for the benefits that come with power. Consider job quality. As Van Parijs points out, by ‘giving the least well endowed greater power to turn down jobs that they do not find sufficiently fulfilling, [UBI is] creating incentives to design and offer less alienated employment.’^{xxviii} However, NUBI ensures similarly that job seekers have some income to fall on, and introduces similar incentives to offer good jobs.

Eric Olin Wright commends UBI for ‘Strengthening the power of labor relative to capital,’ not only on the individual level that Pettit and Van Parijs explore, but also on collective levels:

A generous basic income has the potential to contribute, in the long run, to strengthening the power of labor viz-a-viz capital for three reasons. First, to the extent that labor markets become tighter in a capitalist economy with a basic income, the bargaining position of individual workers will increase. Second, generally speaking labor is collectively in a better bargaining position when labor markets are tight. And third, basic income is a kind of unconditional and inexhaustible strike fund, which also would contribute to strengthening the labor movement...^{xxix}

Again, I would argue, NUBI probably also achieves these protections for workers (except for rich workers, who arguably lack a claim to increased protection). And NUBI alone may increase the power of most workers, and of the poor, in a fourth way. NUBI may potentially foster a political alliance between the poor and the middle class, which reconfigures political power dynamics. Under NUBI, both classes have an interest in

maintaining and in increasing basic income, and they usually suspect the rich, who under NUBI do not receive basic income, of trying to decrease transfers. The joint fight for NUBI may potentially consolidate a coalition between the poor and the politically vocal and savvy middle class, breeding future cooperation on additional platforms . Such a process, if it materializes, would lend additional voice, power and protection to the poor and their causes. In the absence of such alliances, the poor are all too often politically weak and alienated.^{xxx}

Pettit might potentially consider such political alliance precarious or humiliating for the poor and the middle class. In explaining ‘why give the basic income right to all, not to only those in need?’, Pettit answers, among other things,

A universal right would mean that those who rely on the basic income—distinct from the independently wealthy—will not have to assert their right on the grounds of being a class apart: people who depend on others’ goodwill and are easier targets of control and domination.^{xxxi}

It is true that, under NUBI, the poor and the middle class may have to acknowledge that they are a class apart from the wealthy. However, in my view, this is a good thing. It is more often than not good that potential targets of control and domination notice that potential, and take action to thwart it. The political alliance that NUBI may prompt would increase the power of the poor to take such action effectively, so that (in line with Pettit’s own advice!) they do *not* have to rely on the good will of the rich.

Because NUBI does not in any way give less power to the powerless than UBI does, and because in one way, it may give them more power, NUBI holds somewhat greater potential with respect to republican freedom.

But there is a complication. As Van Parijs reminds us, it is not only against the tyranny of bosses that a UBI supplies some protection, but also against the tyranny of husbands... It provides a modest but secure basis on which the more vulnerable can stand, as marriages collapse...^{xxxii}

To ensure that NUBI protects wives (and children) from inter-household domination, it is best to grant NUBI to wives or directly to individual recipients, not to breadwinners. Admittedly, this leaves some potential for domination inside *rich* households, the members of which are *not* entitled to NUBI. As Yannick Vanderborght put this point to me, ‘What if I marry rich Scarlet Johansson, and she refuses to give me any money unless I do what she says?’ The best protection against this tragic prospect may be to formalize child-support and spouse-support enforcement, legislating that rich households must regularly transfer a certain income into each household member’s bank account.^{xxxiii}

6. *The social bases of self-respect*

UBI is often touted as a way to prevent the stigma and humiliation for which conservative social relief systems are notorious. Jonathan Wolff famously makes this point against selective and means-tested benefit systems.^{xxxiv} Earlier, Van Parijs used this consideration to cajole Rawlsians into supporting UBI:

Rawls mentions the social bases of self-respect, and there is... little doubt that a transfer system that is not targeted at those who have shown themselves ‘inadequate’ and involves less administrative control over its beneficiaries is far

less likely to stigmatize them, humiliate them, make them ashamed of themselves, or undermine their self-respect. In this light, Rawls's position... appear[s] to recommend... that one should introduce a... self-respect preserving unconditional basic income...^{xxxv}

NUBI might be thought to generate the stigma and humiliation associated with social relief. Unlike UBI, NUBI is means-tested: the rich do not receive it.

Nevertheless, I now argue that NUBI does not significantly stigmatize anyone. NUBI's method of means-testing involves none of the humiliations, intrusions, suspicions, and shameful exposures that Wolff identifies in highly selective benefit systems involve. As noted above, income tax forms could provide all the information needed for NUBI, and inspections to prevent tax evasion could provide all the inspection required, leaving no scope for the humiliating measures that Wolff describes.

It might be thought that NUBI's means-tests stigmatize, regardless of the specific test method. On that view, it is essential to means tests to stigmatize. They always suggest that some of us, perhaps benefit recipients or candidate recipients, are needy and pitiful, lazy or inadequate.

That prospect is unlikely too. For there is nothing severely stigmatizing about not being very rich. Taking an ordinary plane to fly abroad is not a humiliation, although some rich people use only private jets. Presumably, part of the reason that it is not humiliating is that (unlike public buses in many places in America, which serve mainly the poor and clearly incur some stigma),^{xxxvi} ordinary planes serve the middle class as well. NUBI also serves the middle class, and not the poor alone.

Consider the analogy of public housing. Housing complexes open only to the poor tend to incur stigma. Mixed-income complexes, open to poor and middle class citizens, tend to incur little if any stigma.^{xxxvii} Social justice does not urgently demand that mixed-income complexes serve *everyone*, including Bill Gates and his likes. So long as a complex serves nearly-everyone, including many members of dominant social groups, stigma rarely arises. Similarly, transfers that nearly everyone, including many perfectly successful members of the middle class, enjoy, could potentially involve no serious stigma.

Is the exclusion of the uppermost deciles stigmatizing or humiliating for *them*? But there is no stigma in being ‘excluded’ and ‘exposed’ as too rich and successful to require assistance. Mixed-income complexes do not humiliate the suburbs. (In any case, the rich tend to enjoy robust social standing, and multiple other privileges. Protecting the rich from stigma is, I argued elsewhere, far less urgent than protecting other citizens from stigma.)^{xxxviii}

Even if means-tested benefits inevitably generated severe stigma and humiliation, UBI may remain unnecessary: we may instead adopt a certain form of income guarantee that lies midway between UBI and NUBI and prevents stigma and humiliation even better.^{xxxix}

But we are not through discussing the social bases of self-respect. Apart from generating less negative stigma, UBI is often said to constitute a positive basis for self-respect, and a way to symbolize our equal dignity. In explaining ‘why give the basic income right to all, not to only those in need?’, Pettit also broaches what UBI ‘symbolizes’:

...a universal right symbolizes the fundamental equality of all in relation to the collective provisions of government; only some will depend on the basic income that all receive, but all can see that the income is there to depend on, should they themselves fall on hard times.^{x1}

UBI grants all citizens basic income. NUBI does not. In that way, UBI might initially be taken to be a truer expression of equal dignity, and equal concern and respect for all. NUBI, on the other hand, might initially be thought to miss this positive opportunity to recognize the equal fundamental worth of all participants and to bolster their sense of self-respect. Furthermore, UBI might be thought to recognize or to constitute a special dignity of citizens, nationals, or residents (it is harder to argue that it is an indispensable sign of respect for persons or humans, since foreigners do not receive it). NUBI, on the other hand, cannot credibly claim to respect citizens, nationals or residents as such, given that some of them, the rich, are denied it.

My response is that we already established that NUBI expresses equal concern and respect for all citizens, perhaps even more truly than UBI does (see sections 1 and 2 above). It is true that, under NUBI, money transfers do not go to everyone. But all have a right to transfers should they ever not be rich (quoting Pettit, ‘all can see that the income is there to depend on, should they themselves fall on hard times’). The motivation and the grounds for NUBI can certainly be concern and respect for all citizens, nationals or residents, the rich included. This is no contradiction: the so-called ‘universal’ human right to basic healthcare belongs to the sick and to the healthy alike although the wealthy do not receive healthcare, because it entitles all to healthcare should they ever become sick.

It is true that UBI alone involves equal treatment: everyone is treated to a basic income. But it is crass to demand equal treatment as an expression of equal dignity, or equal concern and respect. As Ronald Dworkin points out, equal concern does not require equal treatment.^{xli} Bill Gates gets to keep his riches, and he would definitely be entitled to basic income if he ever lost them. The notion that he is nevertheless shown serious lack of concern because the state fails to go through the ritual of granting him a check for several thousand dollars fetishises a mere tool. (Does denying Gates and other rich people a tax cut for several thousand dollars, which that the rest of us receive, also violate the dignity of the rich? Does denying healthy people physiotherapy, ‘disabled’ parking stickers, or domestic support that the disabled receive violate the dignity of the healthy?)

Admittedly, unequal treatment sometimes *appears* to express unequal concern. If you bring a present to a friend’s kid who is hospitalized, her young brother might feel envious and unloved unless you treat him to a present as well. But not bringing a present each time you meet a young child, or each time another child receives one, does not inherently and invariably show disrespect or lack of concern. Since there is no general duty of respect to bring all children equal presents, there is no general duty of respect to give all citizens equal transfers.

An opponent might point out a related instrumental reason for equal treatment, including equal income transfers, namely, the typical psychological impact of equal treatment. In the children’s example, we actually do have a reason to bring the young brother a present as well. To do so is likelier to prevent offense and to preserve his cheerful mood and full self-worth. If you will, unequal treatment often *appears* disrespectful. Likewise, the argument goes, on a psychological reading of the social bases

of self-respect (which I have actually defended elsewhere)^{xlii} there is some reason, perhaps not the strongest one, to offer everyone a basic income transfer. Such policy wears equal concern ‘on its sleeve,’ in highly perspicuous fashion, and the strong, unmistakable appearance of equal respect and concern for all can promote citizens’ sense of self-worth.

Nevertheless, even on this psychological reading, NUBI holds somewhat greater promise of bolstering vulnerable citizens’ sense of self-respect—precisely *because* it is conditional and unequal. NUBI’s exclusionary, selective nature, may well make it more psychologically effective as a social basis of self-respect.

Relatively concrete and exclusionary identities, such as a determinate clan or nuclear family, have a recognized tendency to command our appeal and attention; far greater attention than do abstract categories like the human commonwealth or personhood, which Kantian philosophers take interest in. We do not congratulate ourselves, or indeed pay attention, to the fact that we are people not turtles, and that we move faster than turtles and enjoy rights and privileges that they do not. As Hegelian philosophers and social psychologists often point out, abstract human dignity rarely animates us and fills our hearts with pride, not nearly as much as concrete identities do.

For not altogether different reasons, I wish to suggest, NUBI could garner greater attention and influence on our sense of self-respect than UBI. I am particularly hopeful that NUBI could enjoy higher salience, higher impact on self-esteem, and higher credibility.

Regarding salience, precisely because NUBI is not automatically granted to everyone, there is a way in which its presence is more perspicuous than UBI’s. NUBI

transfers stand out. They run a lower risk than UBI transfers of passing unnoticed and having little if any effect on our self-image. For consider the way our perception works. We notice the odd item that stands out more than we do items that look or move or are allocated as others are. We also notice benefits for which we must strive and establish eligibility: benefits that, unlike the air we breathe and our parents' love, are not granted so automatically as to pass unnoticed. Basic income that is both unequal and conditional, as NUBI is, would presumably command higher attention than an equal, 'no questions asked' income *à la* UBI. Being more salient, NUBI's potential impact on recipients' self-image is higher. In that way, it constitutes a firmer psychological basis for self-respect than universal, automatically-granted UBI.

Turning to self-esteem, while the notions of self-respect and self-esteem are conceptually distinct, their instantiations are probably causally associated.^{xliii} Psychologically, therefore, boosting self-esteem may boost self-respect and *vice versa*. Philosophers who advocate promoting and protecting self-respect should not dismiss the promotion and the protection of self-esteem, which can be a rather efficient means to achieving the same end. Precisely because UBI is equal for all of us, it stands a lower chance of increasing self-esteem relative to unequal NUBI. Why? Because, as Robert Nozick observed, self-esteem responds to difference:

People generally judge themselves by how they fall along the most important dimensions in which they differ from others ... When everyone, or almost everyone, has some thing or attribute, it does not function as a basis for self-esteem. Self-esteem is based on differentiating characteristics...^{xliv}

Exclusive payments to some citizens alone may potentially become sources of pride and elevated self-esteem for recipients, and thus, potentially, sources of elevated self-respect in that group, in a way that universal transfers would not. (Would they undermine self-esteem in non-recipients? Perhaps, but, as noted earlier, the rich enjoy more than their fair shares of social bases for self-respect and self-esteem.)

Finally, NUBI may have an advantage over UBI in terms of its credibility. NUBI is probably a somewhat more convincing and thus powerful sign of concern and respect than UBI is. For imagine that everyone, millionaires included, received income transfers. That would make it hard to ‘sell’ these transfers to the public as signs of concern and respect for everyone: millionaires clearly do not need these transfers to maintain high quality of life, material independence, and the means to political participation. Can we really convince citizens that giving Gates several thousand dollars in basic income shows concern that otherwise Gates might lack sufficient access to political influence? If the policy is unconvincing as a sign of concern and respect for Gates, how can it be convincing as a sign of concern and respect for everyone?

(UBI transfers to Gates might be thought to show concern and respect differently, by embodying how much he is worth *qua* citizen, not necessarily by providing his needs *qua* citizens. On that reading, these transfers show everyone respect and concern by capturing our basic worths as citizens. But surely assessing that worth at several thousand dollars is crude, contrary to our allegedly priceless dignity, and unconvincing for *that* reason.

I submit, therefore, that NUBI does not impose significant stigmas that UBI does not, and that NUBI is probably a stronger positive basis for self-respect than UBI.

7. *Political resilience*

Some UBI supporters speculate that UBI has better prospects for withstanding conservative pressures for budget cuts than relatively generous social relief does. Philip Pettit writes,

A universal right [to basic income] would resist electoral pressure for change better than would a needs-tested right, since it would benefit everyone in common...^{xlv}

Lyndon Johnson may have expressed a similar idea:

It is better to have the sharp elbows of the middle class on the inside of the system pressing it outwards, than the other way around.^{xlvi}

Indeed, it is probably no coincidence that *Medicare*, America's health insurance for all citizens once they turn old, consistently resists the austerity measures that chronically affect *Medicaid*, America's health insurance for the poor and the disabled. The relative resilience of the former and of other fairly universal schemes, like the social security system, even against the backdrop of America's highly conservative economic environment, rests, among other things, on the cooperation of strong voter populations, who also benefit from these universal benefits.

Precisely because under NUBI, the rich do not enjoy benefits, the worry may arise that rich political actors would fight to slash NUBI, more strongly than they would to slash UBI.^{xlvii}

There is, however, reason to expect this difference in resilience between NUBI and UBI to remain small. The rich have a lot of money. For them, state transfers of basic income are not so significant. For the poor and for the middle class, on the other hand, the same transfers remain highly significant. The sharp-elbowed middle class may fight hard to protect NUBI, and that may suffice to keep NUBI in place. The relative resilience of *Medicare*, for example, may rest primarily on middle class voter support, and less on the rich. Many rich Americans hardly rely on *Medicare* because they have the money to purchase private services.

Again, the analogy of mixed-income housing complexes comes handy. It is a sad reality that in many countries, public projects serving minorities and the poor alone are chronically neglected by the authorities. Not so, in many cases, for mixed-income complexes. Some of their tenants are middle-class and fully enfranchised, and they tend to command the attention of public authorities.^{xlviii} NUBI could potentially command similar attention: it serves a similar mixed-income population.

Admittedly, there is a way in which NUBI does seem potentially far less politically resilient than UBI, and specifically, more liable than UBI to degenerate into a highly selective social relief system. NUBI introduces the notion that transfers do not have to be universal to be legitimate, opening the door to greater and greater cuts. Conservative governments may gradually deprive more and more income deciles of transfers, eventually transforming what used to be a NUBI into a far more residual system.^{xlix} UBI is somewhat resistant to this development because, being a pure, ‘archetypical’ system, it makes for a simple and potentially effective political battle cry.

In a different way, however, NUBI seems far more resilient than UBI. NUBI is more ‘politically saleable’ It pre-empts a demagogical and often effective protest against state benefits that go to the rich. Tabloids cannot complain that the over-privileged enjoy income transfers that all of us fund, because under NUBI, the over-privileged do not receive transfers. Such demagogy, which Fred Block expects to erode public support in any UBI system, is simply irrelevant for NUBI.¹ In that respect, and potentially on balance, NUBI may prove to be more politically resilient than UBI. To settle whether it is we would need to try out both. For now, let us assume that political resilience considerations are neutral between NUBI and UBI.

Conclusion

As far as we can tell, NUBI is pretty much as good as UBI in some ways, and superior in others. It holds greater promise as an economic equalizer, as a cost-cutter, as an economic maximizer, as a crime-buster, as a source of freedom both ‘real’ and republican, and as a social basis of self-respect. In other ways, it does not fare worse than UBI. On balance, therefore, NUBI seems preferable to UBI.

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* I would like to thank Alex Voorhoeve for detailed written comments, a long conversation, and a beer; and Michael Lewis, Matthias Risse, Shlomi Segall, Nicolaus Tideman, Mischa Van Den Brandhof, Karl Widerquist, Dan Wikler, and Jurgen De Wispelaere, as well as many participants of the 2009 US BIG conference, for helpful suggestions.

ⁱ White 2003

ⁱⁱ Sheahen 2006

ⁱⁱⁱ From 'God bless the child' (lyrics: Steve Miller)

^{iv} A NUBI defender might now respond that it makes no difference whether one introduces *NUBI plus tax*, or *UBI plus especially progressive tax*. However, whether or not that is the case (many of the considerations noted below would suggest otherwise!), it also remains the case that *other things being equal*, NUBI remains superior to UBI.

^v I am grateful to Jurgen De Wispelaere and Michael Lewis for discussions of this point. Note, finally, that UBI supporters tend to oppose unconditional benefits to the poor alone, even when these benefits are accompanied by highly progressive taxation that makes the short-term impact on earnings identical to that of tax-funded UBI. Evidently, these UBI supporters accept that progressive taxation cannot guarantee full moral equivalence.

^{vi} Nicolaus Tideman puts this classical argument eloquently: ‘From a left-libertarian perspective, the basic income guarantee that justice requires has its source in the axiom that all persons have equal claims on the gifts of nature. The simple version of the resulting basic income guarantee is that everyone who has exclusive access to a natural opportunity—land, minerals, water rights, fishing rights, spectrum rights, etc.—should pay the value of that exclusive access into a fund from which a uniform basic income guarantee is paid to all persons (Tideman 2007, p. 2). How should we assess NUBI in the light of this classical left-libertarian argument? We may raise doubts about the premises of the argument: why assume that claims over the world’s natural resources are distributed equally, and not, say, on the basis of personal need? Why assume that people can legitimately acquire ‘exclusive access to a natural opportunity’ from fellow claimants, for which they owe them only rent, not that they must secure permission from each fellow claimant (an admittedly taxing process that would impede exclusive access, but perhaps an unavoidable one if ‘all persons have ... claims on the gifts of nature’)? If these claims are alienable, and exclusive access can be granted in return for rent, why assume that the claims, or the exclusive access that they enable, are not then redistributed maximin or according to need behind a veil of ignorance, to enhance fairness? But we can set aside these doubts here. For our purposes, it is enough to show that these premises prefer NUBI to UBI. And they do. The rich clearly have more than their fair shares of earnings and access to natural resources, far more than any rent which they may be owed. Why

transfer further income to the rich, as UBI does, instead of scaling up egalitarian redistribution, as NUBI does? Crucially, the free market element of either UBI or NUBI is not perfectly fair. At a minimum, it subjects participants to the genetic lottery. We tolerate that element in the interests of efficiency and political compromise, not fairness. What fairness demands, then, regarding the shape of the basic income transfer element of UBI and NUBI, is that this basic income counterbalance and correct some of the injustices of the free market. That favours income transfers that do not reach those whom the market has made unfairly privileged. It favours NUBI.

vii Sheahen 2006. Sheahen also mentions that on that year, total revenue from individual income tax in America was \$809 billion. So NUBI would have saved between 22-47% of all individual income tax revenues!

viii Sheahen 2006

ix It may make sense to calculate NUBI's cut-off range not simply according to household income, but also considering family size, information that is also readily available to the authorities.

x Philippe Van Parijs writes that UBI is superior to negative income tax in offering poor beneficiaries money when they need it, rather than after the tax year is over (Van Parijs 2000). Since NUBI also means-tests on the basis of tax returns, it might be thought to impose a similar administrative time lag. However, Fred Block and Karl Widerquist have suggested a host of solutions for this problem for negative income tax, which may work for NUBI as well (Block 2001, p. 87). For example, citizens could be allowed to borrow money in advance against their own potential annual income transfers, receiving a check shortly upon request. Those who turn out to lack NUBI entitlement would have to repay the loan. (To be clear, Negative income tax differs from NUBI: (1) NUBI is given to the majority of participants not just to the poor; (2) NUBI is far more generous than negative income tax is usually imagined to be; (3) the size of the NUBI transfer is equal for all its recipients (except those in the phase-out range); (4) NUBI is given to individuals, not to households.)

xi HR 5257 ('The Tax Cut For the Rest of Us' Act), a bill proposal by Al Sheahen and Karl Widerquist, is a case in point. See Paper. These forms of UBI would involve similar time lags (and costs!) to the ones involved in NUBI.

xii Widerquist referred me to U.S. Census Bureau 2008.

xiii Phelps 1997. Thanks to Nicolaus Tideman for prevailing on me to include a phase-out despite my earlier plans. In email correspondence, Karl Widerquist illustrated how a phase-out could potentially resolve the problem: 'I think the phase out strategy works. You could argue that the range over which you're phasing out the [basic income] makes it possible for it to have a minor affect on marginal tax rates. Suppose the [basic income] is 10,000 [US dollars: *ditto* below] and you're phasing it out between 100,000 and 150,000 of income. That's a range of 50,000 over which you need to take out a 10,000 benefit. So, that's a marginal tax rate of 20%, of course that's in addition to whatever other taxes people are paying. If the regular tax rate is 30%, then the marginal tax rate goes up to 50% during that interval. It's a substantial difference, but [not—*sic*] insurmountable. After tax income at \$100,000 is 70,000. After tax income at 150,000 is 95,000. You might not like it if a 50,000 raise only makes you better off by 25,000, but you won't turn it down.'

xiv Atkinson and Stiglitz 1988, pp. 48-57, 58-59

xv Warren and Tyagi 2004

xvi On the disability trap for South Africa's poor, see Natrass 2004. No equivalent trap exists for America's upper middle class.

xvii These inescapable costs are high, and probably account for much of any observed poverty trap effects. One estimate has it that in the US, 'A family who moves from joblessness to income faces at least 48% marginal cost of doing so: Resident share of rent equals 30% of income. Income taxes equal to at least 10%. Withholding takes another 7.5%. Plus, in individual circumstances, workers lose Medicaid, to say

nothing of the marginal costs of working: day care, transportation, and so on.’ (Affordable Housing Institute 2005)

xviii I did not consider the complicated macroeconomic effects of either scheme. For example, a small UBI may have increased growth in Alaska (Goldsmith 2009). We do not know whether the impact of NUBI on growth would be smaller or larger.

xix NUBI’s higher maximum success may translate into higher success in reducing poverty-related crime. NUBI enables somewhat higher transfers to the poor than UBI. It thus ensures more fully that they have acceptable alternatives to crime; and it shows them stronger evidence of state concern, which should somewhat diminish their frustration and resentment. Additionally, NUBI redistributes incomes somewhat more equally than UBI, decreasing how much poor people can gain relative to their base incomes from crime against the rich, and showing the poor stronger evidence of equal concern, which should further diminish motivations for crime. I believe that this makes NUBI an especially valuable form of basic income for crime-ridden countries, including South Africa, which saw recent intense interest in basic income, partly as a response to AIDS (Nattrass 2004). Regarding that country, it is also conceivable that a populist leader like Jacob Zuma could use NUBI to fend off accusations of corruption: NUBI would palpably exclude his own lot, the rich, from receiving benefits. However, I have not considered whether NUBI, UBI, or social relief would perform best in a middle-income country with wide economic gaps (or, for that matter, in poorer or more egalitarian societies), only in a society where 10-20% of participants are not entitled to basic income.

xx Van Parijs 2000. Original italics. The article’s subtitle is ‘If you really care about freedom, give people an unconditional income.’ See also Van Parijs 1995, §2.2 (pp. 35-38).

xxi Van Parijs 1995, pp. 4-5

xxii ‘...real freedom can be... restricted by any limit to what a person is permitted or enabled to do. Both a person’s purchasing power and a person’s genetic set-up, for example, are directly relevant to a person’s real freedom.’ (Van Parijs 1995, p. 4)

xxiii Three addenda: first, it is true that there are additional means to real freedom, apart from money, such as the availability of meaningful jobs, and the social bases of self-respect. We shall discuss some of them below and in the notes. Second, Van Parijs further specifies that the best principle for allocating real freedom is leximin. However, since maximin prefers NUBI to UBI, leximin cannot prefer UBI to NUBI. Finally, inasmuch as equality of real freedom is also important, NUBI clearly fares better than UBI. As we saw earlier, NUBI equalizes purchasing power more than UBI does.

xxiv Pettit 2007, p. 5. Pettit elaborates: ‘Suppose there are just a few employers and many available employees, and that times are hard. In those conditions [employees] will not be able to command a decent wage: a wage that will enable us to function properly in society. And in those conditions it will be equally true that we would be defenseless against our employers’ petty abuse or their power to arbitrarily dismiss us. ...the most effective of all protections, and one that should complement other measures available, would be one’s ability to leave employment and fall back on a basic wage available unconditionally from the state.’ (Ibid.) Therefore, for Pettit, ‘We can... argue for a right to a basic income, so long as the possession of [basic] liberties is taken to require ... the absence of domination ... The cause of promoting basic liberties in this republican sense does markedly better than ... alternative justifications [for UBI]’ (p. 4).

xxv Casassas 2007

xxvi Widerquist 2008

xxvii Casassas does raise the question whether schemes other than UBI may potentially secure material independence more efficiently than UBI does. But he considers only several close variations on UBI, not a generous safety net or NUBI (Casassas 2007, §4, pp. 5-6).

xxviii Van Parijs 2000. See also: ‘...with a UBI, workers will only take a job if they find it suitably attractive, while employer subsidies make unattractive, low-productivity jobs more economically viable. If the motive in combating unemployment is not some sort of work fetishism—an obsession with keeping

everyone busy—but rather a concern to give every person the possibility of taking up gainful employment in which she can find recognition and accomplishment, then the UBI is to be preferred’ (Ibid.).

xxix Wright 2005, pp. 4-5

xxx Such a coalition would naturally lobby, among other things, for workplace regulations that protect poor and middle income workers, further enhancing job quality.

xxxi Pettit 2007, pp. 5-6

xxxii Van Parijs 2000

xxxiii This policy might seem too intrusive, but the law in many countries already demands that breadwinners provide adequate livelihood to children and spouses, both after and before a divorce. Note also an existing Dutch policy for funding BA studies: most high school graduates receive generous subsidies that partly cover both fees and living allowances during their studies, and rich households are expected to fund their children’s fees and living allowances (correspondence with Alex Voorhoeve and Mischa Van Den Brandhof)

xxxiv Wolff 1998, 2008

xxxv Van Parijs 1995, p. 95

xxxvi Perhaps as a reflection, in the 2005 movie *Crash* (directed by Paul Haggis), a young African-American in Los Angeles tells a friend, ‘You actually expect me to get on a bus? ... You have no idea why they put those great big windows on the sides of buses, do you? ... One reason only: to humiliate the people of color who are reduced to riding on it.’ This conspiracy theory is false, but it does attest to the shame that some minority members (are thought to) feel about using American public transportation.

xxxvii Glover 2005; Schubert and Thresher 1996

xxxviii [Author’s details suppressed]

xxxix An interesting cross between UBI and NUBI is to dish out a basic income to *everyone* (as UBI does), but to make that income taxable (by contrast, UBI supporters usually demand only that ‘All income *other than* [one’s basic income] is taxed’ [Sheahen 2006, p. 7; my italics]). Under what we may call ‘taxable UBI’, the poor, who do not pay income tax, retain their full basic income transfers even after tax, but many other citizens see increasing loss from progressive tax, as they become richer and richer. Crucially in the present context, little or no stigma attaches to receiving and collecting basic income; everyone, including the rich, receives and collects that income.

xl Pettit 2007, p. 6.

xli Dworkin 1978

xlii [Author’s details suppressed]

xliii [Author’s details suppressed]

xliv Nozick 1986, p. 243

xlv Pettit 2007, p. 5.

xlvi Quoted in Segall 2004.

xlvii I am grateful to Shlomi Segall for this suggestion. See Segall 2004.

xlviii Regarding the United States, see Schubert and Thresher 1996. See, however, Schwartz and Tajbakhsh 1997.

xlix But NUBI may also have a certain tendency to lead nations on the path to socialism. NUBI may keep alive the idea that capitalism is unjust. For people will ask why ‘discriminate’ against the rich, as NUBI does, and the answer will often have to be that the rich already have more than their fare shares.

l Block 2001, p. 86