

Michael Schefczyk

Background Justice over Time: Property-Owning Democracy versus a Realistically Utopian Welfare State

Abstract: In *Justice as Fairness*, Rawls presents a case for property-owning democracy (POD) which heavily depends on a favourable comparison with welfare state capitalism (WSC). He argues that WSC, but not POD, fails to realise ‘all the main political values expressed by the two principles of justice’. This article argues that Rawls’s case for POD is incomplete. He does not show that POD is superior to other conceivable forms of WSC. In order to present a serious contender, I sketch what I call a realistically utopian welfare state (RUWS) that (a) guarantees the fair equality of political liberties and opportunity and that (b) maximises the situation of the worst-off via a kind of participation income. The main aim of the article is to give credibility to the claim that RUWS is not obviously worse than POD by Rawlsian standards and therefore deserves a fair hearing in further research.

1. Introduction

In *Justice as Fairness*, Rawls presents a case for property-owning democracy (POD), which heavily depends on a favourable comparison with welfare state capitalism (WSC). Rawls describes the core difference between these two economic regimes in the following way: WSC redistributes income in order to ensure that no one lives below the social minimum, whereas POD disperses the ownership of productive assets and human capital in order to ensure that all citizens are fully cooperating members of society (Rawls 2001, 139–140). Rawls argues that WSC, in contrast to POD, is incompatible with his pair of principles for three related reasons. First, WSC permits large inequalities in the ownership of capital, which cause class rule and consequently violate the fair value of political liberties; second, WSC has insufficient concern for equality of opportunity; and third, it fails to maximise the situation of the worst-off members of society and is thus at odds with the principle of reciprocity (Rawls 2001, 137–8).

It is important to note that WSC, as described by Rawls, does not express the political values of a competing conception of justice either. At first glance, WSC appears to accord with the principle of restricted utility (PRU), which Rawls discusses in his second fundamental comparison (Rawls 2001, 119–34). PRU demands that every citizen is able to meet essential needs and to lead a

decent human life (Rawls 2001, 127–9). In this regard, WSC seems to satisfy PRU because it guarantees a suitable social minimum. But PRU also demands that the basic structure provides fair equality of opportunity, a goal which, according to Rawls, WSC does not take seriously. Many readers, in particular those with a penchant for POD, appear to accept Rawls’s comparison as a sufficient justificatory reason to reject WSC (Freeman 2007, 219ff.; O’Neill 2009, 381; Williamson 2009, 435 et passim). At first glance, the fact that Rawls’s criticism seems to refer solely to extant welfare states severely weakens his case for POD. Vindicating a socio-economic regime by means of comparisons requires the juxtaposition of plausible candidates in a fair manner. On closer inspection, however, it turns out that Rawls also rejects at least one type of an ideal welfare state, namely Philippe van Parijs’s proposal of a socio-economic system which grants an unconditional basic income (UBI) to all. Van Parijs contends that such a system would fulfil Rawls’s principles of justice. Since I conceive UBI to be a welfare state reform proposal, van Parijs’s claim contradicts Rawls’s view that WSC cannot realise “all the main political values expressed by the two principles of justice” (Rawls 2001, 135).¹

I agree with Rawls’s criticism of UBI; yet I shall claim and partly defend in this article, *pace* Rawls, that what could be called a *realistically utopian welfare state* (RUWS) is not obviously worse than POD with regard to the realisation of the main political values expressed by the two principles. Therefore, RUWS should get a fair hearing in further research.

RUWS can be characterised by the following design features: First, it guarantees the fair value of political liberties through

- i) effective measures against the detrimental effects of lobbying, of party donations and of other factors which tend to have a corrupting influence on the reasonableness of the political process,
- ii) a multi-layered system of political participation and representation that ensures that legislation expresses the political preferences of the electorate,² and
- iii) effective measures in order to maintain a fully adequate culture of political debate.

A second core characteristic of RUWS consists in ensuring fair equality of opportunity through

¹ It is unproblematic to characterise UBI as a welfare state reform proposal for three reasons: (i) In Rawls’s terminology, a welfare state redistributes income (in contrast to productive assets); UBI, too, is an income redistribution system. (ii) According to van Parijs, in a socialist economy productive assets are collectively owned and controlled by political bodies, whereas in a capitalist economy productive assets are owned and controlled by private investors. UBI leaves the control and ownership of productive assets in private hands. (iii) UBI is the most widely discussed (radical) reform proposal for real world welfare states.

² The fair value of political equality implies that each vote should be of the same value. Two party systems tend to violate this requirement since they severely limit the representation of political preferences in the legislative process. Another important issue is the design of electoral districts and the translation of popular votes into seats in parliament.

- iv) effective measures against discrimination (if necessary via affirmative action programs), and
- v) unrestricted access to all levels of education irrespective of socio-economic background and
- vi) effective measures against all unjustified forms of privileged access to offices and position.

A third core characteristic is the fulfilment of the difference principle through

- vii) a participation income.³

The main aim of this article is to do some preliminary work in defending the claim that RUWS is a serious contender of POD. The article is structured as follows: *Section 2* introduces Rawls's three cases against welfare state capitalism: the dependency case, the self-respect case and the (unequal value of) political liberties case. I maintain that some real world welfare states successfully cope with the dependency problem by means of 'activation policies'; for this reason, I ignore the dependency case in the following. In contrast, the self-respect case is highly relevant for Rawls's criticism of the welfare state. It plays a crucial role in his rejection of the idea of a universal basic income, which is one of the most important welfare state reform proposals. The discussion of the self-respect case against WSC forms the lion's share of this article (sections 3–6). *Section 3* sketches the core disagreement between Rawls and van Parijs. Whereas Rawls argues that transfers to the able-bodied must be proportional to their work contribution, van Parijs contends that proportionality of transfers presupposes perfectionist premises and therefore violates the principle of justificatory neutrality.⁴ *Section 4* examines what I call the argument from self-respect (for proportionality of transfers), which takes a psychological and a normative form. According to the psychological version, people who are not "fully cooperating members of society" (Rawls 2001, 140) cannot develop self-respect. The normative version, in contrast, argues that those individuals who are not fully cooperating members cannot develop the *right kind* of self-respect. I reject the psychological version and analyse possible arguments for the normative version of the argument in *sections 5 and 6*.

In the final *section 7* I shall argue that it is an open question whether POD or RUWS better realises Rawls's principles of justice.

2. Three Cases against Welfare State Capitalism

Let me first get a terminological point out of the way. One may have qualms about calling RUWS a capitalist welfare state. For instance, Rawls ascribes to

³ Diego Lanzi and Flavio Delbono define a participation income "as a basic income paid conditional on the participation to the social contract (through some form of recognized social contribution)" (Lanzi/Delbono 2002, 2).

⁴ For the distinction between justificatory and consequential neutrality see: Sher 1997, 20–44.

WSC the aim to provide a social minimum, “one in which the basic needs are met” (Rawls 2001, 139). Consequently, a socio-economic system, like RUWS, that subscribes to the difference principle could not possibly count as a welfare state as characterised by Rawls. But this objection would rely on an implausibly narrow definition. The social science literature routinely distinguishes between different welfare state regimes, not all of which are limited to the provision of a minimal social safety net (Goodin et al. 1999, 4). So-called social-democratic welfare states give citizens a high degree of independence from the labour market by providing relatively generous transfers in cash and kind as a matter of right and independent of the prior contributions of the recipients (Esping-Andersen 1990, 35–54; Goodin et al. 1999, 82–4; Schefczyk 2005). In view of the fact that “real world welfare states” pursue diverse distributional policies, it would seem idiosyncratic to opine that welfare regimes, for conceptual reasons, could not be committed to egalitarian goals. I assume that the decisive difference between POD and an egalitarian welfare state like RUWS consists in the *distribuendum*; unlike welfare states, property-owning democracies “put in the hands of citizens generally, and not only of a few, *sufficient productive means* [...]” (Rawls 2001, 140, emphasis added).

In his comparison between different socio-economic regimes, Rawls diagnoses three main shortcomings of WSC: (1) First, it is compatible with, and even conducive to, the emergence of an “underclass many of whose members are chronically dependent on welfare” (Rawls 2001, 140). Call this the *dependency case*. The idea that welfare payments produce or reinforce a “culture of dependency” emerged in the sixties and was later forcefully advocated in Charles Murray’s highly influential *Losing Ground* (1984). Rawls has probably borrowed the divisive term ‘underclass’ from the social policy literature.⁵ Among other things, the term refers to trends since the 1950s in out-of wedlock birth rates,⁶ work effort and child poverty; Murray argued that these trends were caused by the erosion of social norms, a process which he analysed as an unintended consequence of welfare programs. For instance, the Aid to Families with Dependent Children program (AFDC) provided payments for single mothers and was believed to be an important factor contributing to the proverbial ‘welfare mother’ phenomenon.

Apparently, Rawls considered the dependency problem as an inevitable by-product of WSC. But it is more likely the consequence of inappropriate institutional design, which implemented dysfunctional incentives structures. The ‘perverse incentive’ problem has been well understood and intensely debated since the eighties. One landmark social policy reform, which was an explicit response to the problem, was the abolishment of AFDC and the introduction of the Personal Responsibility and Work Opportunity Reconciliation Act during the Clinton administration (Weaver 2000, 102–34). This reform pioneered a major social policy trend ‘from welfare to work’ throughout the Western world (Deacon 1997). To give another example, the economist Edmund Phelps (1997, 103–43) proposed to counter the decline in the relative income of unskilled work-

⁵ On the origin of the term, see Lister 1996, 2–3.

⁶ According to Weaver (2000, 103) “black out-of wedlock birth rates reached an astounding 68.7 % in 1993”.

ers, which led many away ‘from work into drugs and crime’, with low-wage employment subsidies. In short, there is a plethora of measures with which real world welfare states try to cope with the problem of dependency, and numerous social scientists and policy makers seem to conceive of the dependency problem as one that could be solved through institutional reforms within the welfare state. I will therefore ignore Rawls’s dependency case against WSC in the following.

(2) Rawls’s second case is closely related to the first. It answers the question as to what, if anything, is intrinsically bad about dependency. Rawls argues that the needy recipients of welfare payments lack the social conditions of self-respect. Call this the *self-respect case*. Self-respect is “perhaps the most important primary good” (Rawls 1999[1971], 386), says Rawls. It is a transcendental good in the sense that one needs self-respect in order to conceive of one’s life plan as valuable and worth pursuing. “When we feel that our plans are of little value, we cannot pursue them with pleasure or take delight in their execution.” (Rawls 1999[1971], 386) The self-respect case explains why Rawls thinks that dependent members of the underclass are “discouraged and depressed”. Among other things, depression and discouragement are unpleasant mental states, and Rawls mentions the possibility of including such states in the primary goods index (Rawls 1996[1993], 181–2). This would give the self-respect case even more force. Probably most people would grant that the life of a member of the underclass is unpleasant and, maybe, even degrading. But since the emergence of an underclass which is trapped in a culture of ‘drugs and crime’ is arguably no inevitable ill of WSC, the self-respect case has only traction if it can be framed in more general terms. And, indeed, Rawls opines that people can only develop self-respect if they are seen, and can see themselves, as “fully cooperating members of society” (Rawls 2001, 140), which is only the case if they are active and do their “fair share” (Rawls 1999[1971], 301). Thus conceived, the self-respect case does not only pertain to the members of the underclass but also to the infamous “surfers of Malibu” (Rawls 1988, 257, fn. 7), who play such a prominent role in Rawls’s rejection of an unconditional basic income (UBI) as proposed by Philippe van Parijs (1991; 1995; 2009). Since UBI is one of the most important welfare reform proposals, the self-respect case is highly relevant for Rawls’s criticism of the welfare state, and I shall discuss it at length in *section 3–6*.

(3) The third case argues that WSC does not ensure the equal value of political liberties. Call this the (*unequal value of*) *political liberties case*. Many egalitarians take issue with the fact that the difference principle places no inherent limit on economic inequality (not to mention the lexicographic inferiority of the principle). But, as Harry Brighouse has pointed out, “Rawls’s theory taken as a whole does limit material inequality” (1997, 155) quite significantly. If the economy is under the control of a “small part of society” (Rawls 2001, 139), says Rawls, then political liberties do not have equal value. Rawls seems to assume that the concentration of productive assets in the hands of a relatively small group of capital owners inevitably causes inequalities in the distribution of political influence, which would be incompatible with the first principle of justice. Thus, the egalitarian thrust of the Rawlsian approach is less produced

by the difference principle than by the lexicographically superior first principle of justice. Both, of course, go hand in hand.

3. The Recommendation Claim: Do Rawls's Principles of Justice Justify an Unconditional Basic Income?

Philippe van Parijs famously argued that the difference principle would recommend the provision of an unconditional basic income (UBI) to all citizens (van Parijs 1991, 104–5; 2009, 2–6) (*recommendation claim*); since such a transfer system distributes income and not productive assets, it can be classified as a kind of welfare regime. I refer to the socio-economic system proposed by van Parijs as an (*unconditional*) *basic income welfare state* (BIWS). In the following sections, I examine whether Rawls's objections against van Parijs's proposal are substantive and relevant for other conceptions of ideal welfare states, such as RUWS. Van Parijs justifies the recommendation claim regarding BIWS in the following way: Although UBI would probably provide the worst off with a lower income than a transfer system which tests the means and availability for work of the recipients, this disadvantage would be outweighed in other dimensions of the primary goods index. For instance, UBI would put citizens in a better bargaining position in the labour market and thus give them a "greater potential for availing themselves of powers and prerogatives" (van Parijs 1991, 105). Moreover, van Parijs is convinced that a system of unconditional transfers is less likely to stigmatise and humiliate recipients than a system which is targeted at the "worst-off members of society" (105).

Many commentators, including Rawls, find unconditional transfers unjustifiable (Torisky 1993; White 1997; Farelly 1999). If citizens are entitled to income irrespective of their willingness to take up gainful employment, people who are content with their UBI are systematically advantaged over those who need to work in order to fulfil their preferences. Those with a taste for certain market goods, for status or for meaningful work, enter the labour market and have to finance both: their own consumption and their share of the total consumption of those who contribute less in taxes than they receive in transfers because they work less or not at all. It was in view of this problem of horizontal fairness, first pointed out by Richard Musgrave (1974), that Rawls (1974, 654) considered the inclusion of leisure in the primary goods index. He uses this idea in order to secure proportionality between contributions and claims to public funds. The amount of leisure is included in the index as "twenty-four hours less a standard working day" (Rawls 1988, 257, n. 7); more controversial is Rawls's proposal for the valuation of leisure. He stipulates that a standard working day of extra leisure is equivalent to the primary goods index of the least advantaged. Presumably, this remark refers to the simplified primary goods index that identifies the least advantaged as those with the lowest wealth and income (Rawls 2001, 59–61). Hence, the monetary value of a standard working day of extra leisure is equivalent to the *total* daily income of the least well-off members of society. Since the income of the least advantaged consists of earned income *and* trans-

fer payments, this implies that people who earn no income do not receive public funds either because they are, by assumption, equally well off as the least advantaged. “Surfers”, Rawls concludes, “must somehow support themselves” (Rawls 2001, 179). Those who “surf all day off Malibu” are not entitled to public funds (Rawls 1988, 257).

This conclusion appears to be unacceptably harsh on people without work since it leaves them without any right to transfers. But this objection would be mistaken for two reasons. First, a “social minimum covering citizens’ basic needs” (Rawls 1996[1993], 230; see also 2001, 47–8) is a constitutional essential; this means that people who are incapable of working for reasons of age or ill-health still have a right to transfers. Second, Rawls emphasises that the inclusion of leisure in the primary goods index presupposes full employment (*ibid.*) or a state responsibility to act as “employer of last resort”. Under these conditions the inclusion of leisure in the primary goods index amounts to a work requirement on transfers; or, to be more precise, the inclusion ensures proportionality between contribution (in the form of hours worked) and transfer payments *for the able-bodied*. Note that the opportunity costs of leisure differ in a significant way for the least advantaged and for the better off. For the better off the opportunity costs of an extra hour of leisure are equal to the income which they would have earned elsewhere in this hour. By contrast, the least advantaged sacrifice one hour’s worth of earnings *and* a corresponding proportion of transfer income. Since the transfer increases the opportunity costs of extra leisure, it provides an additional monetary incentive to work full time. These transfers are financed on the one hand by inheritance and gift taxes (Rawls 1999[1971], 245), on the other by a proportional expenditure tax (Rawls 1999[1971], 246; see also 2001, 161). Thus, the system of transfers proposed by Rawls redistributes wealth (inheritances and gifts) and yields from the expenditure tax to the least advantaged.⁷ Since the transfers are proportional to the work contribution, the danger of the emergence of “a discouraged and depressed underclass many of whose members are chronically dependent on welfare” (Rawls 2001, 140) is minimized.

Van Parijs’s main objection to Rawls’s proportionality proposal is that it presupposes perfectionist premises and is thus incompatible with the principle of liberal neutrality (van Parijs 1995, 98). Policies that subsidize labour market participation and aim at full employment “all amount to using scarce resources in a discriminatory way, with a bias towards those with a stronger preference for being employed” (van Parijs 1995, 91).⁸

⁷ Alternatively, Rawls considers at one point the possibility of satisfying the difference principle by a level of income tax exemptions (Rawls 2001, 161–2).

⁸ The principle of liberal neutrality covers a broad range of diverse conceptions, and Rawls’s own version of liberal neutralism differs significantly from the one that van Parijs advocates. However, the common ground between their positions is that the principle prohibits political agents from using their power in order to promote a *particular* conception of the good. One might characterise Rawls’s view as *political neutralism*, a position that does *not* exclude perfectionist reasons per se but “seeks common ground—or if one prefers, neutral ground—given the fact of pluralism” (Rawls 1996[1993], 192). For Rawls’s conception of neutralism see also Schefczyk 2012.

4. Proportionality of Transfers and Three Arguments from Self-Respect

This section examines what I call the *argument from self-respect (for proportionality of transfers)*; the argument takes a psychological and a normative form. In the psychological form, it contains a claim regarding the social conditions under which self-respect is psychologically possible. The normative argument from self-respect, in contrast, rests on a premise about the ‘right kind of self-respect’.

As mentioned before, Rawls assumes that people can only develop a sense of their own worth if they are active and productive members of society (Rawls 2001, 139–40). According to Rawls, one necessary condition for active and productive membership consists in the willingness to do one’s share in networks of social cooperation. One has to seek membership in “at least one community of shared interests to which (one) belongs and where (one) finds (one’s) endeavours confirmed by (one’s) associates” (Rawls 1999[1971], 388). Proportionality of transfers provides material incentives for a particular form of active and productive membership. But why is such an incentive required at all? If self-respect is indeed the most important primary good, one should expect it to be of utmost importance in every person’s life plan to procure the social basis of self-respect.

With regard to WSC, Rawlsians can reply that one of the effects of an unjust basic structure consists precisely in the distortion of the life plans of individuals. One distorting factor is the lack of fair opportunity in a WSC. Too many people have no access to proper education. They never come to experience “activities that display intricate and subtle talents, and manifest discrimination and refinement”, which “are valued by both the person himself and those around him” (Rawls 1999[1971], 386). One may take the liberty of interpreting Rawls’s term ‘underclass’ in this sense. The underclass consists of people who follow distorted life plans because they lacked appropriate educational opportunities. This confronts us with the question whether the proportionality of transfers is common ground given the fact of pluralism.⁹ I shall assume that self-respect, as the capacity to see worth in one’s person and deeds, is a universal good. Accordingly, arguments to the effect that some political measure is necessary in order to provide the social basis of self-respect are neutral arguments.

It is less clear, however, why people need an incentive to work in a well-ordered society that ensures fair equality of opportunity and freedom of association so that people can combine their “educated endowments [...] into one scheme of activity that all can appreciate and enjoy” (Rawls 1999[1971], 386). In such a society, people are able to formulate undistorted life plans and to live accordingly.

Let us now turn to the *first psychological argument from self-respect*, which takes roughly the following form: (1) People can only develop a sense of their own worth if they are active and productive members of society (Rawls 2001, 139–40). (2) One is only an active and productive member of society if one holds a job (as being paid for one’s work is an elementary form of social appreciation

⁹ As Rawls puts it, “it is not to be expected that conscientious persons with full powers of reason, even after free discussion, will all arrive at the same conclusion” (Rawls 1996[1993], 58).

for one's deeds and person).¹⁰ (3) Political measures that ensure the social basis of self-respect are neutrally justified. (4) Incentives to join the labour force are such political measures. (5) Hence, incentives to join the labour force are neutrally justified.

Although it is certainly true that jobs provide an important social basis of self-respect, joblessness does not necessarily undermine one's sense of worth and one's ability to conceive of one's life plan as valuable and worth pursuing. One may point to the examples of a kept philosopher or of an artist who subsists on public support, of a househusband or of a wealthy aristocrat living off his inheritance, like the Woodhouse character Bertie Wooster. None of them appears to be incapable of developing and preserving self-respect even in a permanent state of joblessness. But then proportionality of transfers cannot be based on the argument that participation in the labour force is a *necessary* psychological condition of self-respect. If this is so, the compatibility of the proportionality of transfers with the principle of neutrality has to be shown in a different manner.

The *second psychological argument from self-respect* realigns premises (2) and (4) and the conclusion (5) in the following way: (1) People can only develop a sense of their own worth if they are active and productive members of society (Rawls 2001, 139–40). (2*) One is only an active and productive member of society if one makes a valuable contribution to society. (3) Political measures that ensure the social basis of self-respect are neutrally justified. (4*) A participation income, as proposed by Atkinson (1996), is such a measure. (5*) Hence, a participation income is neutrally justified.

This revised argument does justice to the examples of the hypothetical philosopher, househusband and artist. But it does not capture the case of someone like Bertie Wooster whose self-respect is based on inherited wealth and status. That people can have a high regard for their own worth which is unrelated to anything they have done or achieved appears to be a distinct psychological possibility; and being in possession of inherited wealth is arguably a very solid social basis of self-respect. Van Parijs (1991, 105) exploits this point when he says that Rawls should favour an unconditional basic income precisely because it grants people social rights and thereby spares them a wide range of experiences which tend to destroy self-respect: destitution or relative poverty; being means-tested and receiving targeted benefits for the needy; being treated as someone useless and untrustworthy by the social services department; being forced to attend pointless job trainings. Thus, the second argument from self-respect is open to criticism.

¹⁰ Payment as a basic kind of social recognition may help to explain why people can see themselves as respected members of society even if they hold ill-respected jobs; whatever people may think or say, the fact that one gets paid for a job testifies that it has value for some people at least. If payment has a recognition function and can serve as a social basis of self-respect, the thesis that 'meaningful work' is a core requirement of social justice loses much of its plausibility. "The key point is that there are a great many goods other than meaningful work that people might reasonably pursue via their economic activity. There is no good perfectionist case that meaningful work trumps these other goods, and no good paternalist case that overruling people's own judgments to pursue some mix of goods other than meaningful work would advance their interests in morally acceptable ways." (Arneson 2009, 140) Farelly (1999), in contrast, argues for the existence of a close connection between self-respect and meaningful work.

Being an active and productive member of society is not a necessary psychological condition for self-respect. Quite the reverse, having a general, non-acquired right to property provides one's self-respect with a strong social basis.¹¹

However, the stockpile of Rawlsian arguments is not exhausted yet. Instead of stating necessary psychological conditions, the *third argument from self-respect* introduces a normative requirement. Introducing a normative requirement dramatically changes the status of the argument from self-respect. In contrast to the psychological arguments, the normative argument cannot treat self-respect as a transcendental good in the sense that it is a necessary condition for conceiving of one's life plan as valuable and worth pursuing. It does not deny that aristocrats or surfers are able to value their own life plans even if they are not "fully cooperating members of society" (Rawls 2001, 140). In a simple psychological sense, they may have self-respect. It is also quite conceivable that other members of society envy or admire them. However, according to the normative argument, these hypothetical surfers and aristocrats develop "self-respect for the wrong reasons". They have an unjustified self-regarding attitude. Samuel Freeman appears to have something like this in mind when he states that "Rawls affirms the idea that all able-bodied persons should be encouraged to work in a well-ordered democracy" (Freeman 2007, 229) because "part of being an independent person with a sense of self-respect is to be in a position to provide for oneself while working in a job that itself is not demeaning and does not undermine self-respect" (140).

There are two versions of the normative argument from self-respect. The first version views the self-respect of surfers and aristocrats to be phony, shallow or otherwise inadequate on the basis of non-universal claims as to what constitutes a good life (*ethical version*). Regarding this understanding of the normative argument, van Parijs's criticism seems justified that the case for proportionality of transfers presupposes non-neutral premises and violates the principle of liberal neutrality. According to the second version, though, right reasons for self-respect refer to the fulfilment of moral obligations (*moral version*). This version of the normative argument demands a specification of the obligations that are to be fulfilled if persons are to have the 'right kind of self-respect'. In the next two sections, I shall examine these requirements more closely.

5. Unconditional Basic Income and the Exploitation Objection

One possible argument for the moral version of the normative argument states that unconditional (and thus non-proportional) transfers are exploitative (White 1997). The likes of Bertie Wooster have no reason to see value in their life-plan because it is based on the exploitation of other people's contributions. Since the wealth of a nation presupposes the input of labour, non-productive people with a right to transfers would be indirectly 'part-owners' of the labour force. For, as Robert Nozick famously argued, seizing "the results of someone's

¹¹ For the idea of a general right to property see: Waldron 1988, 343–89, 423–45.

labor is equivalent to seizing hours from him and directing him to carry on various activities. [...] This process whereby they take this decision from you makes them a *part-owner* of you; it gives them a property right in you.” (Nozick 1999[1974], 172)

Apparently, such a “property right in persons” (Arneson 1992) would violate the normative principle of self-ownership as well as the first principle of justice (Rawls 2001, 75). What has van Parijs to say about the objection that people who receive an unconditional basic income cannot develop the right kind of self-respect? One of his arguments takes roughly the following form: Imagine a windfall profit for the national budget, for instance extraordinarily high central bank revenues, a successful emission rights auction, a profit-yielding sale of telecom licenses, oil finds and the like. By definition, these profits are unexpected and non-deserved (but not undeserved). Doling out equal shares of these profits to each citizen would arguably not externalise the costs of certain lifestyle choices upon others; it would not express the view that some people have “property rights in other persons”.

Now, why should community helpers, aristocrats, family workers and surfers not share in the spoils? One could have recourse to the ethical version of the normative argument and insist that the state has the right to give all citizens a monetary incentive to lead a more valuable life, a life that is based on the right kind of self-respect. Even if it is true that incentives are a relatively unobtrusive way of nudging behaviour in the right direction, the ethical version of the normative argument is arguably in conflict with liberal neutrality. What makes matters worse in this particular case is the fact that by withholding windfall profits from non-workers, one forces *them* to pay for the cost of the work stimulus. This comes down to penalization in the name of a particular conception of the good, and, as such, is nothing liberals should put up with. This is the core of van Parijs’s argument against the proportionality of transfers: “What the proposal (and beyond it the whole idea of adding leisure to the list of primary goods) amounts to is a prescription to share out among the sole workers, and as a function of their working time (somehow measured), the whole of the production surplus [...] whatever the sources of this surplus.” (van Parijs 1995, 98)

The point is pertinent but not as sweeping as van Parijs seems to assume. Even if one agrees that windfall profits should be non-discriminatingly distributed to the working and the non-working worst-off members of society, one is not forced to give up the idea of proportionality of transfers in principle. Windfall profits are a relatively small part of the public revenue. The lion’s share of revenue is related directly or indirectly to the contribution of the labour force, and it is for this part that the proportionality requirement is needed. One could easily exempt windfall profits from the proportionality requirement.¹²

Van Parijs responds to this kind of reply with a second argument. In the first step, the argument distinguishes between two components of national wealth: one part of national wealth has been produced by currently living people; but in order to do this, they had to use resources which they did not produce. Among

¹² The Alaska Permanent Fund and Dividend Redistribution program might provide a good example for such an exemption; see van Parijs 1991, 102.

the latter are natural resources but also cultural heritage and inherited wealth in general. Van Parijs brackets them together under the term external assets (or external endowments) and assumes a universal contribution-independent (*prima facie*) claim to an equal share of external assets. This argumentative move allows van Parijs to broaden the base for UBI. He is now in a position to take the second step in which he claims that jobs can be conceived of as external endowments, since one's earned income contains a rent which causes involuntary unemployment (van Parijs 1995, 102ff.). Consider the simple model of a job market to see why: There are two positions, one decidedly more attractive than the other; two candidates, *A* and *B*, compete; both are perfectly able to master both jobs. *A* gets the more attractive job, *B* the less attractive position. After a while, *B* offers to do the attractive job for a far lower wage. But the employer keeps *A* because "reducing wages may actually lower productivity more than proportionately and increase labour costs" (Katz 1986, 235).

There are different explanations for this productivity loss. The insider-outsider approach argues that the replacement of insiders is expensive in terms of search and training costs (van Parijs 1987, 466; 1995, 107), whereas Akerlof's version of the efficiency wage approach claims that employers try to influence worker group norms by paying non-market-clearing wages (Akerlof 1982). Both theories help to explain why involuntary unemployment can persist even if no legal restrictions prevent the unemployed from underbidding the current wages. In a fully competitive labour market with perfect information and no turnover costs, involuntary unemployment would not exist.

Van Parijs interprets the difference between the *de facto* wage and the market-clearing wage (*wage difference*) as an unfair rent paid to the worker. This interpretation makes sense with regard to the insider-outsider theory. In order to avoid turnover costs the employer will assess the outside options of the employee. If the turnover costs for the employer are higher than the gains of a job change for the employee, a rational employer will pay the employee an *insider rent* just high enough to make him or her stay. The insider rent is therefore roughly equal to the net benefit of a job change. But consider that, by assumption, many candidates are equally suitable for the job and that the allocation is random. Since the turnover cost element of their wage falls to them as the result of 'brute luck', the insider cannot bring a moral claim to bear. Redistributing the insider rent by dint of a tax and transfer system would not affect the labour supply or violate the liberty of the worker. Since insider rents translate contingencies into inequalities in a morally arbitrary way, they are arguably incompatible with a just basic structure (Rawls 2001, 55–6).

In contrast to the insider-outsider approach, Akerlof's efficiency wage theory explains the wage difference with reference to increased work efforts (*exertion rent*). The payment of a wage above the market-clearing rate is a kind of gift; the employee is expected to respond (and usually responds) to this gift with increased exertion. Whereas the insider rent is morally arbitrary, the exertion rent is not. The insider rent merely reflects the bargaining position of the employee. Having an outside option gives the employee the opportunity to threaten the employer with a job change and, at most, to skim off the complete equivalent of the

turnover costs as insider rent. The exertion rent, by contrast, is arguably not a rent at all since it compensates an increase in the productivity of the employee. It is a wage element that improves the quality and quantity of work. This is neither morally arbitrary from the point of the employer, nor of the employee.

The distinction between exertion and insider rent is, of course, a theoretical construct. Both effects help to explain the wage differential, but in practice it is difficult, if not impossible, to distinguish them. If the employee loses an outside option (maybe because a competitor went out of business), the employer can theoretically cut the insider rent without effect on the behaviour of the employee. In practice, the employee will probably respond to all cuts with lower productivity and to all ‘gifts’ with increased work effort.

The practical indistinguishableness of different types of rents is less of a problem for the status of van Parijs’s proposal than one might think. Although the exertion rent is ‘deserved’ in a way in which the insider rent is not, employees have no moral claim to it. If the employer cuts the rent, the employee will simply respond by reducing his or her effort.

The crucial point for van Parijs’s argument is this: If wages are not market clearing but instead contain rents, then jobs are in a relevant sense like plots of land which have been unevenly distributed by a social lottery. In order to correct this injustice, “wages should be taxed up to the point at which the tax yield, and hence the basic income financed by it, is maximized” (van Parijs 1995, 116).

Jurgen de Wispelaere has argued that this argument is unconvincing since jobs, in contrast to plots of land, are agent-dependent. Their existence depends upon the will of an employer and an employee. Thus, no one has an “initial stake in these resources because the resource itself simply does not exist *unless one brings it into existence by actively engaging in an employment relation*” (de Wispelaere 2000, 250).

Van Parijs’s argument for UBI, de Wispelaere assumes, rests on the moral intuition that every person is entitled to an equal share of agent-independent, external resources. But if co-operating agents *create* jobs, the analogy with natural resources falters. Without this analogy, the idea that the employed occupy “more than their fair share of job resources” loses its plausibility. De Wispelaere’s critique of the analogy between jobs and natural resources is convincing, as far as it goes. Unlike the latter, the former are agent-dependent. But van Parijs does not use the analogy as an argument for the existence of endowment rents. On the contrary, the existence of ‘job envy’ testifies to the existence of an endowment rent, which in turn licences the analogy between natural and job assets; or, in his own words: “What is crucial to my argument is the existence of large employment rents, as manifested by the presence of envy over job endowments [...]” (van Parijs 1995, 109)

It is instructive to compare van Parijs’s reasoning with Rawls’s. Both are in agreement that success and failure in the job market is to an important degree determined by social and natural contingencies, by good or bad luck (Rawls 2001, 55). According to both, morally arbitrary socio-economic advantages which are connected to jobs can be redistributed. Moreover, both agree, in principle at

least, that the system of the division of labour must be regarded as a common asset and that an equal distribution of goods “provides a benchmark for judging improvements” (Rawls 1999[1971], 55).¹³ But, first, their vindication of these views differs significantly and, second, they strongly disagree with regard to the question of the conditionality of transfers and, thus, with regard to BIWS. I argue in the next section that both points are closely related.

6. The Argument from Reciprocity

In an influential article, Stuart White has pointed out that UBI violates the principle of reciprocity and is thus unacceptable. Following White’s definition, the principle of reciprocity says that “those who willingly enjoy the benefits of social cooperation have a corresponding obligation to make a productive contribution, if they are so able, to the cooperative community which provides the benefits” (White 1997, 317). White’s article expresses the widely shared view that people who receive transfers owe something to society in return. However, it is precisely the point of van Parijs’s endowment rent argument that society owes everyone the money value of an equal share of external assets irrespective of someone’s willingness to work. Without further argument, the appeal to the reciprocity principle is therefore question begging (de Wispelaere 2000, 243–6).

Other than White, Rawls presents two closely related justifications of reciprocity. The first is bound up with his moral constructivism. Claims to external resources must be justified as parts of a hypothetical social contract. Since the parties to this hypothetical contract are not altruists, the contract will express the idea of reciprocity. Call this the *contract argument for reciprocity*. Rawls is less explicit with regard to the second justification, but I think the contours are clearly there. If we imagine a hypothetical initial situation in which a number of people reflect on what terms their society should be based and how they want to distribute resources, it appears to be natural for them to take commonality of resources as a default parameter. If the reasoning about distribution starts from the idea that all resources are initially common assets, each individual entitlement must be justifiable to all members of the community. ‘Justification’ means in this context an argument to the effect that granting individual entitlements to resources is better for each member of the community than keeping the resource in communal ownership. Call this the *communality argument for reciprocity*. The communality argument implies that an equal division of external assets is conditional in the sense that the community only has a reason to grant equal individual entitlements if this granting is an improvement for each member of the community (Rawls 1999[1971], 54–5).

¹³ “What is to be regarded as a common asset, then, is the [...] differences among persons. These differences consist not only in the variation of talents of the same kind (variation in strength and imagination, and so on) but in the variety of talents of different kinds. This variety can be regarded a common asset because it makes possible numerous complementarities between talents when organized in appropriate ways to take advantage of these differences.” (Rawls 2001, 75–6)

As opposed to this, van Parijs conceives of an equal share of external assets as an unconditional, primordial individual right, which puts the individual in an ownership—and bargaining—position vis-à-vis the community and its members. If people use more than their equal share of external assets, they have to contribute to the compensation of those who have less than their equal share. Since the latter have a tradable primordial entitlement, it does not matter whether they themselves contribute to societal wealth or not. Without this normative background assumption, van Parijs could not claim that the voluntarily unemployed are entitled to a share of the endowment rent since they gave up their primordial claim to a job.

However, a serious shortcoming of van Parijs's argument is revealed by the following two thoughts: (1) Endowment rents only exist in the presence of a hypothetical market-clearing wage; the market-clearing wage, in turn, presupposes outside bidders willing to work. Consequently, if all unemployed able-bodied people were unwilling to work, there would be no endowment rent to be distributed. Since van Parijs's view that jobs are assets rests on the existence of an endowment rent, one may assert somewhat paradoxically that involuntary unemployment creates job assets. Put differently, without involuntary unemployment and wage differentials, jobs could not be conceived of as external assets which yield rents monopolised by employees. It is difficult to see how people who neither contribute to societal wealth nor to the very existence of job assets could possibly have a moral claim to an equal share of endowment rents. (2) Still more, the idea that all able-bodied people have an unconditional right to income fails a very simple universalizability test. If all people, indeed, exert their unconditional right to receive an income without working, there is no income to be distributed. Therefore, the granting of such a universal right would be contradictory.

Both thoughts, in combination with the idea of an initial communality of resources, reinforce the application of the reciprocity principle (White 1997) and the criticism of van Parijs's recommendation claim (Torisky 1993; Williams 1999). In sum, Rawls's inclusion of leisure in the primary goods index and his insistence that "[w]e are not to gain from the cooperative efforts of others without doing our fair share" (Rawls 1999[1971], 301) is justified by the moral version of the argument from self-respect, which accounts for the idea of reciprocity. I conclude that Rawls's case against BIWS withstands van Parijs's criticism. His argument employs no controversial perfectionist premises but instead the principle of reciprocity, which is fully compatible with the idea of liberal neutrality (see also: Torisky 1993, 295).

7. Participation Income and Property-Owning Democracy

Rawls's rejection of UBI should not make us overlook the broad range of agreement with van Parijs's approach. Rawls's theory is sympathetic to the idea that endowment rents should be used for the benefit of the worst-off members of society. His remark that the "numerous complementarities between talents",

rendering the division of labour in society possible, “can be regarded as a common asset” (Rawls 2001, 76), is very close to van Parijs’s view of jobs as assets. Yet as we have seen, Rawls strongly disagrees with van Parijs regarding reciprocity as a fundamental requirement of justice. Both agree with respect to the taxability of unjustified economic rents; but they disagree with respect to whom these rents should be redistributed to. Rawls takes the view that the voluntarily unemployed must find others who are willing to support them; they are not entitled to public funds (Rawls 2001, 179).

This approach has been criticised for good reason. Leisure enters the primary goods index as “twenty-four hours less a standard working day” (Rawls 1988, 257, n. 7). Rawls thus defines as leisure the whole time not spent at the job, including socially useful activities, like doing community work, helping elderly family members, taking care of the chores, raising children and so forth. This is not only implausible taken by itself but it also violates the principle of neutrality. By restricting transfers to job owners, Rawls’s definition of leisure amounts to discriminating against conceptions of the good that attach less value to market interactions and professional success than to personal relations and helping.

From a Rawlsian point of view, the simplest resolution of this problem probably consists in combining basic income with a requirement to contribute to social cooperation in some form. If adequately designed, it would, on the one hand, make sure that no one would “gain from the cooperative efforts of others without doing” his or her fair share and, on the other, avoid the criticism of ignoring socially important forms of work (Moller Okin 1989) and violating the neutrality principle.

In an early contribution to the debate, Eugene Torisky already carved out the possibility of interpreting Rawls’s reciprocity requirement in an inclusive sense (Torisky 1993, 295). Following this line of thought, one may argue that Rawls’s theory seems to subscribe to an idea which has been discussed in the literature on welfare reform since Anthony Atkinson coined the term “participation income” in the mid-nineties. Lanzi and Delbono define it succinctly “as a basic income paid conditional on the participation to the social contract (through some form of recognized social contribution)” (Lanzi/Delbono 2002, 2).

Devising a workable and just institutional design for a kind of participation income is certainly no small task and far beyond the scope of this article. For the present purpose, it suffices to state that a participation income is not open to the kind of objection which Rawls raises against BIWS. Not only that, a participation income would arguably help to overcome a sexist bias in Rawls’s conception. In *Justice as Fairness*, he concedes that an important source of the inequality between the sexes is women’s “greater share in the bearing, nurturing, and caring for children in the traditional division of labor within the family” (Rawls 2001, 167). He continues that “steps need to be taken either to equalize their share or to compensate them for it” (Rawls 2001, 167). A participation income would be one, probably insufficient, step in this direction. I contend that both points taken together would considerably weaken Rawls’s case for POD. On the basis of the arguments considered so far, it is unclear why a realistically utopian welfare state with the institutional design features characterised in the

introduction of this article (RUWS) could not realise “all the main political values expressed by the two principles of justice” (Rawls 2001, 135).

Let me conclude by sifting other possible reasons against RUWS. Rawls’s remarks on POD are notoriously sketchy. Nevertheless, they may contain important additional clues as to why Rawls prefers POD to the welfare state. Rawls distinguishes between the redistribution of income *ex post*, and the distribution of productive assets *ex ante*. The defining feature of POD consists in “ensuring the widespread ownership of productive assets [...] at the beginning of each period” (Rawls 2001, 139). The word ‘ensuring’ is important here. Rawls does reckon with the possibility that capitalist competition favours a high degree of concentration in the ownership of capital. Whenever this concentration reaches a certain threshold, the state intervenes in order to “disperse the ownership of wealth and capital” (Rawls 2001, 139). As the only concrete institutional device in order to bring about a more equal distribution of wealth, he mentions a gift and inheritance tax. Both measures are supposed to prevent the intergenerational accumulation of wealth by a relatively small number of families. Whether this is effective in order to “prevent a small part of society from controlling the economy, and indirectly, political life as well” (Rawls 2001, 139) is debatable.

Let me mention two reservations. First, corporate strategies are mainly determined by competition. For this reason, a company whose ownership is widely dispersed will favour in many cases a similar political agenda as a family-owned company. For instance, they both will ask for political measures that shield them from competitive pressure and help them to secure rents. Large companies (or their associations) tend to exert a distorting influence on the political process irrespective of their ownership structure. This danger must therefore be countered by other means than a “widespread ownership of productive assets” (Rawls 2001, 139). Second, gift and inheritance taxes are most likely insufficient means to prevent inordinate political influence due to “large inequalities in the ownership of real property” (Rawls 2001, 138). Many of the richest people today did not inherit a fortune worth the name but instead succeeded in “winner-take-all markets”, which are characterised by “reward by relative performance and high concentration of rewards” (Frank/Cook 1995, 24).

Again, proposing a tax system for RUWS that would be in accordance with Rawls’s principles of justice is certainly beyond the purview of this article. Suffice it to say that a maximal participation income would arguably satisfy the difference principle. Participation income reaches a maximum when steady-state tax revenues are maximal. Trabandt and Uhlig (2009) show that raising the labour income tax in the US and Europe would result in higher tax revenues, whereas tax revenues from capital income would be increased by tax cuts. By contrast, “tax revenues always increase with increased consumption taxes” (Trabandt/Uhlig 2009, 10). In this regard, the difference principle seems to recommend a consumption tax. Yet proportional consumption taxes, as proposed by Rawls, are regressive. Financing transfers to the worst off via proportional consumption taxes would put a disproportional burden on the middle classes and thus arguably worsen income inequality. An elegant solution would be a progressive taxation of consumption (Frank 1999). A progressive consumption

tax would maximise the tax yield, encourage savings, discourage wasteful consumption, leave incentives to labour untouched and reduce inequality of income of wealth.

Let us now turn to the dispersal of capital. It is not clear how and to what degree the ownership of capital should be dispersed. Maybe Rawls had in mind a kind of shop-owner and small-business democracy. But since he does not explicitly say so, I shall ignore this possibility. At one point he discusses subsidies to worker-owned firms (Rawls 2001, 178). Such subsidies are inevitable since Mill was apparently wrong on both counts: (i) that “people would much prefer to work in such firms” and (ii) that worker-owned firms “would increasingly win out over capitalist firms” (Rawls 2001, 178) because of their higher productivity. Irrespective of (i), subsidies to worker-owned firms would not violate the neutrality principle since the purpose would be to promote the stability of a just constitutional regime (and not a particular idea of the good); “long-run prospects of a just constitutional regime may depend on” (Rawls 2001, 179) “greater democracy within capitalist firms” (Rawls 2001, 178). But Rawls’s remarks are very tentative, and he emphasises that he has “no idea of the answers” (Rawls 2001, 178).

Rawls gives a very coarse-grained sketch of a just transfer system;¹⁴ how the tax yields should be distributed in order to achieve the “widespread ownership of productive assets” (Rawls 2001, 139) he does not explain.

If POD is meant as a socio-economic system in which all or almost all citizens are capitalists in the sense that they own shares of physical capital and receive some capital income, one could imagine that transfers are partly given in kind, for instance in form of the stock of nationalised companies; or by giving citizens shares in government funds; or mandatory employee stock ownership programs. Rawls says that one of the aims of property-owning democracy is “to put all citizens in a position to manage their own affairs on a footing of a suitable degree of social and economic equality” (Rawls 2001, 139). This sentence may be understood to mean that citizens manage their own affairs not only as consumers—which they do even in a command economy—but as part owners of societal capital. Owning and managing productive assets requires a considerable degree of personal skill. This seems to make property-owning democracy attractive from the point of view of the Aristotelian Principle (Rawls 1999[1971], 372–80). But with all citizens being capitalists, the average citizen’s influence on the investment decisions of a government fund or a nationalised company would be negligible. The difference between a dividend derived from shares in a government fund and a cash transfer based on a social right seems to be largely symbolic, if it makes a difference for the receivers at all. Probably for this reason, Waheed Hussain has made a plea for a democratic corporatist version of POD. Citizens would be represented by “encompassing associations in each in-

¹⁴ He mentions the following: Progressive taxation of gifts and bequests at the receiver’s end); progressive income taxation solely to preserve the fair value of political liberties and fair equality of opportunity—otherwise a proportional income tax with adjustable exemption at the low end; possibly a proportional consumption tax in order to avoid income taxation altogether (Rawls 2001, 161–62).

dustry". This would introduce "a form of corporatist deliberation into economic life". He gives the German system of codetermination as "an imperfect, but helpful real-world illustration" (2009, 414). Whatever the merits of corporatism, it is probably not what Rawls meant by ensuring "widespread ownership of productive assets". But if this were indeed what Rawls had in mind, POD would simply amount to what the social science literature calls a corporatist welfare-regime, the German system being the prime example.

Let me take stock. I argued that Rawls's case against BIWS and WSC is persuasive, as far as it goes. However, Rawls's arguments do not show that a regime with the institutional design features of RUWS would be incompatible with his two principles of justice, the principle of reciprocity or the neutrality principle. Thus, RUWS deserves a fair hearing in further research on a just socio-economic regime.

Bibliography

- Akerlof, G. A. (1982), Labor Contracts as Partial Gift Exchange, in: *The Quarterly Journal of Economics* 97, 543–569
- Arneson, R. (1992), Property Rights in Persons, in: Frankel Paul, E. et al. (eds.), *Economic Rights*, Cambridge, 201–230
- (2009), Meaningful Work and Market Socialism Revisited, in: *Analyse & Kritik* 31, 139–151
- Atkinson, A. (1996), The Case for Participation Income, in: *The Political Quarterly* 67, 67–70
- Brighouse, H. (1997), Political Equality in Justice as Fairness, in: *Philosophical Studies* 86, 155–184
- Deacon, A. (1997) (ed.), *From Welfare to Work. Lessons from America*, London
- De Wispelaere, J. (2000), Sharing Job Resources: Ethical Reflections on the Justification of Basic Income, in: *Analyse & Kritik* 22, 237–256
- Esping-Andersen, G. (1990), *The Three Worlds of Welfare Capitalism*, Princeton
- Farrelly, C. (1999), Justice and a Citizen's Basic Income, in: *Journal of Applied Philosophy* 16, 383–396
- Frank, R./P. Cook (1995), *The Winner-Take-All Society. Why the Few at the Top Get So Much More Than the Rest of Us*, New York
- (1999), *Luxury Fever. Money and Happiness in an Era of Excess*, Princeton
- Freeman, S. (2007), *Rawls*, London–New York
- Goodin, R./B. Headey/R. Meffels/H.-J. Dirven (1999), *The Real Worlds of Welfare Capitalism*, Cambridge
- Hussain, W. (2009), The Most Stable Just Regime, in: *Journal of Social Philosophy* 40, 412–433
- Katz, L. F. (1986), Efficiency Wage Theories: A Partial Evaluation, in: *NBER Macroeconomics Annual* 1, 235–289
- Krouse, R./M. McPherson (1988), Capitalism, 'Property-Owning Democracy' and the Welfare State, in: Gutman, A. (ed.): *Democracy and the Welfare State*, Princeton, 79–105
- Lanzi, D./F. Delbono (2002), Optimal Participation Income and Negative Income Tax in Poverty Alleviation Programs, URL: <http://www2.dse.unibo.it/wp/451.pdf>
- Lister, R. (1996), *Charles Murray and the Underclass: The Developing Debate. IEA Health and Welfare Unit (Choice in Welfare #33)*, London

- Moller Okin, S. (1989), *Justice, Gender, and the Family*, New York
- Murray, C. (1994[1984]), *Losing Ground. American Social Policy 1950–1980*, New York
- Musgrave, R. A. (1974), Maximin, Uncertainty, and the Leisure Tradeoff, in: *The Quarterly Journal of Economics* 88, 625–632
- Nozick, R. (1999[1974]), *Anarchy, State, and Utopia*, Cambridge/MA
- O’Neill, M. (2009), Liberty, Equality and Property-Owning Democracy, in: *Journal of Social Philosophy* 40, 379–396
- Phelps, E. S. (1997), *Rewarding Work. How to Restore Participation and Self-Support to Free Enterprise*, Cambridge/MA
- Rawls, J. (1999[1971]), *A Theory of Justice*, revised edition, Cambridge/MA
- (1974), Reply to Alexander and Musgrave, in: *The Quarterly Journal of Economics* 88, 633–655
- (1988), The Priority of Right and Ideas of the Good, in: *Philosophy & Public Affairs* 17, 251–276
- (1996[1993]), *Political Liberalism*, New York
- (2001), *Justice as Fairness. A Restatement*, Cambridge/MA
- Schefczyk, M. (2005), *Umverteilung als Legitimationsproblem*, Munich–Freiburg
- (2012), Neutralism, Perfectionism and Respect for Persons, in: *Ethical Perspectives* 19, 535–546
- Sher, G. (1997), *Beyond Neutrality. Perfectionism and Politics*, Cambridge
- Torisky, E. V. Jr. (1993), Van Parijs, Rawls, and Unconditional Basic Income, in: *Analysis* 53, 289–297
- Van Parijs, P. (1991), Why Surfers Should Be Fed: The Liberal Case for an Unconditional Basic Income, in: *Philosophy & Public Affairs* 20, 101–131
- (1995), *Real Freedom for All. What (If Anything) Can Justify Capitalism?*, Oxford
- (2009), *Basic Income and Social Justice: Why Philosophers Disagree*, Joint Joseph Rowntree Foundation, University of York Annual Lecture 2009, URL: <http://www.jrf.org.uk/sites/files/jrf/van-parijs-lecture.pdf>
- Waldron, J. (1988), *The Right to Private Property*, Oxford
- Weaver, K. R. (2000), *Ending Welfare as We Know It*, Washington
- White, S. (1997), Liberal Equality, Exploitation, and the Case for an Unconditional Basic Income, in: *Political Studies* 45, 312–326
- Williams, A. (1999), Resource Egalitarianism and the Limits to Basic Income, in: *Economics & Philosophy* 15, 85–107
- Williamson, T. (2009), Who Owns What? An Egalitarian Interpretation of John Rawls’s Idea of a Property-Owning Democracy, in: *Journal of Social Philosophy* 40, 434–453