Participation Income and the Provision of Socially Valuable Activities[*]

Forthcoming at *The Political Quarterly*

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Abstract

In this paper, I argue that a Participatory Income (PI)—the proposal originally presented by Anthony Atkinson—can potentially perform better than an unconditional basic income (UBI) in terms of addressing unmet social needs. I explain why we should expect that unmet social needs can be better alleviated by the recipients of a PI rather than by the voluntary actions of UBI recipients. In particular, the argument presented here seeks to develop a particularly forgotten point in the PI debate—namely, the importance of using income transfer programs as a policy tool to motivate people to engage in socially valuable activities.

Keywords: participation income, unconditional basic income, socially valuable activities

Introduction

Advocates of an unconditional basic income (UBI) argue that this policy can have positive effects on recipients' lives. The main argument in the normative debate is that a UBI can promote real freedom for all. A UBI may provide us with the material foundation to do "whatever one might want to do".[1] It subsidizes both Malibu surfers and those who are willing to voluntarily perform desperately needed activities. UBI advocates usually assume, without much argument, that a substantial number of recipients will use their free time to perform activities that may be useful to society at large. Nevertheless, it is uncertain to what extent a UBI can be conducive to socially virtuous behaviours. For instance, we do not know whether this unconditional policy will subsidise more care providers than surfers.

In the context of the UBI debate, we can think about people's participation in socially valuable activities in two ways. On the one hand, we can assume that the participation in valuable activities is just a desirable by-product of other more important goals (e.g. to have real freedom to do whatever we might want to do). In this view, it is

[*] This article was funded by Chile's Fondo Nacional de Desarrollo Científico y Tecnológico (FONDECYT # 11160045).

good that UBI recipients participate in socially valuable activities, but this consequence is neither required nor decisive for the justification of this policy. On the other hand, we may believe that the stability, efficiency and political feasibility of a UBI are all dependent on the way that the recipients of this policy behave. As a consequence, we should not be indifferent to the participatory effect that a UBI may have. If, for example, we have to address a large number of unmet social needs that are not satisfied by entrepreneurs in the marketplace, it could be morally imperative to design a redistributive policy that helps to promote those activities.

In this paper, I argue that a Participatory Income (PI)—the proposal originally presented by Anthony Atkinson—can potentially perform better than a UBI in terms of addressing unmet social needs. Put another way, I explain why we should expect that unmet social needs can be better alleviated by the recipients of a PI rather than by the voluntary actions of UBI recipients. In particular, the argument presented here seeks to develop a particularly forgotten point in the PI debate—namely, the importance of using income transfer programs as a policy tool to motivate people to engage in socially valuable activities.

This short essay is organised as follows. First, it presents the key features of Atkinson's PI proposal. Second, it explains why a PI can potentially be a better mechanism for the promotion of socially useful and necessary services. It is worth noting, however, that this essay does not address some of the main issues related to the adoption and justification of PI proposals.[2] For example, it neither discusses how a PI can be funded, nor how other tasks related to its implementation and administration can be carried out. Moreover, it does not discuss how we should distinguish between socially valuable activities and non-valuable ones. Similarly, it does not consider how those activities can be enforced. I have already considered some of these issues in a previous work.[3] Instead, I restrict the following discussion to the issue of why a PI can be better positioned than a UBI when it comes to promoting socially valuable tasks. At the end of the day, this is an empirical matter that requires further study. But it is important to highlight the fact that knowing how these policies perform on this particular point can be important for choosing one policy over the other.

1

A PI can be defined as an income that is paid to each adult member of a given political community, on the condition that he or she performs some socially valuable task in exchange by taking a PI. This policy has three main characteristics: (1) it is paid without means testing, (2) it is individual, and (3) it is conditional. First, it is an antipoverty strategy that does not rely on means-tested schemes. Eligibility does not depend on one's current economic situation. Second, a PI is paid to individuals, not households. This means that all individuals, irrespective of their family's income or employment status, can qualify as potential recipients. Finally, it is conditional in the sense that it requires recipients to perform some action to maintain eligibility. In particular, only those applicants who make a socially useful contribution may become PI recipients. This third point is the key difference between a PI and UBI.

Atkinson believed that his PI proposal would be immune to the objections of

reciprocity and exploitation made against UBI.[4] These objections directly point to the unconditional character of a UBI. For example, according to Stuart White, an income that is paid unconditionally violates the principle of fair reciprocity. For others, the unconditional character of a UBI can lead to a situation whereby workers are exploited by people who live without contributing their fair share. Atkinson takes these objections into account and suggests that the political feasibility of UBI programs depends fundamentally on the incorporation of some form of conditionality.[5] More recently, Atkinson also embraced a normative objection against unconditionality.[6] His concern here is not only with the political feasibility of UBI, but also with the possibility that unconditionality may produce dependence.

PI recipients are required to perform some socially useful or valuable activity in exchange for receiving this cash transfer. Atkinson does not offer a detailed list of the types of activities that should be included in the list of socially valuable activities. Rather, he provides a very broad and vague list. A key point in his proposal is that a PI does not compel its beneficiaries to enter into the formal paid job market as required by workfare programs. Instead, a PI rewards socially useful activities that are often performed without any monetary compensation in return.

2

While I agree with Atkinson's intuition about the political feasibility of a UBI, here I want to emphasise another aspect—one that has so far received scant attention. That is the idea that a PI can be used as a mechanism to provide socially valuable activities. This point connects directly with the UBI debate. In particular, it is linked to an underexplored, although enormously extended, aspect of UBI justifications. Several UBI advocates believe that the unconditional character of that program may help its recipients to voluntarily decide to carry out socially valuable activities. The argument proceeds by assuming that a UBI will allow us to: (a) decide more autonomously if we want to participate in the formal paid labor market, and (b) take leisure time to perform socially valuable tasks.

Care work is the paradigmatic example of a form of valuable participation that is typically done in the home without a monetary return. Some UBI advocates believe that a substantial UBI would allow more mothers and fathers to provide "care for their children full-time if they wished".[7] That is, a UBI would free people to engage in a valuable social activity such as care work. But the same argument also applies to other activities. For example, some UBI advocates argue that a UBI could further democratization and individual self-government since it would provide us with time for participating in politics and engaging civic service and community work. In Pateman's words, "such an income is necessary to enable all citizens to participate as fully as they wish in all aspects of the life of their society."[8] Likewise, Bill Jordan believes that a UBI would allow "all citizens the chance to participate as autonomous equals in such a social sphere, it would enable far more extensive and diverse forms of association than exist in advanced capitalist or existing socialist societies".[9]

If participation in the production of socially valuable services is important for the justification of UBI, then the obvious question is to what extent we can expect that UBI recipients actually will engage in these activities. The challenge, I argue, is to achieve that

outcome in the absence of a centralised mechanism that enables, controls and monitors participation. By definition, under a UBI scheme, participation in socially valuable activities is voluntary and not centralised. UBI advocates believe that a lack of coordination in the production of valuable activities is a good thing. Their argument is based on two premises. First, UBI recipients are genuinely free to opt in or out of the production of socially useful services at any time. Second, recipients are free to coordinate their individual behaviour in order to produce and allocate services whose production requires some coordination of efforts. Both premises are coherent with the ideal of "real freedom" attached to that policy.

However, this argument is based on the assumption that a sufficient number of UBI recipients will voluntarily engage in the production of socially useful services. Moreover, it crucially assumes that a large number of recipients will coordinate and cooperate to produce some services and goods whose production and allocation require complex coordination. Not surprisingly, one question that arises is what we should do when this does not occur.

UBI advocates face a dilemma. On the one hand, if they do not attribute any value to participation—that is, they are okay with a scenario in which an insufficient proportion of UBI recipients participate in socially valuable activities—they may endanger the political and economic feasibility of the program. People will be unlikely to support a policy that encourages recipients not to participate in society. On the other hand, if they value participation, they may need to favour an institutional arrangement that promotes recipients' contributions. In particular, they need to explain why—all-things considered—a UBI will be better than other policies in promoting and managing people's participation in the production of socially useful activities.

Given its conditional nature, a PI has evident advantages over a UBI in terms of its possibilities to provide socially useful activities.[10] It can be tailored to help in the provision of some goods and services that are needed but which, for some reason, both the state and the market fail to provide. First, PI's monetary transfer component can operate as a material incentive to motivate people to engage in these activities. While some recipients would participate in the production of some valuable service because of the non-monetary benefits related to that activity (e.g. self-realization, the value of helping needy people, etc.), others would participate in these activities mainly because of the monetary return that doing so provides. Second, a PI should provide a mechanism to decide which activities do count as socially valuable and to assign recipients to the production and provision of those activities.

Although care work is the typical example in the debate, there are several other activities that could potentially be promoted through a PI. It is important not to limit the list of socially useful activities. The crucial reason for saying that is that any list of socially valuable activities must be contingent on the particular needs of the political community in which a PI is adopted. It makes no sense to think of a list of activities that is equally functional for most countries. An example will help to clarify this point. In Uruguay, there is currently a serious crisis in the secondary level education. Very roughly, in 2016 only the 29.4 % of Uruguayan students aged between 18 and 20 graduated from secondary education.[11] This phenomenon is even more serious when we take into account the socioeconomic level of the students. Not surprisingly, poorer students have even lower graduate rates than the richer ones.

In such a scenario, it does not seem implausible to think of a PI scheme as a program that can help to provide additional educational support to secondary students. A PI

can be used, for example, to provide supplementary tutoring activities for secondary pupils. It is reasonable to think that a program that coordinates potential tutors (e.g., depending on their level of knowledge, interests, geographic location, etc.) may be able to provide a more efficient and effective service than ad hoc contributions made by UBI recipients.

A PI program can be used to coordinate the interests of those willing to participate in a wide range of initiatives designed to address unmet needs. It may include programs to help communities deal with the aftermath of natural disasters, to pursue wildlife rehabilitation, to provide assistance to immigrant communities, to plant trees in public spaces or to maintain clean beaches, rivers and lakes in the area. The range of such activities is virtually unlimited and contingent on the community's needs.

Naturally, one could argue that it is perfectly plausible for UBI recipients to organize and coordinate in order to provide these services. They would be completely free to carry that kind of tasks. However, the problem with this argument is that it assumes that a substantial number of beneficiaries will be willing to coordinate and carry out socially valuable services without explaining why they will be willing to do that. This idea simply rests on the assumption that UBI beneficiaries will have not only incentives to perform socially valuable tasks, but will also to organize in order to perform those tasks that would be best performed when there is coordination. At the very least, UBI advocates need to advance an argument to justify the claim that the leisure time that a UBI can potentially provide will be used to participate in socially valuable activities.

It could be objected that a PI would provide services in a suboptimal way. The point here is that many of these services need to be provided by professionals, not by people without training or vocation to do so. Let's go back to the case of tutors. Certainly we do not want people without any pedagogy or knowledge to correct the educational deficit of our young people. When that happens, the service we would be getting would be of lower quality than the one we could get through other types of programs. There is, however, a response to this objection. It is also based on the learning hypothesis and the value it may have for a democratic society. The idea is that by providing services, PI beneficiaries can acquire experience that is important to life in a democratic society

In contexts where it is necessary to solve problems that are beyond the capacity of the state and the market, it seems sensible to opt for a money transfer program that motivates its benefactors to collaborate in solving some of these problems. Thus, the argument I present here is contingent. The contingency of circumstances makes a PI for many societies a more appropriate redistributive policy than a UBI. Contingency makes a PI a better mechanism to achieve some of the main normative ideals behind an unconditional policy like a UBI.

Conclusions

Despite its obvious importance to our understanding of universal guaranteed income programs, Atkinson’s PI proposal has been curiously neglected. There are, however, good reasons to think that a properly designed PI can be an attractive redistributive policy. In this brief essay I developed an additional as to why a PI might be preferable to a UBI. When it comes to incentivising people to perform socially valuable tasks, a PI can be a better

motivational tool than a UBI. I therefore defend a contingency argument: given the large number of social needs that are not met by either entrepreneurs in the marketplace nor by the state, it may be important for many societies to develop and implement redistributive programs that favour the promotion of such activities. A PI is a policy that can be used for this purpose.

[1] P. Van Parijs. *Real Freedom for All: What (if Anything) Can Justify Capitalism?* Oxford: Clarendon Press, 1995, p. 4

[2] See for instance J. De Wispelaere and L. Stirton. "The Public Administration Case against Participation Income" *Social Service Review,* vol. 81, no.3, 2007, pp. 523–549.

[3] C. Pérez Muñoz. "A Defense of Participation Income". *Journal of Public Policy*, vol. 36, no.2, 2016, pp 169-193

[4] For a discussion of this point see: S. White. *The Civic Minimum*. Oxford: Oxford University Press, 2003

[5] A.B. Atkinson. "The Case for a Participation Income", *The Political Quarterly*, vol. 67, no.1, 1996, pp.67−70.

[6] A.B. Atkinson. *Inequality*. Harvard University Press, 2015.

[7] C. Pateman, "Another way forward: Welfare, social reproduction, and a basic income", In *L. Mead, and C. Beem (edit), Welfare reform and political theory. New York: Russell Sage Foundation*, 2005, 34-64, at p.51

[8] C. Pateman, "Democratizing Citizenship: Some Advantages of a Basic Income", *Politics & Society*, vol. 32, no.1, 2004, pp. 89–105, at p. 94.

[9] I B. Jordan, "Association and Basic Income", In *Basic Income: An Anthology of Contemporary Research*, First Edition. Edited by Karl Widerquist, José A. Noguera, Yannick Vanderborght, and Jurgen De Wispelaere., Blackwell Publishing Ltd, 2013, pp.72-77, at p.75.

[10] C. Pérez Muñoz. "A Defense of Participation Income". *Journal of Public Policy*, vol. 36, no.2, 2016, pp 169-193, at p. 188.

[11] Observatorio de la Educación, División de Investigación, Evaluación y Estadística del CODICEN. Data retrieved from the https://www.anep.edu.uy/observatorio/paginas/resultados/resultados_secundaria.html