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Motivational Strategies, Conditional Welfare and Distributive Justice

by

Cristian Pérez Muñoz

A dissertation presented to the
Graduate Schools of Arts and Sciences
of Washington University in
partial fulfillment of the
requirements for the degree
of Doctor of Philosophy

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Este trabajo está dedicado a María José, la persona más importante de mi vida. Aunque ella nunca haya leído una sola palabra de esta tesis, nada de lo que he hecho en los últimos catorce años se puede entender sin su amor y cariño.

Introduction

Redistributive policies can be behaviorally problematic for both recipients and citizens in general. For example, some opponents of welfare programs argue that extensive redistributive policies should be avoided because they encourage irresponsible, immoral and undesirable behaviors in their recipients. The idea, in brief, is that those policies can be motivationally counterproductive by eroding individuals' motivation to work, failing to enforce social obligations, increasing welfare dependency and reinforcing the behavioral problems associated with poverty and inequality.¹ These worries are well-known. But even committed redistributionists recognize that welfare policies often face important motivational obstacles, since schemes of distributive justice are only feasible and stable if individuals are motivated to behave in ways consistent with those schemes. Clearly, economic social security policies are unworkable if most individuals do not take up employment. Likewise, a progressive tax scheme designed according to the fairest principles of justice will hardly fulfill its goals if tax compliance is low, and a universal health care system will be profoundly affected if there are not enough health professionals willing to serve in underserved areas.

There is a behavioral problem for redistributive policies, namely, that the state may need to get people to do things that they may not be morally obligated to do, but that would

¹This argument resembles Hirschman's (1991) well-known perversity thesis. This is the idea that "any purposive action to improve some feature of the political, social, or economic order only serves to exacerbate the condition one wishes to remedy" (Hirschman, 1991, p.7). For instance, some people argue that social assistance acts "as a positive encouragement to 'sloth' and 'depravity' and thus produces poverty instead of relieving it" (Hirschman, 1991, p.29). For arguments pointing in this direction, see Mead (1992), Murray and Alcock (1994). For a critical analysis of this argument see: Soss, Fording and Schram (2011), Handler and Hasenfeld (2007).

be socially optimum for them to do. For that purpose, the state can appeal to the various motivational strategies.² There are four main alternatives available. First, the state can limit the size of people’s choice set by eliminating undesirable options from consideration or by making them highly costly (negative inducements). Second, it can affect people’s choice set by adding value to its preferred options (positive inducements). Third, it can attempt to diminish the perceived value of some particular options or increase the perceived value of others without changing the composition of the choice set (persuasion). Finally, the state can structure the architecture of decisions (nudge) as a way to make it easier for individuals to act in ways they otherwise would not.³

In this dissertation I examine the normative implications of different motivational strategies when applied to address the behavioral obstacles of various redistributive schemes, in particular, in the case of income redistribution policies and the provision of essential services. I intend to show that negative inducements can have some advantages with reference to other motivational instruments. For example, negative inducements are often the main motivational strategies behind conditional welfare policies⁴ – that is, policies that link wel-

²In this work, motivational strategies refer to policies that attempt to alter people’s behavior, either by changing their motives for action or by changing their available options. Thus, in this context, motivational strategies can be understood as strategies for behavior management some of which act directly on people’s motivation (e.g., persuasion and various forms of preference manipulation) and others that act through the options (negative and positive inducements; nudge, see footnote 3 for definition) that people have. Admittedly the terminology is not quite correct since it blurs the distinction between motivation and behavior. However, it is simply used to group and classify different strategies that states may use to alter people’s behavior.

³Thaler and Sunstein (2008, p.6) define “nudge” as “any aspect of the choice architecture that alters people’s behavior in a predictable way without forbidding any options or significantly changing their economic incentives. To count as a mere nudge, the intervention must be easy and cheap to avoid. Nudges are not mandates. Putting the fruit at eye level counts as a nudge. Banning junk food does not.”

⁴As I will discuss in the next chapters, it is debatable whether the motivational strategy behind conditional welfare policies is a positive or a negative inducement. On the one hand, we can argue, for example, that a conditional cash transfer is a positive inducement since people voluntarily accept participating in that kind of program. In principle, nobody is coerced to sign up for the program. On the other hand, we can think that most of the people who receive conditional welfare benefits do not have any other choice than to accept the conditions and requirements of the policy. Thus, it is inaccurate to assume that people who lack basic resources can voluntarily leave or join this kind of program. As Standing (2011b, p.172) suggests, “Conditionals will tend to extend conditions and tighten how they operate until they become coercive and punitive.”

fare benefits to particular patterns of behavior.⁵ I argue against the view that conditional welfare policies are always hostile to the poor and the less fortunate. Moreover, I explain why redistributive schemes whose benefits are tied to specified patterns of behavior do not necessarily constitute a betrayal of progressive ideals. I defend the claim that there is nothing intrinsically wrong in setting behavioral conditions on aid, although care must be taken in doing so. This is against the view that unconditional welfare policies are less normatively troubling than conditional ones since the former impose fewer or no behavioral conditions on their recipients.

My position is based on three main arguments. First, I dispute the idea that negative inducements are always normatively more problematic than are other motivational instruments such as persuasion, nudge and positive inducements. Since this motivational strategy can diminish people's freedom, detractors of that motivational strategy believe that negative inducements should be used only as a last resort. I disagree with the argument that the extent to which a motivational strategy interferes with individual freedom should be the main normative standard for choosing one strategy over another. This approach is mistaken for two reasons. On the one hand, since all motivational strategies can significantly restrict individual freedom, the claim that the "good" motivational strategies are the ones that do not interfere with people's freedom at all is false. That argument does not work because all strategies infringe on freedom to some degree. On the other hand, although we could use a single dimension of evaluation and always choose the motivational strategy that least limits freedom, that approach is normatively wrong because it assumes that individual freedom is the value that matters the most. Limitations on individuals' freedom may be required for redistributive purposes. Those limitations can occur at various levels affecting recipients, providers or both. For example, conditionality can be used to allow targeted cash transfers policies to reduce intergenerational reproduction of poverty and make universal basic

⁵Conditional welfare is typically distinguished from entitlement welfare. While the former imposes behavioral requirements on recipients as a condition of aid, the public assistance in the latter is based on need.

income schemes stable. Similarly, the use of behavioral conditions can help to address unmet social needs and to assure the provision of essential services. The extent to which a motivational strategy affects individual freedom should not be the only variable that matters when evaluating motivational instruments. Motivational strategies, I argue, need to be evaluated according to a variety of criteria, including efficiency, effectiveness, fairness, individual freedom, accountability and publicity among others. Trading off all these factors against one another would not necessarily lead to the conclusion that coercive instruments would be the last resort.

Second, I argue that the use of conditions can be required in order to achieve some of the goals aimed for even by advocates of unconditionality. That happens, for example, when conditional redistributive policies are more freedom enhancing or fair than are unconditional ones. Finally, I discuss why the effects of conditions in terms of important normative values such as equality, fairness and individual freedom are not necessarily as troubling as some detractors of conditionality assume. For instance, I explain how some conditional welfare schemes can be designed to avoid discrimination, stigmatization and exclusion.

There are four important points to note about this work. First, in this dissertation I neither offer a comprehensive discussion of conditional welfare policies nor do I provide a formula to determine when and how a particular conditionality may be morally defensible. Rather, I focus on some distinctive aspects of the debate between “conditionalists” and “unconditionalists” in order to show why in some circumstances conditional redistributive schemes based on negative inducements can be preferable to unconditional ones.

Second, it is not adventurous to speculate that for most people the worry about exactly what motivational strategy we use and how coercive it is does not arise when we are thinking about getting people to do their moral duty. Advocates of conditional welfare policies often believe that welfare recipients have some moral obligation to behave in a particular way. In that case, moral obligation is typically grounded on some contractualist ideals of justice (White, 2003), some paternalistic grounds (Mead, 1997), or on the idea that the

misbehavior of welfare recipients can harm others (Schuck and Zeckhauser, 2006). However, the motivational problem with redistribution can also be supererogatory. The stability and effectiveness of redistributive policies can depend on supererogatory actions, that is, on actions beyond the call of duty. For instance, while most people may not be worried about coercing people to pay their taxes, the idea of coercing essential service workers to serve in underserved areas can be normatively more problematic. Intuitively we may think that it is not morally permissible to compel people to provide some important services even when society can benefit if people provide these.

In contrast, I argue here that we should be more willing to use negative inducements when we need to get people to engage in supererogatory forms of prosocial conducts. Thus in the last chapter of the dissertation I also examine the use of negative inducements beyond the case of conditional welfare policies. In particular, I analyze the case of the allocation of human resources and its implications in terms of occupational freedom. I evaluate the case of compelling essential service workers to work in areas where there is a shortage of such workers. I argue that the use of negative inducements to restrict occupational freedom can be permissible only when essential services workers are provided with adequate protections that compensate them for the limitations placed on their freedom of action. Thus, my argument does not justify limitations on occupational freedom at any cost and without the presence of some protections and guarantees for the essential services workers. Instead, my argument is simply that essential service workers' occupational freedom could be restricted as long as these workers are provided with the proper mechanisms to defend their interests.

Third, and related to the previous point, here I am not interested in the motivational problems of those situations in which the state tells individuals to act in a particular way because that is good for them. Simply, one situation is that of a motivational problem that may affect one's own well-being (e.g., smoking or engaging in any other self-destructive behavior) and another situation is the problem of motivating people to engage in actions that will benefit others. These two motivational problems lead to a different – although

interconnected– debate. The former issue is central in contemporary discussions about paternalism.⁶ I focus instead on how the state can motivate people to behave in ways (mainly through participating in various redistributive schemes) that benefit others.

Four, it is worth noticing that the scope of this dissertation is limited to the study of the motivational strategies of redistributive proposals to allocate income. For instance, while chapter 2 evaluates an unconditional basic income, chapter 3 examines the case of conditional cash transfers and chapter four is focused on the proposal of Participation Income. Here, I do not examine the various motivational strategies that can be used to improve the performance of alternative policies to redistribute wealth.

Committed redistributionists can rightly point out that it is more crucial to address the motivational problems associated with policies to redistribute wealth than the motivational problems associated with policies to redistribute income. The reason for that is simple: we know that inequality is, in most societies, much worse when it is evaluated through the distribution of wealth than through the distribution of income (Keister and Moller, 2000, p.64). That is, when inequality is evaluated in terms of "value of assets owned by a household" than by the "the flow of money received by an individual or household" (Keister and Moller, 2000, p.64). There are many factors that lead people with similar incomes to ultimately obtain different levels of wealth.

Although my analysis can potentially be extended to some policies of wealth redistribution (e.g. inheritance tax schemes, policies to eliminate or reduce residential housing segregation, redistributive lending programs, among others), my goal in the first four chapters is to contribute to the ongoing debate on the role that behavioral conditionality should play in alternative plans of income redistribution in the format of welfare benefits.

Finally, this dissertation starts from the belief that normative political theory has two important tasks. First, it must identify the principles that determine how institutions should allocate burdens and benefits among individuals. Second, it must also elucidate the ways in

⁶For an excellent and recent contribution to this debate see Conly (2013).

which individuals support the institutions applying those principles to practice (Rawls, 1999; Ypi, 2008, p.442).⁷ I share the idea that “questions about what can feasibly be achieved in a certain area are just as central to normative concerns as questions about what is desirable in that area” (Goodin, Pettit and Pogge, 2007, p.xvi). This dissertation addresses topics of contemporary normative political theory and its application to policy-related research. In that sense, my research objectives require a methodological connection between political theory and public policy analyses. Like other authors, I am convinced that to study the decisions and mechanisms through which a society or group allocates its burdens and benefits among its members, it is necessary not only to use empirical and quantitative measures but it is also essential to bring into play normative evaluations.⁸

0.1 Dissertation organization

The first chapter provides a normative discussion of various motivational strategies. It departs from recent work on motivational strategies by arguing that individual freedom – understood as negative freedom or freedom as noninterference – should not be the decisive criterion of differentiation between permissible and impermissible policies. On the one hand, all motivational strategies are subject to abuse and misuse. Even the strategies that at first sight seem to be freedom enhancing or nonintrusive may backfire badly. For example, the use of public communication campaigns to motivate prosocial behavior can create exclusion and become oppressive. On the other hand, individual freedom may be legitimately restricted by the state in order to achieve a variety of social goods and to prevent significant harm to other people or society in general. Thus, this chapter rejects the idea that the state should use

⁷These points are particularly relevant for the normative debate about distributive justice. As Barry (1995, p.46) suggests, a consistent theory of justice must be able to explain three important things. First, it needs to determine what motive (or motives) we have for behaving justly. Second, it must explain the criterion (or criteria) that justifies the adoption of a just set of rules. Finally, it has to tell us about how the first two elements are connected. In Barry’s own words, “we want to know exactly how somebody with the stipulated motive(s) for behaving justly would be led to comply with rules that are just according to the stipulated criterion or criteria.”

⁸See for instance, Goodin (1983); Mead and Beem (2005); De-Shalit and Wolff (2007); and White (2003).

coercive motivational instruments only as a last resort. Instead, its principal claim is that we should evaluate motivational strategies by asking to what extent regulatory instruments can ensure these strategies are checked and controlled by those who are affected by them.

Chapter 2 asks how unconditional basic income policies can be designed to generate the motivational conditions that make possible their own support. Unconditional redistributive schemes do not take formal precautions to deal with potential motivational problems that may affect their stability. For example, they are designed to give people the freedom to decide whether or not to participate in the job market. However, scholars like Philippe Van Parijs (1995, 2003) and Simon Birnbaum (2012), think that the promotion of an ethos of justice can potentially do the necessary motivational work to secure the stability of unconditional redistributive institutions. Their solution lies in changing people’s behavior through an informal motivational mechanism rather than through a formal rule or institution. This chapter argues against that “ethos-based solution.” It presents three reasons to distrust that solution. First, it argues that even broader and more inclusive ethoi of justice can become oppressive and violate people’s freedom. Second, it suggests that the formal and informal strategies to generate that ethos may be difficult to implement, monitor and control. Finally, it argues that the difficulties associated with implementing and developing that ethos of justice may lead us to either preserve an undesirable status quo or to implement suboptimal redistributive policies.

Chapter 3 evaluates the use of behavioral conditions in cash transfer policies. Many developing countries have implemented conditional cash-transfers (CCTs) in recent years. This chapter argues that most of the normative criticisms surrounding CCTs point to problems that can be addressed through better policy design. First, it argues that what typically makes such conditions impermissible is not the nature of the conditions themselves, but mainly the ways in which conditionality is implemented, enforced, and monitored. Second, it suggests that conditionality should be understood as a policy tool rather than as a particular policy goal associated with right-leaning policy positions. Third, it explains why there

is nothing intrinsically wrong with conditional welfare policies. Standard objections that welfare conditionality produces discrimination and stigmatization and also reduces welfare recipients' self-respect do not apply to well-designed CCT programs. This is because the conditions that most CCTs commonly impose are mandatory for all members of society, independent of their socio-economic status or their position in that society.

Chapter 4 offers a novel defense of participation income (PI). A PI consists of an income available for all the members of the society that is paid in exchange for an activity that can be useful for society (Atkinson 1995, 1996). In its standard formulation, a PI has three main defining characteristics. First, in contrast to other redistributive policy imposing work requirements, it does not require a strict participation in the labor market, but that income distribution is made on a broad idea of social contribution. It could be any class of activity, from working in the labor market, to taking care of young or old people, etc. Second, a PI is paid to individuals, not households or families. Finally, while most current welfare policies requiring work participation among welfare recipients target the poor and unemployed (e.g. workfare policies), a PI is a universal redistributive policy that does not target a particular group. Rather, a PI only requires that those who claim welfare benefits must make a valuable contribution in return. This chapter claims that there are pragmatic and normative reasons to prefer a PI over other alternative redistributive policies such as an unconditional basic income and workfare programs. In particular, it argues that a PI should be conceived as a particular type of civic service program designed to address a large number of unmet social needs that are not met by entrepreneurs in the marketplace. The chapter ends by addressing five objections that can be raised against its argument.

The final chapter examines the normative implications of the essential service argument commonly used to justify restrictions on workers' freedom to withhold their labor. The essential service argument states that essential services workers should not be allowed to strike because this form of collective bargaining can likely inflict imminent and substantial harm on society at large. This chapter argues that if the provision of essential services

justifies limitations on freedom to strike, then restrictions on occupational freedom can be justified for the same purpose. It illustrates this point by considering the case of compulsory service programs as recruiting tools for health workers.

The dissertation ends with recommendations for future research and with considerations of the implications that this research may have for political theorists and public policy scholars.

Chapter 1

Motivational Strategies and Individual Choice

1.1 Introduction

What actions, if any, can the state take to improve the motivational viability of its redistributive policies? If we accept the assumption that the realization of principles of distributive justice requires particular forms of behavior, then we have to ask whether and how the state – through the tools at its disposal – can carry out that motivational task.¹ There are, after all, many motivational strategies that governments might employ in an effort to alter the behavior of their citizens.² Because those strategies comprise different methods by which governments exercise power, they have different normative implications. Hence we need a comprehensive understanding of, not only what the different tools are, but also how they can be normatively evaluated and compared.

¹ Surprisingly, although the importance of motivation for distributive justice may be generally accepted, the question of whether or not people should be motivated to behave in ways that favor distributive arrangements has been neglected in the debate. Sterba (1988) and Nagel (1991) are important exceptions to the general lack of attention to this issue. A discussion of the importance of motivation in theories of distributive justice can be found in Rawls (1999), Goodin (1983), Le Grand (2003), Cohen (2008), Barry (1989), Bates (1974) and Bufacchi (2005).

²It is fairly clear that governments cannot manipulate or control all of the factors that affect people's motivation. Our motivation for behaving in a particular way derives from several sources. Nevertheless, the relevant question for this chapter is what the state can permissibly do while attempting to motivate us to behave in a particular way.

In contrast to recent work on motivational strategies, this chapter argues that we should not take individual freedom to be the decisive criterion of differentiation between permissible and impermissible instruments.³ My argument is directed against the idea that the state should use coercive motivational instruments only as a last resort: that all possible precautions should be taken to prioritize the use of motivational instruments that minimize restrictions on people’s freedom of action.⁴ I diagnose the pros and cons inherent in a wide range of motivational strategies and argue that none can be indisputably considered better than the alternatives in all circumstances. My principal claim is that we should evaluate motivational strategies, not simply with reference to their effects on individual freedom, but also and especially according to the extent to which they can be publicly checked and controlled by those who are affected by them.

The argument proceeds in two parts. The first section describes and compares the four main tools governments can use to alter behavior: persuasion, the use of negative inducements, the use of positive inducements, and the alteration of the architecture of choice. These four tools can be evaluated in terms of both practical and normative criteria. Practically, most people agree that effectiveness, efficiency, and feasibility are important standards for judging motivational strategies. The extent to which a strategy constrains freedom is commonly used as the key normative standard. Based on this standard, most agree that negative inducements (essentially, coercive policy instruments) are the least attractive option. I argue in section two that this view is flawed for two main reasons. First, there may be cases in which it is necessary to trade individual freedom for some other values (e.g., efficiency, efficacy, feasibility, or fairness). If we think that the good motivational strategies are either

³For a recent debate see, for instance: Thaler and Sunstein (2008, p.14); Hausman and Welch (2010, p.130); White (2013) and John (2011).

⁴There are many alternative ways to define freedom or liberty. However, the idea of freedom that is mostly used in the public policy debate is that of negative freedom; that is, the conception of freedom as the absence of constraints or interference Berlin (1969). Public policies can be conceived as impediments deliberately imposed by the government. The extent to which we are free from those constrains or interference is usually considered the most important normative variable to evaluate alternative public policies. Unless otherwise indicated, in this chapter “individual freedom” denotes negative freedom in the sense famously defined by (Berlin, 1969).

the ones that do not interfere with people's freedom at all or the ones that limit freedom the least, we would be assuming that individual freedom is the only thing that matters. I argue that this is normatively wrong since other variables are important at the time of choosing one motivational strategy over another. Second, although all motivational strategies can strongly constrain freedom, some motivational instruments are easier to monitor and control than others are. Therefore, even those who give priority to individual freedom as the key normative variable for deciding among competing motivational strategies should more seriously consider not only the immediate effects of a particular strategy on individual freedom but also its more gradual and long-term effects.

The goal should not be to adopt the motivational strategy that imposes the fewest constraints on individual freedom, but instead to adopt the one that can be better monitored and controlled. An important task for committed redistributionists is to develop adequate mechanisms to monitor and control necessary exercises of state power.

1.2 Motivational strategies

More often than not, a government's ability to obtain desired outcomes depends to a significant extent on individuals' behavior. For example, socially desirable goals, such as having a functional safety net for old age or enjoying healthy democratic politics, cannot be attained if most people are not motivated to behave appropriately: to invest in some form of retirement savings, for example, to vote or engage in other forms of political participation. Needless to say, some citizens always hesitate to support some collective objectives. Hence, once their goals are identified and justified, governments must decide whether or not to take an active role in pursuing desired outcomes. Under some circumstances, non-governmental actors may have an important interest in promoting those goals by themselves. Even more, they may be better suited for pursuing that particular task. However, a non-trivial set of a government's goals can be better (or even only) addressed through public policy.

There are many ends states may choose to pursue. Although my argument can be applied to a wide range of collective aims, I restrict the present discussion to policies that redistribute wealth, resources, and property from those who are better off to those who are worse off. The main question is, “What actions, if any, is it legitimate for the state to take to improve the motivational viability of its redistributive schemes?” With few exceptions, political theorists have not tackled the issues of what governments might do to motivate people to change their behavior and what limits should be placed on the policy instruments used to induce behavioral change.⁵ This discussion aims to fill that gap.

Although policy instruments are classified in multiple ways, it is possible to identify four common motivational tools at the disposal of most governments: positive inducements, negative inducements, persuasion, and the alteration of the architecture of choice.⁶ Let’s consider each in turn.

Each of us has a set of preferences over possible actions that promote or undermine redistributive schemes. Although some people will voluntarily behave in ways that help the implementation of redistributive policies, others will not. The challenge for committed redistributionists is to motivate people to behave in ways consistent with redistributive institutions. Consider the following choice problem. Individual 1 chooses an action from a

⁵This debate has received little attention from normative scholars, but notable exceptions are Nagel (1991), Stone (2002), Le Grand (2003) and Grant (2011). Fortunately, in recent years a number of public policy scholars have undertaken the task of identifying, classifying and comparing different motivational instruments of public policy. For a more detailed discussion see: Hood (1983), Salamon (2002), Stone (2002), Schneider and Ingram (1997), Kraft and Furlong (2012), John (2011), Howlett (2011) and Birkland (2010).

⁶From a conceptual standpoint, we might usefully think about those motivational tools as alternative forms of exercising power (Stone, 2002; Grant, 2011). I do not reject the possibility that different power mechanisms influence what the actors in this relation of power want to do or think that they should do. Both government’s and people’s actions may be circumscribed by different mechanism of power that are not limited to norms, procedures or institutional rules. See for instance (Hayward, 2000) for an account of power that relies on this assumption. Instead, what I am interested in evaluating are the instruments that government may directly use to try to change people’s behavior. For the sake of the argument, I will assume here that through different motivational strategies, the government can get people to do something that they would otherwise not do. This does not dismiss the fact that there are many ways in which an agent A may exercise power and influence agent B’s behavior. For a discussion on this issue see Lukes (2005) and Hayward (2000).

finite list: $X = \{x_1, x_2, x_3\}$.⁷ Suppose individual 1 has the following preference ranking: (xP_1yP_1z) , where the notation xP_1y means that x is preferred over y . Assume also that the normatively best distributive policy is one that maximizes the number of people who comply. How can the state modify individual 1's preference ranking? There are four possible candidates: (a) it can limit the size of the choice set by eliminating undesirable options from consideration or by making them highly costly (negative inducements); (b) it can affect individual 1's choice set by adding value to its preferred options (positive inducements); (c) it can attempt to diminish the value of some particular options or increase the value of others without changing the composition of the choice set (persuasion) (d) it can structure the architecture of decisions, i.e., it can “nudge,” as a way to make it easier for individuals to act in ways they otherwise would not. Notice that all these strategies can be interpreted as exercises of power used to affect an individual's choice. The government uses some motivational strategy to get individual 1 to behave in the desired way, a behavior individual 1 would not have otherwise chosen.⁸

Positive and negative inducements are commonly called incentives or, metaphorically, “carrots and sticks.” Incentives are usually defined as “rewards and punishments that individuals perceive to be related to their actions and those of others” (Gibson et al., 2005, p.9). In other words, there is an incentive whenever an agent A offers a benefit or sanction α to an agent B, in the event that B carries out some action that is valuable for A. Positive inducements add new options to the choice set. For instance, after receiving a positive inducement, the preference order for individual 1 can become $(z + \alpha P_1xP_1yP_1z)$ where the value that the inducement adds to option z is big enough to make $z + \alpha$ the most preferable option.⁹

⁷This interpretation of motivational strategies is an adaptation of Dowding (2011).

⁸For a definition of power in this line, see (Dahl, 1957, p.202), for a discussion of different definitions of power see (Dowding, 2011).

⁹We may think that positive inducements do not add a new option to the choice set but simply add value to an existing option. Similarly, we could think that the introduction of α does not introduce a new action but merely modifies the individuals' preference ranking over the three existing actions. These are plausible interpretations. My point, however, is simply that positive inducements can affect the composition of the choice set either by adding value (and transforming) to an existing option or by adding a new option to the

Negative inducements do the opposite. They increase the cost of some options in order to make non-compliance or partial compliance more costly than compliance. It should be noted that, technically speaking, negative inducements do not eliminate options from the choice set. Rather, they make the cost of some option considerably high. If I do not pay taxes, there is a given probability that I will be sanctioned. But the existence of that conditional threat does not mean that I will be forced to pay. I still have the choice of deciding not to pay, even though I will certainly be punished. If I would be forced to pay, however, I would not have a choice. Negative inducements are coercive motivational instruments.

Persuasion is commonly defined as a “symbolic process in which communicators try to convince other people to change their attitudes or behaviors regarding an issue through the transmission of a message in an atmosphere of free choice” (Perloff, 2010, p.11). It can be seen as an attempt to increase the perceived value of the preferred option or to diminish the perceived value of the non-preferred options by appealing to motivational schemes distinct from either positive or negative inducements. Persuasion does not eliminate or increase the cost of some option or options. Instead, it convinces people to reorder their preferences. For instance, the state can conduct communication campaigns that help people understand why their participation in community service programs is desirable for achieving successful redistributive outcomes. Persuaders may succeed or fail at convincing others to change their

choice set. Consider an example that I develop in more detail in the final chapter of this dissertation. An important problem that many developed and developing countries have is the provision of health care in deprived or isolated areas – that is, the need to recruit health workers to serve in deprived remote and rural areas. The explanation for that problem is simple: most physicians do not want to work in underserved areas. How can a state motivate health workers to serve in those areas? Suppose that health workers have the following choice set: $X = \{\text{serve, not serve}\}$. The choice set after the different interventions would look like this: (1) negative inducements will add a cost γ to the option of not serving in that program. γ here can mean many things, from revoking the medical license to fining a health worker; (2) positive inducements add α to the option of serving in the program. Again there are many possibilities here. We can think in terms of scholarships, housing, higher salaries and many other benefits to incentivize health workers to serve in underserved areas. Note that it is plausible to have the option of serving without the value added by the positive inducement. In other words, health workers could potentially serve in those areas without taking advantage of scholarships or other benefits. The other two options do not formally alter the choice set. For example, we can imagine various public communication campaigns encouraging health workers to serve in underserved areas because that is “the right thing to do.” We can also imagine different nudge interventions. For instance, some schools of medicine can be placed in isolated areas in order to motivate people (students, doctors, staff, etc.) to move to those areas.

behavior or attitudes. In other words, even if the persuadee accepts the reasons that the persuader provides as good and compelling, he may not adjust his behavior (p.397 Burnell and Reeve, 1984; Simons, 2001, p.8). The key difference between persuasion and inducements is that the former points out the reasons for choosing a specific option while the latter creates consequences that follow particular choices: rewards and sanctions brought by agent A in response to B's actions (Dowding, 2011, p.112). Put simply, while persuasion is a prediction about potential consequences of B's choosing some action over others, inducements are based on the rewards and sanctions that are brought by agent A because of B's actual actions.

The alteration of the architecture of choice, or the “nudge”, is different from both of these. A nudge, Richard Thaler and Cass Sunstein write, “is any aspect of the choice architecture that alters people’s behavior in a predictable way without forbidding any options or significantly changing their economic incentives”. As they point out: “Nudges are not mandates. Putting the fruit at eye level counts as a nudge. Banning junk food does not” (Thaler and Sunstein, 2008, p.6). Nudges can be used to manipulate B's choice set.¹⁰ We can talk about nudging when the food in a cafeteria is arranged in such a way that it leads people to choose the healthy food over the unhealthy. Similarly, default options act as nudges. An employer who prefers that each of her employees has health insurance coverage may set a status quo default (e.g., elect the same health insurance plan as last year) rather than a “back to zero” default (go without health insurance) (Thaler and Sunstein, 2008, p.12). In both cases, the set of options is preserved.¹¹

¹⁰Note that both nudges and persuasion do not change the set of choices that people can make. However, these strategies differ. While nudges change only the way in which options are presented, persuasion changes the underlying preferences over those options. In other words, persuasion is used to change the value that people assign to the available choices.

¹¹More technically speaking, there are four components of the nudging strategy. First, based on his expertise the choice architect customizes and arranges the set of options in such a way that should be beneficial for the nudged. Second, nudges are more effective when people are unaware that they are being nudged. Third, nudges are supposed to provide to those who are nudged a genuine and easy way to opt out. Finally, nudges should be subject to a publicity principle. That is to say, the choice architect needs to be able to publicly defend the arrangement of any particular choice set. For a discussion of these points, see: Hausman and Welch (2010), John (2011), Wilkinson (2013), Goodwin (2012), Rebonato (2012) and White (2013).

Motivational strategies are forms of power that vary significantly. But, as Ruth Grant points, it is a mistake to imagine them along a simple continuum with control at one extreme and persuasion at the opposite: a mistake that would lead us to identify negative inducements with the greatest exercise of power. Coercion does not always constitute a greater exercise of power than alternative motivational strategies. Some sanctions (e.g., a trivial fine) are weaker forms of power than some modalities of indoctrination. At the same time, it is not always the case that incentives and nudges can be located on a continuum between the use of negative inducements and persuasion. Some positive inducements are used to exercise power in ways that can be more ethically problematic than some negative inducements. As a consequence, the main implication is that we should not focus exclusively on the forms of power themselves but also on the degrees of power (Grant 2011, p.49). For example, the normative debates on bioethics have largely identified the problems associated with the phenomenon of undue influence. That phenomenon happens when positive inducements constitute an excessive offer or reward in order to achieve compliance with some behavioral condition. The problem is that people affected by excessive inducements may have a limited freedom to refuse to fulfill the required conditions. Some clinical medical trials and experiments, for instance, use positive inducements to recruit volunteers for medical trials. People in need of resources can be more willing to assume the substantial risks of harm of some medical trials than people not in need of resources will be. By comparing only forms of power –negative versus positive inducements – we may overlook the fact that motivational strategies are forms of power that can be manifested in varying degrees. How can we draw a distinction between ethical and unethical motivational strategies?

1.3 Standards for evaluating motivational strategies

Traditional criteria for evaluating policy tools include effectiveness, efficiency, and political and administrative feasibility. Effectiveness refers to the likelihood of achieving a particular

policy goal. A particular motivational strategy is effective if it achieves the expected outcomes. The criterion of efficiency is a measure of the achievement of a particular goal in relation to its costs. Political and administrative feasibility refers to the extent to which a particular policy can be accepted, supported, and implemented.

These are important practical standards. But they provide little useful guidance for normatively evaluating motivational strategies. Two main standards are commonly used for the latter purpose. The first is a criterion of equity or fairness in the distribution of the burdens and benefits across population subgroups (Kraft and Furlong, 2012, p.153). A particular motivational strategy is normatively problematic according to this standard if it does not promote consistency of treatment across individuals with similar characteristics or circumstances. For example, some conditional cash transfer and workfare policies (e.g. Personal Responsibility and Work Opportunity Act (PRWORA), Temporary Assistance for Needy Families (TANF) in the United States) have been criticized for treating welfare recipients unfairly. It has been argued that work requirements lay down conditions for some individuals but not for others, which generates an undesirable division among citizens. The justification underlying the critique is that workfare and conditional cash transfer policies may alter the relationship between the state and claimants, between citizens funding benefits and those in receipt of them, and between state administrators and their clients (King, 2005, p.66).

The second criterion refers to the extent to which a particular motivational strategy restricts or extends individual freedom. Negative inducements are often presented as the paradigmatic case of a motivational strategy that diminishes people's freedom. There are many different views of the normative implications of negative inducements. To simplify matters we shall consider three alternative perspectives. First, some argue that most negative inducements constitute a violation of someone's rights to refrain from acting in specific ways toward specific goals. With the exception of protecting and enforcing people's rights to property, liberty, and life, this view suggests, the government should not engage in any particular motivational task (Nozick, 1974). This argument against coercion implies that

negative inducements are rarely justifiable.

A second, more moderate view holds that negative inducements are a necessary evil that should be minimized. On this view, coercive policy instruments should be used as a last resort motivational device. Other things being equal, persuasion, nudges, and positive inducements are preferable to negative inducements (Hausman and Welch, 2010; White, 2013; John et al., 2011; Thaler and Sunstein, 2008, p.14). Finally, a third view, the one that I defend here, is that negative inducements should not be characterized as “last resort” motivational instruments at all. Instead, the question of which motivational strategy is most permissible should be answered only after considering multiple aspects of the available strategies.

Let’s consider each of these views in turn. Although the first view does not endorse unlimited freedom of action, it is based on the idea that the proper scope of government regulation should be as limited as possible. For instance, libertarians such as Robert Nozick argue against government intervention in civil society (Nozick, 1974; Arnold, 2009, p.15). Governments should not interfere with individual freedom at all, except to ensure security, protect property rights, and enforce contracts. By this view, governments should not be in charge of managing a multitude of society’s problems and regulating people’s behavior. Motivational instruments should only be used to protect some important rights.

It is beyond the scope of this dissertation to answer the question of the proper scope of government regulation. But this view is clearly incompatible with an argument for adopting any strategy to support redistributive policies. However, to the extent that a libertarian would consider possible motivational strategies to support what he regarded to be legitimate state ends, his strong commitment to individual freedom would lead him to adopt the second view.

According to the second view, negative inducements are so normatively questionable that they can be properly employed only as last-resort motivational instruments. As a consequence, those motivational strategies that put the fewest constraints on individuals’

freedom should be preferred. Based on this criterion, it is commonly thought that persuasion is the ideal strategy to influence people's behavior. The assumption is that rational persuasion respects "both individual liberty and the agent's control over her own decision-making" (Hausman and Welch, 2010, 130). Certainly, through diverse mechanisms (e.g. formal education, communication campaigns, and the like), a government can attempt to persuade people to change their behavior related to redistributive issues.

For instance, persuasion campaigns can be used to convince people to take jobs that would make a positive impact on their community but that are not consistent with their private interests, or to persuade welfare recipients that they should internalize responsibility, regain self-reliance and avoid welfare dependency. For example, James Sterba (1988) believes that people should become just and meet their obligations of justice by following the rational argument that most conceptions of justice are committed, for example, to provide some rights to welfare to the poor. He suggests that, when correctly implemented, all of the conceptions of distributive justice support similar practical requirements. Since most people already accept one or another conception of justice, in order to make people just "it should suffice to show them that most conceptions of justice support the same practical requirements" (Sterba 1988, p.1-2).

Persuasion can be conceptualized as promoting reasoned and informed decisions just so long as there exist accurate and impartial facts. If so, the hope is that people can be educated through rational persuasion, which can lead to voluntary behavioral change. But there are three main problems with using persuasion as a motivational strategy. First, there is a problem of inefficiency. Even fully informed individuals may not do what they are supposed to do. There is certainly no normative problem in the strategy of giving people factual information in order to change people's behavior. In other words, if the reason why people are not doing what they are supposed to be doing is just because they are ignorant, then the providing information is unobjectionably the right motivational strategy to use. But this solution has problems of inefficiency. People may not change their behavior simply because

they are provided with factual information.

Second, it is often the case that information is not fully neutral (Stone 2002, p. 305–307). An important normative challenge appears when persuasion is used, in modalities of preference manipulation, to change the value that people assign to alternative options. The use of rhetoric, the conveying of a false belief or the withholding of true beliefs are forms of transmitting information that can become normatively questionable. Thus, persuasion can degenerate into indoctrination and other forms of manipulation (Stone 2002, p.305–307).¹²

Finally, and related to the previous point, motivational strategies based on persuasion may be difficult to implement, monitor and control. In contrast to using formal rules to encourage a particular behavior, the potential negative behavioral impacts of persuasion that is instrumentally used to encourage cooperation can be hard, if not impossible, to foresee and overcome. Other things being equal, given its informal nature, we should have more difficulties at the time of regulating a motivational strategy based on persuasion than one based on negative inducements. Of course, this does not mean that persuasion will always degenerate and constrain freedom. It only means that we should be more cautious at the time of favoring one motivational strategy over another.

Positive inducements are commonly considered non-coercive motivational devices that respect individual freedom. At least in principle, they should not affect freedom to choose. However, the use of positive inducements can pose a threat to individual freedom. As a form of power, positive inducements are subject to abuse and misuse (Stone, 2002; Grant,

¹²We can say that “A person indoctrinates P (a proposition or set of propositions) if he teaches with the intention that the pupil or pupils believe P regardless of the evidence” (Snook, 2009, p.120-121). These are necessary and sufficient conditions for indoctrination (Snook, 2009, p.123). There are at least three differences between persuasion and indoctrination. First, in contrast to indoctrination, persuasion is based on good faith for sharing or trying to share reasons (Simons, 2001, p.9).Second, in a situation that involves persuasion, the persuader should be open to and prepared to respond to the doubts and uncertainties related to his arguments. Third, indoctrination is a process that aims to achieve a permanent state of belief, one that may lead to an uncritical orientation toward the beliefs the indoctrinator attempts to inculcate in the indoctrinee. Persuasion, by contrast, is based on the idea that the process of rational argumentation and deliberation may produce changes to the beliefs of the persuader as well as the persuadee (Burnell and Reeve, 1984, p.404-405). In short, indoctrination not only is intentionally manipulative but it may also limit people’s capacity to think autonomously.

2011). The effectiveness of this type of motivational scheme is increased when the targets are somewhat needy and the benefits of the reward are substantial for them. Most of the time positive inducements are offers made between agents with unequal bargaining power that aim to induce some particular behavioral change. The conditions attached to positive inducements raise ethical questions. In particular, the amount of money involved is an important variable. If a monetary incentive is relatively high, then the offer could interfere with people's ability to make autonomous decisions (Schmidt, Voigt and Wikler, 2010, p.3).¹³

Nor is the nudge problem-free. As others have noted, it may be problematic that nudges tends to work best when people are unaware of them; a nudge can be a manipulative motivational device (Hausman and Welch, 2010; Wilkinson, 2013; Goodwin, 2012; White, 2013). By preventing and shaping people's decisions, nudges can affect autonomy or people's level of control over their own choices, deliberations, or evaluations. Particularly problematic are those nudges that do not provide an easy and genuine way to opt out.¹⁴

But if all motivational strategies can affect individual freedom in some important regard,

¹³There are some good reasons to believe that under certain circumstances some economic incentives designed to promote pro-social behavior can be counterproductive. For instance, the motivation crowding theory explains why and how extrinsic motivators can crowd out or crowd in people's motivation. This is Richard Titmuss's classical idea that paying for blood donations may undermine the social value of that action, which would reduce the willingness to donate blood. Put briefly, motivational crowding out theory discusses how some external regulation of behavior via payment may undermine or even crowd out an intrinsic motivation to behave pro-socially. A large number of studies provide empirical evidence in support of the existence of crowding-out and crowding-in effects. As Frey and Jegen argue, the crowding-out effect constitutes an important anomaly in economics as it suggests that raising monetary incentives increases supply. To sum up, incentives can backfire in the long run if they undermine motivation and performance (Grant, 2011, p.22). For a survey of the motivational crowding theory, see Frey and Jegen (2001) and Bowles and Polania Reyes (2012).

¹⁴The literature discussing the normative implications of nudge is burgeoning. Let me mention just two additional common objections to this particular motivational strategy. First, some scholars believe that there is a "slippery slope" that makes nudge more likely to devolve into other forms of government intervention Rizzo (2009). The thought is that even though nudges can be soft interventions on people's behavior, they create conditions that may favor the introduction of more external control in our lives. Second, it has been pointed out that nudges do not empower people Goodwin (2012); White (2013). That is, the idea that people who are nudged can hardly understand the relevance and the value of making a particular choice over another. By setting default options and other menu-changing strategies, we may lead people toward a desired outcome (e.g. increasing savings, insuring health care provision, etc). However, this particular motivational strategy may not help them to understand why those particular choices are desirable for them. Put another way, even though nudges can lead people to make better decisions, this tool may not help them to learn to make better choices in the future (White, 2013, p.102).

why should we consider negative inducements as the least preferable motivational instrument? A third possibility is to argue that the extent to which a motivational strategy constrains freedom cannot be the only relevant normative criterion. To begin, there may be good reason to trade individual freedom for other desired outcomes. Although extremely important, individual freedom is not the only value that matters. Other criteria, such as effectiveness, efficiency, equity, and feasibility play an important role in informing the selection of public policies. Indeed, not only illiberal, but also liberal states use many types of compulsory motivational devices that rely on negative inducements to motivate their citizens to behave in particular ways, for example, to recruit health workers and military personnel and to ensure that citizens vote and children attend school and receive vaccinations. The rationale for adopting such compulsory motivational schemes is that the benefits exceed their costs.

Consider, for example, the case of compulsory vaccination. Compulsory immunization relies on the threat of sanctions to motivate a desired behavior. For instance, states might withhold school entrance or restrict place of residence for those who fail to comply. This kind of policy has met with great success in eradicating several diseases. Some comparative studies show that compulsory immunization programs have reduced vaccine-preventable diseases by 98-99% in many developed countries (Salmon et al., 2006). Other things being equal, the possibility of administering vaccines on a voluntary basis can increase the risk of multiple diseases that could be controlled under a compulsory scheme. Even though there are anti-vaccination movements, it seems difficult to make the case that all vaccines should be administered on a voluntary basis, since the costs in terms of individual freedom are relatively low and the benefits each individual receives by living in a healthy society relatively high.

Similarly, compulsory service programs to recruit health workers involve the use of negative inducements as motivational mechanisms. More than 70 countries have used compulsory service programs to recruit health workers to provide essential health-care service in areas

where access to such services is limited (Frehywot et al., 2010). Although there is much variation across these programs, most impose severe sanctions for those physicians who fail to complete their compulsory service. These sanctions range from fines to suspension of medical licenses. These types of programs are regarded as an instrument of social justice through which government can direct or augment health services to peripheral, rural, or underserved areas. They certainly interfere with a physician's freedom to choose where he or she practices. However, the justification is that the cost in terms of forfeiting these individuals' freedom are lower than the benefits that come with increasing health care coverage for the collectivity as a whole.

There are two potential objections to this justification. The first objection is that coercive policy instruments such as compulsory immunization programs are permissible only when implemented to avoid harming third parties. This kind of claim can be traced at least as far back as John Stuart Mill (Mill, 1989; Conly, 2013). The famous Millian argument is that only direct harm to other people can justify state intervention into the sphere of an individual's free choice. Nevertheless, as Mill himself recognized, it may be difficult to determine when and how a particular behavior is directly or indirectly harmful to other people. Nearly everyone would agree that some form of government intervention is required in cases like reckless driving or compulsory vaccination when harm to third parties seems highly likely. The challenge is to find a way to set the limits of government's direct intervention for other actions or omissions that can lead to less direct and less probable (although still possible) harm to other people.

We can argue from a Millian standpoint that failure to behave in ways consistent with redistribution may cause harm to others. For example, people may be reluctant to behave in ways that help reduce the level of income inequality in their society.¹⁵ I may not wish to

¹⁵Income and economic inequality have been associated with undesirable outcomes that affect the lives of many people. During the last few years, several studies have suggested that economic inequality can affect economic growth (Rodrik and Alesina, 1994), increase the level of infant mortality (Waldmann, 1992), the likelihood of violent crime (Fajnzlber, Lederman and Loayza, 2002) and the level of corruption (Jong-Sung and Khagram, 2005), lower media freedom (Petrova, 2008) and enable the rich to subvert the political,

pay higher taxes in support of redistributive policies or I may be disinclined to support and participate in public service programs oriented to help people who suffer from existing inequalities. Likewise, welfare recipients may generate stigma and create serious programmatic and political problems for redistributive programs if they engage in fraud and other forms of abuse, or noncompliance with program requirements (Schuck and Zeckhauser, 2006). My disruptive behavior in any social welfare plan can affect not only other beneficiaries, but may also contribute to the erosion of political support for the plan. The key, then, is to determine to what extent the way in which we view, judge and act toward redistributive policies is not irrelevant for others.

A second objection that might be raised to the proposed examples is that they only show that under particular circumstances individual freedom can be traded for other values. They do not show, however, why negative inducements should not be employed as last resort. Put another way, it could be argued that compulsory schemes are permissible only when there is no other (more efficient) way to steer people's behavior. Ideally people should be rationally persuaded to pay taxes, comply with welfare program requirements, participate in community service programs and so on of their own volition. Negative inducements are widely used because it is difficult to achieve those outcomes through other motivational strategies.

The trouble with this objection is that, by focusing on individual choice, it misses some important variables that matter at the time of deciding the desirability of a particular motivational strategy. For example, if we accept the idea that a motivational strategy is a form of power that the state may need to use, then it is crucial to understand how the people affected by it can respond to it. In other words, a normative evaluation of motivational strategies must take into account variables that can help to keep those forms of power subject to

regulatory, and legal institutions of society for their own benefit (Glaeser, Scheinkman and Shleifer, 2003). If the association between economic inequality and all those unwelcome outcomes is not spurious, then we can argue that the way in which we view, judge and act toward redistributive policies is not completely irrelevant for others.

legitimate control.

The following is not meant to be a comprehensive list but is reflective of some standards that serve to keep power under control and to prevent its abuse. For instance, standards of accountability, transparency, and publicity are important to constrain a government's exercise of power. Although it is an empirical question whether negative inducements are more transparent, accountable, and open to public scrutiny than are other motivational instruments, there are good reasons to think that this might be the case.¹⁶

Accountability is usually understood as a process through which some agent entrusted with responsibilities and obligations is required to account for his actions to a principal. In this case, governments that implement motivational strategies can be accountable to the people or other institutions. Transparency consists of mandated public disclosure of standardized, comparable, and disaggregated information regarding specific practices (Fung, Graham and Weil, 2007). The disclosure of information about the performance and characteristics of redistributive institutions can improve the fairness and quality of those policies. The idea is that those who are affected by redistributive policies can use the disclosed information to make more informed choices and to highlight specific risks or performance problems, encouraging information disclosers to improve policies. Finally, the government should be constrained not to select policies that it “would not be able or willing to defend publicly to its own citizens’ ’ (Thaler and Sunstein, 2008, p.244). The publicity condition ensures that those who are affected by motivational strategies know the actions that are

¹⁶The comparison between positive and negative inducements deserves a brief comment. In principle, there are not clear reasons to think that there is a fundamental distinction between these two motivational instruments in terms of accountability, transparency and publicity. There is however a point that has to be taken into account: the main ethical concern about positive inducements is that this kind of motivational device can exert undue influence. That is, when positive inducements can become attractive enough to induce someone to act in a way that goes against his or her better judgment Grant (2011). Excessive offers or improper rewards to obtain compliance are exemplary cases of undue influence. When undue influence occurs, the most vulnerable individuals have more problems to resist the influence of positive inducements. Nevertheless, it can be argued that undue influence is an undesirable consequence of positive inducements but that is unrelated to the accountability, transparency and publicity of that particular motivational strategy. In principle it is possible to imagine that a positive inducement that performs very well in terms of those three variables can constitute undue influence.

permissible and what can be expected of one another.

In liberal democratic societies, laws and public regulations are unique in that they are more transparent, public, and accountability-enhancing than other motivational tools. A law that requires welfare recipients to change their behavior is a motivational instrument that is employed only after a representative legislative process. It is relatively straightforward to ensure that people can monitor the processes through which laws are discussed, justified, and implemented. But the openness and transparency of other motivational instruments is not that clear. A nudge, for example, “may be far more hidden from view, it may follow from an administrator decision, a decision not subjected to advance disclosure and debate” (Rebonato, 2012; Baldwin, Cave and Lodge, 2012, p.124). Indeed, as some scholars have underscored, nudges perform better when people are unaware that their behavior is being influenced (Selinger and Whyte, 2011; Goodwin, 2012, p.89).

Similar difficulties attend to persuasion campaigns. Communication campaigns can be launched without necessarily needing to follow the democratic procedures that are typically required to enact laws. Public persuasion campaigns can be designed and implemented by non-elected officials (bureaucrats) without the approval and deliberation of legislative branch officials. Thus, a potential danger of persuasion campaigns is that they can be launched without proper accountability mechanisms. What is more, persuasion campaigns can turn into indoctrination practices.

Consider the case of Cuba between 1963 and 1970, when leaders believed in “moral stimulation” as the proper way to structure economic and social institutions Bernardo (1971). People should be motivated to work and to contribute to their community, the claim was, not because they would receive material compensation or avoid legal sanctions, but because they were persuaded that it was the right thing to do. People should be moved by a pro-social motivation that transcends selfish interests; they should become “new men” moved by a socialist consciousness and a desire to serve the community (Kahn 1970). But Cuba’s motivational model was closer to indoctrination and manipulation than to rational persua-

sion.¹⁷ As some scholars have pointed out, the Cuban “moral motivation” scheme became a social normalization scheme by which those “workers who did not realize their potential in the work-place...were not revolutionaries and deserved to be ostracized” (Martínez-Saenz, 2004, p.22).

Nor is persuasion as propaganda and indoctrination exclusively a practice of non-democratic political regimes (Stone, 2002, p.305-307). Communication campaigns launched with the purpose of convincing people about the importance of personal responsibility, the work ethic, self-sufficiency, and so on, can become a source of social pressure in a wide range of regime types. They can help to designate and legitimate the social construction of entitlement and deservedness (Schneider and Ingram, 2005). They can be used to encourage people to pay attention to each other’s behavior and informally penalize those who do not behave properly. For example, as I will discuss in the next chapter, it perfectly plausible that, in order to be effective, the use of persuasion to motivate people to take up paid employment can become an uncontrollable and socially oppressive motivational strategy.

1.4 Conclusion

Committed redistributionists, I have argued, must consider the motivational viability of their redistributive proposals. Some redistributive institutions have pervasive effects on the attitudes and motivations of those who benefit from them, and some redistributive policies are only effective if people change their behavior in important ways. I have also addressed the normative question, “How can the state motivate people to behave in ways consistent with redistribution?” In contrast with those who argue that persuasion should be the most favored

¹⁷There were also other important problems with this motivational model. For example, Cuban revolutionaries based their moral incentive policy on weak motivational assumptions. They mistakenly relied on altruism and pro-social behavior as the main motivational repertoires of individuals. That assumption led them to design unstable and inefficient institutions given the plurality of motivations driving human action. As recent extensive empirical and experimental research has shown, human behavior is better explained by assuming that there are multiple types of individuals in different settings rather than by assuming the existence of a single types of either “utility maximizing” or “prosocial motivated” individuals (Ostrom, 2005, p.253). For a more detailed discussion see: Bowles and Polania Reyes (2012), Frey and Jegen (2001).

option, I have made the case that, persuasion may be an inefficient and ineffective way of steering behavior and that motivational instruments based on persuasion can be difficult to check and to monitor.

All motivational strategies present normative challenges. It is a mistake to select among alternative motivational schemes based only on the extent to which they interfere with individuals' freedom. A better approach is to design motivational strategies in ways that render them public and transparent and render those who design and implement them accountable to those whom they subject.

How, then, might we comprehensively evaluate alternative motivational strategies?¹⁸ The best motivational strategy for a particular redistributive arrangement will be the one whose benefits outweigh its costs. In considering costs and benefits we must evaluate how different motivational strategies perform in terms of efficiency, efficacy, feasibility, fairness, and individual freedom – as well as in terms of other variables that can be used to control and monitor the use of those forms of power (e.g, accountability, transparency, and publicity). It may be the case in some instances that the cost of trading individual freedom for another value will be prohibitively high. That said, if there exist mechanisms to regulate, limit, and constrain those motivational strategies that interfere with individual freedom, then the cost of interference should be considerably lower than in cases where those mechanisms are not in place.¹⁹

¹⁸It can be objected that it is difficult, if not impossible, to establish criteria for normatively deciding whether any particular motivational strategy is ethical. Ruth Grant (2011, p.62) argues, for example, that there is no “rule of thumb” that can be mechanically applied to determine the legitimacy or illegitimacy of different exercises of power. An exercise of judgment, she says, is always required. In particular, judgments should be made to determine which standards should have priority. Although my argument is sympathetic to Grant’s general point, I believe that some form of cost-benefit analysis must be used to determine when a motivational intervention is permissible. Cost-benefit analysis is the most widely used comprehensive method in public policy analysis. I have not room here to discuss the normative implications of that method. For a normative defense of cost-benefit analysis see: Schmidt (2001) and Wolff (2007).

¹⁹ Naturally, we should consider the fact that, while negative inducements can be effective in preventing or encouraging particular behaviors, they can also produce adverse effects. Some scholars have shown that coercive motivational instruments may entail hidden costs Falk and Kosfeld (2006). In principal-agent relations, the choice to exert control can reduce an agent’s willingness to act in the principal’s interest. One reason to explain the adverse effects of sanctions is that agents might interpret this kind of motivational device as signal of distrust (Falk and Kosfeld, 2006, p.1628). Other scholars argue that the hidden costs of negative

What matters is not only a particular motivational strategy's extent of interference in freedom of choice, but also the capacity people have to monitor and control that exercise of power. To the extent that our concern is mainly about individual freedom, it makes sense to focus on degrees rather than forms of power. However, forms of power that are more accountable and easier to check and control may be preferable, even if they imply a greater degree of power. For example, it cannot be assumed that unconditional redistributive schemes (those that do not require their recipients to fulfill any conditions or behave in any particular way) are normatively superior to conditional schemes. The fact that unconditional redistributive schemes do not interfere with the freedom of choice of their recipients is not a sufficient reason to dismiss the motivational importance of some forms of welfare conditionality, which may be necessary to militate against free-riding, welfare dependency, lack of trust, low participation in redistributive institutions, and so on.

As this example suggests, my normative approach to evaluating motivational strategies can provide insight into a number of debates in the justice literature, including debates about whether justice obliges some individuals to perform "particular work, on particular places, on particular terms" in order to ensure the provision of particular goods (Stanczyk, 2012, p.145). If my argument is persuasive, then a crucial task is to determine, not only which specific motivational strategies work best, but also which are most normatively acceptable.

inducements depend on whether sanctions are implemented with the purpose of preventing anti-social behavior (selfishness, theft, free-riding) or not. When sanctions are used to prevent antisocial behavior, the counter-productive reactions are weaker (Schnedler and Vadovic, 2011, p.989). Thus, the moral legitimacy of the sanction is a crucial factor at the time of evaluating the consequences of negative inducements on motivation (Fehr and Rockenbach, 2003, p.140). Because agents have heterogeneous preferences, the aim for principals who want to promote pro-social behavior should be to discipline agents with self-interested behavior without reducing the more positive orientations of the intrinsically motivated ones (Falk and Kosfeld, 2006, p.1628). My analysis does not assume the canonical model of self-interested behavior. Rather, my point is compatible with the behavioral economic and social psychology literature which show that negative and positive inducements can undermine some desirable behavior (e.g altruism, reciprocity) (Tyler, 2010).

Chapter 2

The Problem of Stability and the Ethos-based Solution

2.1 Introduction

Should redistributive schemes be arranged to encourage or discourage particular behaviors? Advocates and detractors of unconditional redistributive policies – that is, schemes that do not impose conditions to restrict an individual’s eligibility for welfare support – disagree on the answer to this question. On the one hand, advocates of unconditionality argue that conditional redistributive programs such as workfare or conditional cash transfer programs interfere with individual freedom, stigmatize welfare recipients and violate the principle of liberal neutrality toward competing conceptions of the good (Van Parijs, 1995, 2003; Pateman, 2004; Standing, 2002; Birnbaum, 2012; Widerquist, 2013). On the other hand, detractors of unconditional schemes believe that this type of program can erode people’s motivation to work, subsidize free-riders and increase welfare dependency (Elster, 1986; Mead, 1997; White, 2003; Van Donselaar, 2008).

This chapter focuses on an underexplored aspect of this debate, namely how unconditional income guarantee proposals may face the problem of stability. That is, whether unconditional income policies can be designed to generate the motivational conditions that make possible

their own support.¹

In particular, I focus here on the case of unconditional basic income (UBI) that is paid on a regular basis at the highest sustainable level for each individual. That is, an income paid by a political community to all its members on an individual basis, without means tests or work requirements: a) even if they are not willing to work; b) irrespective of their being rich or poor; c) no matter who they live with; and d) no matter which part of the country they live in (Van Parijs, 1995, p.35). A UBI has been considered as an instrument to achieve the normative goals of many different theories of justice. For instance, while some authors believe that a UBI can be an excellent instrument to combat poverty and unemployment (Groot, 2004; Raventós, 2007; Standing, 2002), others argue that it can promote gender equality (McKay, 2001), foster equal access to self-realization opportunities (Maskivker, 2012), assure fair terms of reciprocity (Widerquist, 1999, 2013; Segall, 2005), minimize domination (Raventós, 2007; Casassas, 2007; Lovett, 2010), guarantee real freedom for all citizens (Van Parijs, 1995; Birnbaum, 2012), and even improve the quality of democracy (Pateman, 2004; Raventós, 2007).

A UBI at the highest sustainable level is designed to give people the freedom to decide whether or not to participate in the job market. We can expect that this type of policy will not be stable if most people minimize their time spent in formal paid employment (Midtgaard, 2008; Birnbaum, 2012). The resources that make this kind of policy possible need to be produced by some members of society. The question is, then, how people can be motivated to take up paid employment when they have the freedom to withdraw from paid work.

Scholars like Philippe Van Parijs (2003, p.231) and Simon Birnbaum (2012, p.154), think that the promotion of an ethos of justice can muster the necessary motivational work to secure the stability of the highest sustainable UBI without violating a principle of liberal

¹The discussion about stability has been surprisingly underattended in the debate on unconditional redistributive programs such as unconditional basic income. Notable exceptions are Midtgaard (2008), Birnbaum (2012), and de Beus (2013).

neutrality. Their solution lies in changing people’s behavior through an informal motivational mechanism rather than through a formal rule or institution.

This chapter argues against that “ethos-based solution”. It presents three reasons to distrust that solution. First, it argues that even broader and more inclusive ethoi of justice can become oppressive and violate people’s freedom. The reason for this is that any ethos of justice that promotes contribution and cooperation will divide society into two categories of people: those who contribute and those who do not. Advocates of the ethos-based solution need to explain how an ethos of justice will not lead the former to punish the latter in ways that affect their freedom. Second, the formal and informal strategies to generate that ethos may be difficult to implement, monitor and control. In contrast to using formal rules to deter noncompliance, the potential negative behavioral impacts of an ethos that is instrumentally used to encourage cooperation can be hard, if not impossible, to foresee and overcome. Other things being equal, given its informal nature, we should have more difficulties at the time of regulating an ethos than a formal institution. Finally, the difficulties associated with implementing and developing that ethos of justice may lead us to either preserve an undesirable status quo or to implement suboptimal redistributive policies.² For example, the search for a well-functioning unconditional scheme can lead us to dismiss redistributive policies that could be better suited to handle motivational problems (e.g., conditional and universal redistributive schemes). It is worth noting that although my objections are meant to apply across a wide variety of UBI justifications relying on the ethos-based solution, my argument should be more challenging for UBI advocates who are committed to honoring the principle of liberal neutrality – those UBI advocates who believe that redistributive policies should be neutral in relation to the different conceptions of the good that people may have.

The discussion is organized into three main parts. First, I begin with a sketch of the idea of stability. In particular, section 2.2 explains why stability matters for redistributive

²This conclusion coincides with Midtgaard’s idea that the criterion of stability does not support a redistributive policy that is unconditional on people’s willingness to work (Midtgaard 2008, p.2). According to him, conditional policies should perform better in terms of stability than do unconditional ones.

policies. Second, I examine the ethos-based solution as the main answer to the problem of stability proposed by unconditionality advocates. Finally I develop my objections to the ethos-based solution, show why it is problematic, and consider some potential objections to my argument.

2.2 Stability, Motivation and Redistribution

We can talk about “stability” (or sustainability) in two ways.³ First, it can be understood as constancy. This use of the idea of stability implies that when a relevant variable is exposed to disturbances it does not change or, if it does, it experiences only minor changes. Actual changes over time need to happen in order to evaluate whether or not a variable is stable. For instance, this concept of stability is common in the study of residential segregation. Some scholars have examined neighborhood racial stability by analyzing the variation in the racial composition or racial structure of the residents living in the same neighborhoods over a specific period (Ellen, 2000; Friedman, 2008). In this case what is meant by stability is the fact that the change of population in the neighborhood results in the same overall racial composition as was present at time one (Friedman, 2008, p.926).

Second, stability can be interpreted as resilience. When a particular variable is exposed to disturbances, we can say that that variable is stable if it returns to its original state or to a similar stage after the perturbation. In this view, stability is related not only to the changes that take place but also to how the relevant variable would respond to potential disturbances. The important point is that a variable is not considered stable if it remains unchanged just

³At this point I am relying on Hansson and Helgesson’s (2003) useful analysis. They propose an informal and a formal analysis of the different concepts of stability. From the informal analysis they identify three ways to understand stability that are independent of the subject matter, namely, the ideas of constancy, robustness and resilience. However, after their formal analysis of these three concepts of stability they conclude that the third category, robustness, constitutes a special case of resilience (Hansson and Helgesson, 2003, p.229). As they point out, robustness and resilience are, in an intuitive sense, two separate properties of a given system. “A system may have a remarkable capacity to return to its initial state (i.e., resilience), while even a minor perturbation temporarily unsettles the system (i.e., lack of robustness). In spite of this intuitive difference, however, robustness can be treated in the formal representation as a special case of resilience” (Hansson and Helgesson 2003, p.229).

because of an absence of disturbing influences. Hansson and Helgesson (2003, p.231) suggest that the idea of stability as resilience covers the majority of the notions of stability used in the literature to explain how a system behaves or would behave when exposed to disturbances.⁴

This idea of stability as resilience is the one famously adopted by John Rawls. In part III of *Theory of Justice*, Rawls argues that a conception of justice is stable as long as it “generates its own support” (Rawls, 1999, p.138).⁵ In particular, Rawls thinks that the principles of justice applied to the basic structure should be such that they lead people to acquire a corresponding “sense of justice” and a desire to act according to those principles. Rawls expects that a basic structure that satisfies its principles of justice for an extended period of time will lead people to develop a sense of justice and a desire to act according to those rules for reasons of justice. As a consequence, social institutions should discourage those desires that conflict with the principles of justice. There has to be a balance of motives in which the sense of justice wins out against propensities toward injustice. One conception of justice is more stable than the other when the “sense of justice that it tends to generate is stronger and more likely to override disruptive inclinations and if the institutions it allows foster weaker impulses and temptations to act unjustly” (Rawls 1999, p.454-455).⁶

The problem of stability appears because a just scheme of cooperation may not be in equilibrium (Rawls 1999, p.497).⁷ Rawls clarifies that the stability of a conception of justice

⁴Hansson and Helgesson (2003, p.233) argue that “neither of these two concepts of stability can be reduced to, or defined in terms of, the other. In combination they cover all the major uses of stability in social and natural sciences.”

⁵It is worth noting that Rawls presented two accounts of stability. Here I am referring to the first one, which is developed in his *Theory of Justice*. His second and latest account is meant to deal with the existence of reasonable pluralism (Rawls, 1993). The idea of “overlapping consensus” plays an important role in his second account of stability. For the purposes of this chapter I talk only about stability as a problem of congruence between people’s conception of the good and the principles of distributive justice promoted by a particular redistributive institution.

⁶Rawls (1999, p.336) believes that there are two tendencies leading to instability. On the one hand, there are free-riders, people who are tempted to avoid doing their share. On the other hand, there is an assurance problem that is an apprehension about the faithfulness of others. Public institutions should counter these two tendencies.

⁷Rawls acknowledges that the concept of stability that he uses is that of quasi-stability. According to him, “if an equilibrium is stable, then all the variables return to their equilibrium values after a disturbance has moved the system away from equilibrium; a quasi-stable equilibrium is one in which only some of the

does not mean that the institutions of the well-ordered society do not change. Rather, stability means that “however institutions are changed; they still remain just or approximately so, as adjustments are made in view of new social circumstances. The inevitable deviations from justice are effectively corrected or held within tolerable bounds by forces within the system” (Rawls 1999, p.458).

When we say that a distributive institution is stable we are making a descriptive statement. But how does stability matter normatively?⁸ There are two main reasons to believe that stability is important for the normative debate of distributive justice and redistributive policies in general. The first obvious reason is that no matter how just and fair a distributive arrangement is in ideal terms, it would hardly be useful in practical terms if it could not be translated into a concrete redistributive policy that can generate its own support over time. As Rawls puts it, an adequate conception of justice should be psychologically suited to human inclinations.⁹ Thus, Rawls believes that some measure of agreement in conceptions of justice cannot be considered as the only prerequisite for a viable human community (Rawls 1999, p.6). Rather, a conception of justice must also take into account other fundamental social problems such as those of coordination, efficiency, and stability.

The second reason is that the stability of redistributive institutions highly depends on people’s motivation. Institutions would fall apart if they were unable to secure the motivational conditions that make them viable. We can expect unstable tax systems in cases where citizens are not motivated to pay taxes or to trust others to pay taxes. When taxpayers are aware of a low likelihood of detection and of uncertain punishment by tax authorities,

variables return to their equilibrium configuration” (Rawls 1999, p.456).

⁸Certainly, the distributive justice debate has tended toward better addressing issues of meaning and justification. There are no doubts that theories of distributive justice need to have an understanding and appreciation of what it means to be “just” as well as to know the extent to which it may be justified. Nonetheless, there is a long way to go between showing that certain principles of justice should be justified and explaining why people will recognize, agree and comply with these principles as a regulative basis for their society (McClennen, 1989, p.5).

⁹Bear in mind that Rawls distinguishes between the motivation of persons in the original position and that of persons in everyday life. For my purpose, I am interested only in the latter. Besides the content of, nature of, or how we discover the principles of justice, I am interested in how people in everyday life accept principles of justice and how they develop a corresponding sense of justice.

they may choose to evade taxes. The worry is, of course, that the stability of redistributive institutions will be highly damaged if most taxpayers evade taxes. People's motivations are not static or unalterable; they can be changed in ways that either improve or affect the stability of social institutions. The normative dilemma is, then, how the state might motivate people to act according to what is best for the stability of social institutions. For instance, we can foster the stability of a given institution, not just by promoting motives that support it, but also by discouraging any motives that may work against it. These actions may be undesirable or morally problematic, and for this reason they demand major attention.

Much of what can be said about the stability of unconditional income guarantee schemes underlies empirical assumptions. There are two main possibilities: either we think that unconditionality does not affect the stability of redistributive schemes or we believe that unconditionality and stability are in tension. Some recent pilot projects in Uganda and Namibia provide some support for the first possibility. They found that unconditional redistributive schemes do not necessarily favor people's tendency to free ride on the efforts of others. Under some circumstances, people still work and contribute to their communities even after receiving an unconditional welfare benefit (Blattman, Fiala and Martinez, 2014; Osterkamp, 2013).

However, inputs from psychology and behavioral economics have also shown that different institutional arrangements can explain variations in prosocial behavior (Meier 2007, p.61). That view challenges the assumption that human behavior is "driven in all settings entirely by external material inducements and sanctions" (Ostrom, 2005, p.253). Human behavior is better explained by assuming that there are multiple types of individuals in different settings rather than by assuming the existence of a single type of "utility maximizing" individual. For example, people are best characterized as "conditionally cooperative" – they cooperate if they believe others cooperate as well (Bowles and Gintis, 2011; Gächter, 2005, p.20). As Ostrom defines them, "conditional cooperators" are "individuals who are willing to initiate cooperative action when they estimate others will reciprocate and to repeat these actions as

long as a sufficient proportion of the others involved reciprocate” (Ostrom, 2000, p.141). If individuals tend to be conditional cooperators – such as many psychologists and behavioral economists claim – then, a redistributive policy based on unconditionality may be highly unstable. Let’s put it this way: if a large number of individuals are not willing to contribute to the cost of a UBI, conditional cooperators who perceive free riding will stop cooperating. Then, unless that UBI can motivate people to cooperate, this proposal may have serious difficulties in maintaining the stability of the social cooperation that makes it possible.¹⁰ The question is, then, what normatively legitimate institutional design choices need to be made to promote cooperation.

It is important to note that I do not claim that the problem of stability only applies to the case of unconditional policies.¹¹ Conditional welfare policies are not immune to stability problems. There are many variables that can affect the stability of conditional schemes. For instance, citizens will have little confidence in conditional welfare programs that are perceived as corrupt, inefficient and arbitrary. We should expect those programs to fail in generating their own support. Accordingly, my point is simply that unconditional policies, by definition, do not take any formal step toward addressing any potential motivational obstacles; some of which could be potentially addressed through the use of conditions. Well-designed and executed conditional policies should be better prepared for that type of challenge.

Similarly, it is also worth noting that the problem of stability in conditional and unconditional welfare policies cannot be reduced to one of work incentives. There are two reasons for that. First, there are multiple behaviors that can affect the capacity of a certain policy to generate its own support. For example, a UBI can also facilitate other behaviors that may affect its stability. We can, for instance, find extreme examples to illustrate how UBI might actually damage people or, at least, examples that illustrate that this type of income cannot

¹⁰As De Beus (2013, p.333) puts it, “an unsolidary member of a political community with UBI is someone who is able to perform paid or unpaid labor who confines her or himself to receiving and spending UBI and who refuses to some work or pay some tax when the financial base of UBI happens to be under high pressure.”

¹¹I would like to thank an anonymous reviewer for drawing my attention to this point.

be transformed into “real freedom” by many people. For example, some individuals might potentially use their UBI to buy drugs, cigarettes or alcohol.¹² But, going further, we could also imagine individuals spending their UBI in some less risky ways, but still falling short of the type of “real freedom” as described by some UBI’s advocates. Second, we should expect that the way in which a policy is funded will also have an effect on its stability. For example, some scholars believe that the best way to implement unconditional and universal income schemes is by guaranteeing a BI for every young person (LoVuolo, 2012). The idea is that this particular implementation strategy will produce a political consensus surrounding the idea of BI by avoiding the controversies associated with paying those who do not work.

The emphasis of this chapter, however, is on the problem of work incentives in unconditional income guaranteed. Although there are other relevant motivational aspects associated with UBI, here I am particularly concerned with the ethos-based solution as a motivational strategy that can deal with people’s motivation to contribute in a society with UBI. That is the main justification behind the ethos-based solution.

2.3 Unconditionality and the “Ethos Solution”

Although there are several different justifications for a UBI, it is safe to say that all of them coincide in conceiving of this redistributive scheme as a freedom-promoting policy.¹³ There are two main reasons for that. First, UBI advocates believe that when it is paid at the highest sustainable level, a UBI can provide people the freedom to say “no” to undignified, bad and unwanted formal and informal jobs (Van Parijs 1995, Widerquist 2013). That is, it can provide freedom from wage labor and marketable work (Maskivker 2012). Second,

¹²It is important to note that according to Van Parijs, this type of behaviors do not affect the ideal of real freedom since that ideal implies that people should be free to do “whatever one might want to do”. I thank Stuart White for pointing this out.

¹³Some of UBI’s detractors deny the freedom-enhancing nature of this policy by arguing that an unconditional income without any type of requirement or contribution may encourage morally troubling and parasitical relationships in society. Under a UBI scheme, some people will free-ride on the productive efforts of the rest (Elster, 1987; Van Donselaar 2009; White 2003).

UBI advocates argue that this policy can help people to pursue their conception of the good life – whatever that is (Van Parijs 1995, Birnbaum 2012). The unconditional character of UBI is concerned with a genuine commitment to neutrality among the different conceptions individuals harbour about their goals. This idea is an essential axiom for some UBI justifications such as the ones presented by Van Parijs (1995) and Birnbaum (2012). The thought is that we should not encourage policies that favour any one conception of good life over other possible forms. A UBI is a redistributive mechanism that compensates people for their condition of citizenship rather than for the condition of their tastes. The problem, of course, is that the principles of neutrality and unconditionality can affect the stability of a UBI.

There are three strategies to deal with the fact that a UBI can be unstable. First, we may accept a weaker form of UBI as a still more desirable redistributive policy than conditional ones. Second, we may attempt to relax the unconditionality by attaching some conditions. For example, we could support some form of participation income; that is, an income that is available to all members of society and that is paid in exchange for an activity useful to society (Atkinson 1996). Finally, we can find a way to address motivational problems without altering the unconditional character of the policy. The goal in this case is to find motivational strategies that foster people’s cooperation with the redistributive unconditional scheme without affecting their eligibility for a UBI. In this chapter I focus on this third alternative.

For the sake of argument I assume that unconditional policies have negative effects on the motivational preconditions that make them stable. By offering everybody the opportunity of not working, a UBI could erode the economic foundations on which its stability depends (Birnbaum 2012, p.146). If the stability of UBI schemes depends on having people behaving in certain ways (e.g., people taking up formal employment), unconditionality advocates need to find the way to motivate individuals to engage in activities that favor the stability of unconditional schemes.

The answer that I want to consider here is what I call the “ethos-based solution.” This

solution is inspired by Gerald Cohen's idea of "egalitarian ethos" and has been further developed by Birnbaum (2011, 2012). Cohen believes that a just society depends not only on the existence of just institutions but also on an "egalitarian ethos" that informs people's choices within just rules. By "ethos," Cohen means "the set of sentiments and attitudes in virtue of which its normal practices, and informal pressures, are what they are" (Cohen 2000, p.145). According to him, that set of "attitudes people sustain toward each other in the thick of daily life," and that goes beyond obedience to law, needs to be oriented toward equality if we want to achieve an egalitarian society (Cohen 2000, p.3). This ethos must "guide choice within the rules, and not merely direct agents to obey them" (Cohen 2000, p.128). As a consequence, Cohen thinks that the principles that determine a just distribution of benefits and burdens in society should apply not only to institutions but also to "the choices that people make within the legally coercive structures to which, so everyone would agree, principles of justice (also) apply" (Cohen 2008, p.116).

Cohen developed the "ethos argument" as a response to the potential inequality that satisfies the requirements set by Rawls's difference principle. He worries that the application of the difference principle can promote intolerable inequalities given that it does not rule out the possibility that the talented members of society ask for additional compensation in order to work more productively. Talented individuals, Cohen suggests, should themselves act from an ethos that establishes a commitment to equality. Although he does not defend a regime that coerces people to choose a particular job, he thinks that a just society requires an egalitarian ethos to stimulate individuals to accept very high rates of taxation or to make economic and occupational choices that favor equality (Cohen 2008, p.123).¹⁴

There are two points about the ethos-based solution that should be noted. First, the motivational burdens and constraints that an ethos imposes are not formally binding. By

¹⁴Cohen believes that an "egalitarian ethos" is required to provide a "structure of response lodged in the motivations that inform everyday life, not only because it is impossible to design rules of egalitarian economic choice conformity with which can always be checked, but also because it would severely compromise liberty if people were required forever to consult such rules, even supposing that appropriate applicable rules could be formulated" (Cohen 2000, p.128).

definition, an “ethos” is an informal motivational instrument. In principle each individual decides whether or not to follow the course of action recommended by some ethos. Second, Cohen’s egalitarian ethos is only one particular case of ethos of justice. An ethos is a set of underlying explicit or implicit values that can be interpreted as principles and applied in practice (Wolff, 1998, p.105). Consequently, an ethos of justice can be understood as a set of “principles and norms that specify some notion of fairness or reciprocity in individuals’ relations with others in the dimensions of their lives that lie outside the legally coercive structure of society” (Neufeld and Van Schoelandt, 2014, p.90).¹⁵

An ethos of justice specifies the type of normative demands that individuals can reasonably make on one another in those interactions that are not directly regulated by binding laws and rules. We can imagine an alternative ethos of justice that informs individual choices. For example, Michael Titelbaum believes that the members of a society that follows Rawlsian principles of justice should display a full Rawlsian ethos of justice that contains “not only a correlate of the difference principle, but also correlates of the first principle of justice and the first part of the second principle” (Titelbaum, 2008, p.302). This particular ethos should motivate individuals to make productive decisions that would benefit the worst-off only when that action does not conflict with the ethos’s correlate of the first principle of justice (Titelbaum 2008, p.302). It is, then, hardly possible to have in place a particular ethos of justice that informs the decisions of most members of society. Other things being equal, the scope of an ethos of justice will be more limited than the scope of those principles of justice that are backed by coercive laws.

But how can an ethos of justice help unconditional redistributive policies to deal with motivational problems that may affect their stability? In the case of a UBI, an ethos is needed that motivates people to work and to pay taxes. There are at least three ethos-based

¹⁵As Neufeld and Van Schoelandt (2014) point out, an ethos of justice should not be confused with Rawls’s notion of “sense of justice.” The key difference is that the scope of the sense of justice is limited and is related to the actions that took place within the basic structure. The sense of justice does not inform individual decisions outside the basic structure.

solutions that could be used to achieve that goal. The first possibility consists of promoting a “strong societal work ethos” as an informal mechanism for stimulating work efforts. For example, Philippe Van Parijs (2003, p.230) believes that promoting a work ethos can help to boost the expectations of the worst-off. The main concern for Van Parijs is to generate sufficient allegiance by the more skilled and qualified. According to him, it is important to design institutions that foster an ethos of work solidarity, not because of the intrinsic goodness of a life inspired by such an ethos but because of its instrumental value in serving the worst-off (Van Parijs 2003, p.231). The definitive characteristic of a strong work ethos is its “productivist” character. Its goal is to motivate people to engage in paid labor in order to contribute to the creation of societal wealth.

A second option is to promote a non obligatory ethos of work. This can be conceived in two main senses. On the one hand, there is a lax (but narrowly productivist) ethos that relies on the virtue of work. On the other hand, there is a broader ethos of justice that encourages the virtue of contribution. While the former ethos attempts to encourage people to cooperate through paid work, the latter ethos implies a wider conception of contribution. According to this last view, people can contribute to society by engaging in nonremunerated informal activities such as volunteering and caring for children, the ill, or elderly people, etc. The main characteristic of these relaxed ethoi is that their contributive dispositions are supererogatory. That is, contribution and work case are not a matter of obligation.

Although, it can be admirable that people contribute to society by engaging in activities, the ethos should not tell people that they have an obligation to engage in those activities. Instead, it should promote the idea that while those people who act according to the ethos are doing good things for the society, those who do not follow the informal guidance of the ethos are not violating their obligations of justice (Birnbaum 2012, p. 154-155). Therefore, the key difference between the strong work ethos and the relaxed alternative ethos is that contribution in the former is required while in the others it is supererogatory. The relaxed ethos respects the idea that people are free to act on preferences that deviate from the ethos’s

demand without violating their obligations of justice.

Simon Birnbaum (2011, 2012) identifies three main problems with these two alternative ethoi of justice. First, as he rightly points out, a “strong societal work ethos” can be oppressive and ostracize people in the name of freedom. Contrary to what the ethos’s advocates might imagine, a strong work ethos can marginalize and exclude those individuals who do not contribute or show solidarity with the community. A strong ethos of solidarity or patriotism – such as the one defended by Van Parijs – can ostracize those UBI recipients who do not follow the fundamental values of the ethos. Ostracizing those skilled individuals who do not want to work can be as problematic as denying them the access to resources.

A second problem is that a strong work ethos can reduce the set of options and ways of life. The informal expectations with respect to work and productive contributions can reduce the options that people have to engage in projects beyond the world of employment (Birnbaum 2012, p.146). Put another way, it can create a tension with the principle of neutrality that lies at the heart of unconditional proposals. According to that principle, no conception of the good should be asserted as better than any other (Van Parijs 1995, p.28). Unconditionality is justified on the grounds that it can avoid the promotion of any particular conception of the good life. That includes, of course, those ways of life that contest any ethos of contribution or work.

Birnbaum sees a contradiction in Van Parijs’s proposal. Roughly speaking, Van Parijs believes it is feasible with UBI implementation to provide a neutral framework within which individuals have the means that permit the pursuit of their different and potentially conflicting ideals of “good” life. The way of life of an individual who lives surfing all day in Malibu is no less valuable than that of another individual who dedicates several hours a day to farm work. A UBI is a distributive mechanism that compensates people for their condition as citizens and not for their ideals of a good life. However, as Birnbaum points out, the liberal principle of neutrality conflicts with those ethoi that promote formal employment as a good way of life because they will not be indifferent with the respect for leisure and

nonmarket options. As a consequence they can neutralize the liberal benefits associated with unconditionality.

Likewise, the option of promoting a relaxed ethos is vulnerable to other problems. Although relaxing the ethos can avoid the neutrality objection, it is open to what Birnbaum calls “the structural exploitation objection” (Birnbaum 2012, p. 154-155). Structural exploitation happens when some people gain the freedom to give priority to their personal projects only because there are other morally sensitive individuals who voluntarily remain stuck in burdensome forms of paid work. This is a common problem for both a broad ethos of contribution and a productivist ethos of work. Informal pressure will likely affect individuals in different ways. An ethos that hinges on supererogatory duties will allow the exploitation of the responsible individuals by the irresponsible ones. Stability and greater levels of freedom will be achieved due to the fact that some choose to perform the tasks that most people would prefer to avoid.

Birnbaum proposes a third possible ethos of justice to address the stability problem of unconditional redistributive schemes.¹⁶ His proposal promotes an ethos that endorses a wider duty of contribution that is broader than a narrow job-centered productivist ethos (Birnbaum 2012, p.146). The strategy is to decouple work from productivism by promoting an ethos that includes other relevant contributive activities that are not related to the formal sector of the economy (Birnbaum 2012, p.155). This broader ethos will encourage activities that are beyond the labor contract, activities that cover unpaid efforts and contributions. The idea is to promote a broader obligation of contribution that relies on informal expectations. Accordingly, people will need to internalize a civic duty of contribution that goes beyond the requirements of formal employment.

Birnbaum believes that this justice-preserving ethos based on contribution can deal with

¹⁶ It is important to note that Birnbaum’s main concern is showing the problems associated with Van Parijs’ alliance between a neutrality-based argument for UBI and a strict work ethos. Although Birnbaum favorably analyzes the prospects of an ethos of contribution as a potential solution to the problem of stability, he is not firmly committed to the claim that the ethos-based solution can take on all of the necessary motivational work required for fostering the stability of a UBI scheme.

all the problems that he identified. First, due to the fact that the ethos discourages very few activities, it should not become as oppressive as a strong work ethos is. Only a few activities and lifestyles could violate the ethos's guidelines. Second, by decoupling the work ethos from productivism, this ethos leaves room to pursue ways of life that get it closer to the ideal of state neutrality. Finally, its obligatory character should address the structural exploitation objection. This ethos will motivate most people to contribute in one way or another. All this ethos has to do is to motivate people to internalize a civic duty of contribution (Birnbaum 2012, p.165).

2.4 Problems with the Ethos Solution

The ethos-based solution is an elegant way to deal with the problem of stability without relaxing or eliminating the principle of unconditionality. The promise is that this ethos will guide people's choices without interfering with their freedom to live as they prefer. We might think that this solution preserves individual freedom because an ethos is not legally enforced and, as such, it does not rely on any formal threat of sanctions to influence our behavior. However, there are three problems with this potential solution. First, even an ethos that promotes a wider duty of contribution can become oppressive and violate people's freedom. Second, the motivational strategies that can be used to generate that ethos may be difficult to implement, monitor and control. Finally, the difficulties associated with implementing and developing that ethos may lead us to either preserve an undesirable status quo or to implement suboptimal redistributive policies. Let us consider these three problems in turn.

Birnbaum's broader ethos can face challenges similar to the ones identified with the other ethos solutions. The reason for this is simple: any ethos of justice that can be functional to a UBI will create two categories of people – those who comply with the ethos and those who do not. It is far from clear how this categorization can affect people's interactions. In particular, it is crucial to take into account the motivational mechanisms that the ethos

solution uses to deter undesirable behaviors. The thought is that an ethos that increases the range of activities that count as a contribution to societal wealth is enough to avoid ostracism and other shaming penalties by those who contribute toward those who do not. If most of us contribute in some way, then very few people can be the target of ostracism or any other form of informal punishment.

But this argument runs into a number of problems. To begin with, it is not clear how those individuals who do not contribute at all to societal wealth should be treated. Should they be informally punished? Birnbaum seems to think that there will be very few people in that particular position. If most people will contribute in one way or another to society, then few people will experience a loss of freedom. However, this outcome contradicts the normative principles that underlie unconditional and universal redistributive policies. A UBI is conceived of as a policy to promote real freedom for all and not just for those who meet the informal normative expectations of a particular ethos.

Moreover, even under an ethos that promotes a wider duty of contribution, some individuals will contribute more, in terms of both quality and quantity, to the stability and efficiency of the unconditional scheme. Different levels of contribution will presumably provide a distinct status among contributors. It is not hard to see how those who contribute more will not informally punish those who contribute less to society. It is an empirical issue whether such a wider ethos can be inclusive enough to count all contributions as equally valuable. If we accept that establishing a formal criterion to distinguish between contributive and non-contributive activities is complicated, then we should not overestimate the extent to which a set of informal underlying principles can do that job. Even with an ethos that specifies that the state should not force people to contribute against their will, individuals guided by a wider ethos of contribution can act in a variety of informal ways to punish those who do not contribute. This ultimately affects the freedom-enhancing virtues of unconditional redistributive policies. As Paula Casal points out (2013, p.7), it is reasonable to expect that an ethos can be accompanied by noteworthy non legal sanctions.

To simplify matters, we can imagine two main reasons to explain why people could follow the commands of a particular ethos of justice. On the one hand, people may follow the guidance of an ethos because of the congruence of its commands with their moral values and beliefs. Independently of whether or not it is worthwhile to cooperate, I may cooperate because I am convinced that it is the right thing to do. On the other hand, we may follow an ethos after calculating the costs and benefits that are associated with noncompliance. For instance, I cooperate because I get more benefits with cooperation than without it (e.g., having an extensive redistributive policy in place). But I also may cooperate because I can be punished if it is discovered that I exploit the cooperative behavior of others.

An important informal way to deter noncooperative behavior is through shaming penalties, that is, to shame those who fail to follow the ethos of justice. Shamefulness – “the desire not be thought badly of by others,” may induce people to behave in ways they otherwise would not (Elster, 2007, p.98). Shaming takes place when those who comply with the ethos of justice draw attention to the noncompliance of others, which results in the latter group perhaps being seen as less desirable as partners. Shaming can be a reasonable response for those whose behavior diverges substantially from the ethos. As a form of nonlegal sanction, shaming penalties that would operate with an ethos of justice should have a powerful deterrent effect. An ethos of justice that does not produce a deterrent effect will not fulfill its purpose. Thus, the power of shame will be concentrated in the hands of those who comply with the ethos.

There are, however, good reasons to be cautious about using a shaming mechanism as a motivational instrument (Nussbaum 2004). On the one hand, shame is not only an unpleasant feeling but it is a worrisome social emotion (Calhoun, 2004, p.128). It causes pain to individuals by subjecting them to social ostracism or demeaning treatment. Shaming could encourage the stigmatization of those who do not comply with the ethos, asking those who comply to view the former as shameful (Nussbaum, 2004, p.2). As a means of ethos enforcement, shaming penalties reveal those who do not contribute as being bad cooperative

partners. On the other hand, shaming penalties are difficult to control and monitor. As Richard Posner suggests, governments cannot control the level of ostracism and arbitrariness that shaming penalties may produce (Posner, 2000, p.95). It is not only difficult to evaluate which level of ostracism produces the right level of deterrence, but also the severity of shaming penalties is unpredictable.

One important question is what the government should do with those individuals who use the power of shame to subordinate and punish those who do not follow the ethos. Birnbaum believes that the oppressive character of an ethos that encourages contribution and cooperation can be eroded by widening the range of activities that fit the bill. But a large set of activities will have numerous subsets of contributive activities that are not equally valued and respected. I can try to convince those who spend hours caring for the elderly and children that my surfing performance is a relevant contribution to society because it attracts more international tourists to the country. However, many might disagree with my opinion and think that I am not honoring my duties of justice. Moreover, many can informally penalize my behavior. Recall that the main goal of a UBI is to minimize the levels of domination and increase individual freedom. However, if we think that a UBI can be stable only when there is an ethos of contribution in place, then we open the door for the possibility that those who contribute (or who believe that contribute more) take actions against those who do not. The challenge is, then, to find the appropriate way to determine the likelihood that an ethos of justice leads to oppression and ostracism.

A second and related problem with the ethos-based solution concerns the mechanisms through which an adequate ethos of justice can be fostered. Advocates of the ethos-based solution are not always clear about the mechanisms that can be used to generate the desired ethos. The claim that underlies the ethos-based solution is that this particular motivational strategy does not interfere with people's freedom. In Cohen's view, for example, an ethos does not limit individual freedom due to the fact that it is not legally enforced (Cohen 2008, p.195; Casal 2013, p.6). Once we transform the ethos in place, people will be motivated to

behave in ways that favor implementing unconditional redistributive policies. The problem is that not all the strategies to produce that ethos are normatively equivalent. For instance, subjecting people to intense indoctrination practices is not the same as trying rational persuasion to convince them of the goodness of cooperation and contribution. It is not only the case that different motivational strategies affect people's freedom in diverse ways, but also that alternative motivational instruments show a distinct respect for the principle of liberal neutrality.

The irony here is that an ethos of justice is conceived of as a solution to the motivational problems of a UBI because it does not require state interference on individuals' freedom. In other words, it seems to be assumed that the state should not play any role at promoting an ethos of justice that makes a UBI motivationally viable. However, it is difficult to imagine an ethos solution that does not require the state to play a role as a motivational agent. For example, public education is usually assumed to be a crucial strategy for promoting an ethos of justice. Some scholars believe that norms of reciprocity, cooperation and work ethics could be incorporated into the curricular requirements of publicly supported schools (Neufeld and Van Schoelandt 2014; Birnbaum 2012, p.165). Similarly, the state could promote an ethos of justice through public communication campaigns that persuade people to internalize responsibility, reciprocate and cooperate with one another, and so on. After all, governments commonly launch communication campaigns designed to persuade people to adopt pro-environmental behaviors, raise awareness about health issues, protect endangered species, promote organ donation and increase voting participation (Perloff, 2010).

The obvious difficulty here is that an educational system designed to promote a particular ethos of justice (i.e., one that favors the stability of UBI schemes) could easily take a perfectionist posture, favoring a particular ethos over others. This is particularly problematic for those – such as Birnbaum and Van Parijs – who are committed to respecting the liberal neutrality principle. We can expect reasonable disagreements, not only about the extent to which rival conceptions of ethos differ in the behavior patterns they prescribe, but

also about the educational processes needed to promote an ethos of justice.

Finally, a third problem with the ethos-based solution is that the belief that an adequate ethos of justice is necessary for the stability of UBI proposals may cause us to be stuck with an undesirable status quo or with suboptimal policies. The thought is that we should not implement a UBI until we are confident that most people's actions are informed by the correct ethos of justice. If we truly believe that an ethos is necessary for guaranteeing the stability of a UBI, then it is reasonable to think that implementing this kind of policy without having the right ethos in place can be counterproductive. How policies are implemented is as significant as the policies' content. A UBI that is implemented in a community that does not possess the right ethos of justice not only can fail in its redistributive goals but it also can erode its legitimacy. Thus, we could believe that although a UBI is the best possible redistributive plans it should not be implemented until there exists a particular ethos of justice suited to deal with potential motivational problems. But to adopt this position is dangerous for UBI advocates because it implies that a motivational reform is needed before implementing that type of redistributive strategy.

The problem with this reasoning is, of course, that it would make UBI inapplicable to a high proportion of societies in the present (and in the near future). This solution to the problem of stability echoes the common claim that people need to be educated and socialized before becoming recipients of redistributive policies. However, in many contemporary societies redistribution is required right now. Redistributive institutions should not be conceived of as policies that can only work properly once a new set of underlying informal values and principles regulate people's behavior. As Des Beus (2013, p.337) notes, UBI advocates face a dilemma: either they will endorse a UBI scheme that "will turn out to be a short-lived experiment because it undermines solidarity" or they will find the way to design a stable UBI that reproduces solidarity.

It is important to note that my arguments are meant to apply across different UBI's justifications that rely on the ethos-based solution. The reason for that is simple: by addressing

motivational problems through changing the ethos of justice, a UBI could lose its equality- and freedom-enhancing properties. Naturally, this is not to say that we should aim for an ethos-free zone that is evidently nonsense. Rather, the point is that the process of developing a particular ethos of justice that is well-suited for a UBI scheme can be much more challenging than some UBI advocates seem to recognize. As Joshua Cohen (2001, p.375) puts it: “Ethology, it is fair to say, is not a well-developed discipline. We do not know much about either the sources or consequences of a social ethos”.

Nevertheless, note that my first two criticisms are particularly serious for those UBI advocates aiming to honor the neutrality principle. Both Van Parijs and Birnbaum believe that all individuals’ conceptions of the good should be equally respected. According to them, the unconditional character of UBI is concerned with a genuine commitment to neutrality among the different conceptions of the good. The life of an individual who is surfing at the beach all day should not be considered as less valuable than that of another who is working several hours in a bank. A UBI is a distributive mechanism that compensates people for their condition as citizens and not for their particular tastes. But this commitment to neutrality can be incompatible with the processes and consequences of the ethos-based solution.

Naturally, not everyone will accept my portrayal of the ethos-based solution. It might be claimed that an ethos of justice does not necessarily need to interfere with people’s freedom. Certainly, we can think of different ethoi of justice that currently play an important role as freedom-enhancing mechanisms in contemporary liberal societies. Consider, for instance, the case of the “ethos of democratic mutual regard” extensively discussed by Stuart White (2003). That ethos commands people to “accept and affirm one another as equals in the design of the common institutions that are to govern their life together in a fundamental way” (White 2003, p.34). It makes manifest the equal worth of each citizen. White argues that this particular ethos is foundational to modernist political morality. In practice this ethos motivates people to treat each other as equals. It is reasonable to expect informal sanctions for those who violate the “ethos of democratic mutual regard.” But we could

argue that those sanctions are normatively defensible because a free and just society cannot be possible if most people do not respect the equal worth of persons.

Similarly, in the case of an ethos of contribution, the informal sanctions could be justified because they help to promote a policy that enhances freedom and justice. However, there is an important difference between the ethos of contribution and the ethos of democratic mutual regard. While the latter is also incorporated into many formal institutions, the former is imagined to be only a motivational instrument that operates at the informal level. In fact, an ethos of contribution will promote principles and values that are opposite to those promoted by the formal institutional arrangements. The ethos-based solution tells us that a UBI should be formally unconditional although informally conditional.

As Midtgaard (2008, p.11) suggests, it is difficult to argue that an unconditional scheme that includes nontrivial requirements of cooperation and contribution can be considered unconditional at all. We will have a formal institution – a UBI – saying that people should be free to do whatever they want with their life and informal motivational strategy suggesting the opposite. If it is the case that an ethos can lead to informal sanctions, advocates of the ethos-based solution have to explain why it is normatively problematic to promote a particular behavioral pattern (e.g., contribute, reciprocate, etc.) at a formal level but it is not to encourage the same behavior through informal motivational mechanisms.

2.5 Concluding Remarks

I have offered an account of the normative problems related to the ethos-based solution to the stability problem associated with unconditional basic income schemes. First, I argued that an ethos of contribution can become an uncontrollable informal instrument to deter undesirable behaviors. Some of the mechanisms that an ethos of justice uses to motivate people to contribute can significantly interfere with people's freedom. That potential outcome violates the normative basis commonly used to justify unconditionality. Second, I suggested that

developing and implementing an ethos of justice is a complex process that involves normative judgments and decisions. In particular, some of the motivational strategies that can be used to develop an ethos (education, communication campaigns, etc.) are not problem free. Even if an ethos of contribution is normatively justified and all parties are committed to that outcome, there may not be agreement on how to achieve that outcome. Advocates of the ethos-based solution have not properly explained how ethically questionable procedures to achieve that outcome can be avoided. Finally, I pointed out that the belief that an UBI will be unstable unless societies cultivate an adequate ethos of justice can favor the status quo or the implementation of suboptimal policies such as a modest UBI.

The ethos-based solution eliminates the motivational simplicity of UBI schemes. It moves from a basic assumption, that people's motivation and behavior are irrelevant at the time of implementing extensive redistributive policies, to acknowledging that UBI may embody motivational difficulties that need to be seriously considered. If we believe in the latter but we are also unwilling to sacrifice the principle of unconditionality, then we might run into some of the difficulties that I just mentioned.

The obvious question is, then, how we can deal with those problems. For instance, Birnbaum (2012, p.169) acknowledges that when the cultivation of an ethos produces many undesirable outcomes, then conditional redistributive schemes should be preferred. However, he is not as pessimistic as I am about the prospect of an ethos-based solution. His argument can run counter to my criticisms by showing that a wide ethos of contribution can be cultivated without producing serious normative consequences. But if my arguments are sound, advocates of unconditional schemes should move from the debate on "conditionality versus unconditionality" to a more serious discussion about which kind of conditionalities can be normatively defensible. Not all conditionalities seem to produce the same normative concerns. For instance, a conditional cash transfer predicated on children school attendance and health check up should not be treated as normatively equivalent to a mean-tested workfare policy that obligates the poor to work in jobs that nobody wants to take. It is, therefore,

an empirical and normative question whether or not some conditional redistributive schemes can be more freedom-enhancing and stable than unconditional ones. We should not assume that one is evil and the other is virtuous.

Chapter 3

What is Wrong with Conditional Cash Transfers?

3.1 Introduction

Many developing countries have implemented conditional cash-transfers (CCTs) in recent years. To put this in perspective, while in 1997 only Brazil, Mexico and Bangladesh had adopted CCTs programs, one decade later 17 countries from Latin America, three from Africa and seven from Asia had some type of CCTs in place (Fiszbein, Schady and Ferreira, 2009, p.205). This is an interesting situation because there are important ideological differences among the governments that adopted this kind of policy. In terms of how we typically understand ideology, then, both left and right governments in these countries have appealed to CCTs as redistributive instruments (Díaz-Cayeros and Magaloni, 2009).

CCT programs typically transfer money to the poor provided they follow a pre-specified course of action. Most CCTs are implemented to minimize the intergenerational reproduction of poverty and inequality by investing in human capital. For that purpose, CCTs require of beneficiaries that they change their behavior in certain ways, particularly with respect to the health and education of their children. Thus, most CCTs are conditional on school attendance and primary health utilization.

In general, most research on CCTs focuses on the empirical issues associated with the

design, implementation, and evaluation of this type of policy. In contrast to the extensive debate on workfare policies, the normative discussion about CCTs has been limited.¹ But, this chapter asks, what normative justifications (if any) can be given for the use of conditions in CCTs? In what follows, I argue that most of the normative criticism of CCTs points to problems that can be addressed through better policy design.

My view can be summarized as follows. First, in the case of CCTs, what makes conditions impermissible is not the nature of the conditions themselves but mainly the ways in which these conditions are implemented, enforced, and monitored. Second, conditionality should be understood as a policy instrument rather than as a particular policy goal. It is not necessarily associated with right-wing conservative policy positions. Finally, there is nothing intrinsically wrong with conditional welfare policies. The standard objections that welfare conditionality produces discrimination and stigmatization and also reduces welfare recipients' self-respect do not apply to well-designed CCTs programs. This is because the conditions that most CCTs commonly impose are mandatory for all members of society, independent of their socio-economic status or their position in that society.

This chapter proceeds as follow. Section 3.2 describes some of the more salient attributes of CCTs currently being debated in the literature. This includes a rough summary of the main reasons that have been used both to justify and also to criticize the use of conditionality. I illustrate these points with some remarks on Latin American CCTs. Section 3.3 explains why conditionality should be understood as a particular motivational strategy for promoting specific behaviors rather than as an ultimate policy goal. This distinction is important because a substantial portion of the literature on alternative redistributive policies tends to assume that any kind of conditionality is intrinsically bad or normatively impermissible.

¹The normative and empirical basis for workfare policies have been largely debated in investigations of the past decades. In this type of redistributive policy, individuals in receipt of welfare benefits are expected to fulfill some work-focused obligations or participating in a job-training scheme. There is an extensive scholarly literature on workfare. For a more detailed normative discussion see for instance: BouHabib and Olsaretti (2004); Dostal (2007); Goodin (2004); Handler (2004, 2005); Hibbert (2007); Jacobs (2004); Moss (2006); Smith (2010); White (2004*b*).

The final section discusses some potential normative standards for evaluating conditionalities. It argues that even if we accept the most important normative challenges against welfare conditionality in general, they nevertheless do not hold in the specific case of CCTs.

3.2 Conditional Cash Transfers

There exists a general consensus that welfare policies changed in the 1990s. The most significant transformation in that respect concerns an increased emphasis on implementing policies in which welfare benefits are made conditional on the recipients' compliance with certain behavioral requirements. CCTs are illustrative of this shift. This type of redistributive policy is defined by three basic components: a cash transfer, a targeting mechanism, and conditionality (Bastagli, 2011, p.62). The main objective of CCTs is to connect poor families with different benefits and generate minimal standards of inclusion that serve as a port of access to more comprehensive and inclusive welfare policies (Cecchini and Madariaga, 2011, pp.169–170). CCTs are also known as programs that promote co-responsibilities; that is, a co-responsibility between the state and the beneficiary.

Commonly, CCTs consist of family grants that target children in particular. The rationale behind this is that benefits are paid on condition that the children attend health clinics and school. However, as some scholars have pointed out, any given CCTs' design is the result of a balance between policy priorities and objectives. For instance, while some governments' main concern might be providing a minimum income guarantee, others may focus on the promotion of education and health outcome as their main goal (Bastagli 2011, p.65).

Built on the premise of behavioral conditionality, conditions can be binding – in the sense that they impose penalties on those who do not behave properly – or they can be based on a commitment without penalties. Conditions can also be executed at different points in the process. For example, while some conditions can be required before a person gains access to the benefit, others can be implemented during the actual receipt of the

benefits or for a period of time after having received them (Standing, 2011a, p.28). Thus, we can classify CCT programs according to the rationale behind the type of conditionality that they impose. A first type of CCT aims to change recipients' behavior toward greater investment in human development. In general, this type of CCT has specific mechanisms to monitor, enforce, and sanction behaviors. It specifies sanctions of various severity to those beneficiaries who do not fulfill the conditionalities. In this case, the fulfillment of conditions constitutes a central goal of the program itself given that its main goal is to promote human development for the poor. For instance, the Mexican program *Oportunidades* has education, health and nutrition conditions. It requires both minimum school attendance as well as eventual graduation. *Oportunidades* also requires attendance at scheduled medical checkups for all household members and monthly participation in educational programs that promote self-care (Cecchini and Martínez, 2012, p.97).

There is a second group of CCTs where conditions play a secondary role. This is because in those cases, the cash transfers are more important than the fulfillment of the conditions. For these programs, verification is weak and sanctions are moderate. Their main goal is to guarantee a basic level of consumption for poor families rather than to enforce and promote particular conditions. An example of a CCT with moderate or soft conditionality is the Brazilian program *Bolsa Familia*. Even though *Bolsa Familia* requires both a minimum school attendance for children and the fulfillment of the immunization schedule and other health checkups, its sanctions are stipulated according to different stages of non-fulfillment with the planned conditions (Cecchini and Martínez 2012, p.93). Thus, whereas in *Bolsa Familia*, non-compliance with conditionalities results in suspension 'of payments for the month in question but the amounts continue to accumulate and are refunded once the family certifies resumed compliance with conditionalities', in *Oportunidades*, non-compliance leads to an immediate cessation of the cash benefit (Cecchini and Martínez 2012, p. 96).

Finally, there is a group of CCTs with flexible or light conditionalities. They take specific modalities not associated with sanctions and suspensions. For example, there are some CCTs

where the conditions are negotiated with the families. An illustrative example of a CCT with light conditionalities can be seen in *Chile Solidario*. The benefits of this program depend on ‘agreement in the family contract on compliance with 53 minimum standards in education, health, identification, habitability, family dynamic monetary income and work’ (Cecchini and Martínez 2012, p.93). The benefits are canceled once non-compliance with the participation commitment is repeated. Thus, it is possible to see a simple continuum here, with those programs that strongly enforce conditions at one pole and those programs whose verification tends to be weak, or else penalties for non-compliance are variable and fairly flexible at the other.

Recent studies have shown that CCTs have positive effects on the health and education of recipients’ children as well as in terms of poverty reduction (Fiszbein, Schady and Ferreira, 2009; IEG, 2011; Rawlings and Rubio, 2005). In the short run, CCTs increase both the use of educational services and the utilization of health inputs. CCTs have shown a significant impact on the levels of school enrollment of children of recipients’ households in Colombia (Attanasio et al., 2010), Ecuador (Schady and Araujo, 2008), Mexico (Behrman et al., 2012) and Nicaragua (Maluccio and Flores, 2005). Compliance to the conditions imposed by these programs explains these results (IEG 2011). For instance, Baird et al. (2014) provide a systematic review of 75 reports from 35 different studies. When compared with no cash transfer programs, the authors find that both CCTs and unconditional transfers improve the levels of enrollment and school attendance. But they also show that CCTs that monitor compliance and penalize non-compliance have substantively larger effects (e.g. 60% improvement in odds of enrollment).

There are, however, some doubts about CCTs positive effects on the long run. For example, the effectiveness of CCTs in terms of improvement on test scores and learning for children in secondary school is modest (IEG 2011). While CCTs’ effects on school attendance and graduation (at different educative levels) is positive, there are mixed results in terms of learning outcomes. Baez and Camacho (2011) found, for instance, that the Colombian CCT,

Familias en Accion, has a positive impact on childrens high school graduation. Participants are more likely than non-participants to graduate from high school. The authors also show that the cohort of children from poor households who have benefited up to nine years of that program attained more school. However, they did not find a positive impact of CCTs on test scores.

As the IEG (2011) report points out, there is evidence on the heterogeneity of impacts across beneficiaries of different characteristics (age, gender, education, income, locality, etc.). Although program impacts appear to vary depending on the characteristics of beneficiaries, the heterogeneity pattern seems to be specific to programs and countries (IEG 2011). The evaluations through different methods of various similar CCTs suggest that a subset of impacts can be largely generalizable. The results in terms of school enrollment, consumption, poverty, and child labor are alike in similar CCTs no matter how and where they are implemented (IEG 2011, p.xiii).

3.2.1 Justifications and concerns about conditionality

There are three main justifications for the imposition of conditionalities. First, there is a paternalist argument suggesting that poor people need some guidance to behave in ways that are good for them and their families (Mead, 1992; Fiszbein, Schady and Ferreira, 2009, pp.51–59). In the case of CCTs, this idea is based on the belief that some lower income parents do not properly value the impact that education may have on their children. Some authors argue that cash transfers which are conditional on school attendance or health check-ups, constitute an incentive for parents to invest in the human development of their children. In that case, the parents are targeted but the children are the intended beneficiaries. This can be also seen as a way to strengthen the exercise of rights to education and health. The basic argument is that conditions send a signal to the beneficiary to show that investment in human development is important (Barrientos, 2011, p.18)).

A second argument in favor of conditionalities is contractualist in form. According to

this view, conditionalities are conceived of as the obligations that constitute part of the contract between the government and the welfare recipients (White, 2003, 2004*a*, 2005). This contract implies that if the government provides welfare benefits for some individuals, the beneficiaries should assume some responsibilities and obligations, in this case, to fulfill some conditions. It is the fulfillment of conditions which allows welfare claimants to honor relevant principles of justice (e.g. reciprocity, fairness). Finally, there is a political argument justifying conditionalities. This is based on the idea that in contexts where there is little support, conditionality may increase the political feasibility of a particular redistributive policy (Fiszbein et al 2009, pp. 59-64). That happens because those who fulfill the conditions can be perceived by the rest of the society as exhibiting good behavior and deserving welfare benefits (Goodin, 2003, 2004).

Notice that these three justifications are not mutually exclusive. It is possible to hold all of them simultaneously to justify conditionality. We could argue, for example, that conditionality is not only in the best interest of the beneficiaries themselves and their families, but it also both honors some important principles of justice and makes its political implementation more feasible than unconditional redistributive schemes. But these arguments can be used independent of one another as well. For example, we might argue that CCTs are only valuable for political reasons. Therefore, CCTs should be exclusively defended as an intermediate step towards more universal and unconditional redistributive policies (Suplicy, 2007).

This particular justification is not, however, compatible with the paternalist and contractualist arguments. This is because advocates of welfare paternalism and contractualism think that redistribution should have other important virtues that go beyond political feasibility. To give an example, contractualists justify CCTs not because they are the most politically viable redistributive strategy given current conditions, but because there are justice-based reasons to implement this kind of policy. According to this view, it is normatively fair that people who receive benefits from the state ought to return to the society in some way the

good they receive in the form of welfare benefits. In this case, the enforcement of conditions is necessary for promoting social justice.

The main difference, however, between paternalism and contractualism is that the former does not necessarily support the idea that the state must create just background conditions before imposing conditionality on welfare provision. Thus, paternalist and contractualist defenses of conditionality differ in their expectations of the government (Deacon 2004, p.917).

But what about the opposite side of the coin? That is to say, what is there to be said more generally against the use of conditionalities? We can identify six main arguments against conditionality that are relevant for the debate on CCTs. While the first set of criticisms is related to the effect that conditionality may directly have on welfare recipients, the last three objections point to potential problems associated with its implementation.

The first argument is that conditional welfare impose burdens over those groups that are already more vulnerable and marginalized. For example, the inclusion of conditionality can increase the risks of exclusion and the potential additional penalization of vulnerable groups (Deacon, 2004). This is what Stuart White denominates as the “contextual objection”. The idea is that conditional policies may exacerbate existing injustices. This may happen for two main reasons. On the one hand, they can promote an unequal enforcement of social duty which is discriminatory given that the non-poor are not evaluated in the same way as welfare claimants. On the other hand, conditional policies can consolidate the market vulnerability of unjustly disadvantaged individuals. This is especially relevant for the case of workfare policies in which individuals with poor education and non-inherited wealth have a pressure to take poor quality jobs (White, 2004a, p.279). Thus, under certain circumstances imposing conditions may be worse than the problems that conditional redistributive policies are intended to solve.

A second argument against conditionalities says that the process by which conditions are monitored and enforced is potentially both intrusive and stigmatizing (Van Parijs 1995; Wolff 1998; King 1999; Standing 2002; Raventós 2007; Lo Vuolo 2012). In the case of workfare

policies, for example, it is commonly argued that requiring welfare recipients to work several hours in jobs that nobody wants to take has an impact on recipients' self-respect (Wolff 1998). Similarly, and extending outside the scope of workfare-specific policies, it is argued that CCTs that force recipients to behave in particular ways have potentially undesirable effects on recipients' self-respect (Standing, 2011a; Freeland, 2007). Third, some critics of conditional policies believe that this type of redistributive strategy does not recognize citizens' social and economic rights. The thought is that in the same way that citizens are equally entitled to civil (e.g. rights concerning individual freedom) and political rights (e.g. democratic rights of participation), they should be also entitled to social rights, namely, economic and welfare rights such as access to minimum levels of welfare and income (King and Waldron, 1988). This is associated with the idea that CCTs are not a complete safety net. To see why, consider the fact that, say, CCTs focusing on children of a certain age not only exclude families without children in the targeted age group, but also may not serve the transient poor (Grosch et al., 2008, p.322). Without satisfying the requirements of inclusion, many disadvantaged members of society may still be unable to make use of such government-sponsored relief programs.

There are additional concerns with the implementation of conditional policies. The first worry is based on the assumption that conditional programs have higher administrative costs (costs of delivering the cash, targeting, monitoring, enforcement costs) than unconditional ones (Standing 2002; Handler 2004; Offe 2005; Lo Vuolo 2012). As Grosch et al (2008, p.322) point out, CCTs are complex programs to implement not only because they require an intricate interplay of government and administrative actors at local and central levels but also because the monitoring of conditions is information intensive and time sensitive.

A second point is that conditionalities create opportunities for corruption (especially among individuals who are responsible for certifying that conditions are met). A corrupted redistributive scheme can increase the discretionary power of those agents who are in charge of implementing, monitoring and enforcing the policy (Standing 2011a). A third pragmatic

concern is that conditionality may involve opportunity costs for recipients. For example, meeting conditions can increase the opportunity cost of time spent on job search and skill acquisition. Thus, conditionality can be counterproductive to beneficiaries' needs.²

A final point is that there is a supply-side problem that affects the implementation of CCTs in many developing countries. That problem appears when the programs are not associated with improvements in the supply side of education and health services. Without the expansion of basic services, we cannot expect that cash transfers will work on their own (Hanlon, Hulme and Barrientos, 2010, p.136). I will return to these concerns below.

3.3 Policy goals and tools

The discussion about universal vs. targeted and conditional vs. unconditional policies is usually understood as a debate about policy outcomes. It is commonly thought that conditional and targeted policies are associated with conservative approaches to social policy. Likewise, unconditional and universal policies are usually associated with more liberal or progressive welfare regimes (Esping-Andersen, 1990; King, 1999).

However, this conclusion is based on a failure to differentiate the desired policy outcomes from the instruments or tools used to address those policy aims. As Paul Spicker noted, the arguments about conditionality and targeting have been “colonized by particular partisan approaches, giving the political right a claim to a monopoly of certain methods and closing the minds of the left to strategic alternatives” (Spicker 2005, p.363). Nevertheless, targeting and conditionality can be used for diverse purposes. That is because targeting and conditionality should be primarily understood as tools of public policy, not specific policy goals. The thought is that it is improper to think about CCTs as a goal. Instead, it should be understood as a policy tool that can be used in various ways even as a means to a progressive or egalitarian redistributive policy. In fact, Díaz-Cayeros and Magaloni (2009, p.47) tested

²I thank Randy Calvert for suggesting this pragmatic concern with conditionality.

whether Latin American governments leaning ideologically to the right and center are more likely to adopt CCT programs than those on the left. They do not find evidence suggesting that “the choice of these programs is more or less likely to come from presidents who occupy a particular location in the ideological spectrum”.

Consider, for example, the distinction between universality and selectivity. Universality usually refers to the scope of a given policy. That is, to the extent of the population that is covered by a particular policy. Universal policies are open to all. Conversely, selective measures only treat a subset of the population as beneficiaries (De Wispelaere and Stirton, 2004, p.267). For instance, in many countries, education and health services are commonly provided in a comprehensive way. In those cases, all citizens at least nominally have equal access to education regardless of economic circumstance, gender, etc. However, there are some variables (notably age and citizenship) that are usually considered as relevant for delimiting the scope of voting rights, education access and so on. In the case of social policies, distribution to everyone is exceptional. In fact, most universal benefits are categorical and targeted on a broad group of people (children, full citizens, and the elderly). It is certainly difficult to avoid allocating resources to particular groups. The key normative issue, then, is not whether targeting should happen in the first place, but how to solve the potential problems of inclusion that arise from such targeting policies once they are enacted (Spicker 2005, p.357).

To complicate matters, it is usually the case that there is an important overlap between targeting and conditionality. This is so because while conditions are used as a means of targeting in their own right, targeted services are themselves sometimes both regulated and conditioned (Spicker, 2005, p.359). To put it simply, conditionality refers to the existence of conditions that may restrict individuals’ eligibility for a policy or service. Welfare policies usually come with different conditions attached that need to be satisfied before a recipient can gain or maintain eligibility (De Wispelaere and Stirton 2004, p.268). While it is possible to have a targeted policy without imposing any kind of conditions, redistributive policies

appeal most of the time to different sorts of conditions. Thus, while targeting refers to factors beyond beneficiaries' control, conditionality refers to choices the beneficiary can make.

The normative claim for rejecting conditions is usually made not against those conditions that can be used to categorize beneficiaries (age, gender, citizenship status) but mainly on those conditions that impose particular moral criteria. That is, those conditions implemented for regulating and disciplining beneficiaries in a specific way. The case for unconditionality is mostly built on this controversial assumption. Supporters of unconditional redistributive policies emphasize that unconditionality is the only mechanism that we can employ to avoid paternalism and protect people against the arbitrary exercise of power by welfare schemes (Van Parijs 1995; Standing 2002; Pateman 2004; Raventos 2007). It seems, however, difficult to argue that all conditions aimed to regulate and motivate particular behaviors are normatively troubling.

One example will help to explain why it is that not all conditions with a motivational goal are normatively troubling. Consider the defense that egalitarians have historically invoked when justifying market regulation. The main argument behind this defense is that egalitarian outcomes will not be possible without the regulation of economic agents. Individual economic agents (such as an individual, a household, a company, a firm, etc) act in ways that make it difficult to level the playing field. Egalitarians have criticized the idea of the free market on many grounds. Here I cannot seriously engage the extensive literature on egalitarian criticisms of market economies so I will merely state two well-known reasons. The first is that free markets are accused of being incapable of generating socially optimal outcomes and of allocating equal opportunities among economic agents.

The second is that free markets create incentives that lead economic agents to behave in morally dubious ways. For instance, there are important controversies concerning the morality of certain markets (e.g. markets in human organs, reproductive services, life-saving medicines, markets for tax shelters and so on). Among other things, the existence of markets of vice or noxious markets has led many scholars to evaluate whether or not there are some

things that should not be bought and sold and how we should respond to those kinds of markets (Walzer, 1983; Braithwaite, 2005; Satz, 2010; Sandel, 2012). Taking into consideration that egalitarians are in favor of regulating and conditioning behaviors of economic agents that lead to markets of vice, can we also claim that regulatory and motivational strategies are compatible with egalitarian goals?

Curiously, many of those who defend state regulation and intervention at the economic level ask for the opposite thing at a redistributive level. Even though the parallelism is imperfect, the idea of unconditionality is problematic in at least two senses. The first is that agents' behavior can lead to some undesirable results that could – in principle – be minimized through regulatory and motivational strategies. The second is that practically all social benefits are inevitably subject to some form of conditionality. In the final analysis, there is no welfare regime that does not impose some form of condition (Goodin 2004, p. 298). The crucial point here is not to reject conditionality out of hand, but to critically evaluate the best way to distinguish between permissible and impermissible methods of conditional scheme implementation.

3.4 Normative evaluation of conditionalities

So far I have argued that the use of conditionalities should be understood as a motivational strategy that can be used for achieving different policy outcomes. If we accept that regulation might be necessary to pursue redistributive goals, then the next move is to discuss how we can draw a distinction between ethical from unethical conditional policies. Guy Standing, a well-known advocate of unconditional welfare policies, presents a criterion for evaluating the normative implications of the motivational strategies attached to CCT programs. His proposal is useful in that it incorporates most of the criticisms discussed in the previous section. According to him, there are three main ethical principles relevant to conditionality: (1) a security difference principle, (2) a Paternalist Test Principle and (3) a Right-not-Charity

Principle. With a Rawlsian flavor, the first principle says that a redistributive policy can be just only if it reduces the insecurity of the most insecure. Thus, a welfare policy would be flawed if it does not help those who are the most insecure. Standing believes that CCT programs do not satisfy this principle because they add unnecessary complexity to the process of selecting and targeting those beneficiaries who are most in need. Moreover, according to him it is arbitrary to decide who should be included and who should be excluded from receiving benefits. The use of conditions may make those boundary problems even worse.

The second principle argues that a redistributive policy is unjust if it imposes controls on some groups of society but not on those who enjoy better levels of freedom. Standing argues that conditionality offends the Paternalism test principle ‘by imposing controls on benefit recipients that are not imposed on others. It intrudes on their liberty and whittles away at their sense of personal responsibility’ (Standing 2011a, p.31). Finally, the Right-not-Charity Principle establishes that a policy can only be considered just if it enhances the rights of beneficiaries while at the same time diminishes the discretionary power of the providers.

There are many issues that should be considered in examining the implications of this principle. First, it is commonly thought that conditionalities create opportunities for corruption. If this is the case, CCTs could increase the discretionary power of providers. The second problem is that CCTs entail a democratic deficit since beneficiaries do not directly participate in the design, implementation, and evaluation of these programs. As Veit-Wilson noted, the issue here is not just “whether CCTs improve levels of living for people in poverty in ways they approve, but also whether they accept the sanctions as appropriate when conditions are not met” (Veit-Wilson, 2009, p.171)).

A third problem is that conditionality offends the rights-not-charity principle because “people cannot be said to have a right if they have to behave in ways determined by the state or its agents particularly if they think that behaving differently would be preferable” (Standing 2011a, p.32). This problem is especially germane when there are difficulties in the supply of services. For example, some children may not be attending school or health clinics

due to a lack of such facilities to attend (Lund, 2011, p.6). CCT programs that are not associated with improvements in the supply side of education and health services will fail and impose unfair conditions on beneficiaries. Standing believes that parents know better than the state when it is appropriate to send their children to school and to the health centers given the supply of services available.

Undoubtedly, the implementation of CCT programs may have undesirable normative implications. However, it seems that most of these concerns are not as significant as Standing and other opponents to CCTs argue. That is because most criticisms do not apply to CCTs' conditionality. As I have already implied, properly designed CCTs can potentially avoid most of the normative and technical concerns commonly used to criticize other conditional policies.

Workfare schemes, for example, are commonly criticized for stigmatizing beneficiaries and increasing their vulnerabilities. There are good reasons to believe that the ways in which these policies are applied can consolidate the disadvantage suffered by those who have unjustly limited opportunities. As Stuart White points out, "in a society in which there is considerable injustice in the background distribution of assets and opportunities, some individuals will face unjustly limited employment opportunities. A combination of no inherited wealth and poor education will restrict their options, so that they have little choice but to move into poor quality (abusive or exploitative, or simply very unpleasant) jobs" (White 2004a, p.279). The implication to be derived here is that there are some necessary preconditions for conditionality to work in a fair way. We should be wary of conditional schemes that only function as a mechanism to reproduce social inequalities.

Nevertheless, there is a significant difference between the conditionality commonly imposed by workfare schemes and those typically used in CCTs programs. While the former are exclusively targeted on changing the behavior of welfare recipients, the latter are aimed to promote behaviors that are a priori expected from all citizens regardless of their socio-economic status. Paternalist and contractualist justifications of workfare are predicated on

the assumption that people need to be more responsible of their own welfare and that they need to collaborate with others in making the social product. However, this kind of policy exclusively regulates the behavior of welfare claimants. Workfare policies do not regulate the “work ethic” and the attitudes towards unemployment and other forms of social contribution that the most advantaged members of society may have. The inheritance-rich are under little economic pressure to work and, of course, have no need welfare assistance. Therefore, they may behave in all those objectionable ways that most workfare advocates want to minimize in our societies. The problem is that, contrary to what happens with the inheritance-rich members of society, the asset-poor individuals can hardly refrain from accepting conditional welfare benefits. The consequence of this is that workfare policies can be highly discriminatory at the point of regulating behavior.

But that is not the case with the conditionalities behind CCT programs. Most of those conditions are mandatory for all members of society, independent of their socio-economic status. Schooling, for example, is mandatory in most democratic countries for at least six years. This requirement is difficult to enforce, however, in places where schooling and child labor are substitutes. Poor households may prefer to send their children out to work in order to increase their short-term economic situation, at the expense of obtaining a higher remuneration in the long term (Grosh et al. 2008). If CCTs can help to keep children from underprivileged homes at school instead of working, why should we reject that kind of conditionality? In that case, CCTs only operate as an instrument to enforce a policy that has a universal scope.

It can be objected that even though CCTs enforce a universal obligation, they still could be stigmatizing. The concern here is that we may have a policy (e.g. mandatory schooling) that has different levels of enforcement: one part of the population have penalty γ and other part has penalty γ plus a bonus penalty that could potentially be stigmatizing. The thought is that although there is a rule that requires everyone to complete a certain level of schooling (e.g. six years in school), CCTs provide additional penalties for those who do not

comply with that rule. This objection, however, assumes that universal obligations always require the same type of sanctions for everybody. But that is a difficult argument to accept. There is nothing intrinsically wrong with having a universal obligation with various types of penalties for non-compliance. In fact, fairness may require that a variety of levels and types of sanctions apply to various groups for failing to fulfill a universal obligation. Universal policies can be enforced differently based on people's situation, but there is no necessarily an issue of stigma with that.

Similarly, it could be argued that "if we want improved school and clinic attendance by the poor, then the best way would be to improve primary education and health services close to where poor people live" (Freeland 2007, p.77). But that argument is not compelling in cases where child labor or low schooling attendance are serious obstacles for children's formal education. In those cases, it is not clear how an improvement of primary education can be enough to solve the problem. Besides, and more importantly, this argument needs an additional explanation of why CCTs are an undesirable policy tool to make sure that most children and young adults attend school. Other things being equal, we should welcome CCT programs that can help to achieve this goal.

There is no doubt that it is unfair to enforce conditionalities that in principle cannot be fulfilled. Making benefits conditional on school attendance and health check-ups is unreasonable if there are supply-side constraints. Similarly, the use of conditions can hardly be justified in the presence of patronage and corruption. This mainly happens when CCTs become instruments of patronage that can be manipulated by different political actors. But that does not necessarily need to be the case. CCTs can be implemented along with the establishment of different accountability and transparency mechanisms (Cecchini and Madariaga 2011).

For example, a recent study for the Mexican case suggests that CCTs' design emphasis on audits, evaluation and monitoring can block opportunities for corruption (Grimes and Wängnerud, 2010, pp.676-677). CCTs put in place various evaluative mechanisms that are

planned for continuously monitor the outcomes and performance of this type of programs. As Grimes and Wangnerud (2010, p. 676) point out, that emphasis on outcome evaluations limits the room for blatant manipulation since continual monitoring and evaluations are conducted independently of the CCTs programs.

Additionally, it is a common mistake to assume that unconditional redistributive policies are always more efficient and easier to administrate than conditional ones. As De Wispelaere and Stirton (2011) have explained, unconditional basic income proposals aimed to achieve a real inclusion of all recipients also present considerable administrative challenges that should not be taken lightly. We need more empirical work to better compare how unconditional and conditional redistributive schemes performs in terms of efficiency, efficacy, accountability and transparency.

3.5 Concluding remarks

Welfare conditionality has many proponents and detractors. In the course of this chapter I attempted to explain why the existence of conditions in a redistributive policy does not tell us anything about its progressive or inclusive nature. It is a mistake to assume that conditionality necessarily leads to discrimination, stigma, social exclusion and the deprivation of people's rights. Instead of focusing on conditionality per se, we should spend more time examining the ways in which conditions may be justified, imposed, monitored, evaluated and so on. The case of CCT programs is a good illustration of a conditional redistributive scheme that appeals to permissible conditions.

Permissibility depends, of course, on many different variables. Let me mention two relevant points. First, CCTs impose conditions that are required for both beneficiaries and non-beneficiaries of that policy. In consequence, it is difficult to support the common objection that conditional redistributive policies are discriminatory. What can make CCTs discriminatory and abusive is the way in which this kind of redistributive strategy is imple-

mented and enforced. Schooling is an obvious example of a policy that is required for all the citizens, independent of their socio-economic status. Some forms of minimal preventive health care (e.g. vaccination) are also mandatory requirements in most liberal democracies. Thus, CCT programs can be seen as an additional motivational instrument for minimizing non-compliance with these two important universal policies.

Second, even though CCTs can be seen as a form of interference with beneficiaries' freedom, it is difficult to argue that there is a universal argument against any form of interference. That is because it is difficult to justify unlimited freedom of action. Most of our rights and liberties would be jeopardized if we neglect of any form of governmental authority or intervention. There can be no individual freedom unless we accept that some limits are necessary for making freedom possible. The question, in that case, is not only whether the CCTs' conditionalities are acceptable, but also whether we can accept having compulsory education and health-check up for all children in society.

No one, however, should assume without argument that conditionality is always required. That conditionality can be permissible does not mean that it is always needed. In order to evaluate the permissibility of conditional redistributive schemes, we cannot only take into account what welfare recipients are expected to do. As White and Cooke (2007, p.7) argue, any sophisticated normative analysis of conditionality needs to evaluate whether those expectations are reasonable for the welfare claimants (given their circumstances), who has the power to decide the nature of those expectations, and what type of reciprocal support other actors and institutions do offer. For instance, CCT programs can be designed to provide beneficiaries with the power to negotiate the type of specific conditionalities that they would have to fulfill (as in the case of Chile Solidario). CCTs also need to be avoided where the supply of required services is scarce or corrupted. While those are important facts to be considered at the time of implementing a conditional redistributive scheme, they do not constitute an argument against conditionality, per se. If my argument is sound, the debate on unconditional redistributive policies (notably the debate about unconditional basic

income and similar proposals) should more seriously take into account the idea that not all conditions are normatively indefensible. What forms of conditionality can be accepted, and for what reasons, by universal basic income supporters?

Chapter 4

A Defense of Participation Income

4.1 Introduction

This chapter offers a novel defense of participation income (PI). A PI consists of an income, available to all members of a society, that is paid in exchange for an activity that can be useful for the society (Atkinson, 1995a, 1996). In its standard formulation, a PI has three main defining characteristics. First, in contrast to other redistributive policies that impose work requirements, it does not require a strict participation in the labor market, but that the payment is made based on a broad idea of social contribution. It could be any class of activity, from working in the labor market to the caretaking of young- or old people, etc.¹ Second, a PI is paid to individuals, not to households or families. In contrast to means-tested policies that are assigned to the family as a whole, all adults can receive a PI regardless of marital status and of their family circumstances (Atkinson, 1995b, p.3). Finally, while most current welfare policies requiring work participation among welfare recipients target the poor and unemployed (e.g., workfare policies), a PI is a universal redistributive policy that does not target a particular group. It only requires that those who claim welfare benefits make a

¹In Atkinson's words: "while the qualifying conditions would include people working as an employee or self-employed, absent from work on grounds of sickness or injury, unable to work on grounds of disability and unemployed but available for work, it would also include people engaging in approved forms of education or training, caring for young, elderly or disabled dependents or undertaking approved forms of voluntary work, etc." (Atkinson 1995a, p.301; 1996, pp.68–69).

valuable contribution in return. Thus, both rich and poor are entitled to a PI.

Although PI has been widely mentioned in the literature on unconditional basic income (UBI),² its main implications have been largely unexamined.³ This chapter seeks to fill that void. In particular, it argues that there are pragmatic and normative reasons to prefer a PI over other alternative redistributive policies such as a UBI and workfare programs. I argue that a PI should be conceived as a particular type of civic service program designed to address a large number of unmet social needs that are not met by entrepreneurs in the marketplace. Even affluent societies have a wide variety of unmet social needs in areas such as education, human services, environmental protection and public safety.⁴ At present, we know very little about the potential benefits or negative consequences of a PI. However, we do have a long experience with civic service programs from which we can draw some comparisons and lessons. In fact, some of the main normative, political and administrative worries about PI coincide with some of the main concerns of scholars, policymakers, politicians and practitioners regarding civic service programs.

I consider five potential objections to PI programs: (1) PI imposes disproportionate burdens on the poor; (b) it is likely to perform poorly in establishing a rule or criterion to distinguish useful from useless activities; (c) the conditionalities attached to this redistributive program unacceptably interfere with individual freedom; (d) PI may produce undesirable effects in the job market, and (e) unmet social needs can be better achieved by the voluntary actions of the recipients of an unconditional scheme than by the recipients of a PI.

This chapter is organized as follows. Section 4.2 both describes the main justifications of PI and develops my proposal of conceiving a PI as a particular type of civic service program.

²A UBI is an income paid by a political community to all its members on an individual basis, without means tests or work requirements: a) even if they are not willing to work; b) irrespective of their being rich or poor; c) no matter who they live with; and d) no matter which part of the country they live in (Van Parijs 1995, p.35).

³The main exception is De Wispelaere and Stirton (2007). Other relevant, although brief, analyses of PI can be found in Barry (1996), Van der Veen and Groot (2000), Vanderborgh and Van Parijs (2001), White (2003, chapter 7), Little (2004), Zelleke (2005) and Vanderborgh (2012).

⁴In this chapter, I use “civic service,” “community service” and “national service” as exchangeable terms. For a discussion of these categories, see (Evers, 1990, p. xxii) and (Frumkin and Jastrzab, 2010, p.4).

Section 4.3 addresses five objections that can be raised against my argument. Section 4.4 concludes.

4.2 Reasons for a PI

Atkinson’s characterization of PI is open to interpretation. He simply defines a PI as a basic income paid on the same rate to all those individuals who participate or contribute to society (Atkinson 1996, pp.68–69). The key difference between PI and UBI proposals lies in the conditional character of the former. However, Atkinson’s proposal does not provide a precise rule to define the forms of contributions that can entitle people to receive a PI. Different formulations of that rule have dissimilar effects on the implementation and execution of this program. Consider, for instance, the three alternative models of PI discussed by De Wispelaere and Stirton (2007, p.529):

Model 1: A person who devotes at least 10 hours per week in employment; self-employment; volunteering for a charitable organization; studying at a university or college; or caring for dependent parents, children, or spouses shall be entitled to receive a PI.

Model 2: Any person substantially engaged in an appropriate socially valued activity shall be entitled to receive a PI.

Model 3: A person who undertakes activities as prescribed in the following table shall be eligible to receive a PI. (Such a rule would then be followed by a detailed table displaying various types of employment, positions within voluntary organizations, approved college and university courses, disabilities, and care-work activities.)

According to De Wispelaere and Stirton (2007, p.529), the first model can perform “poorly in terms of congruence with the underlying policy of promoting an inclusive conception of active citizenship” that is demanded by PI supporters. In other words, it can underperform in terms of inclusiveness. For example, it can be underinclusive (not capturing many socially valuable activities) and overly inclusive (including activities that do not contribute to the public good). The main problem with the second model is that it offers a vague, all-encompassing criterion of participation. The use of such a broad criterion can

produce “conflicting interpretations by clients, welfare officers, policy makers, and even the general public” (De Wispelaere and Stirton 2007, p.529).

The third model is not problem free either. In particular, it only works when policymakers foresee “all the socially valuable activities of which individuals can conceive and a list of such activities is likely to be extremely complex” (De Wispelaere and Stirton 2007, p.530). Although Model 3 can show high levels of accessibility and congruence, these gains can come at the expense of transparency. In this chapter, I defend a variation of the third model of PI. In this variation, people are eligible to receive a PI provided they perform any of the activities that are prescribed in a detailed and specific list of socially useful activities. In Section Two I discuss the details of how that list can be created and managed.

In this chapter I also assume that a PI can be designed to offer differential levels of payment in order to not only guarantee a basic income for all those who contribute to the social product of society, but also to attract more people to perform those tasks that are identified as socially useful in the list. Notice that Atkinson does not fully evaluate the possibility of having a PI with a differential level of payment for different types of jobs. However, it is reasonable to think that a PI scheme which includes a broad range of socially useful activities will require differential monthly payments for those activities that, although important, are less attractive or burdensome for PI participants. The differential levels of payment should be announced in the list of activities that count as socially valuable for a specific community.

Likewise, it is important to note that as a non-means test policy, a PI is not interrupted once a PI’s recipient receives a paid job. In fact, Atkinson stipulates that people with paid employment should also have access to a PI. In this case, those formally employed should show that they perform a socially valuable activity. This last point, however, raises some practical issues. For example, we need a criterion to determine what forms of paid jobs count as socially useful activity. The alternative that I assume in this chapter is to implement a different level of payment that distinguished between those who directly participate in a PI

scheme by performing the activities included in the list and those who receive a PI because of their work in other independent forms of paid employment. Thus, we can imagine a PI scheme that pays a higher basic income for the former than for the latter group.

4.2.1 Two justifications

Atkinson believes that a PI can reduce the dependence on means-tested benefits. Means-tested policies, he says, produce counterproductive behavioral effects by penalizing personal effort and contributing to create an “unemployment trap.” Under means-tested schemes, welfare recipients may be trapped in poverty because they have limited incentives to seek and accept a job. That is because those who want to return to work may risk losing their welfare benefits once they accept a job. PI’s compatibility with other income sources can help to make the unemployment trap disappear (Atkinson 1995b, p.3). Thus, it should help low-income individuals to improve their situation through their own efforts. It should improve the economic independence of married men and women who are not in paid work and who live with a partner. As De Wispelaere and Stirton (2007, p.524) suggest, a PI seems to be the middle ground between, on the one hand, means-tests and targeted redistributive policies and, on the other hand, universal and unconditional schemes. A PI inherits the contributive component of the former. As with workfare policies, a PI is conditional on an individual’s behavior. A PI shares the universalism of the latter. The income entitlement for most (all adult, able-bodied) individuals is conditional on their contribution.

A PI has been justified on two main grounds. The first justification is based on the assumption that a PI and a UBI share key normative implications but that the work requirement associated with the former will facilitate its implementation. Thus, the first argument for preferring a PI over a UBI is that the former is considered to be more politically feasible than the latter and normatively less objectionable than workfare programs. As Goodin (2003, p.74) says, socially useful participation is “politically required by mean-minded electors”. Likewise, Atkinson (1995a, p.301) believes that, in order to secure political support,

UBI advocates should compromise “not on the principle that there is no test of means, nor on the principle of independence, but on the unconditional payment.” If it is true that a major reason for opposition to UBI lies in its lack of conditionality, then a PI should be able to secure the needed political support. This political feasibility argument is based on the assumption that a UBI scheme is politically unfeasible in the short run. A PI is a more feasible policy that can work as an intermediate step to the future implementation of unconditional schemes. Its conditional nature makes it easier to put together political coalitions that support implementing this type of redistributive policy. It is more likely that advocates of more extensive redistributive schemes will have more possibilities to construct coalitions that support conditional than unconditional policies. However, it is an empirical question whether the conditional character of a PI makes a significant difference in terms of political feasibility.

Similarly, we could think that the conditional nature of a PI can help to address and solve problems of stability. As I discussed in chapter 2, although there are different ways to interpret the notion of stability, the most common notion used in the social science- and normative debate is that of stability as resilience (Hansson and Helgesson 2003). When a particular variable is exposed to disturbances, we can say that that variable is stable if it returns to its original state or to a similar stage after the perturbation. In this view, stability is related not only to the changes that take place but also to how the relevant variable would respond to potential disturbances. The stability of redistributive institutions highly depends on people’s motivation. Institutions would fall apart if they were unable to secure the motivational conditions that make them viable.

We may think that PI is likely to be more stable than UBI schemes because it can override disruptive behaviors. Unconditional schemes like a UBI do not adopt any motivational strategy to deal with those motivational obstacles that affect their stability. An important concern is whether unconditional redistributive policies can be designed to generate the motivational conditions that make possible their own support. UBI schemes are designed

to give people the freedom to decide whether or not to participate in the job market. We can expect that this type of policy will not be stable if most people minimize their time spent in formal paid employment (Midtgaard 2008, Birnbaum 2012). The resources that make this kind of policy possible need to be produced by some members of society. As a consequence, the main motivational challenge for UBI advocates is to find ways to motivate people to take up paid employment when they have the freedom to withdraw from paid work. A PI is better equipped than UBI to address that problem. It offers positive inducements to motivate people to either participate in the formal employment sector or to contribute in activities that are socially useful but which are not market generated. Moreover, a PI is designed to avoid the poverty trap. That is, financially poor PI's recipients are not faced with the dilemma of accepting any kind of paid work. A PI is a conditional subsidy that can be accumulative; it can supplement any other existing income. Since people working in any formal job are entitled to a PI, there is an incentive to accept formal paid work.

Second, there is a justice-based argument for PI. The thought is that a PI can better honor some important principles of justice. It can help to ensure a substantial degree of equality of opportunity and to satisfy the demands of reciprocity. Some scholars endorse and justify redistributive schemes that resemble a PI because they believe that these kinds of arrangements can enforce the demands of reciprocity through the welfare system (Gutmann and Thompson, 1996; White, 2003). For example, Stuart White (2003) defends a conception of economic justice based on the idea of fair reciprocity. That is a conception of economic citizenship that balances rights and obligations. In a nonideal form, fair reciprocity requires that those institutions that govern economic life are able to guarantee a threshold level of opportunities. Among other things, it implies that the state promotes policies in order to combat privation, market vulnerability and associated risks of exploitation and abuse, lack of self-realization in work, and class inequality (White 2003, p.78). According to White, fair reciprocity implies not only rights but also obligations. It requires a commitment to substantive economic reciprocity. The idea is that "if one willingly enjoys the fruits of one's

fellow citizens' labours, then, as a matter of justice, one ought to provide some appropriate good or service in return" (White 2003, p.50). White believes that any able-bodied member of the political community who made a reasonable contribution to the social product could claim a share of the social product. Nevertheless, he recognizes that work enforcement is fair only if certain conditions related to the distribution of assets and opportunities in the economy are met.

In order to meet these conditions, a universal but conditional basic income may well be needed (White 2003, p.130). A PI works well for this purpose because it is less vulnerable than a UBI to the exploitation objection (White, 2002, p.149). This objection says that unconditional schemes such as a UBI allow some citizens to engage in a morally troubling and parasitical relationship with their fellow citizens. Since a UBI guarantees an income without demanding a productive contribution in return, people are able to free ride on the productive efforts of others (White, 2003; Elster, 1986; Van Donselaar, 2008).⁵ Thus PIs could be understood to be redistributive schemes that promote reciprocity and deter free rider behaviors.

4.2.2 An alternative justification

The justification of PI that I propose here is a pragmatic and not a principled one.⁶ I do not claim that a PI would be the natural consequence of pursuing this or that particular conception of social justice. Instead, the justification that I provide here for PI is entirely based on the belief that a PI can be the better way to achieve some important goals. In particular, I believe that a PI has two advantages over other unconditional and conditional redistributive schemes. First, I agree with the argument that a PI can be more politically feasible and stable than other schemes. A PI may build the necessary political coalitions

⁵Note that although these arguments can be complementary, they are independent of each other. We can justify a PI due to its potential political feasibility without accepting that the conditional nature of this policy honors important principles of justice.

⁶See Barry (1996) for a discussion on pragmatic and principled justifications of UBI proposals.

to secure its approval by legislatures and other public bodies. Similarly, a well-designed PI program can be specially suited to deal with motivational obstacles that may affect extensive redistributive policies. Once a PI policy is implemented and it achieves its objectives in an efficient and effective fashion, we should expect that it will generate its own support by promoting behaviors that contribute to its stability and undermining those that challenge its stability. As I discussed above, a PI is better suited than are unconditional redistributive schemes to address those free-rider problems that undermine cooperation.

Because the feasibility and stability argument for PI has been extensively discussed elsewhere, I do not examine it further here.⁷ For now I focus on an alternative and underexplored pragmatic reason to favor a PI scheme, namely, the idea that this type of program can be designed not only to redistribute income but also to allocate human resources. In particular, I argue that a PI can be conceived of as a particular type of civic service program that is aimed to address and tackle unmet social needs. The range of services directed to address unmet needs goes from neighborhood cleanups, environmental protection and gardening projects to addressing educational needs (i.e., tutoring children, literacy instruction, computer instruction, after school programs for children) and helping in homeless shelters.

Roughly speaking, “civic service” can be defined as an “organized period of substantial engagement and contribution to the local, national, or world community, recognized and valued by society, with minimal monetary compensation to the participant” (Sherraden, 2001, p.1). Civic service differs from occasional volunteering since servers participate in a long-term, intensive, and structured service (McBride, Sherraden and Menon, 2007, p.240). That definition encapsulates a wide range of activities. Civic services commonly differ in aspects such as the role that government and other organizations play in their implementation, the profile of participants that are recruited and the type of strategy that is used to motivate people to serve. For example, while some programs are exclusively operated by public organizations, others are managed by private and nonprofit organizations (McBride,

⁷ See, for instance, Atkinson (1995b, 1996), Goodin (2003) and De Wispelaere and Stirton (2007).

Sherraden and Menon 2007, p.240).

Likewise, civic service can be sponsored and implemented by governments and nongovernmental organizations at local, state, national, or international levels. Different criteria can be used to recruit servers. For instance, the three most important domestic, civilian national-service programs in the U.S targeted participants with different profiles and characteristics. While the Civilian Conservation Corps (CCC) recruited nearly three million unemployed needy young men and veterans, Volunteers in Service to America (VISTA) targeted college students, graduates and residents of poor communities, and AmeriCorps recruits service-oriented members from different backgrounds (Bass, 2013, p.3). Finally, participation in civic service programs may be compulsory or voluntary. In their global evaluation of civic service in the world, McBride, Benítez and Sherraden (2003) found that of the 210 programs found in 57 countries, only four percent were compulsory.⁸

There are at least three main justifications for civic service programs. They tell us why we should have this kind of program, what kind of aims they should accomplish and what kind of benefit they produce.⁹ The first justification suggests that civic service can be designed to address unmet social needs. In particular, it is argued that this type of program can attend people with needs that are not covered by either the state or the market (Boyte, 2011). Accordingly, civic service is an alternative way of delivering at low cost important public services that otherwise would not be available to communities without reliance on traditional forms of contracting or direct public service employment (Frumkin and Jastrzab 2010, p.20).

A second justification comes from the idea that civic service can shape citizens' character (James, 1926; Barber, 2003; Walzer, 1983, 1988; Moskos, 1988). There are two variations of

⁸For a good overview of civic service programs around the world see Eberly and Sherraden (1990) and McBride and Sherraden (2007). For an evaluation of civic programs in Latin America see Perold and Nieves Tapia (2008). A discussion and comparison between the U.S. and German models of civic service can be found in Mycock and Tonge (2011).

⁹For a discussion and overview of alternative justifications of civic service see Moskos (1988); Evers (1990); Dionne, Drogosz and Litan (2003); Dagger (2005); Frumkin and Jastrzab (2010) and Bass (2013).

this argument. On the one hand, some argue that civic service programs promote people's personal growth. By serving in those programs, people can not only develop new skills and talents but they can also enlarge their knowledge and capacity to understand and appreciate the diverse ways people live in their society. On the other hand, civic service can cultivate citizenship by instilling people with a stronger sense of civic duty and responsibility. It is thought that this type of program improves people's civic competence by making them more engaged and active citizens.

Finally, a third justification suggests that civic service can promote equality and social integration by joining together people from different backgrounds (Barber 2003, Walzer 1988). In particular, the argument is that this type of program can play an important role in forging networks and social linkages. Those ties that allow people to cooperate in order to overcome different problems are, at the end of the day, an important source of social capital. Servers and served forge connections and relationships that help to build and consolidate bonds of trust between people.

What distinguishes these justifications is who benefits from service, that is, who the intended beneficiaries are: while the first justification conceives civic service as a policy primarily designed to help needy populations, the second and the third respectively suggest that the purpose of participation in these programs is to affect the participants themselves or even the society at large. Although these justifications are independent and have different emphases, they are commonly used together to make a stronger case for community service. In fact, most programs have a dual focus on the servers and the served (McBride, Sherraden and Menon 2007, p. 6). Both servers and served can benefit from civic service. For example, not only can services have impacts on direct and indirect beneficiaries but civic experience can also help servers to increase their skills and sense of personal worth, their understanding of community issues and problems and their sense of civic responsibility (Perry and Thomson, 2007, p.81).

Note, however, that the different emphases that civic service programs may put on servers

and served have important implications as well. Civic service programs that primarily promote social integration and instill civic virtue may not be appropriate to address unmet social needs. A compulsory universal military service in peacetime, for example, may improve the character of those who serve and integrate people from various social positions in the society. But it may hardly be used to meet many of the society's unmet needs. More importantly, the last two justifications are commonly embedded in particular conceptions of citizenship (Gorham 1990). The view that civic service is normatively desirable because it promotes civic virtues and inculcates citizenship is based on a contested concept of citizenship. Not only is it debatable what we should understand by "good citizenship" and "civic virtues" but also how these values can be nurtured via civic service (Gorham, 1990, p.10). For these two reasons, in this chapter I distance myself from the last two justifications for civic service. I believe that a PI can be understood as being a civic service scheme, not because of its ability to instill good citizenship but because of its potential to allocate nonhuman and human resources that can be used to address important social needs that remain unfulfilled.

4.2.3 PI and civic service

An obvious question is how similar a PI and a civic service program designed to address unmet social needs are. To begin with their similarities, both policies may link an income to some form of public-service requirement. Material benefits for servers are conditional on their willingness to work and to contribute to society. Thus both programs motivate people through positive inducements to provide socially valuable services. Since no one is obligated to participate in the program, a PI is not a mandatory service program. The income attached to a PI works as a positive inducement that promotes participation. To conceive of a PI as a civic service program has the important advantage of narrowing the wide range of activities that can be considered as contributions by the standard definition. Both programs are also based on a wide definition of social contribution. Taking part in them encompasses a wide range of social activities that goes beyond labor-market participation.

There are, however, three important differences between PI and civic service. First, in contrast to civic service programs, the standard definition of PI does not link a basic income to participating in a structured service scheme. For example, under a PI program, parents who provide child care to their children are entitled to receive a basic income. By contrast, civic service schemes designed to provide child care recruit servers who provide that service to the children of others. Second, a PI scheme is compatible with providing welfare benefits to people who are unable to work on grounds of disability, for example. Civic services only pay subsistence wages to those who actually perform the service. Third, though duration differs by type of service, civic service programs' duration is usually counted in months. However, a PI can be conceived of as a long-duration redistributive program.

Although the government must actively play an important role in the implementing, monitoring and executing of PI programs, nongovernmental organizations may also be involved in the process. With a universal scope and in contrast to most civic service programs, PI should neither be youth-focused nor emphasize the recruitment of any particular group (e.g., disadvantaged, middle class, etc.). Rather, every able-bodied citizen should be entitled to participate in a PI scheme. Depending on the type of service, PI's recipients may be required to learn and acquire some skills before being able to provide a particular service. However, that does not mean that PI's main purpose is to cultivate and strengthen civic virtues. It just means that some behavioral conditionalities can instill some particular behavioral pattern.

This proposal is not likely to be accepted by both detractors of civic service programs and advocates of unconditional redistributive schemes. The reason for reformulating a PI as a civic service program intended to address unmet social needs is simply that this type of goal is linked to PI programs' core redistributive purposes. Recall that a PI is a universal guaranteed income aimed at securing the subsistence needs of all citizens. A PI may perform an instrumental, freedom-enhancing function in society since personal freedom depends on reasonable access to a minimally decent share of resources and services (Dowding, De Wispelaere, White 2003, p. 12). The problem is, however, that income redistribution

by itself is insufficient to address the needs of the neediest.¹⁰ People can be disadvantaged and vulnerable in a number of ways. Since disadvantage is plural in nature, to help the needy exclusively by way of resources is an insufficient redistributive plan (De-Shalit and Wolff 2007, p.4). Care for the elderly and the sick, extra educational assistance to children in need, help to children of incarcerated parents, and rehabilitating public spaces in blighted neighborhoods are just some of the items that commonly make the list of unmet social needs in many developing and developed countries.¹¹ These unmet needs are major obstacles to many people's freedom to do whatever they might wish to do with their lives. The purpose of many civic service programs is precisely to satisfy some of these needs that both the market and the state are unable or unwilling to meet. In the next section, I address some of the main criticisms that can be leveled against this proposal.

4.3 Objections to PI

Opponents of my PI proposal can point to five main objections: (1) a PI imposes disproportionate burdens on the poor; (2) it is likely to perform poorly in establishing a rule or criterion to distinguish useful from useless activities; (3) the conditionalities attached to this redistributive program unacceptably interfere in individual freedom; (4) this kind of

¹⁰Most UBI advocates will agree with the idea that the disadvantaged need not just income but also access to other services. A UBI, as well as the original formation of PI, is generally presented as part of a broader package of redistributive measures. A PI understood to be a civic service program can better target different social needs than do other unconditional and conditional welfare programs.

¹¹According to De-Shalit and Wolff (2007, chapter 10), three main factors determine people's opportunities: internal and external resources, and structures. While internal resources refer to people's natural assets (i.e., intelligence, physical strength, health, etc.), external resources include money, different forms of wealth and property, and other less quantifiable things such as emotional support from friends or family. Finally, the structure in which a person lives includes laws, traditions, customs, culture, and technology, among other things. In this sense, what you are able to do with a specific set of resources (internal and external) is determined by the social structure in which you live. States might address disadvantage through four strategies: (1) it can act directly on the person's body, mind or skills (personal enhancement); (2) it may offer extra money to make up for any lack of benefits or opportunities (compensation); (3) it may give people something to make up for the resources that they cannot acquire on their own (targeted resource enhancement); and finally, (4) it may change in structure with the purpose of improving the people's position within society (status enhancement). PI programs are originally conceived of as a form of compensation or redistributive plan of external resources. A PI understood to be a civic service program is also expected to be a form of personal and status enhancement.

redistributive scheme may have undesirable effects in the job market; and (5) unconditional guaranteed income programs can better motivate people to devote time to community service and other socially valuable pursuits than a PI can. In this section, I address these objections.

4.3.1 The selectivity problem

The first objection is that PI schemes can be selectively unfair (Zelleke 2005, pp.640–641). There are two reasons behind this objection. First, if PI recipients must work to reciprocate for the monetary benefits they receive, it is not clear why the recipients of other fiscal benefits (e.g., mortgage interest deduction, Social Security spousal benefits, etc.) are not forced to do the same. As Zelleke (2005, p.641) points out, “society engages in many forms of economic distribution that benefit classes of individuals without submitting each to a work or participation test.”

Second, unless the participation in socially useful activities is universally enforced, well-off members of society may choose not to participate in the provision of services to address unmet social needs. As a consequence, a PI not only allows people who do not need welfare support to buy their way out of the provision of services but it also can work as an undue inducement. The latter occurs because PI monetary retribution can induce people to participate in activities that go against their principles or better judgment. The needier the person is, the greater the difficulty to opt out of a PI scheme. That places the burden of helping the needy on those who cannot afford not to take up the monetary incentives (Fabre 2006, p.60).¹²

Let us consider these two reasons in turn. The first argument is an important objection to PI programs based on a normative principle of reciprocity. The proposals of fair reciprocity (e.g., Gutmann and Thompson 1996, White 2003) are more vulnerable to this objection than the justification of PI defended in this chapter. In contrast to these authors, I do not argue

¹²Both Zelleke (2005) and Fabre (2006) argue that a compulsory civic service program is the only way to avoid the selectivity problem. See Walzer (1983,chapter 6) for a similar argument.

that PI programs can further a principle of fair reciprocity in a better way than unconditional ones can. Instead, my argument is simply that PI programs are superior to unconditional ones, because not only can they be more stable and feasible but also they can help to meet unmet social needs.

Note, however, that reciprocity plays an instrumental role in my argument. As I mentioned in the previous section, redistributive schemes that are perceived of as having more free riders are more likely to become unstable. But it does not follow from this that PI schemes need to be arranged to honor some particular principle justice as fair reciprocity. My argument is simply that PI's conditionality can be perceived as a device that punishes free riders and encourages conditional cooperation. Thus, there is no incoherence about my defense of PI and the fact that some well-off people may receive public benefits from other public policies without being requested to reciprocate.

The second reason behind the selectivity problem is more challenging. It is based on the empirical claim that a PI scheme will be attractive only for those who have fewer possibilities for securing an income. Those who are not in need of welfare programs can buy their way out of serving in programs designed to address unmet social needs. One important normative problem is that the work required to address some of those unmet social needs can be harsh, unpleasant and difficult to endure (Walzer 1983, p.165). Some of these tasks can be considered to be hard work in the sense that people do not look for and would not choose to do them if they have attractive alternatives. As Walzer (1983, p.165) points out, some works are a negative good since they typically come together with negative outcomes such as "poverty, insecurity, ill health, physical danger, dishonor and degradation." However, because they are socially necessary, somebody must perform these tasks. Some believe that mandatory schemes are the only way to fulfill those tasks in a fair way that does not disrespect people. The thought is that all those necessary jobs that are unlikely to attract volunteers should be done by a mandatory civic service scheme (Walzer 1982, Fabre 2006). Hard or dirty work should be shared among citizens. The problem with a PI is that its

recipients may be disrespected by mandating them to perform unwanted jobs.

This is, of course, a similar argument to that underlying the defense of compulsory military service (Ruschmann, 2009). The ethical worry is that a PI can constitute an undue inducement. Most discussions about incentives or positive inducements attempt to determine whether the response to the offer is voluntary. The voluntariness criterion tells us that a motivational strategy is illegitimate if it violates the principle of consent or voluntariness. Ideally, for example, we may think that the coercive exercise of laws derives its authority from the voluntary consent of the people. Similarly, the ideal use of persuasion and incentives is one in which equal parties can act both autonomously and cooperatively (Grant, 2011). However, these ideal conditions are rarely met in practice. We certainly do not voluntarily agree to be regulated and affected by the numerous incentive schemes, laws and persuasion campaigns that we encounter daily.

To evaluate whether or not a person accepts voluntarily participating in a PI scheme is not an easy task. A PI can be an excessive offer that distorts the decision making and impairs the judgment of the poor and vulnerable. However, whether or not PI programs can lead to this outcome is debatable. On the one hand, a PI does not target the poor. Anyone is entitled to participate in a PI program. We know that civic service programs can be designed to attract volunteers from diverse sections of the population. For example, two of the main domestic, civilian national service programs in the U.S. – VISTA and AmeriCorps – have successfully recruited not only residents of poor communities but also college students and graduates.

In particular, AmeriCorps' volunteers are diverse in race and class, and they are equally distributed among high school grads, college grads and those with some college education (Bass 2013, p.223).¹³ This, of course, does not tell us that a PI program will have par-

¹³The Corporation for National and Community Service describes the target participants of AmeriCorps as follows: “AmeriCorps State and National programs are open to U.S. citizens, nationals, or lawful permanent resident aliens age 17 and older. Members may serve full- or part-time over a period not to exceed 12 months. Individuals can serve as AmeriCorps members in every state, U.S. territory, and on tribal reservations. Full-time AmeriCorps State and National members are given a living

participants equally distributed from different socioeconomic backgrounds. That would be an unreasonable goal for a nonmandatory civic service scheme. But at least it helps to defuse the challenge that a PI will draw only the most vulnerable people. At the end of the day, it is an empirical question whether or not PI recipients will be mostly members of the neediest groups in society. On the other hand, the problem of undue inducement depends on the range of activities and opportunities promoted by a particular PI program.¹⁴ The broader the range of activities, the less we should be worried about the undue inducement problem. As long as PI recipients have meaningful options to provide different types of services, we should not be worry worried about the undue inducement effect that a PI program may have.

4.3.2 The rule precision problem

The second objection is that PI programs are likely to perform poorly in establishing a rule or criterion to distinguish useful from useless activities: that is, to set up a workable criterion of eligibility to identify the intended beneficiaries (Barry 1996; De Wispelaere and Stirton 2007, p.526; Raventós 2007, p.148; Vanderborcht 2012, p.275; Maskivker 2012, p.131).

Two important risks are related to this task. On the one hand, it is necessary to find out how and by whom the scope and nature of participation will be determined. There is always a risk of adopting an arbitrary criterion that harms those who depend more on this redistributive program. For example, an eligibility criterion that establishes as socially useful activities only those that require a high level of education and skills can be highly exclusive. On the other hand, there are two relevant trade-offs: (1) the more inflexible the criterion, the more it would resemble a workfare program; and (2) the more flexible the criterion, the more it would resemble a UBI (Van der Veen and Grott 2000; De Wispelaere and Stirton

allowance; health care; childcare, if they qualify; and become eligible for the Segal AmeriCorps Education Award upon successful completion of the program. Learn more by reading the AmeriCorps Fact Sheet.” <http://www.nationalservice.gov/programs/americorps/americorps-state-and-national> (Accessed February 1, 2014).

¹⁴I want to thank Jurgen de Wispelaere for pointing this out to me.

2007, p.526; Vanderborght 2012, p.276).

The literature on rule enforcement has shown that the type of rule that is adopted may have an impact on not only enforceability but also on the achieving of objectives (Baldwin, Cave and Lodge 2012, p.230). Different rules have different levels of enforceability. Detractors of PI programs are right to point out that Atkinson's original proposal lacks the necessary clarity for making useful distinctions between those who perform socially useful activities and those who do not. However, we can think in terms of more precise standards for making that distinction. For instance, a more precise rule to distinguish useful from useless activities is Model 3 (discussed at the beginning of Section One). That model establishes that: "A person shall be eligible to receive a PI provided he or she undertakes activities as prescribed in the following table" (De Wispelaere and Stirton 2007, p.229). This rule would contain a detailed table specifying the different activities that can be undertaken to qualify as a PI recipient.

A more precise rule like this, however, can have additional problems. By following Colin Diver's (1983) standards for regulatory precision, De Wispelaere and Stirton suggest that even though a list of activities can help us to avoid excessive ambiguity, it requires that policymakers must anticipate all the socially valuable services. The main concern is that the procedures to craft that list may be complex and nontransparent. Transparency is one of the variables – together with accessibility and congruence – that Diver considers as the main elements of regulatory precision. In this context, transparency is the virtue of having a "well-defined and universally accepted meaning within the relevant community" (Diver, 1983, p.67). Accessibility refers to the capacity that a rule may have to be applicable to "concrete situations without excessive difficulty or effort." Finally, a rule is congruent with the underlying policy objective when the message that it communicates produces the desired behavior. Diver argues that the precision of any administrative rule depends on these three values. Moreover, he thinks that precise rules must always face trade-offs that occur along the three dimensions of precision.

But not all trade-offs are equally acceptable (Diver 1983, p.71). We need a normative criterion to compare different formulations. That is precisely the problem that De Wispelaere and Stirton found with this proposal. They argue that the mix of transparency, accessibility and congruence proposed can be normatively problematic. Although this rule can distinguish accurately between PI recipients, it only achieves that goal by increasing the cost of application and reducing transparency. Poor transparency, for example, may also increase the power of street level administrators and allow problems of creative compliance.¹⁵

These are, of course, important problems that may adversely affect a PI scheme. But it is a mistake to conclude that these difficulties are inherent in all PI programs. There are procedures that could be used to increase the level of transparency at the time of defining the list of socially useful activities. For example, a list of needed services can be developed through some scheme of participatory democratic governance such as the Participatory Budget experiences implemented in various cities around the world (Fung, 2009). Participatory budget policies allow citizens to actively participate in the public budget allocation at a municipal level (Wampler, 2007; Rios and Insua, 2007; Fung, 2009). Citizens and government officials work together in decision-making processes to assert and reconcile priorities about the allocation of capital, services, infrastructure and investments.

Although the recruitment and selection of participants is mostly voluntary, these programs use various types of inducements to incorporate low-income and politically marginalized citizens (Wampler 2007, p.1). Advocates of this type of program believe that participatory budget offers greater legitimacy to the budget allocation decisions, helps to diminish clientelist practices, serves as an educational process for both citizens and public officials, and induces greater transparency in public expenditure (Wampler 2007, Rios and Rios Insua 2007, Fung 2009). A procedure of participatory democratic governance can be used to craft an annual list of needed services. It is beyond the scope of this chapter to go into the de-

¹⁵Creative compliance refers to the process “whereby those regulated avoid having to break the rules and do so by circumventing the scope of a rule while still breaching the spirit of the rule” (Baldwin, Cave and Lodge 2012, p.232).

tails of participatory democratic governance policies.¹⁶ My point is simply that the problem of defining a list of approved activities can be addressed through appropriate participatory mechanisms.

Similarly, we can learn something about the problem of identifying socially useful activities by looking at the experience of civic service programs designed to address unmet social needs. Consider the case of AmeriCorps. Authorized in 1993 by the National and Community Service Trust Act during Bill Clinton's first presidential term, AmeriCorps became the largest civic service program in the U.S. AmeriCorps's main goal is to engage young Americans in the services that both nonprofit organizations and local public institutions provide to satisfy unmet social needs. This program was specifically designed to decentralize the provision of services and minimize bureaucratic burdens. It gives the fundamental responsibility of choosing and evaluating projects to state governments and community organizations (Bass 2013, p.172). AmeriCorps provides grants to programs that are chosen by individual states and by the Corporation for National and Community Service (a federal agency). Although state commissions delineate and set their priorities and projects, nonprofit organizations are in charge of delivering the services and executing the programs. Thus, AmeriCorps works essentially as a grant program that provides funds on a competitive basis. Hundreds of nonprofit organizations are in charge of implementing virtually the entire program (Bass 2013, p.172). They both identify the unmet social needs of a particular community and execute services to meet them.

A PI program could adopt a similar logic for identifying socially useful activities and engaging people to participate in different programs.¹⁷ Again, my intention here is not to argue that AmeriCorps can provide an adequate model to implement a PI scheme. Rather, I suggest that there is an accumulated knowledge about the implementation of civic service

¹⁶Note that Participatory Budget programs are not free of criticisms. It has been argued, for example, that this type of program can fail at ensuring the participation of the very poor and young or that it can frustrate participants because of its slow dynamic as well as jeopardizing the planning of long-term activities since most decisions are made to address short-term demands (Souza, 2001, p.79).

¹⁷Evaluations of AmeriCorps' performance can be found in Bass (2013).

programs around the world that can be used to address some of the administrative problems associated with PI schemes. The existence of these alternatives should open new possibilities for addressing the problem of rule precision.

4.3.3 The problem of monitoring and control

A third objection says that a PI needs intrusive mechanisms to identify those who meet the criteria and to monitor those who effectively become beneficiaries of the policy. Numerous problems are associated with the use of those supervisory mechanisms. The first problem is related to the idea that a PI interferes with individual freedom. Conditional policies interfere with people's freedom at a higher level than do unconditional ones. While the former requires particular behavioral responses, the latter does not.

The interesting question is then whether the interference in people's freedom associated with PI programs is something to worry about. The answer to that question is: it depends. Since a PI works with a positive inducement mechanism, people voluntarily sign on to it. That could lead us to conclude that there are no restrictions on individual freedom because nobody is coerced to participate in a PI scheme. At least in principle, incentives should not affect our freedom to choose. However, their use is not problem free. As a form of power, incentives may be subject to abuse and misuse. Thus, the main reason why a PI could violate people's freedom is because it offers benefits to people who have unequal bargaining power. When a monetary incentive is too high, an offer could interfere with people's ability to make autonomous decisions (Schmidt, Voigt and Wikler, 2010, p.3). Nevertheless, this is a powerful reason to be concerned about how PI programs are implemented, not about PI itself.

A second problem is that the verification of compliance with the policy can be too costly, complex, and cumbersome to control and manage (De Wispelaere and Stirton 2007, p.526, Vanderborcht 2012, p.276). There is no doubt that monitoring and enforcing PI rules can be burdensome. But again we can refer to the experience of different civic service programs

and other policies that have overcome those difficulties. For example, consider again the case of conditional cash transfer programs (CCTs). As I already discussed it in chapter 3, this kind of program requires beneficiaries to change their behavior with respect to the health and education of their children. The goal of most CCT programs is both to provide a basic income for poor families with children and to invest in child human capital. In order to achieve the latter goal, most CCTs are conditional on school attendance and primary health utilization. Minimum school attendance for children and the fulfillment of various health checkups (e.g., follow the immunization schedule) are conditions that can be reasonably monitored. Thus, CCT programs have a way to promote and improve children's care by targeting parents' behavior.

We could imagine similar ways to monitor PI recipients whose socially useful contribution lies in providing care to children and aging or chronically ill family members. Clearly this solution cannot be extended to deal with all forms of socially useful contribution. But variations of it can be applied to monitor and evaluate PI recipients who are in charge of providing care to family members.

4.3.4 The problem of undesirable economic outcomes

A fourth objection against PI focuses on the economic consequences of this type of redistributive program. The most important criticism is that a PI could displace workers who would normally take those jobs. A PI would work then as a mechanism to obtain people's labor at low wages that the government sets that are presumably lower than the market rate (Evers 1990, p.xxxiii). In answer to this objection, it should be pointed out that a PI program should be designed to provide services that neither the market nor the government performs. This is, of course, highly contextual since some tasks that are performed in community A either through the market or through government services may be performed by neither of them in community B. Care work is an example of a service that can be done through different mechanisms (public care support, private market agents, volunteers, etc.)

that varies from society to society. That is true for a variety of services that can be done through a PI program.

The key point, however, is that in some contexts many important services and activities are provided in only a limited way by either the market or the government. For instance, when the potential for profit is too small, markets may not be the most adequate institutions for addressing social needs. Moreover, even when the market provides some of those services, their costs can be unaffordable for those who need it most. Addressing educational needs (literacy instruction, computer instruction, after school programs for children), planting public gardens, performing neighborhood cleanups, and providing care for the elderly and the homeless are just some suggestions of the kind of work that markets may not provide but that PI recipients could do.

In any case, the key for avoiding this type of problem is to find a proper mechanism to elaborate the list of activities that can entitle someone to a PI. For example, a list that is designed via a participatory mechanism similar to the participatory budget experiences should contemplate the demands of union representatives. As Fabre (2006, p.68) points out, large-scale civic service programs solve this problem by stipulating the participation of union representatives in the boards or commissions in charge of the services.

To this day, we do not know nearly enough about PI's potential economic impact. In contrast to other redistributive schemes, PI programs have been barely studied.¹⁸ The experience from civic service programs can help us to better understand the main administrative and economic challenges that PI could eventually face. For example, different studies have shown that civic service programs can be cost-effective. Communities can benefit significantly from volunteers' services (Perry and Thomson, 2004; Frumkin and Jastrzab, 2010, p.217). There is need for further debate about the economic impact of a PI conceived as an extended civic program and in particular about its dynamic interactions with the labor

¹⁸Two notable exceptions are Atkinson (1995b) and Colombino et al. (2010). Both studies suggest that a PI scheme could have behavioral, welfare and fiscal implementations that would make it superior to the current welfare systems adopted in most developed countries.

market.

4.3.5 The problem of civic service under unconditional and conditional programs

Some UBI advocates argue that unconditional schemes provide their recipients with free time to devote to community service and other socially valuable pursuits (Pateman, 2004; Raventós, 2007; Maskivker, 2012; Standing, 2011b; Jordan, 2013). As Guy Standing (2011b, p.178) says, people under a UBI scheme will gain control of time. A UBI that delinks income from paid labor can “give people a greater capacity to live outside the market and be under less pressure to labour.” This is an important feature of UBI because it could “increase the amount of labour by allowing people to move in and out of the labour market more easily.” If a UBI frees people up to engage in socially useful activities that are outside of the formal paid market, then, why should we need a PI after all?

The thought is that a UBI would allow people to voluntarily participate in a broad range of socially useful activities. Some UBI recipients may participate in services oriented to address unmet social needs. When that is the case, the radically uncoordinated UBI’s approach to civic service can be preferred to the rather coordinated mechanisms of a PI.

It is an empirical question, of course, whether a coordinated mechanism to best match PI recipients to service programs can perform better overall than can an uncoordinated mechanism of a UBI. Up to now we do not know enough about the comparative advantages of one of these mechanisms over the other. In any case the worry with a UBI scheme should not be that it will promote radical idleness rather than a broad range of voluntary activities. Instead, the concern is that UBI can motivate people to voluntarily provide services oriented to address unmet social needs. In fact, we can even assume that a UBI will minimize the level of “parasitism” or “exploitation” (very few able-bodied people will live off the labor of others) and still be worried about the problem of unmet social needs. This is a more complicated challenge than most UBI advocates seem to recognize. It may be the case that

the uncoordinated actions of UBI recipients will take care of unmet social needs. However, if we are really concerned about the problem of unmet social needs – as many UBI advocates seem to be – then it is unclear why a universal income guaranteed scheme should not directly used to promote the delivery of some important civic services.

4.4 Concluding remarks

A PI program is far from being a magic bullet for redistributive problems. But it deserves more attention than it has received up to now. In addition to the arguments about its potential advantages over other redistributive policies in terms of stability and feasibility, I have argued that a PI can also be an important instrument to motivate people to help others in a context of unmet social needs. Thus, a PI can be designed to fulfill three goals. First, it can become a safety net in the form of a universal guaranteed income scheme at the highest sustainable level. That is, it should act as a safety net with the intent of reducing poverty. Second, a PI can generate its own support. In the context of redistributive policies, this mainly means that the redistribution of resources will not produce motivational obstacles that can eventually affect the stability of that redistributive scheme. In contrast to unconditional income guarantee programs, a PI scheme should not affect people's incentives to work and search for paid jobs. In contrast to means-tested social assistance policies, not only can a PI avoid poverty and unemployment traps, but it also does not generate stability by exclusively putting the most vulnerable to work. Finally, a PI can be designed to deliver services to address unmet social needs. Accordingly, it works as a positive inducement to motivate people to behave in ways that favor the redistribution of human and nonhuman resources.

If our goal is only to guarantee a basic income to every citizen, regardless of the citizen's work or participation, then a UBI can be a preferable redistributive mechanism. A UBI can be less intrusive, can perform better in terms of rule precision, and can be administratively

more efficient than a PI and other selective welfare policies (De Wispelaere and Stirton, 2011). As long as an unconditional scheme can successfully generate its own support (e.g., enough people take up paid employment), a UBI can be a preferred redistributive scheme.

However, if our redistributive goal is more ambitious, then the costs associated with rule precision and administration efficiency should be weighed carefully against the possible benefits of a PI scheme. UBI advocates argue that an unconditional guaranteed income will motivate people to engage in unpaid activities devoted to help others. Under a UBI scheme, “many people who do not presently engage in voluntary work but who would like to do so would find their chances are better” (Raventós 2007, p.43). Whether or not a UBI will motivate people to participate in voluntary work is an empirical question.

Another empirical question is whether that stimulus will be strong enough to address unmet social needs in a more successful manner than a PI scheme. In any case, if UBI advocates believe that more voluntary work is much needed for social justice reasons, they need to explain why the principle of unconditionality overrides the benefits of a redistributive scheme that motivates people to participate in the provision of needed services. A PI can be designed as a more comprehensive redistributive policy than the available alternatives. Many more evaluations and studies need to be done before a clear picture on how to make best use of a PI can emerge.

Chapter 5

Essential Services, Workers' Freedom and Distributive Justice

5.1 Introduction

This chapter examines the normative implications of the essential service argument commonly used to justify restrictions on workers' freedom to withhold their labor. The essential service argument says that essential services workers should not be allowed to strike since that form of collective bargaining can likely inflict imminent and substantial harm on the society. Both detractors and advocates of the freedom to strike have widely debated the essential service argument. Yet, surprisingly, the debate has rarely examined its implications in terms of occupational freedom and distributive justice. Here I argue that once we accept the essential service argument to restrict essential workers' freedom to strike, we should also be prepared to accept limitations on occupational freedom. If we accept that the state should guarantee the provision of some services, then we should also accept that the state can permissibly restrict not only the freedom to strike, but also occupational freedom in the eventuality that not enough people voluntarily agree to work in the provision of essential

services. That is, if necessary, the state should be prepared to address the problem of worker shortage in essential services through different motivational strategies, including coercive motivational instruments.

The chapter is organized as follow. The next section evaluates the notion of essential services. It argues that although the distinction between essential and non-essential services may be theoretically elusive, it has important policy implications. Section 5.3 describes the essential service argument. It explains why that argument – which is commonly used to justify restrictions on the freedom to strike – can be analogously employed against occupational freedom in a context of essential services workers shortage. Section 5.4 focuses on the problem of staff shortages and maldistribution of health personnel. It argues that there is nothing intrinsically wrong with compulsory service programs for recruiting health workers to serve in underserved areas.

5.2 Essential Services

In December 2013, police officers in Argentina staged strikes for higher salaries. Several cities experienced police work stoppages for one or two days. This was enough time to allow outbreaks of looting, violence, vandalism and general chaos. Looters attacked supermarkets, shops, electronics stores and factories en masse. In the absence of police protection, many civilians attempted to stop looters and disperse mobs. As a result, 13 people died and many others were injured.¹

In the same year, a school teacher strike that lasted for almost two months affected a million elementary school students of the Mexican state of Oaxaca. Some 10,000 striking teachers protested in the congested streets of Mexico City against a recent education reform enacted by the national government. The protesters not only managed to march, block and paralyze one of the world's most populous cities, but they also left a million students

¹See for example: <http://www.lanacion.com.ar/1647946-fueron-13-los-muertos-en-todo-el-pais-en-las-jornadas-de-violencia>; <http://www.theguardian.com/world/2013/dec/10/argentinian-looting-spreads-police-strikes>; <http://blogs.aljazeera.com/blog/americas/reflection-argentina-after-deadly-looting>, [All accessed on 12 February 2014]

without access to educational classes.² The list of strikes that discontinued services in 2013 includes trash collectors' strikes in Spain, Chile and the U.S; firefighters' strikes in England and Wales; and physicians' strikes in Panama, Nigeria, Kenya and Greece.

One of the main functions associated with a modern state is the provision of security, public safety and education for its citizens. But at the same time, many democratic states also ensure workers' collective bargaining rights and freedom of association. Up to date, more than 160 countries have recognized the International Covenant on Economic, Social and Cultural Rights (ICESCR) adopted by the United Nations General Assembly in 1966. Among other things, the ICESCR commands its parties to grant a right to strike. In its Article 8, section d, the ICESCR encourages the States Parties to ensure "the right to strike, provided that it is exercised in conformity with the laws of the particular country." Similarly, the International Labor Office (ILO) – the United Nations agency devoted to promote and recognized labour rights – has persistently defended the right to strike as a "fundamental right of workers and of their organizations" (ILO, 2006, p.112). The ILO, however, also recognizes that governments should be allowed to prohibit the strikes of workers in "essential services in the strict sense of the term, i.e. services whose interruption could endanger the life, personal safety or health of the whole or part of the population" (ILO 2006, p. 112).

Legal systems around the world formally recognize the existence of essential services (Morris, 1983, 1986; Pankert, 1980). Although it is difficult to draw the line, the distinction between essential and non-essential services is significant in terms of public policy.³ Employers, workers and governments usually agree that some services are more important than others and that this fact justifies the adoption of special rules to settle labour disputes (Pankert 1980, p. 723). This distinction helps us to determine which services should be

²See for example: http://www.huffingtonpost.com/2013/08/29/mexico-city-teacher-protests_n_3837576.html; <http://www.theguardian.com/world/2013/sep/14/mexico-riot-police-retake-zocalo-plaza>[All accessed on 12 February 2014]

³By analyzing public opinion data from the Eurobarometer, Van der Walle explores what factors determine which services are considered as essential in 15 EU countries. The author shows that citizens have different opinions about the provision of those services. See: Steven Van de Walle (2009)

given priority both in terms of production and distribution. People working in the production and delivery of essential services may have special obligations. It might be argued that the right to strike – which is internationally regarded as a fundamental right of workers and of their organizations – can be limited or even prohibited in essential services (ILO 2006,n.3, para.576). Indeed, as Morris argues, the uninterrupted operation of the service can “outweigh the consideration that workers in it should be free to withdraw their labour” (Morris 1983, p. 83).

Although the list is not exhaustive, the Committee on Freedom of Association enumerated eight essential services including the hospital sector, electricity service, water supply services, the telephone service, the police and the armed forces, the firefighting services, prison services and air traffic control services (ILO 2006, n.3, para.585). We can say, therefore, that essential services are fundamental insofar as their disruption would have harmful consequences for the whole or part of the population (Morris 1983, p. 69; Van de Walle 2009, p. 522). The list of non-essential services is more extensive. Among other things, it includes radio and television services, the education sector, banking, ports and garbage collection services. It is worth noting that non-essential services may become essential ones when, say, the delivery of a non-essential service is interrupted for the time it takes to endanger “the life, personal safety or health of the whole or part of the population” (ILO 2006, n.3, para.585). To take an example: although garbage collection is listed as a non-essential service, it becomes essential when it is discontinued for an extended period of time and the accumulation of garbage becomes hazardous. As a consequence, we can say that the essentiality of a given service is determined by the relationship between the level of harm that can likely be produced when the provision of that service is interrupted and the time of stoppage.⁴

⁴Time is an important dimension to identify essential services. By following this reasoning, we can conclude that discontinuity in the delivery of a non-essential service that may have possible long-term consequences should be a sufficient reason to declare that service as an essential one. However, ILO does not necessarily recognize that possibility. For instance, its Committee on Freedom of Association makes it clear that “the possible long-term consequences of strikes in the teaching sector do not justify their prohibition” (ILO 2006, n.3, para.590). Short-term effects seem to matter more than long-term effects at the time of deciding when a non-essential service should be treated as an essential one. But, on further consideration,

Since particular values need to be safeguarded (e.g. universality, affordability, quality, fair treatment), the market should not entirely control the provision of essential services (Bruijn and Dicke, 2006; Van de Walle, 2009, p.522). This does not imply that this type of service is always publically provided, but rather that the state sometimes regulates – and at other times even intervenes – in its production and delivery. In fact, third parties or non-governmental agencies can provide some essential services more efficiently under certain circumstances. Health care, for example, is an essential service that can be delivered both by public and private agents. Even in those situations where service provision may be better handled by private enterprise, this does not necessarily mean that the state needs to fully acquiesce its role in the provision of health care. Through the use of regulation, states can make sure that private health care providers meet certain standards of quality (e.g. private health clinic have enough surgeons to cover the needs of their patients and so on).

Additionally, it is worth noting that not all public services are essential (Pankert 1980, p. 726). Although all public employees often perform important services, some of their work is not “essential” in the way we have defined the concept. As Meltzer and Sunstein (1983) argue, “no catastrophe would result if employees of the American Battle Monuments Commission were permitted to go on strike”. As argued above, the essential nature of a service is determined by the probability that its interruption will result in immediate danger to the community and not by the status of those who perform it.

this does not seem right. The interrupted delivery of a non-essential service that has a long-term effect on the population should also be a matter of concern. After all, discontinuity may also affect the quality of a service. The problem is that these two dimensions of continuity and quality are not fully independent. Teachers who never stop working may provide a worse service than those who strike in a frequent basis. However, it seems unlikely to expect quality from an educational system in which a non-trivial number of educational hours are missed. Therefore, it is not possible to evaluate different services according to similar measures and standards of quality.

5.3 Essential services and Workers' freedom

Let us assume that states have an obligation to ensure the provision of essential services.⁵ In order to guarantee that provision, states might need to intervene in the process of production and delivery of those services. This need for intervention arises from the fact that, in many cases, states cannot rely on the private market as a vehicle for providing essential services since the desired outcomes may not result from transactions among free economic agents. Private companies may not have incentives to invest in the production and delivery of essential services.

States regulate the provision of essential services through different instruments.⁶ Here I focus on two regulations specifically directed toward workers. First, states can minimize the likelihood of reduction or stoppage of services by limiting workers' bargaining instruments. For instance, several countries severely limit or prohibit strikes in essential services in order to prevent work stoppage. Second, states may compel people to work in the production and delivery of essential services. That includes, for instance, compelling workers to serve needy populations in underserved areas or implementing compulsory community service programs. These two forms of regulation can interfere with two important workers' freedoms: the freedom to strike and the freedom of occupational choice. On the one hand, although workers in liberal democratic societies are free to quit a job whenever it suits their interests, the freedom to strike may not be fully granted for essential services workers. This happens even in cases where the freedom to strike is widely considered to be both a necessary instrument to compel an employer to bargain collectively and also a means to make freedom of association effective. Without this type of freedom, workers and their organizations may not be able to further and defend their social and economic interests. Freedom to strike gives credibility to workers' bargaining power.

⁵Note that this assumption is not universally accepted. For a classical rejection of this assumption, see: Nozick (1974)

⁶For a discussion of alternative regulatory mechanisms see: Baldwin, Cave and Lodge 2012).

On the other hand, contemporary democratic and market-based societies typically guarantee the free choice of careers and occupations. People living in those societies can decide what occupation or profession they would prefer to enter. Occupational freedom is commonly understood as the absence of coercion from the state or any other agent to perform a particular job.⁷ This broad definition can be interpreted in three different ways.⁸ A first interpretation is that violations to occupational freedom occur whenever the state coerces people to choose and perform a specific job. This happens when, for example, talented individuals who prefer to work as gardeners are forced to become doctors in a centralized effort to address unmet (but essential) needs of the society at large. Freedom of occupation is violated because some people (e.g. the talented) are not free to choose the occupation that they would like to enter. A second interpretation is that occupational freedom is violated whenever a person is forced to perform her favored job in unwanted conditions. As examples, we might think here of teachers and physicians who are forced to work with an underserved population before they can obtain a license to practice their profession at any location they might prefer. In this case, those doctors and teachers who do not want to work with the underserved are free to work in other professions. The state is not forcing people to become teachers or doctors, but does compel graduates of those professions to put the needs of the community before their own preferences.

Finally, the most expansive interpretation: occupational freedom is preserved when the first two criteria are fulfilled (e.g. nobody is forced to choose and perform a particular job) and, furthermore, when workers also have the real opportunity to avoid jobs they would rather not work. Thus, if a worker's deliberation comes down to choosing between working an undesirable job or not working at all, then the society at large has not met the requisite criteria for freedom of occupation (Otsuka 2008, p. 442). It is worth noting that the first two

⁷See for instance: Cohen (2008), Fabre (2010), Otsuka (2008) and Casal (2013).

⁸ For the sake of the argument I am assuming here that there is no discriminatory treatment in liberal democratic societies. For example, occupational freedom is also violated when women are not allowed to practice a particular profession.

interpretations of freedom of occupation require that nobody interferes with another person's choice of work. These are negative concepts of freedom: an agent violates the liberty of free choice of occupation when it performs a deliberate action that prevents a person to pursue a particular career or forces her to do a particular task. According to the first two views, freedom of occupation does not require that I must have assistance in obtaining the job I prefer – but merely that nobody should hamper my efforts to choose the career which I find the most fulfilling.

By contrast, the third interpretation of occupational freedom is a positive one: occupational freedom not only depends on the absence of interference by third agents in our occupational choices, but also depends on having real options to opt out of undesirable jobs. It is beyond the scope of this chapter to evaluate the separate merits of these three interpretations. The only point I wish to make here is that the essential service argument directly affects the first two notions of occupational freedom. Once we accept the essential service argument to justify limitations on the freedom to strike, we should also be prepared to accept some limitations on occupational freedom, provided there exist alternative formal mechanisms to allow workers to defend their interests when their occupational freedom is somehow restricted.

It is not hard to see why the idea of essential services can conflict with both the freedom of strike and the protection of occupational freedom. The defense of essential services tells us that there are some services that need to be delivered and guaranteed. In a society where people are free to choose their occupation, the potentially undesirable characteristics of some essential services might discourage people from working in such areas. If I do not want to take part in a mandatory community service program or if I want to be a doctor or a teacher but I do not want to work in an underserved area of the country, then my freedom of choosing among those professions will be limited.⁹ Similarly, essential services workers

⁹It could be argued that this is not a problem of freedom of occupation, since people are free to become doctors if they want to. They simply cannot work in those areas they prefer. But that is true for many activities. For instance, I would prefer to be a professional football player rather than a political scientist. I

may enjoy fewer liberties at the time of negotiating their labor conditions (salary, vacations, etc) than workers of non-essential services. We can say, therefore, that essential services affect workers' freedom in two ways. First, people working in the production and delivery of essential services will be subjected to special labour regulations. For instance, police officers, firefighters, and doctors might not be allowed to strike as a way to pursue collective bargaining. Second, essential services workers can be compelled to serve in underserved areas and to work longer shifts than in other professions. It is worth noting that these two freedoms are independent of each other: workers can enjoy freedom of occupation without a right to strike and vice versa.

There seems to be an important normative difference between limiting workers' collective bargaining rights and restricting their career choices. Where does that difference lie? A first possible answer is that the surrender of workers' rights is a matter of degree. Workers' collective bargaining rights are not as basic and essential as occupational freedom. The thought is that freedom to practice my profession in the location that I prefer is more valuable than the freedom to strike. To serve, for instance, as a teacher or a physician in underserved areas might be considered an act of supererogation, but not an obligation of justice. We may think that it is beyond duty to serve in areas that are difficult to staff.

A second argument is that those workers who are mandated to perform tasks in underserved areas or those who are obligated to participate in community service programs may not have access to the same mechanisms to negotiate and regulate the terms of their appointments as workers laboring in other sectors. In contrast, workers who do not have a right to strike can typically appeal to other collective bargaining mechanisms to defend their interests. As ILO recommends, "where the right to strike is restricted or prohibited in

am free to pursue both careers. But I cannot have the real opportunity to make my living in the way I most prefer since my talents as a football player are not sufficient to compete in that market. However, these situations differ in a significant way: the freedom of choice in the case of the doctors is affected by a third agent, the state; in the other case there is no agent interfering with my opportunities to be a professional football player. My freedom of choice in the latter case is limited because of my personal talents, not because the state says that I cannot play football.

certain essential undertakings or services, adequate protection should be given to the workers to compensate for the limitation thereby placed on their freedom of action with regard to disputes affecting such undertakings and services” (ILO 2006, para.595). That “adequate protection” refers to the possibility of having collective bargaining machinery – just without also having a right to strike. Although disputed, some believe that employees deprived of the right to strike can be provided with appropriate guarantees to safeguard their interest such as “a corresponding denial of the right of lockout, provision of joint conciliation procedures and where, and only where, conciliation fails, the provision of joint arbitration machinery” (ILO 2006, para.600).

The main argument that I make here, however, is that the essential service argument used to justify limitations on workers’ freedom to strike can also be seriously scrutinized as the basis of justification for some limitations on occupational freedom. In other words, those who – based on the essential service argument – deny workers’ freedom to strike should also be prepared to accept the following notion: that if there were not enough volunteers to work in the provision of essential services in underserved areas or to tackle unmet (but essential) social needs, then the state should be able to limit people’s occupational freedom as well. That is, if financial and status rewards are not strong enough to motivate people to voluntary work in the provision of essential services to needy populations, the state should use other motivational instruments to secure their provision. This argument goes against the view that occupational problems associated with the provision of essential services should be solved through market-based instruments alone. According to this market-based view, monetary incentives should be used to ensure that a sufficient number of people voluntarily accept to work in the provision of essential services (Rawls 1999).

Note, however, that the essential service argument does not tell us that essential services must be provided regardless of circumstances. Rather, it tells us that the state can restrict some workers’ freedoms when the provision of essential services is at risk. It specifically postulates that the freedom to strike should be limited to essential services’ workers, provided

those workers have access to alternative mechanisms to defend their interests. Analogously, we can apply the same argument for the case of occupational freedom: provided essential workers have mechanisms to defend their interests, the state should be allowed to restrict workers' occupational freedom when the provision of such a service is endangered.

5.3.1 The essential service argument

Consider the “essential service argument” for restricting workers' freedom to strike. As Gerald Dworkin points out, the case against freedom to strike in essential services is primarily ethical (Dworkin, 1977, p.76). There are two main normative reasons for this. First, there is a presumption that essential services workers have a special moral obligation to abstain from the strike as a form of bargaining.¹⁰

Strikes by workers who perform essential services should be prohibited because the withholding of services can inflict substantial harm to the community. For instance, a nontrivial component of the duties of hospital ancillary workers, ambulance drivers, nurses, and doctors is to be responsible for the welfare of people in their care. Since those jobs are incompatible with interruptions in the service, the right to strike should be prohibited (Cannell, 1985). Second, strikes in essential services typically use the pain brought to the recipient population of these services as a source of bargaining power (Reitemeier, 2000; Loewy, 2000). This kind of collective action is predicated on the hope that the affected recipients of the services (usually poorer or resource-strapped populations which are uninvolved with the decision-making process) will apply outside pressure on the offending management (Glick, 1985). Strikes must cause – or threaten to cause – harm to these recipient populations in order to force the employer to yield (Dworkin 1977, p. 79; MacDougall 2013). It is unjustified, some argue, to deliberately punish the recipient populations in order to apply pressure on a disputant

¹⁰One important formulation of this argument has been used to argue that public-sector employees – in contrast with their private-sector counterparts – should not be granted the right to strike. For the original formulation of that argument see: Wellington and Winter (1969). For a discussion of Wellington and Winter's proposal see: Burton Jr and Krider (1970), Meltzer and Sunstein (1983), and Younger (2007).

(Glick 1985, p.196).

Naturally, these arguments to prohibit freedom to strike lose some of their force if we can show that work stoppages do not involve harm or the risk of harm to the recipient population. There is evidence, for example, that strikes among law enforcement officers do not necessarily have a significant and systematic impact on the rates of reported crime (Pfuhl, 1983). Likewise, there is preliminary evidence to suggest that mortality rates remain unchanged when physicians going on strike (Cunningham et al., 2008). This evidence, however, is far from being conclusive. To begin with, these studies only show that strikes taking place under specific conditions (e.g. hospitals that maintain an efficient emergency service during the strike) may not have harmful effects on the population. We should assume, however, that law enforcement strikes can inflict substantial harm on the population. Consider, for instance, the negative outcomes of the recent case of striking among law enforcement officers in Argentina or the negative effects of myriad other well-documented police strikes (e.g. Boston in 1919, Montreal in 1969).

These studies do not evaluate different levels of harm generated by strikes. The non-provision of essential services can harm people at different levels. The most obvious level is when work stoppage leads to social chaos with several people wounded or, even worse, dead. But strikes might also produce undesirable outcomes at less visible levels. Take, for example, the case of doctors. In contrast to other workers, doctors' primary goal is not to make money or attain social status, but rather to help patients (Loewy, 2000; Goold, 2000; Pellegrino, 2001). In other words, the professional ethic is to elevate the good of the patient above the physician's own self-interest.¹¹ The doctor-patient relationship is based on trust. Trust, Rodger Jackson says, is "critical to the therapeutic encounter because unless patients can trust their physicians, they will be less inclined to disclose personal information, seek out necessary help, appropriately extend physician discretionary power, follow recommended

¹¹According to the fundamental medical ethics expressed in the Hippocratic oath, physicians must act for the benefit of their patients. This ethical code, Dworkin (1977) says, is contrary to the rationale behind strikes.

treatment procedures, or engage in future encounters with physicians” (Jackson 2000, p.508). These complex trust relationships make physician strikes more normatively problematic than similar strikes by, say, public transportation workers (Jackson, 2000, p.505).

But are these arguments sufficient grounds for stripping essential services workers of the freedom to strike? I would argue that there are at least three alternative ways to reject the essential service case for limiting the freedom to strike. First, we can point out that the arguments above hinge too critically on the definition of “essential services workers” as an easily delineated category of worker. Without having a generally accepted standard to distinguish essential from non-essential services, those categories might be too ill-defined (Meltzer and Sunstein 1983, p.737; MacDougall 2013, p.252). As mentioned above, time and circumstances can turn unessential services into essential ones as a strike continues. To grant the right to strike to non-essential workers might make it more difficult to enforce a ban on strikes against essential ones. The latter may think that it is unfair to deny the strike weapon to some workers while it is granted to others (Meltzer and Sunstein 1983, p. 737). Moreover, before institutionalizing a ban on strikes for, say, physicians, it is necessary to show that “there is something about medicine in general that is essential, not just that some medical services are sometimes essential” (MacDougall, 2013, p.252). Not all police officers, firefighters and health care workers produce and deliver essential services. Thus, to deny the freedom to strike to all doctors or all police officers by appealing to the essential services argument can be more difficult to justify. Second, we can argue that the freedom to strike embodies fundamental values which should be protected even if some harm is likely to occur in the process. By adopting this position, the whole notion of essential services becomes irrelevant. According to this view, the existence of potential harm is not a strong motive to limit workers’ freedom to express, represent and bargain their interests collectively. A free society should strive to guarantee its workers the freedom to withhold their work whenever they believe it is in their best interest to do so.

Finally, it is possible to argue that essential services workers do not possess any special

obligation to refrain from going on strike due to the fact that their circumstances are not relevantly special (Brecher, 1985, p.66). At the end of the day, all of us, in some way or another, are responsible for the success or failure of the provision of essential services. All of us are guilty for not doing enough to achieve the goal. Civil servants, politicians, etc, should be in the same position as the doctor or the ambulance driver (Brecher 1985, p. 67). Deaths arising from others' omissions should fall under the same judgment. We can find examples where the allocation of resources could have been decided in such a way that harm was avoided. The responsibilities of government officials to patients – or to others who are prevented from becoming patients because of decisions made about the allocation of resources – are not different from the responsibilities of emergency health care workers. Thus, either those obligations apply to us all, especially to those whose power over the welfare of people is greater, or they do not apply to any of us.

These are important challenges to the essential service argument. However they are not insurmountable. Consider the first criticism. It hinges on the fact that distinguishing essential from non-essential service is a troublesome task. It is true that some services are hard to categorize. Education is a good example of how a service primarily categorized as non-essential could be eventually declared essential. As Wellington and Winter suggest, a teachers strike is unlikely to create an immediate danger to public health and welfare (Wellington and Winter 1969, p.442). Although children do not suffer physical damage when teachers go on strike for a significant period of time, they cease to receive education. The harm is not immediate, but it may eventually arise in the future. Some believe that it is unreasonable to prohibit the freedom to strike in the education sector based on the (potential, but highly vague) long-term consequences (ILO 2006, para. 590). Others, instead, believe that possible long-term consequences are a sufficient reason to restrict somehow the freedom to strike in education.

It should not be assumed, however, that all services are equally complicated to categorize. We could, for instance, conceive of essentiality as a continuum from less to more essential or

to separate services into different categories such as essential, intermediate and non-essential according to some particular criteria (Melzer and Sunstein 1983, p. 737; Burton and Krider 1970, p.427). By adopting the latter approach, we might rank order different services after evaluating the probability that a strike will result in immediate danger to public health and safety. Thus, police, emergency physicians and firefighters are an example of essential services since strikes may immediately endanger public health and safety. In this logic, we can categorize as intermediate services all those services whose interruption may be tolerated for a few days. Intermediate services would include sanitation, non-emergency health care, transit, water, and sewage. Finally, non-essential services are those services where strikes of indefinite duration can be tolerated, such as streets, parks, education, housing, welfare and general administration (Burton and Krider 1970, p.428). Since the essentiality of different services is context dependent, it is impossible to provide a fixed list of essential services. There are multiple factors (e.g. climate, demographic situation, the size of the city) that can change the importance of a particular service from one place to another. All we can reasonably do is categorize services according to the probability that their interruption will result in immediate danger to public health and safety.

The second objection suggests that the freedom to strike is a fundamental value for a liberal society. Restrictions or prohibitions on this particular freedom are equivalent to interfering with basic freedoms such as the freedom of speech and association. This objection presupposes, of course, that preserving individual freedom possesses a value of high priority. But it is difficult to defend this idea when the respect for this freedom potentially causes harm to the recipient populations of essential services. The only way to defend this position is to show that the benefits of protecting the freedom to strike (for the specific workers under question) are comparatively larger than the harm (for the recipient populations) it might potentially cause. For example, it should be shown that the objectives of a strike among physicians are in the best interest of the patients they service. The idea is that this bargaining instrument might aid physicians in obtaining the resources they require to

improve the services they provide to their patients. However, that is not always the case. The motivation behind strikes may not be directly associated with the objective of improving the quality of the service that physicians provide.

The final objection to the essential service argument is that essential services workers do not have special obligations that distinguish them from non-essential services' workers (Brecher 1985). The idea is that it is unfair to exclusively limit the freedom to strike to essential services workers because the actions or omissions of others workers such as politicians and administrative bureaucrats can also substantially harm people. The essential service argument is based on the proposition that only essential services workers are responsible for the damage caused by service interruption. Health workers' strikes should be prohibited because of the consequences it may have for patients. But politicians' actions also have consequences for patients (e.g. the poor allocation of resources). Therefore, prohibiting the freedom strike to the former and not to the latter is unfair. Either those obligations should apply to all or they should not apply to anybody.

As Brecher puts it: "if a person's death as a result of strike action is an evil which outweighs the good arising from such action, then other deaths arising from others' omissions – or commissions – fall under the same judgment by just the same token" (Brecher 1985, p.67). This argument assumes that the responsibility for actions and omissions that can harm people should be equally evaluated. But that is a difficult needle to thread. First, the essential service argument assigns responsibility by competency. Firefighters are trained to extinguish fires and rescue people. If my house is aflame, I would prefer to have the assistance of firefighters than the assistance of any of my neighbors. Second, people may get sick because of the actions or omissions of politicians and administrative bureaucrats. Politicians who, for instance, made bad decisions about the allocations of vaccines may harm many people. But the best way to hold politicians accountable for their actions and omissions is not by denying them freedom to strike, but by holding them electorally accountable. This argument does not recognize that those who also cause harm are evaluated through other

mechanisms.

The point is not to determine who should be blamed for a sanitary crisis, higher levels of criminality in the street or the occurrence of a large fire. There are different mechanisms to evaluate and determine the responsibility of politicians and bureaucrats in those acts. It is akin to the situation of a physician refusing to treat my high cholesterol because I did not follow her dietary advice. Even though I am fully responsible for my cholesterol and for the harm that it causes to me, a physician's job is not to assign responsibility and act according to that judgment, but simply rather to treat her patients.

From this, of course, we should not conclude that all strikes should be prohibited. Far from that conclusion, this chapter argues that there exist good reasons to limit the freedom to strike for workers producing and delivering essential services. While the essential service argument is not flawless, (i.e. it does not provide a precise and universally practical ethical guide to distinguish all essential from non-essential services), it serves to ground an obligation against striking for at least those workers whose service is generally agreed to be essential (law enforcement, firefighters, paramedics and emergency medical personnel). As long as we agree that there are some services whose continuity must be secured, then we should be prepared to accept the proposition that the state should use different strategies to motivate people to safeguard those essential services. For example, we should be prepared to accept that states can make use of alternative motivational instruments to motivate police officers, doctors, firefighters and so on, to work in underserved areas and needy populations. That includes not only the use of public awareness campaigns and economic inducements, but also of coercive motivational instruments. It is inconsistent, I argue, to advocate for the state's right to prohibit work stoppages in some crucial services and at the same time to deny that the state should (if needed) coerce people to provide those services. Once we accept that the provision of some services should not be interrupted, we should also accept that, wherever those services do not exist, the state should promote them.

5.4 Essential Services and occupational freedom

Severe staff shortages and maldistribution of health personnel affect people in both developed and developing countries. Consider, for instance, the fact that about 50 million North Americans live in medically underserved areas – that is, in areas where basic population health outcomes are unmet because of the insufficient number of relevant health workers (Eyal and Bärnighausen, 2012, p.23). Those numbers become even worse in some developing countries where poor working conditions and low wages facilitate a global emigration flow of their health personnel to high-income countries (Lehmann, Dieleman and Martineau, 2008).

The essential service argument recommends limiting essential services workers' freedom to strike because of the harm that the interruption of services may produce on the population. If we took this argument seriously, we should conclude that the state has obligations of justice to provide essential services to the whole population. The difficulty appears when the required human resources are scarce; particularly when there are not enough volunteers to work in the provision of those services. Curiously, this problem has been scarcely discussed in the recent distributive justice literature. With a noticeable focus on the distribution of non-human resources, the contemporary literature on distributive justice barely addresses the problem of allocating people to needed occupations. We can identify, however, three main answers to that problem. The first answer suggests that the only thing the state can do in those cases is to either provide material incentives or to persuade people to perform needed services (Rawls, 2001, p.64). Consider again the case of physicians. Most physicians do not want to work in the provision of health care in deprived or isolated areas. As Eyal and Bärnighausen point out, in isolated areas physicians not only may find themselves separated from their friends and relatives, but they may also fail to locate the sort of education and cultural opportunities they want for their children (Eyal and Bärnighausen 2012, p. 24). There is a cost associated with living in places where the access to running water, electricity, or communication facilities can be limited.

According to this first view, the state should not motivate physicians to provide essential

services by resorting to coercive mechanisms such as a threat to revoke their medical license or to pay a fine. It should not use negative inducements that will increase the cost of not working in a particular location. Rather, the argument is that the state should either use persuasion to convince health workers about the importance of serving in underserved areas or use material compensation and pay them money above and beyond their average salary. For example, states could provide scholarships, housing, higher salaries and many other benefits to motivate physicians to serve in specific areas (Lehmann, Dieleman and Martineau, 2008; Wilson et al., 2009). Similarly, it could launch different public communication campaigns encouraging physicians to work in underserved areas because that is the normatively justifiable thing to do. Although this first alternative preserves occupational freedom, it does not tell us what the state should do when persuasion and positive inducements are insufficient to motivate physicians to provide essential services.

Inspired by the work of Gerald Cohen and Joseph Carens, a second view says that people have non-enforceable obligations of justice to work in the provision of essential services (Cohen, 2008; Carens, 1981). That kind of work can be conceived of as just one of the many things that people – as a matter of justice – are obligated to undertake of their own volition, but that we would not seek to force them to do (Gerald Cohen 2008, p.218). Justice – Cohen says – cannot be a matter only of the state-legislated structure in which people act, but rather is also a matter of the acts they choose within that structure. It is not possible to achieve justice only by formal rules; rather distributive justice also requires a just ethos that goes beyond conformity with the rules. That is, “the set of sentiments and attitudes in virtue of which its normal practices, and informal pressures, are what they are” needs to be oriented towards equality (Cohen, 2000, p.145). Inequality, in Cohen’s view, can only be overcome after a revolution in motivation, as opposed to simply changing the formal rules that regulate the society (Cohen 2000, p.120). In this case, an ethos of solidarity should guide physicians toward working in underserved areas in order to benefit the least advantaged in society. This does not endorse, however, the idea that physicians should be coerced to serve

needy populations. An ethos of solidarity does not threaten occupational freedom because it is not legally enforced (Cohen 2008, p.181–229). But this solution shares the same problem as the first alternative: it does not tell us what to do when an insufficient mass of people follows the guidance of the ethos of justice.¹²

These two arguments are in tension with the justification behind the essential service argument. Acceptance of that argument requires securing an uninterrupted provision of essential services with a universal scope. Put differently, the goal is that the allocation of those services is not segmented or stratified. Those who live in isolated or deprived locations should also have opportunities to access essential services. The challenge is to allocate human and non-human resources to address the essential needs of the population in a context in which not enough people choose to work in the provision of those services. We can either accept the scarcity of volunteers and justify the non-provision of essential services based on that fact, or we can accept that the state may compel people to work in the provision of those services. As we already saw, the first possibility is incompatible with the essential service argument. The second one is not. Does that mean that whenever there are not enough volunteers to provide essential services the state should coerce people to do the job?

A third view argues that, in an effort to improve human welfare, it may be permissible to restrict occupational freedom (Stanczyk 2012). Liberal theorists believe that basic freedoms (e.g. freedom of movement, occupational freedom) should only be restricted when the provision of the basic liberties themselves is affected. A conscript army, Rawls says, may be justified “on this basis alone despite the fact that conscription infringes upon the equal liberties of citizens” (Rawls 1999, p.334). But if we believe that, as a matter of justice, states are obligated to supply essential services (provided that the burdens of compulsory service are distributed fairly), then it can be permissible to compel people to work for welfare-improving

¹²It is fair to notice that Cohen’s argument is meant to address the problem of inequality that can appear when talented members of society (e.g. physicians) refuse to provide services unless they receive substantial material incentives. Cohen’s main concern is that the use of economic incentives as a motivational strategy goes against egalitarian ideals of distributive justice since it only increases inequality in society. Talented people, Cohen argues, should be motivated by an ethos of justice and by material incentives.

purposes (Stanczyk 2012, p.164). The argument that I defend in this chapter can be understood as an extension of this third view. In particular, my point is simply that state coercion should take the place of market incentives when the overall costs associated with the positive inducement solution are much higher than the negative inducement option.

We can ask at what point state coercion should take the place of market incentives and persuasion. Although communication campaigns and other forms of persuasion can be dismissed because of their difficulties in engaging people in the provision of essential services, the use of market incentives is commonly considered the most adequate solution. But even this solution is not completely satisfactory.¹³ Even when governments can make an irresistible offer and pay extraordinarily large incentives to guarantee the provision of essential services, the positive inducements required in that case may be high enough to increase the cost of services to levels that are unaffordable in practice for many societies.

For example, in the global context, lower-income countries would be required to provide unaffordable positive inducements in order to reduce the emigration of their physicians to developed countries. We could argue that if there is not enough money to raise the salaries of doctors in underserved areas, then this as a problem of global inequality that should be solved through the redistribution of wealth across international boundaries. However, in this case we have to weigh the costs of restricting occupational freedom against the costs of waiting for global redistributive policies that would allow us to pay physicians high enough to retain them in underserved areas.

To return to the question of freedom to strike, we could argue that this freedom should always be allowed since it would be possible to find the appropriate positive inducements to

¹³The market incentives solution also raises an important normative challenge, namely, the debate about the levels of inequality we are willing to accept and tolerate. Consider, for example, the case of physicians with astronomical salaries who work in highly deprived areas. It may be argued that the use of exceedingly large positive inducements to motivate people to provide important services can create morally troubling levels of inequality. I do not disagree with the idea that by raising salaries to astronomical levels we are allowing unacceptable inequality and compensation. But a discussion of that argument is beyond the scope of this work. The inequality case against the use of market incentives is independent of the essential service argument that I discuss here. I want to thank Lucas Stanczyk and an anonymous referee for pressing me on this point.

motivate essential services' workers to continue their work and avoid strikes. But that, of course, is a problematic solution. On the one hand, the cost of retaining essential services' workers might in many cases become unaffordable. On the other hand, essential services' workers could become incentive seekers who exploit the essential character of the service they provide. Restrictions to the freedom to strike are precisely justified to avoid this very problem.

To say that the state, in order to be consequent with the essential service argument, may need to coerce people to work seems – at first blush – unacceptable by liberal standards. There are three arguments against the case of compulsory service. First, there is a basic liberty objection: some basic individual liberties (e.g. freedom of speech, liberty of conscience, freedom of movement and occupational freedom) can be “limited and compromised only when they conflict with other basic liberties” (Rawls 1999, p.54). Mandatory contribution to the provision of essential services can be perceived as a violation to basic freedoms. Second, compulsory programs to recruit essential services workers can be counterproductive deterrence policies (Gerald Cohen 2008, p.218). The thought is that the prospect of penalties might deter people not only from entering to work in the provision of essential services but also from acquiring the knowledge and skills to become doctors. Thus, the implementation of coercive motivational schemes can have adverse consequences for the supply of essential services workers. A third criticism says that the quality and quantity of essential services can be affected when people are not rightly motivated to work in the provision of those services. The slogan behind this criticism is that “the right thing needs to be done for the right reason” (Gerald Cohen 2008, p.219) Workers truly motivated to voluntarily provide essential services will do a better job than those who are compelled to serve.

Let me begin to address the second and third objections first. It is an empirical question whether people who voluntarily choose to provide essential services are better workers than those who are compelled to do so. Similarly it is an empirical question whether compulsory programs to recruit essential services workers can deter them from acquiring the relevant

skills. Unfortunately we do not have enough data yet to support or reject these objections. All we know is that people live in underserved areas and that compulsory programs that compel health workers to spend a minimum number of years in those areas effectively address the maldistribution of human resources in the short run (Lehmann, Dieleman and Martineau 2008; Wilson et al 2009). However, there is no strong evidence showing that compulsory programs increase the retention of staff in underserved areas or that they improve the quality of health services for underserved populations. As Cavender and Albán (1998, p.1937) suggest, the underlying assumption for the implementation of compulsory recruitment programs is that the increased presence of physicians will improve the health condition of underserved populations. But that assumption does not necessarily hold true. Different studies have shown that compulsory recruitment programs can fail to achieve their goals when the recruited physicians do not have access to a comprehensive educational pre-service program, basic medical equipment, material and an adequate infrastructure. These problems, however, are not necessarily related to the use of coercive motivational instruments per se, but to the background conditions that are needed to implement a successful intervention health program. Because none of these implementation problems are unsolvable, we should ask whether or not there is a normative case against the use of compulsory recruitment programs to address unmet health needs.

The first objection is a normative challenge to the essential service argument. There are two main answers to the basic liberty objection. One approach is to argue that people should be forced to become essential services workers if there is demand for such workers. That is, that if needed, people should be forced to become doctors even though they prefer to pursue any other career choice. Another is to argue that those who voluntarily want to become doctors, teachers or police officers should be required to help the state to address unmet essential social needs. While in this case essential service workers are under a contractual obligation, that obligation is nonetheless voluntarily assumed. Those who agree to provide essential services are morally bound to accept special contractual obligations that are part

of their job. As I discussed before, these two possibilities clearly affect occupational freedom in a different level. They relate to different conceptions of occupational freedom. While the first option can fully restrict occupational freedom, the second limits the ways in which a particular profession can be exercised. Many countries, for instance, incorporate formal training with service. Doctors and other health workers are required to serve and practice their professions in underserved areas for one or two years before they can obtain a license to work in any place they may want to work. The obligations to serve are conceived as being part of the necessary training to become a competent professional. As it has been reported, however, some Ecuadorian medical doctors would rather prefer to have the license to practice medicine without having to fulfill the one year service requirement (Cavender and Albán 1998). Since all medical graduates are required to work in underserved areas of the country before they can be certified, doctors can claim that their occupational freedom is affected because they are not allowed to work in their preferred location after they graduated. Although this is a reasonable position, it is difficult to claim that compulsory recruitment programs – which have both a fixed and short duration and a voluntarily participation aspect – strongly violate occupational freedom. On the other hand, like in the freedom to strike case, limitations to occupational choice should not be accepted at any cost. Liberal societies where the freedom to strike is restricted for essential services workers typically provide these workers with alternative mechanisms to defend their interests (i.e. special legislative or judicial committees, compulsory arbitration and so on).

As in the strike case, we need institutional mechanisms that make limitations on occupational freedom more normatively acceptable. Once some form of coercive motivational instrument is used to motivate people to pursue a legitimate purpose, we need mechanisms to monitor and control the use and misuse of that form of power. There are different relevant criteria for this task. The first concerns fairness. Any procedure that assigns people to mandatory work should treat people in an equitable way. For instance, when the scope of compulsory service programs to recruit health workers is only limited to medical students

trained in public schools and not in private ones, the state is giving the latter group the opportunity to free ride on the essential service provided by the former. A second criterion is efficiency: a mandatory program to recruit workers to perform essential services whose costs outweigh its benefits – or one that is more expensive than an equally beneficial alternative – should not be implemented. A third criterion is somehow summarized in the concepts of accountability, publicity and participation. Those whose occupational freedom is limited should have institutional mechanisms to monitor, check and indicate where adjustment of the compulsory recruitment programs is needed.

The specifics of those programs should not only be publicly disclosed, but their participants should also have access to formal accountability and participatory mechanisms. To avoid abuses and misuses of power, compulsory recruitment programs need adequate supervision. This is not meant to be an exhaustive list of all the criteria that might be used to evaluate compulsory programs. Rather they are a sample of the criteria that could be employed in the course of assessing the appropriateness of programs that restrict occupational freedom.

5.5 Concluding remarks

This chapter argues that if the provision of essential services justifies limitations on freedom to strike then restrictions on occupational freedom can be justified for the same purpose. Both freedom to strike and occupational freedom are recognized as important individual workers' liberties. While the former is important for ensuring the effectiveness of collective bargaining and freedom of association, the latter safeguards workers from being prevented from choosing and practicing their preferred work. Several arguments, however, have been made to restrict the freedom to strike for essential services workers. The main reason behind those arguments is that interruptions in the provision of essential services can produce substantial harm on the community. Freedom to strike in essential services should be pro-

hibited or restricted provided that essential services workers will have access to other formal mechanisms to defend their interests.

I proposed an analogous argument to defend restrictions on occupational freedom in cases where there are not enough takers to provide essential services. I illustrated this point by considering the case of compulsory service programs for recruiting health workers. Note, however, that the essential service argument for recruiting health care workers possesses a broader scope. It can be applied, for instance, to justify restrictions on occupational freedom aimed at lessening the shortage of essential services' workers in other areas caused by immigration, brain drain and the maldistribution of human resources. To compel essential services' workers to serve in underserved areas or to work longer shifts than in other professions are only two of many possibilities that can be justified by the essential service argument.

As Fabre suggests, even though governments may be willing to pay for the provision of essential services in underserved areas, there still may be few people willing to do that work (Fabre, 2006, p.58). For example, coercive motivational strategies that limit physicians' occupational freedom can be permissible when the provision of essential services is affected. This, of course, goes against the ideal of maximizing the occupational freedom of those who do not want to practice in underserved areas. But as in the case against freedom to strike for essential services workers, the health interests of underserved populations should be weighed against restrictions on health workers' occupational choice. Those restrictions, however, cannot be traded at any price. Analogously to the argument to limit the freedom to strike, restrictions on occupational freedom should be allowed not only in order to guarantee the provision of some essential services, but also when essential services' workers are provided with adequate protections that compensate them for the limitations placed on their freedom of action.¹⁴ These adequate protections refer to the different mechanisms that essential ser-

¹⁴Here I am adapting ILO's recommendations for limitations on the freedom to strike to the case of occupational freedom. See ILO (2006, para.595).

vices' workers may have to monitor and control the limitations placed on their occupational freedom. The challenge is to provide the affected parties with formal mechanisms to monitor and oversee the execution of mandatory recruitment programs. If my argument is correct, the debate should move beyond the dichotomy of compulsory versus non-compulsory recruitment programs. Instead, more attention should be paid to formal arrangements that can make mandatory schemes more consistent with the ideals of occupational freedom.

Conclusion

The five chapters of this dissertation examined the normative implications of different motivational strategies applied to various redistributive policies. Those strategies are mainly a response to the behavioral problem which is potentially inherent in redistributive policies, namely, that even fully informed individuals are not likely to fulfill their obligatory and supererogatory duties. Therefore, the success of various redistributive schemes depends on the state's capacity to motivate people to do things that they may not be morally obligated to do, but nevertheless, if undertaken, would be optimal for society at large.

I presented two main arguments against the idea that we should always prefer those motivational strategies that do not interfere with people's freedom in any capacity. On the one hand, I demonstrated that these arguments generally fail because all strategies do, indeed, infringe on freedom in some degree, and therefore, the claim that we should only use motivational strategies that do not infringe on freedom is a non-starter. In particular, since all motivational strategies can be subjected to misuse and abuse, I argue that it is crucial to favor those strategies which can be better controlled by those who are directly affected by the strategy itself. For instance, as I discussed in chapter 2, it may be better to motivate people to take up paid employment by appealing to negative or positive inducements than by relying on persuasion and other ways to manipulate preferences. Although it is an empirical question, it may well be less oppressive to live in a society that formally compels certain professionals (e.g. health workers, police officers, firefighter, etc) to serve in some underserved areas than one in which public communication campaigns are designed to do the motivational

work of convincing professionals to serve.

On the other hand, I argue that it is normatively wrong to assume that individual freedom is the only value that matters – or that matters the most – at the time of evaluating alternative motivational strategies. This is also an argument against the idea that we should always prefer those strategies that limit freedom in the least degree. There are various reasons for this. For example, chapter 3 shows that the interference on CCTs beneficiaries' freedom can be not only relatively insignificant, but that it can also be justified because of the outcomes it may help to achieve (e.g improvements in social capital investment, reductions in the intergenerational reproduction of poverty). Chapter 4 defends the proposal of participation income as a redistributive policy that incorporates a civil service component in order to address unmet social needs. It shows why we should not assume that the conditionalities attached to this redistributive program unacceptably interfere with individual freedom. Finally, chapter 5 explains why essential service workers may be compelled to provide essential services in underserved areas even when this may, strictly speaking, constitute a violation of their occupational freedom. In all these cases, I have explained why and how the permissibility of these policies depends on the existence of institutional mechanisms that allow those who are directly affected by these policies to have the possibility to monitor, check and somehow control their implementation.

If my arguments are correct, then, the normative debate about redistributive policies that rely on the use of negative inducement to motivate desired behaviors should be pursued on grounds other than whether or not a particular motivational strategy interferes with individual freedom. These arguments are not intended to convince anti-redistribution advocates that redistribution is required. Instead, my arguments essentially speak to those who accept that redistributive institutions may be in order.

Further research needs to be conducted to identify and understand the various institutional mechanisms that can be used to minimize the misuse and abuse of motivational strategies. Even though these institutional mechanisms may vary from policy to policy, it

will be important to better understand how various values (e.g. accountability, transparency, publicity) might be used to minimize their misuse and abuse. Several questions emerge: are these values independent? Is there any underlying concept behind these values? How can the use of institutional mechanisms designed to minimize misuse and abuse of motivational strategies be free of becoming themselves abused and misused? These are important questions for future research. Our ability to distinguish consistently between ethical and unethical uses of motivational strategies will depend on having compelling answers to these questions.

In this dissertation I have assumed that the choice between motivational strategies take place in a liberal and democratic context where principles of accountability, transparency and publicity are well-established. However, that assumption may not hold true in societies with a serious democratic deficit or in which redistributive policies might be misappropriated to benefit the particular interests of the elites. Some background conditions at the political level have to be in place in order to guarantee that the regulation of people's behavior is undertaken fairly.

For example, we might argue that it is unfair to appeal to behavioral conditions in a society where elites capture private benefits from public offices or where few people have the capacity to control (or even influence) most political processes. The empirical question in this case is to what extent there may be justice both in the administration and also the design of redistributive policies in a context of deficient democratic institutions. It is an open debate, for instance, whether corruption in the political system at the macro level is necessarily entrenched with corruption at the administrative, or more immediate in terms of service provision, level. If that is the case, then procedural protections in the administrative decision-making process such as fair hearings might have only a very limited ability to provide people with the opportunities to monitor, check and control the implementation of motivational strategies.

Advocates of unconditional policies may still suggest that unconditionality is a better policy choice when it is not possible to have fair procedural protections that guarantee

fairness and justice in the administrative decision-making process. As I discussed in chapter 3, the use of conditions in cash transfers policies can hardly be justified in the presence of patronage and corruption. For instance, this happens when conditional welfare policies become an instrument of patronage that can be manipulated by different political actors. It is usually argued that unconditional redistributive policies such as an unconditional basic income are immune from patronage and corruption (Standing 2002). The thought is that unconditional schemes can avoid various modalities of corruption commonly associated with redistributive programs that require high administrative costs and a large bureaucracy.

This empirical claim, however, should not be extended to all modalities of conditionality. For example, some CCTs programs in Latin America have been implemented along with various institutional mechanisms that promote accountability and transparency (Cecchini and Madariaga 2011). This modality of welfare conditionality is designed with a particular emphasis on mechanisms to audit, evaluate and monitor all of which limit the opportunities for corruption (Grimes and Wangnerud 2010, pp.676-677). Even CCTs implemented in countries with democratic deficits such as Mexico include evaluative mechanisms that limit the room for corruption and patronage (Grimes and Wangnerud 2010, p. 676). This does not mean that conditional welfare programs can always perform well independently of the nature of the political institutions and the political dynamics in place. Instead, it only means that the use of adequate regulatory instruments can provide fairness and justice in the administrative decision-making process. More research needs to be done to understand how street level bureaucracies can provide fair and just procedural protections even when corrupted political background conditions are predominant.

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