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Ambition-Sensitivity and an Unconditional Basic Income

“[T]hose who surf all day off Malibu must find a way to support themselves and would not be entitled to public funds.”

Rawls 1993, 181–2 n. 9

Abstract: This paper concerns Philippe Van Parijs’s case for an unconditional basic income. It argues that given central egalitarian commitments—to wit, (i) equal concern and respect; (ii) endowment-insensitivity (which can be seen to include Van Parijs’s project of maximizing or leximinning real freedom); (iii) ambition-sensitivity; and (iv) neutrality—endorsed by Van Parijs, a basic income does not appear to be a requirement of justice. The core claim defended is that there is a serious tension between (iii) and the idea of an unconditional basic income.

In *Real Freedom for All—What (If Anything) Can Justify Capitalism?* (1995), Philippe Van Parijs presents an ingenious challenge to Rawls’s claim. He argues that justice requires an unconditional basic income. This implies, *inter alia*, that the income should be given to all members of community, even to those who are unwilling to work (1995, 35).¹ This paper questions Van Parijs’s argument to the effect that a basic income, unconditional in this sense, is a requirement of justice—i.e., it focuses, in Van Parijs’s vocabulary, on the Crazy-Lazy challenge (1995, chap. 4). It argues that given central *resourcist* egalitarian commitments shared by Van Parijs—including a commitment to some form of maximin or leximin real freedom—and drawing especially on the Dworkinian framework vital to Van Parijs’s core argument for a basic income, one is not led to endorse an unconditional basic income. That is, such an income does not establish the appropriate non-arbitrary neutral point between Lazy and Crazy sought by Van Parijs (1995, chap. 4; cf. 1991).

1. Egalitarianism

Real Freedom for All draws extensively on the contemporary egalitarian literature, and can itself be seen as a contribution to this tradition. Practitioners in this tradition share the assumption that equality and justice are closely related, if not one and the same value (Miller 1998, 21–22). Thus the central question becomes which conception of equality is the most appropriate. In which dimension

¹ In the text, expressions such as “income”, “grant” and “basic income” are used interchangeably for “an unconditional basic income”.

should people be rendered equal? Should equalization concern resources, (opportunity for) welfare, capability or something else? (Cf. Daniels 1990). Van Parijs's contribution is clearly indebted to the resourcist position—i.e. the position claiming that equality requires a distribution of means that corrects for inequalities in possession of such alienable means and for inequalities in inalienable resources (handicaps and talents)—and here especially to Dworkin's "equality of resources", which serves as an indispensable frame for his argument (Dworkin 1981). One of the central disputes between resourcists and welfarists is whether deficiencies caused by variations in preferences are a legitimate concern for egalitarian justice. On this issue, Van Parijs sides with resourcists, claiming that people should be held responsible for their preferences (e.g. 1995, 24, 50, 59, 75 n. 27, 93, 109).² Save for these recurrent statements, Van Parijs does not do much to justify this claim or to refute the welfarist argument to the contrary. For the purposes of this paper, I need not question this resourcist assertion. It is simply included as one interpretation of ambition-sensitivity which itself appears as an entry in a list of central commitments of the egalitarian tradition establishing the frame for Van Parijs's argument.

(1) *Equal concern and respect*: Egalitarians³ share the view that people should be treated with equal respect and concern (Dworkin 1983, 24–25, 31ff.; 1985, 205–6; 1987, 25). The interests of the members of community "matter equally" (Dworkin, 1983, 24). The implication of this abstract thesis in terms of political institutions and policies is a matter for interpretation by different conceptions of social justice. Indeed, one might see the egalitarian debate as a dispute between different interpretations of this abstract thesis. Settling on an institutional implication of the abstract egalitarian thesis is often more difficult than one might expect. Agreeing, for example, that an appropriate conception of the abstract egalitarian thesis recommends equal resource shares does not settle the question, in that unpacking the notion of equal resource shares is in itself problematic. As regards the abstract egalitarian thesis, Van Parijs endorses it explicitly (1995, 28).

(2) *Endowment-insensitivity* (Dworkin 1981, 311): Egalitarians find unacceptable those inequalities which derive from variations in people's external and internal endowments. It seems unfair that some people should be worse off than others due to factors they cannot control (Van Parijs 1995, chap. 3 and 4; Arneson 1989; 1990, 177 quoting Parfit 1984, 26; Cohen 1989, 907, 916; Roemer 1993, 146–166; Rawls 1971, 15). Smith with the paralysed legs and an upbringing in a poor family is, all things being equal, worse off than healthy Jones with a wealthy family. In the absence of compensation for variations in internal and external endowments, political liberties become merely formal; Smith is much less able than Jones to make use of the (formally) equal political liberties. Given that egalitarians are

² For a critical remark on how 'responsibility for preferences' can be defended (if at all) and for a suggestion which does not invoke people's actual control of preferences, see Scanlon 1975. See also Daniels 1990.

³ Whether *all* major positions in contemporary political philosophy share the commitment to equal concern and respect and, if they do, whether this is of any significance, are controversial questions which I do not aim to consider in this paper. See e.g. Kymlicka 1991, 21, quoting Ronald Dworkin; Nagel 1991, 63; Sen 1992, 12–13.

committed to compensating inequalities deriving from variations in internal and external resources, and in so far as this aim derives partly or completely from a concern about securing more than formal freedom,⁴ they may be seen as committed to Van Parijs's project of maximinning or leximinning⁵ (1995, 25) real freedom (1995, chap. 1). The similarity between Van Parijs's concern about real freedom and general resourcist egalitarian approaches is particularly close given his emphasis that real-freedom-for-all requires not actually the maximinning of people's real freedom, but rather the maximinning of "the endowment of means or resources that form the substratum of this real freedom" (1995, 32; cf. 1997, 45; Rawls 1993, Lecture VIII, esp. §7). I do not, however, wish to claim that the content of Van Parijs's real freedom is indistinguishable from other resourcist models: The claim that Van Parijs's project reflects a general egalitarian liberal commitment concerns his idea of securing conditions for the exercise of formal liberties and his willingness to deviate from strict equality when this benefits the worse off, not the more controversial way in which he situates himself in the literature of liberty. The latter concerns his inclusion of ability in the definition of liberty and his emphasis on the relevance to real freedom of counterfactual wants (1995, 19, 23–24).

(3) *Ambition-sensitivity* (Dworkin 1981, 311): A common objection to egalitarian theories is that they fail to incorporate a satisfactory conception of personal responsibility (Fleurbaey 1995; Scheffler 1992). If you believe that it is morally important that people are rendered equal, you seem to neglect the possibility that all or some of the inequalities you are correcting are due to variations in ambitions, and that all or some of these can be entirely traced to people's different choices, or may, on different grounds, be considered within the control of the person. Adding the plausible empirical assumption that at least some ambitions can be traced to voluntary choices, or in the relevant sense be considered within the control of the person, and the sensible principle that people should be held responsible to the extent this is true, there would seem to be a strong challenge to egalitarians. Why, the objector may ask, should Jane, who surfs all day, be rendered equal with John, who works hard all day in his most productive occupation? Contemporary egalitarians take this challenge very seriously. They want their egalitarian theories to reflect people's genuine choices, or the factors which, on other grounds, might reasonably be considered within the control of persons, so that inequalities deriving from these sources are not compensated. This defence is tied to the ethics formulated in (2). The objection to inequalities caused by variations in internal and external endowments is precisely that they derive from factors that are not within the control of persons. To the extent that persons are in control of some factors, they are rightly held responsible for the consequences.

⁴ I use here "formal freedom" to denote basic democratic liberties without a substratum of means. It does not refer to Van Parijs's concept of formal freedom signifying a structure of rights that includes self-ownership.

⁵ Leximin is a refinement of the more familiar Rawlsian maximin-principle, to wit, that alternatives should be ranked by their worst possible outcomes: "we are to adopt the alternative the worst outcome of which is superior to the worst outcomes of the other" (Rawls 1971, 152–53). Like maximin, leximin maximises the position of the worst off in society. Then it maximises the position of the second worst off and so on.

Resourcists tend to hold that ambitions as such are, in the relevant sense,⁶ controlled by persons (Dworkin 1981, 302; 1990, 106–8; Rawls 1979, 14; 1982).⁷ Thus people should be held responsible for their preferences. If Brian, on the background of an endowment-insensitive scheme, chooses an expensive life-style comprised of, for example, leisure and riding motor-cycles on dirt-tracks, while Jim, acting on the same background, chooses to work hard in his most productive occupation, and birdwatching for hobby, then justice does not require an equalization of the differences in wealth expectedly arising over time—indeed it requires no compensation whatever. As said, Van Parijs invokes strongly this resourcist interpretation of ambition-sensitivity.

(4) *Neutrality*: Egalitarian liberals, along with liberals as such,⁸ endorse a principle of neutrality, saying that a liberal state should be neutral between different conceptions of the good life flourishing in a democratic society as the result of the operations of free democratic institutions.⁹ Van Parijs invokes vigorously a conception of neutrality and defends an unconditional basic income as the most consistent representation of the principle (1995, 28, 34–5, 89–91, 126 and §4.1, 4.2, 4.5). Controversy abounds regarding the correct definition of neutrality and how it should be reflected in a political theory and in political institutions (cf. Kymlicka 1989). For the purposes of this paper, suffice it to say that I accept Van Parijs's view that, in the case of equal talents, an appropriate interpretation of Dworkin's conception of equal external resources may select a neutral point which avoids discriminating against either *Lazy* or *Crazy* (1995, 98–99; cf. 1991, 112).

This paper does not discuss the important problem of internal resources constituting part of (2). It does not seem to affect my argument, and disregarding it facilitates my attempt to present an internal objection to Van Parijs; Van Parijs's core argument for the fairness of an unconditional basic income proceeds from the assumption of equal talents (1995, §4.1–4.6), and this is the argument I challenge.

One might object to the stated list as a fair representation of the frame for Van Parijs's argument. While it reflects Van Parijs's egalitarian commitments, it fails to capture his strong commitment to liberty including a recommendation of “formal freedom—the respect of a structure of rights that incorporates self-ownership” (1995, 28, cf. 25). In reply, I claim that the exclusion is inconsequential for the argument pursued here. First, the alternative Dworkinian account with which I challenge Van Parijs's version does not deny the importance of what Van Parijs calls “security”: “There is some well enforced structure of rights” (1995, 25). Second, if self-ownership in Van Parijs's version does not generate “entitlement

⁶ Meaning here that save serious cravings amounting to handicaps, persons are taken to be in control of their ambitions to an extent that makes it fair to hold them responsible for their preferences; cf. Dworkin 1981, 302–4.

⁷ Cf. n. 2.

⁸ Egalitarian liberals may, however, stress that neutrality is not the most fundamental value that liberals ought to endorse: neutrality should perhaps be seen as a derivative principle invoked only to the extent it is required by a commitment to equality: Dworkin 1985, chap. 9.

⁹ For the connection between free institutions and a plurality of conceptions of the good see Rawls 1993, xvi–xvii, xxiv, 4, 36–37, 55, 129, 135–6, 144, 216f; cf. Cohen 1993.

principles in the stronger sense”, which he affirms it does not (1995, 13), it constitutes no threat to my argument.¹⁰

The argument below proceeds as follows. First, I give a brief account of what I take to be Van Parijs’s core argument for the claim that an unconditional basic income is a requirement of justice. Second, I criticise this argument and present an arguably more plausible Dworkinian model which does not lead to justification of an unconditional basic income. I claim it to be more plausible because it amounts to a more consistent system of the commitments (1)–(4). Third, I present and refute an objection to my Dworkinian model.

2. Equal Shares and Ambition-Sensitivity

Van Parijs’s core argument for the fairness of an unconditional basic income appears, it seems, in the context of the Crazy-Lazy challenge (1995, chap. 4 esp. 90–1 and §4.2–4.6). Here he faces the challenge that an unconditional grant is biased in favour of the Lazies. Why, an objector might ask, should they be entitled to a grant derived from the hard work of the Crazies? The reply Van Parijs produces is inspired by Dworkin’s resourcist theory of equality. This theory presents a certain interpretation of (1). It argues that the most appropriate interpretation of the abstract egalitarian thesis requires that resources be distributed equally among all members of a given community. To decide when X and Y have equal resource shares, Dworkin suggests the metric of social opportunity costs: The value of a person’s bundle of resources is determined by how highly these resources are valued by other members of the community; how much it costs them to give up these resources. X and Y are equal in the relevant sense when their bundles of resources are equal in value measured in social opportunity costs. To reveal the social opportunity costs of resources, Dworkin relies on a market mechanism. For the standard case of external resources, Dworkin constructs an auction among a group of people rendered equal in terms of purchasing power (they get an equal amount of clamshells). The auction is rerun until the resulting distribution satisfies the “envy-test”: X and Y are equal in external resources when they, given personality, do not envy each other. This test reflects the criterion of social opportunity costs by tapping the cost to X of the resources which Y holds, and vice versa (Dworkin 1981, esp. sec. I; cf. 1987; 1989). Dworkin’s social opportunity costs approach to the equalization of external resources relies on seeing preferences, tastes and ambitions as parts of personality. Thus it leads to the resourcist position on (3) that a scheme of justice should hold people responsible for their ambitions. It also provides a specific interpretation of (3), stipulating that this condition is satisfied when the criterion of social opportunity costs is satisfied.

Van Parijs’s reply to the claim that an unconditional basic income is biased in favour of Lazies proceeds in two steps. The first claims to establish the fairness of a basic income at the level “determined by the per capita value of society’s

¹⁰ I elaborate on this at the end of section 2.

external resources" (1995, 99). The second, drawing on an analogous structure of argument, claims to boost substantially this level of basic income.

Step 1: Van Parijs claims that each member of the community (equally talented, as the assumption is at this stage of the argument; 1995, 98–99) should be equipped with an equal share of external assets, i.e. an equal share "of means or resources that form the substratum of ... real freedom" (1995, 32). He suggests a clear parallel between this interpretation and the handing out of an equal share of clamshells to the persons participating in Dworkin's auction (1995, 99 n. 16; cf. 62 n. 3; 101 n. 21; cf. 1991, 113 n. 20). He uses the example of endowing Crazy and Lazy with equal plots of land. Consistent with (3) these shares should be tradable: This allows Crazy to appropriate more than an equal share of external assets with which he can pursue his keen preference for work, while it enables Lazy to give up his equal share against a reasonable price which enables him to satisfy his preference for leisure. The price of the land Lazy gives up, and hence the amount owed to him by Crazy, should be fixed by competitive prices reflecting social opportunity costs (1995, §2.6–2.7 and 98–99). In the simple world of Crazy and Lazy there is then a case for a grant flowing from Crazy to Lazy. The size of the grant depends on how much Lazy is willing to give up. If he gives up his entire plot, he is entitled to the value (measured in competitive prices) of his equal share of land. The Crazy-Lazy example regarding plots of land generalises to an n-member society and to all external assets. The Crazies who appropriate society's external assets should pay a grant to the Lazies who choose to give up their shares of external assets. The level of this grant is, consistent with the simple case, determined by the value of the equal shares they give up, measured in competitive prices. Thus Van Parijs arrives at the suggestion, part of which I quoted above, that "[T]here is a non-arbitrary and generally positive legitimate level of basic income that is determined by the per capita value of society's external assets and must be entirely financed by those who appropriate these assets." (1995, 99)

For different reasons of no importance to this paper, the level of basic income justified by step 1 is "pathetically low" (1995, 90, 102–106). This induces Van Parijs to search for ways of boosting the level of the basic income the fairness of which he claims to have established in step 1.

Step 2: Van Parijs first states the case for adding a new asset to the external assets to be pooled for equalization. Then he reuses the argument relied upon in step 1 to establish that the proceeds from this annexed asset should be distributed in the form of a basic income not conditional on a willingness to work. The first line of argument relies on an empirical claim held to be valid for the advanced capitalist world (1995, 106). The claim is that under contemporary conditions in this world the Walrasian assumption that the labour market, like other markets, tends to clear is conspicuously false (1995, 107). Some people are involuntarily unemployed (1995, 108). Hence jobs constitute scarce assets (1995, 106 ff.)—perhaps the most important assets (cf. 1987). According to Van Parijs's normative view, the value of this extra asset should be added to the pool of assets to be distributed in equal shares. The rent of holding a job is given "by the difference between the income (and other advantages) the employed derive from their job,

and the (lower) income they would need to get if the market were to clear" (1995, 108). The rent derived from the situation of involuntary unemployment does not exhaust the rents available for equalization in a non-Walrasian world. Even in the case of no involuntary unemployment, many people hold unattractive jobs in spite of their willingness and ability to do other more attractive jobs at the going wage (1995, 109). Those lucky enough to achieve an attractive job appropriate a greater than equal share of an external asset. This second type of rent should ideally be captured by holding auctions for each type of job and thereby determining their competitive value (1995, 113).¹¹

To establish that the discovered asset actually boosts an *unconditional* basic income, Van Parijs argues that just as Lazy gave up his equal share of external resources in step 1, thereby becoming entitled to a transfer from Crazy who appropriated this share, voluntarily unemployed are entitled to their equal share of job rents (1995, 109–110). Voluntarily unemployed leave more of a scarce asset to the "land-greedy or job-greedy". Thus they are entitled to an equal share of the value of the asset (1995, 109–110).¹²

The target of the following criticism is Van Parijs's Dworkinian claim that equal shares of external resources, or equal shares of the substratum of real freedom, means equal—in the flat sense of the concept (Dworkin 1987, sec. I.C.)—shares of external assets in real world circumstances, i.e. implies a basic income. There is, at least to egalitarians,¹³ some plausibility in interpreting, as is Dworkin's approach,¹⁴ (1) to require equal shares. If you believe in the abstract egalitarian thesis in more than a trivial sense, then it would be plausible to require equal conditions just as it would be plausible to demand equal political rights. This, however, is not a significant step. It still leaves open the central egalitarian question of what the most plausible conception of equal shares is. The complexity of this issue—witnessed, for example, by the pains Dworkin takes to *define* what equality in resources means—¹⁵ establishes a presumption against Van Parijs's interpretation of equal shares to mean equal, in the flat sense of the term, external resources in the real world. While equipping the participants in Dworkin's auction

¹¹ This raises practical problems (§4.6). These are unimportant to the argument in this paper.

¹² I take this argument to apply both to an unconditional basic income justified by involuntary unemployment and to one justified by the job rents deriving from the fact that jobs are highly differentiated. In this sense I find misleading Van Parijs's imagined objection (1995, 109) to his case for using the latter type of rent to increase the level of basic income. It suggests that an objection is applicable to the latter which is not applicable to the former. It suggests that the latter may be held objectionable because it amounts to giving benefits to those who are already 'happy' with their situation—the voluntarily unemployed. It seems, however, pace Van Parijs's way of stating the objection, that the same objection applies to the justification in terms of involuntary unemployment in that here voluntarily unemployed would also receive a benefit in spite of their 'happiness' with the situation. Thus Van Parijs's core argument exposed in step 1 is just as necessary for the justification of basic income based on involuntary unemployment as it is for the justification of a basic income in terms of job rent derived from the fact that jobs are highly differentiated.

¹³ See note 3 above.

¹⁴ Consult, in the stated order, Dworkin 1983, 25; 1987, 25; 1981.

¹⁵ Dworkin 1981, 282, for the statement which emphasises the ambition of his theory to be one of *defining* a suitable conception of equality of resources.

with an equal amount of clamshells suitably reflects the idea of a market that all enter on equal terms, and hence allows a congenial illustration of the idea of social opportunity costs, it is not at all clear that giving individuals in the real world an equal share of the value of external resources amounts to giving them an equal share of external resources according to the most appropriate conception of what this amounts to. That this is more than a presumption becomes clear when we see that Van Parijs's Dworkinian interpretation of equal shares runs afoul of the constraints imposed by Dworkin's version of the metric of social opportunity costs, endorsed by Van Parijs, and thereby of the interpretation this provides of (3). Showing this requires introducing the idea of true opportunity costs and exposing the path to revealing those costs.

The simplest case of Dworkin's auction is ambition-sensitive in the sense of determining the value of the bundle of resources held by each participant according to how much it costs others to give up these resources. From the individual point of view, decisions reflecting his ambitions about which resources to pursue are formed on the background of information regarding their costs to the ambitions of others—social opportunity costs (Dworkin, 1981, 288; 1987, 27). While representing the idea of social opportunity costs in a clear way, the idea of the simple auction leaves the ideal of equality of external resources indeterminate in being satiable by a range of different “baseline liberty/constraint system[s]” (1987, 21). Any auction presupposes a baseline establishing what the participants can, and cannot, do with the resources they acquire. In absence of such a baseline the participants do not know what exactly is auctioned and hence cannot make sensible bidding-decisions (Dworkin 1987, sec. III. B, C). Different baselines result in different outcomes all of which satisfy the envy-test. This raises the problem of indeterminacy for the social opportunity costs approach to the definition of equality in resources. Any baseline system can satisfy this conception. To make the system more determinate, we need a criterion to select between baselines. This is the role envisaged for the concept of *true* opportunity costs. If content can be given to this concept, it enables a selection between baselines according to their ability to “identify and reflect true opportunity costs”. The aim of equality of resources—initially represented by the simple auction—is that “each person has an equal share of resources measured by the cost of the choices he makes, reflecting his own plans and preferences, to the plans and projects of others”. That is, it aims at making resource shares equal in terms of social opportunity costs.

Whether this idea is respected is a matter of degree. *True* opportunity cost is realised in a distribution that is maximally sensitive—in the sense suggested by the general idea of social opportunity costs—to the ambitions and preferences people have. Thus the idea of true opportunity costs selects the baseline which best enables the auction to generate such a distribution—a baseline that is maximally sensitive to the ambitions of the bidders. This is a baseline satisfying the principle of abstraction, requiring that resources should be offered in an abstract form. It also requires a system of rights improving divisibility. Thus it generates a presumption in favour of a baseline liberty system including a principle of security—establishing “constraints on liberty necessary to provide people with

enough physical security and enough control over their own property to allow them to make and carry out plans and projects" (Dworkin 1987, 26–27).

The idea of true social opportunity costs allows a further important specification of the appropriate baseline liberty/constraint system. The simple auction fails to incorporate two types of information, both relating to people's intentions, necessary to ensure that it succeeds in identifying and reflecting true opportunity costs. First, the simple auction neglects externalities. Suppose that a party to an auction acquires a plot in a beautiful area with the intention of creating a permanent site for techno raves (cf. Dworkin 1987, 32). If this intention is not reflected in a satisfactory way in the auction, it will fail to identify and reflect true opportunity costs. The cost to others of the plot being acquired by one with an interest in gardening and subdued New Age music would presumably be less, and this should be reflected by any sound ambition-sensitive system. Second, and even more crucially, the simple auction measures only the (opportunity) costs of the resources people hold at a particular point in time. This is obviously not enough for a scheme aiming to respect (3). It must also take into account a "person's occupation as part of the bundle of his goods" and the cost and benefit to others of his decisions in this regard (Dworkin 1981, sec. IV; 1985, 206). If it fails to do this, it does not ensure what a conception of equality of resources committed to (3) should, namely that an equal share of resources measured in social opportunity costs is devoted to the *lives* of each person (1981, 304–5). The envy-test should be interpreted according to this view; as envy regarding resources over an entire life. The importance of supplementing the simple auction with intentions is implicitly recognised by Van Parijs's discussion of "Crazies" (i.e. intention to work hard) and "Lazies" (i.e. intention to enjoy leisure).

Incorporating intentions in the auction has substantial consequences for the appropriate baseline liberty/constraint system, consequences which seem to call into question Van Parijs's case for an unconditional basic income. Consider first the case of the person intending to acquire a plot of land for undertaking techno raves. His activity, we assume, is costly to his surroundings. In such a case a perfect auction would allow others—perhaps intending to construct a residential area in the vicinity of the planned permanent techno rave—collectively to outbid him for the plot. Such considerations might ground a series of adaptations to the liberty/constraint system of the actual auction justified by a concern with achieving "a genuinely equal distribution measured by true opportunity costs" (Dworkin 1987, 32–33). They might, for example, give rise to constraints on the use of plots for noisy activities in attractive areas. The principal point I wish to underline here is, however, that the social opportunity costs of a person's appropriation of a given external asset depend on his plans. If his plans with the external asset he acquires are costly to others, then they will be interested in outbidding him. Equality of external assets respecting (3) demands that the costs to others be reflected in the calculation of equal shares. Thus people may hold different amounts of external assets reflecting differences in how costly/beneficial their plans with these assets are to others. Equality of external assets respecting (3) is not respected by Van Parijs's aim to secure, through time, an equal, in the

flat sense of the term, share of the value of external assets (in the form of a basic income). This aim neglects the legitimate differences deriving from heterogeneous plans. This point, and its consequences for the case of an unconditional basic income, can be elaborated further when we consider the second case of necessary corrections to the simple auction.

Dworkin's Adrian and Bruce (1981, 304–5) are equal in talent but differ in their respective plans or ambitions. Adrian plans to work hard cultivating tomatoes, while Bruce wants to play tennis, hence being interested in acquiring a plot for this use. Other people are interested in buying Adrian's tomatoes.¹⁶ In order for true opportunity costs to be respected, Adrian should be capable of outbidding Bruce for the land the latter wants for leisure activities, in this way incorporating the relative costs to others of the respective plans of Adrian and Bruce. That is, those who want tomatoes should be able to bid "indirectly, through Adrian's decision" (Dworkin 1981, 304–5). If this was not allowed, the true opportunity costs of Bruce occupying the land would not be reflected: The cost to others of the land being acquired by Bruce for leisure activities, instead of by Adrian for the production of valued items, would not be represented in our scheme of equality of resources. Crazy's (alias Adrian's) acquiring the land is consistent with true opportunity costs. In terms of social opportunity costs Adrian's plan is inexpensive, indeed he contributes positively to society's resources, whereas Lazy's (alias Bruce's) plan is expensive in the sense that it would exclude many activities more beneficial to society (Dworkin 1985, 205). Equality of resources—the substratum for real freedom—requires that the calculation of people's shares of external resources includes their plans with these resources, and hence, given variations in plans, *not* equal, in the flat sense of the term, shares of the value of external resources—i.e. not a basic income. Crazies producing goods that others want may appropriate more than an equal, in the flat sense of the term, share of external assets than Lazies, who do not intend to produce anything of similar value or anything at all. Lazies, unlike Crazies, do not have others bidding indirectly through their decisions. This suggests an inconsistency between true opportunity costs and Van Parijs's idea of securing to all an equal share, in the flat sense of equal, of the value of society's external assets—i.e. a basic income.

The deeper conflict here is between the ambition-sensitive interpretation of equal shares, sketched above, and Van Parijs's entitlement interpretation of what equality of external assets amounts to (1995, 98–100). On the former, laziness is costly in terms of not contributing to society's resources in a efficient way, or not contributing at all, and hence grounds a case for a less than equal, in the flat sense of equal, share of external assets. Lazies cannot demand a grant from Crazies for 'giving up' 'their' shares, because the size of their legitimate share of external assets is exactly what is in question. On the latter, laziness is beneficial to Crazies in the sense that Lazy 'gives up' *his* plot of external assets for Crazies to work on.

¹⁶ They may, of course, also be interested in playing tennis, but they arguably need some tomatoes first to get the nutrition to give them the ability and desire to take part in sporting activities.

Thus Lazy should be compensated with a grant equalling the competitive value of the plot he gives up.

Thus, the two approaches generate different implications for an unconditional basic income: The former negative and the latter positive. The problem for Van Parijs is that the former approach seems to be suggested as a necessary refinement of the social opportunity costs metric of the resourcist substratum of real freedom upon which his whole approach relies. Furthermore, given Van Parijs's own rejection of "entitlement principles in the stronger sense" which sees the system of property rights "as a parameter which the ideal of a free society consists in respecting" (1995, 13), it would appear inconsistent to claim that the entitlement conception of equal shares should override the interpretation of equal shares deriving from a necessary extension of the social opportunity costs metric of those. Finally, at this principled stage of Van Parijs's argument, he cannot use assumptions from a non-Walrasian context to defend the idea that Lazies benefit Crazies and society as such by 'giving up' external assets, and hence are owed compensation. That is, he cannot say that given the fact that jobs are scarce assets in the contemporary capitalist world, those who give up these assets are owed compensation. The upshot is that Van Parijs's theoretical commitments seem unsuited to provide a justification for an unconditional basic income.

The argument made applies to both step 1 and 2 of Van Parijs's argument in that the Crazy-Lazy argument targeted is, as said, used in both steps. Concerning employment rents this paper does not deny their existence or the plausibility of redistributive measures in this light; what it does deny is the case for the unconditional distribution of these rents suggested by the core argument.

The final task for this section is a note concerning neutrality (4). Van Parijs argues that Dworkin's conception of equal external resources relying on the metric of social opportunity costs can generate the appropriate neutral, non-arbitrary and non-discriminatory settlement for the Crazy-Lazy challenge (1995, 98–99; cf. 1991, 112–3). If you grant this, *and* accept my alternative Dworkinian interpretation, then (4) fails to establish a case for a unconditional basic income. Rather it generates a case against.

3. The Needs and Desires of other People as Envidable Circumstance

There might be an objection to the Dworkinian interpretation relied upon in the argument of sec. 2 which does not apply to Van Parijs's Dworkinian solution to the Crazy-Lazy challenge.¹⁷ It concerns the feature of the social opportunity costs approach emphasised by the former that how expensive one's lifestyle is depends on other people's preferences. The objection can be put as a plea made by Bill, who is a "welfare hippie" or a "Malibu surfer": "... I have a 'low-production, low-consumption lifestyle' (Van Parijs 1991, 130); it is a matter of bad luck to

¹⁷ This and the following paragraph draw on Dworkin 1981, sec. IV. The objection is inspired by Cohen's notes on "satisfying occupation" in 1989, 932-3.

me that the preferences of other people imply that my lifestyle is ‘expensive’ and hence difficult to pursue.” Bill’s plea may be given backing by Dworkin’s envy-test. We might say that Bill envies something pertaining to the circumstances of Adrian above—and hence, as opposed to envy of persons, of concern to equality of resources—namely the fact that the preferences of other people provide Adrian, and not himself, with “a satisfying occupation” (Dworkin 1981, 308)—here taking this to include negative occupation.

Van Parijs’s approach, establishing a case for an unconditional basic income, might be considered responsive to Bill’s plea. It secures a basic income to Bill at the highest sustainable level, thus, under favourable circumstances, allowing Bill a satisfying (negative) occupation. The alternative Dworkinian approach, on the contrary, fails to satisfy this constraint: It disfavours an unconditional basic income. If Bill’s appeal is sound, this might constitute an objection to the alternative Dworkinian model, and a presumption in favour of Van Parijs’s version, even though the latter would still have to deal with the objections raised in section 2. Van Parijs does not actually rely on this suggested case for his Dworkinian model. It seems worthwhile, however, to consider it as a potential defence, given Van Parijs’s recurrent appeal to the importance of avoiding discriminating against people with tastes like Bill’s and his claim that this is happening today in the advanced capitalist world (1995, 28, 34–5, 89–91, 126 and §4.1, 4.2, 4.5).

While seemingly effective in stating one reason for favouring Van Parijs’s Dworkinian model—implying an unconditional basic income—to the alternative Dworkinian approach proposed above, the suggested appeal is finally unattractive to him. It relies on seeing as a subject for envy and compensation deficiencies implied by the needs and preferences of other people by virtue of the consequence they have for the possibility of pursuing a satisfying (negative or positive) occupation. This is inconsistent with the most fundamental idea in the social opportunity costs approach to equality of resources. On this approach the needs and preferences of other people determine the value of the resources, including occupation, held by each person. In terms of the costs to other people, my consumption and production decisions can be expensive (Dworkin 1981, 305–6). The needs and preferences of other people provide information on the expensiveness of my decisions. I am expected to form my decisions on the background of this information, i. e., with a sense of their costs to other people. Ambitions are viewed as belonging to the personality and not the circumstances of the person and hence as being the responsibility of the person (Dworkin 1981, 288, 302; 1990, 106–7). We cannot in a consistent political theory see the distribution of preferences both as occasion for compensation and as the appropriate or ideal structure within which agents are to make decisions. The upshot is that Van Parijs can appeal only to the apparent responsiveness of his Dworkinian model to Bill’s plea at the extremely high price of undermining the core opportunity costs approach on which his argument relies. Hence this responsiveness cannot be invoked as a reason for favouring Van Parijs’s Dworkinian model.¹⁸

¹⁸ If, as the argument in the text establishes, consistency requires the social opportunity costs approach to reject compensation for the discrepancies deriving from the context for each person’s

4. Conclusion

The upshot of the paper can be summarised in the following brief statement: If you share (1)–(4); find the resourcist position on (3) plausible; endorse social opportunity costs as the appropriate specific interpretation of (3); then you should agree with Rawls's statement with which this paper began.

Including the internal endowment part of (2) in the inquiry is unlikely to affect this conclusion. A commitment to compensate for deficiencies caused by variations in internal endowments seems to provide a constraint on, rather than an argument for, an unconditional basic income (Van Parijs 1995, 60, 84, 86–87).

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choices established by other people's preferences in both the domain of consumption and that of production, is there not an inconsistency in Dworkin's own work on equality of resources? Here he might be seen to reject compensation from the source in question in the domain of consumption, while he endorses it in the domain of production. See Dworkin 1981, 288, 308. G. A. Cohen in 1989, 932–3, suggests that there is such a tension and argues for the view directly opposite to mine in the text, saying that compensation is due in both the domain of consumption and that of production. It is not clear to me, however, that Dworkin argues for compensation in the unqualified sense suggested by Cohen, from the source in question here, in the domain of production. What he says, it seems, is that in the case of *unequal talents*—Claude's black thumb—compensation is due because the discrepancy between Adrian and Claude from the source in question derives not from differences in ambitions but from Claude's deficiency in internal resources, (Dworkin 1981, 306–8), while in the case of *equal talents*, of relevance to this paper, in both the domains of consumption and production, (Dworkin 1981, 288, 304–6) the discrepancies from the source in question derive from ambitions which, as part of personality, are the responsibility of the person. The upshot is that Dworkin's own approach seems to affirm the point in the text that given equal talents, no compensation from the source in question is due.

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