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# Distributive justice and the argument for an unconditional basic income

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## Abstract

The defense of selective work requirements depends in part on a belief in the fairness of the capitalist economic system, in which property can be acquired, concentrated, and handed down in ways that lead to vast economic inequality. This belief supports the enforcement of work requirements on recipients of redistribution. But a problem inherent in theories of distributive justice, the inability to apply the same criteria of fairness to subsequent generations, undermines the legitimacy of this belief. I argue that an unconditional basic income is preferable to work-conditioned income support on distributive and political grounds.

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## 1. Introduction

The defense of selective work requirements depends in part on a belief in the basic fairness of the capitalist economic system, in which property and assets can be privately acquired, concentrated, and handed down in ways that can lead to vast economic inequality among citizens. The belief in the basic fairness of the system does not require one to endorse the resulting distribution at any given time as fair on its own, only to hold that overall the system rewards (and penalizes) its participants according to fair rules that apply equally to all. Neither does the belief in the system's basic fairness preclude the adoption of a system

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of redistribution. Most defenders of capitalism acknowledge that its greater efficiency and productive power come at the cost of consigning some participants to economic insecurity and even poverty, even when it functions well, creating the need for some kind of redistributive safety net. But this belief does contribute to the sense of entitlement on the part of taxpayers and lawmakers to dictate conditions, including work requirements, on the receipt of cash benefits including welfare and basic income.

In the literatures on welfare and conditional basic income, this belief in the basic fairness of the capitalist system operates as an unstated – and undefended – assumption. But this belief is defended in some of the literature on property rights and distributive justice that forms the philosophical background of debates over welfare and basic income. I examine three theories of distributive justice that might be used by those who want to defend the fairness of the capitalist system: the entitlement theory of justice, defended by Robert Nozick in *Anarchy, State, and Utopia*, and two theories of just distribution, the first articulated by John Rawls in *A Theory of Justice*, and the second by Ronald Dworkin in *The Sovereign Virtue*. I argue that none of these theories succeeds in providing moral justification for that sense of entitlement generally, or for the imposition of *selective* work requirements in particular.

Note that I do not here undertake a comprehensive examination of the merits of capitalism, but restrict myself to the question of whether within a capitalist system, which tolerates vast inequalities in order to generate a larger total product for everyone, these inequalities have the kind of moral status or authority that could justify the imposition of selective conditions, such as work requirements, on recipients of welfare or basic income.<sup>1</sup> In other words, in a system that generates winners and losers as part of its normal functioning, are the winners morally entitled to impose conditions like work requirements on its losers in return for income support?

With respect to Rawls, I consider a further question. His *Theory of Justice* seems to reject welfare state capitalism because it fails to respect fair equality of opportunity, one of the principles embodied in his “justice as fairness”. But when pressed to clarify whether the voluntarily unemployed should be counted among the “least advantaged”, Rawls comes down firmly in favor of conditioning income support on work requirements. I ask whether this is a tenable position, and suggest that the political equality so central to justice as fairness would be better advanced by the limited redistribution of capital represented by an unconditional basic income than by conditional income supports.

## 2. The entitlement theory of justice

The entitlement theory of justice is more properly considered a theory of property rights because its conception of justice rests wholly on rules for the fair acquisition, accumulation,

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<sup>1</sup> Note that I also gloss over the very real differences between welfare and conditional basic income in order to focus this discussion on the question of the legitimacy of the selective work requirements they both share. I do not consider here the merits of various socialist economic systems, which either severely constrain the right to private property or incorporate an overtly egalitarian ethos that is incompatible with the imposition of selective work requirements. On the latter point, see Zelleke (in press).

and transfer of property. If these rules are followed, the resulting distribution is deemed to be just whatever it is, and however unequal. Robert Nozick is the most prominent defender of the entitlement theory of justice, but since he uses John Locke as his starting point I turn first to Locke as well.

### *2.1. John Locke and the acquisition of private property*

For John Locke, the origin of private property is intricately bound up with the origin of political society (Locke, 1988). For Locke, private property represents in a very real way what individuals keep for themselves of the political power they surrender to the government when they join together in a social contract to establish a common authority. In Locke's view, private property precedes the establishment of government – it is to protect one's property that individuals exchange their natural liberty for political rights and obligations. But if property rights precede government, how do they arise?

According to Locke, God gave the world to all men in common to use for their self-preservation. But without a means to appropriate to oneself some of what was given in common in the absence of the consent of every other person, "Man had starved, notwithstanding the Plenty God had given him" (1988:288). Men are able to appropriate natural goods from what is owned in common by mixing with them something entirely their own: their labor. Men are able to appropriate from the common without the consent of the rest of mankind, but only under two conditions: "where there is enough, and as good left in common for others" (1988:288), and only as "much as any one can make use of to any advantage of life before it spoils" (1988:290).

Locke's labor theory, and the two provisos, as they are known, solve the problem of providing for man's needs, but only in a very primitive stage of man's existence, when both the capacities and needs of most men were similar, and when they were content with what "un-assisted Nature offered to their Necessities" (1988:299). But in fact it is men's labor that gives property most of its value, according to Locke, allowing nature's abundance to grow 10-fold, a 100-fold, even a 1000-fold (1988:296–298). As productivity grew beyond men's immediate needs, a system of exchange developed, and with it came the introduction of money. This allowed men to accumulate resources without violating the two provisos, since money does not spoil; and though through trade this gave rise to unequal holdings, there was still an abundance of natural resources for all to appropriate (1988:299–301).

Locke notes that within society, once government is formed, property is regulated by civil, not natural law, partly as a result of the inevitable scarcity brought on by the ability to accumulate beyond one's immediate needs (1988:302). But Locke does not say much about how property ought to be regulated by civil law, and it is clear that according to his account economic inequality is already well established before society is founded. As a consequence, his labor theory of value has been interpreted as a justification of unrestrained capitalism and extreme economic inequality within society (see, e.g., Macpherson, 1962; Cohen, 1986).<sup>2</sup>

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<sup>2</sup> But Locke's description of the initial egalitarianism in the state of nature has also given rise to very different interpretations (see, e.g., Tully, 1980).

## 2.2. Robert Nozick and capitalist property rights

Robert Nozick uses Locke as a foundation for his explicitly capitalist theory of property rights (Nozick, 1974). Nozick specifies two principles: justice in acquisition and justice in transfer, and claims that if these principles are not violated, whatever property distribution that results is legitimate (1974:150–153). How is property justly acquired? Nozick draws on Locke's account, but with a subtle change. Nozick interprets Locke's first proviso to mean that initial property acquisition is legitimate if no one else's position is worsened by the acquired property's being removed from common access (1974:178–182). Nozick's proviso can thus be satisfied by most capitalist accumulation, which increases the basket of goods available to the whole population, even as it concentrates the ownership of property, and the power that property confers on its owners, in the hands of a few. Once property is legitimately acquired, it can be exchanged or transferred freely, as long as there is no force or fraud, even if this further concentrates property in the hands of a few.

Note that both Locke and Nozick begin from an initial situation of equality: all are equally free to acquire property according to the rules Locke and Nozick describe. This is a situation of more than purely formal, though not of wholly substantive equality, because initial shares are not distributed equally (as they often are when analytical philosophers tackle the question of distributive justice), nor are natural differences between individuals addressed. As a result, inequality arises immediately from the differential efforts, inclinations, talents, and luck of those in the initial position, and is amplified in subsequent generations. Individuals in subsequent generations are constrained by the choices of their forebears in addition to their own natural endowments; they do not begin from an initial position of almost substantive equality, but of inequality. The equality they now enjoy is purely formal.

Both Locke and Nozick have been amply criticized for the inegalitarian effects and questionable premises of their property theories (see, e.g., Kymlicka, 1990; Macpherson, 1962; Cohen, 1986). Locke acknowledges the subjugation of natural property rights to civil law after the foundation of society, but his silence on what regulations he envisioned has allowed numerous, conflicting interpretations of the kind of economic system he was defending. Nozick himself notes that the current distribution of property involves substantial force and fraud in every existing society, and thus gives rise to a need for a principle of rectification, which he does not supply. He is critical of theories of distributive justice, but concedes that they may play some role in rectifying violations of the principles of justice in acquisition and transfer (1974:152–153, 230–231).

Nevertheless, Locke and Nozick articulate two powerful intuitions about property rights – that the acquisition of property rights, because it inevitably affects the position of others in society, must take place according to fair rules, but that once property has legitimately been acquired, its owner should be protected in its enjoyment. These intuitions are especially important, but inherently problematic, in the context of a capitalist economic system.

## 3. Theories of just distribution

As powerful as these intuitions are, the entitlement theory of justice is not satisfactory. While it allows for unequal holdings that result from differences in effort and inclination,

which is crucial to the operation of market capitalism and is a form of inequality that enjoys general support, it also tolerates unequal holdings that arise from differences in talents and luck, which are morally problematic. The capitalist system must reward talents differentially, but individuals cannot be said to deserve the talents they are born with, so their differential reward is not as easy to endorse as differences in work effort. And while capitalism cannot help but reward (or punish) certain kinds of luck, we certainly cannot be said to deserve our luck. But the entitlement theory of justice cannot distinguish between these different kinds of inputs to the distribution of rewards. An alternative approach to evaluating this part of the economic system is to articulate a theory of just distribution. John Rawls and Ronald Dworkin have articulated two such theories, and I turn to them now.

### 3.1. *John Rawls and justice as fairness*

John Rawls' discussion of his theory of justice, of which his theory of just distribution is a part, begins, like Locke and Nozick's, in a kind of state of nature. Rawls attempts to recreate the initial state of natural equality in a theoretical device called the veil of ignorance (Rawls, 1971, 2001). While Locke's founders are already in possession of unequal holdings when they determine the constitution of their state, Rawls contemplates the outcome of constitutional deliberations that take place behind a "veil of ignorance" of one's own resources, talents, and life chances (1971:136–142). Rawls' founders strive, within this constraint, to formulate objective principles of justice that will guide the establishment of fair social, political, and economic institutions. Rawls believes the principles that would be chosen are as follows: "Each person is to have an equal right to the most extensive total system of equal basic liberties compatible with a similar system of liberty for all." And: "Social and economic inequalities are to be arranged so that they are both: (a) to the greatest benefit of the least advantaged ... and (b) attached to offices and positions open to all under conditions of fair equality of opportunity" (1971:302). Rawls calls the conception of justice embodied in these principles "justice as fairness".

The first principle requires what Rawls calls the right to personal property – the ownership and exclusive use of property other than natural resources and the means of production (2001:114–115). Regarding these forms of property, he considers five possible economic regimes and how they meet the requirements of justice as fairness. He argues that justice as fairness excludes laissez-faire capitalism, welfare state capitalism, and a socialist command economy because they do not respect the basic liberties (in the case of socialist command economies) or fair equality of opportunity (in the case of laissez-faire and welfare-state capitalism) (2001:135–138). This leaves liberal (democratic) socialism and what he (and others) term "property-owning democracy".<sup>3</sup> He is agnostic on the ques-

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<sup>3</sup> The term "property-owning democracy" comes from Meade (1964), whom Rawls cites in *Theory of Justice*. In *Theory of Justice*, Rawls uses the term to distinguish a redistributionist capitalist system from market socialism, blurring the distinction between Meade's radically egalitarian property-owning democracy and welfare-state capitalism (Rawls, 1971:274). The distinction was later clarified by Krouse and McPherson (1988). Rawls adopted this distinction and endorsed property-owning democracy over welfare state capitalism in *Justice as Fairness* (2001). As Krouse and McPherson note, most commentators on *Theory of Justice* interpreted it as a justification of welfare-state capitalism (Krouse and McPherson, 1988:79 and n. 1).

tion of which of these two systems would be chosen, but he gives a fuller discussion of property-owning democracy, and it is the one which concerns us here. In his later work, Rawls distinguishes property-owning democracy from welfare-state capitalism. Property-owning democracy encourages the widespread dispersal of capital and productive assets, rather than merely supplementing the income of the poor. It does this through schemes of taxation, especially of gifts and bequests, that work against the concentration of wealth and assets, together with the assurance of an “appropriate social minimum” (2001:139–140, 160–162).

Justice as fairness rejects the purely formal equality of the entitlement theory of property. In a society governed by the entitlement theory of justice, individuals have formal equality to appropriate and accumulate, but inequalities arise in the first generation from differential efforts, inclinations, talents, and luck, and in subsequent generations from these factors and from differential inheritance as well. Justice as fairness views all these factors as morally arbitrary and undeserved, and therefore subject to the redistributive effect of the difference principle. By ensuring that the inequalities that result from these factors benefit the least advantaged, Rawls attempts to establish a more substantive equality.

### 3.2. *Ronald Dworkin and equality of resources*

Ronald Dworkin’s theory of just distribution also attempts to establish a more substantive equality than that promised by the entitlement theory of justice, but Dworkin believes that Rawls errs in subjecting all inequalities to the difference principle. Dworkin designs his theory of distributive justice to be what he characterizes as “endowment-insensitive” but “ambition-sensitive”; that is, he wants to mitigate inequalities that arise from natural talents or handicaps, as well as good or bad luck, but not those that arise from differences in effort and inclination, which he calls ambition (Dworkin, 2000).

Dworkin begins with a story about how a hypothetical group of shipwrecked individuals might equitably divide the natural resources on the island on which they find themselves. He proposes an auction, using equal allotments of clamshells as currency. Individuals bid on the resources until each has a bundle that passes what Dworkin calls the “envy” test – no one prefers anyone else’s bundle to his or her own (2000:66–69). Dworkin uses a painstaking process to ensure an envy-free distribution (which I have simplified here), rather than a straightforward equal division of some hypothetical pie, in order to achieve an initial equity that takes seriously individuals and their preferences for different kinds of resources – land versus coconuts, for example. He does this because he wants to set the stage for individuals to take responsibility for the decisions they make, and the kind of lives they choose to lead in their post-auction lives: Dworkin’s equality of resources prioritizes autonomy over equality of outcome.

In a world where all individuals had equal talents and equal ambitions, their bundles of resources might continue to pass the envy test throughout their lives. But in the real world, where individuals have unequal talents and ambitions, and are also subject to different amounts of good and bad luck, bundles will quickly diverge in value and the envy test will not be met. Dworkin uses the device of a hypothetical insurance market to argue that

individuals would be willing to pay “premiums” – taxes, that is – to insure against economic hardship that is the result of suffering a handicap, or of being comparatively untalented, or the recipient of bad luck,<sup>4</sup> but not against being comparatively unambitious, by which he means being indolent and lacking in purpose (2000:73–99). This leads, Dworkin argues, to an income tax-supported conditional welfare system that provides above poverty-line benefits for those who cannot find work and who are willing to engage in job training while they search for employment (2000:331–346).<sup>5</sup>

Dworkin turns again to a hypothetical insurance scheme in order to confront the problem of inheritance and generations. But this insurance scheme is designed not, as one might expect, to emulate the initial, painstakingly crafted equality of resources, but to prevent his (first generation) egalitarian society from evolving over the generations into a class-based society if legitimate differences in wealth – those that arise from differences in ambition – are allowed to be passed on in full. Because of the natural desire to advance the interests of one’s own family, it is clear that some wealth will be passed on to those who do not deserve it in a moral sense. Dworkin concludes that this insurance exercise would lead to a steeply progressive inheritance tax, and argues that the proceeds should be used to fund institutions like public education and professional training that will mitigate the effects of the class distinctions that do occur (2000:346–349).

Dworkin has succeeded in crafting a society that embodies a more substantive equality than that achieved by the entitlement theory of justice, and he has succeeded (at least in theory) in devising a way to allow individuals to reap the rewards of their hard work, but not of their undeserved talents and luck. But his egalitarianism is potentially short-lived, and as is the case in Nozick’s society, as long as any amount of inheritance is allowed the members of the first generation enjoy greater substantive freedom than all subsequent generations, not only in their ability to appropriate property, but in their ability to choose how to live.

#### **4. Theories of distributive justice and the conditions of redistribution**

How do the entitlement theory of justice and the theory of just distribution support the belief in the basic fairness of the capitalist system and justify the imposition of conditions such as work requirements on welfare or basic income recipients? Two of the theories, Nozick’s and Dworkin’s, provide justifications for legitimate property ownership based on notions of desert. While very different, they both provide individuals with a sense of entitlement to determine how much of what is legitimately their own they are willing to redistribute to those less fortunate (and therefore, on the basis of their theories, less deserving), and under what conditions.

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<sup>4</sup> Dworkin distinguishes between “option” luck – how one’s calculated gambles (deciding to plant one crop over another) turn out, and “brute” luck – unforeseeable risks (a lightning strike) that are not deliberately undertaken (2000:73–74). Like many of the distinctions he makes, this one turns out to be less black and white and more a matter of degree than one would wish.

<sup>5</sup> One might characterize this as a more generous “welfare as we used to know it”.

#### 4.1. *Desert in the first generation*

Are these feelings of entitlement legitimate? In the first generation, perhaps. At the stage of initial acquisition, both Nozick and Dworkin are concerned to arrange property acquisition in ways that are not only justifiable to all but that work to the advantage of all, by rewarding those who take raw materials and transform them into things that others want and need. (At this stage, it seems that both Nozick's and Dworkin's schemes would even satisfy Rawls' difference principle.) While some of those who end up without property in Nozick's first generation might be tempted to complain, if Nozick's proviso is truly honored then even they are no worse off than they would have been had no property acquisition taken place.

But the differences between individuals that would affect how the first round of property acquisition would go – some in this state of nature are old, some are young, some are handicapped, some are ill – might force us to reject Nozick's absolute property rights and even Dworkin's initial distribution of resources, which makes no accommodation for handicaps (Dworkin, 2000:79–81). Thus, even in the first generation, undeserved differences in abilities ought to undermine the feelings of entitlement and desert with which individuals view their property.

Of course, this first generation is a theoretical fiction. But for both Nozick and Dworkin, it is only the first generation that could hope to experience fairness on the terms of their respective theories. Subsequent generations come into a world already divided up; individuals in subsequent generations begin their lives advantaged or disadvantaged for morally arbitrary reasons of birth, not for being industrious. (This effect is more pronounced under Nozick, but exists as well under Dworkin's scheme.) In round one, property goes to the industrious; in round two it goes, at least in part, to those who are chosen by the industrious.

#### 4.2. *Absolute property rights and inheritance*

For Nozick, this poses no problem, because he is in fact less interested in justifying initial property acquisition than in defending the owner's right to do as he or she pleases once legitimate property acquisition has somehow occurred – what he memorably calls “capitalist acts between consenting adults” (1974:163). His concern for the liberty of property owners to dispose of their property as they see fit prompts him to propose a one-time redistribution according to any theory of distributive justice one wishes. After that, he claims, individuals' voluntary actions will upset the “pattern” that has been imposed, and maintaining the pattern will require preventing certain mutually advantageous exchanges between individuals or repeated redistribution of assets, both violations of liberty (1974:160–164). Of course, redistribution of assets is only a violation of liberty if property rights confer absolute rights on the owners of property, and it is here that Nozick's argument fails. The benefits of capitalism, not liberty alone, justify the initial appropriation of property, but when capitalism's negative effects emerge, a narrowly defined liberty is somehow the only thing that matters.<sup>6</sup>

<sup>6</sup> See Kymlicka (1990:145–151), for a fuller discussion of this and other problems with Nozick's defense of property rights.

### 4.3. *Contingent property rights and inheritance*

Absolute property rights explain, though they do not justify, why subsequent generations do not have the same experience as Nozick's first generation. For Dworkin, property rights are subordinate to his endowment-insensitive, ambition-sensitive notion of equality of resources. Therefore, the inheritance of resources, which so clearly disrupts his carefully crafted equality, is more of a problem for Dworkin. He addresses this problem through steep inheritance taxes, which fund public educational resources designed to mitigate inherited inequality. But why not use the inheritance taxes to fund "inheritances" for everyone in the form of a basic income or a stakeholder grant, a one-time grant to individuals at birth or maturity? Doing so would more closely replicate the initial autonomy of the first generation, for whom Dworkin was careful to craft an auction device that allowed individuals to choose bundles of resources tailored to their own ambitions and life plans. Without some kind of repeated redistribution not only of income and public resources but of capital, the equal liberty so central to Dworkin's equality of resources holds true for the first generation only, and subsequent generations are deprived of the right to choose their own bundles of goods according to their unique preferences (which may or may not include education).

### 4.4. *Justice as fairness: the hidden notion of desert*

Rawls never justifies the legitimacy of property ownership independently of its effect on the position of the least advantaged, so his theory does not explicitly generate a problematic sense of entitlement in the same way that Nozick's and Dworkin's do. However, the notion of the "least advantaged" is fraught with exactly the moral distinctions between persons that Rawls wants to avoid in the design of justice as fairness.

In contrast to Dworkin, Rawls does not recognize any part of individual endowments as exempt from the difference principle, and thus all income and wealth is legitimately subject to redistribution, following the dictate of the difference principle that inequalities are to be allowed only to the extent that they improve the position of the least advantaged. Who are least advantaged? "In a well-ordered society where all citizens' equal basic rights and liberties and fair opportunities are secure, the least advantaged are those belonging to the income class with the lowest expectations". (Rawls, 2001:59) Rawls cannot include an explicit notion of desert in his definition of the least advantaged, if it has no moral weight in justifying positions of advantage in his society; the least advantaged are least advantaged for the same mix of reasons the most advantaged are where they are.

But justice as fairness cannot be neutral about one element in this mix: work. *A Theory of Justice* was criticized for allowing those who prefer not to work to fall within the definition of the least advantaged by virtue of their voluntarily low income, forcing some to subsidize others' expensive taste for leisure. In *Justice as Fairness*, Rawls corrected this "bias" in favor of leisure by including excess leisure – leisure beyond the 16 h per day left after a standard 8-h work day – in the index of primary goods, and by formally endorsing the notion of reciprocity, so that those who do not work are no longer included among the least advantaged. Now the least advantaged are those who "are doing their full share on terms recognized by all as mutually advantageous and consistent with everyone's self-respect" (2001:139). "Surfers", Rawls notes, "must somehow support themselves", aligning

himself squarely with reciprocity advocates of conditionality (2001:179). By resolving the work/leisure dilemma in favor of work, Rawls has let a notion of desert in through the back door, and a critical difference between his theory and Dworkin's has collapsed.

Anyone who would implement this version of justice as fairness (or Dworkin's equality of resources) faces the difficult task of distinguishing between the work-shy and the truly unemployed, without falling prey to the intrusive and degrading sorting of the deserving from the undeserving poor of modern welfare states. This would surely violate the spirit of justice as fairness because of the unequal power relations between potential beneficiaries and those to whom authority is delegated to certify eligibility. In addition, a determination would have to be made regarding the work status of parents of small children, an issue Rawls does not address. But most importantly, this version of justice as fairness, like Dworkin's equality of resources, accepts the continuing division of society into classes, where those who have access to capital resources through inheritance or luck, not only desert, have a range of choices of how to live, while those who do not must work for income support.

If the institutional structure of justice as fairness does include a work requirement for the least advantaged, as Rawls seems to endorse, the question I began with is answered: those who are not among the least advantaged, whose taxes contribute to the income support of the least advantaged, are justified in enforcing the work requirement as a condition of receipt of income benefits. But if this question is answered, another one needs to be asked: why does justice as fairness not endorse welfare-state capitalism?

#### 4.5. *Property-owning democracy*

As I noted above, Rawls rejects welfare-state capitalism because it fails to respect the fair value of political liberties:

It permits very large inequalities in the ownership of real property (productive assets and natural resources) so that the control of the economy and much of political life rests in few hands. And although . . . welfare provisions may be quite generous and guarantee a decent social minimum covering the basic needs . . . a principle of reciprocity to regulate economic and social inequalities is not recognized (2001:138).

Thus, the problem with the welfare state is not that it consigns the least advantaged to living on meager benefits, but that it excludes them from participation in economic and political decisions. Accordingly, Rawls describes the advantage of property-owning democracy in political terms as well:

[T]he background institutions of property-owning democracy work to disperse the ownership of wealth and capital, and thus to prevent a small part of society from controlling the economy, and indirectly, political life as well. By contrast, welfare-state capitalism permits a small class to have a near monopoly of the means of production . . . The intent [of property-owning democracy] is not simply to assist those who lose out through accident or misfortune . . . but rather to put all citizens in a position to manage their own affairs on a footing of a suitable degree of social and economic equality (2001:139).

Rawls does not fall prey to the problem of generational fairness, as Nozick and Dworkin do, precisely because the institutions of property-owning democracy disperse wealth and assets, and not just income, throughout society – and not just once, but continually, through every generation. But it is difficult to reconcile Rawls' desire to give all members of society a substantive role in the control of the economy, not to mention in the management of their own affairs, with the imposition of a work requirement for those who would receive only the social minimum.

The reasons Rawls gives for preferring property-owning democracy to welfare-state capitalism recall those given by James Meade, from whom Rawls took the idea of property-owning democracy, but they fall short of Meade's radicalism. Meade was a strong, and early supporter of an unconditional social minimum, which he saw as necessary to mitigate declining returns to labor from advances in technology, and to further his goal of a society in which individuals are no longer divided into workers and capitalists, but where everyone is both worker and capitalist (Meade, 1988:246). Meade was an economist, and he had an economist's ethical agnosticism; he notes casually and without elaboration that in the future full employment may come to mean part-time work and greater leisure (1995:8), and he appears never to have worried about public reaction to an unconditional social minimum (Atkinson, 1996:93–94). His understanding of the political effect of property ownership made him come to call the social dividend a citizen's income, and his characterization of its political effect makes clear why it must be an unconditional:

A man with much property has great bargaining strength and a great sense of security, independence, and freedom; and he enjoys these things not only vis-a-vis his propertyless fellow citizens but also vis-a-vis the public authorities. He can snap his fingers at those on whom he must rely for an income; for he can always live for a time on his capital. The propertyless man must continuously and without interruption acquire his income by working for an employer or by qualifying to receive it from a public authority. An unequal distribution of property means an unequal distribution of power and status even if it is prevented from causing too unequal a distribution of income (1993:41).

Property-owning democracy, in Meade's formulation, looks at individuals both as labor resources for the market, and as citizens entitled to exercising a fair share of its power. To maximize the efficient operation of the economy, social and political institutions ought not to interfere with the market's allocative function, including the allocation of human resources, but efficiency does not require the market's distribution to remain untouched. Like Rawls, we can agree that there might be other economic systems of equivalent efficiency and greater distributive equity – liberal (democratic) socialism, perhaps – but in the context of a capitalist economic system, which is after all what causes us to be concerned with the conditions of redistribution in the first place, Meade makes a convincing case that unconditionality is politically superior to conditionality.

Can Rawls endorse both property-owning democracy and selective work requirements? To do so requires viewing the problem of unemployment or underemployment in simplistic terms, and ignoring the complex mix of reasons that keep some out of the work force. Otherwise, distinguishing between the voluntarily and involuntarily unemployed, like distinguishing between the deserving and undeserving poor, is necessarily contentious and

requires a monitoring of the least advantaged that hardly seems consistent with the ideal of justice as fairness. The resulting inequality in political power cannot be said to be to the greatest advantage of the least advantaged in the absence of an argument, of the kind made by some workfare advocates but which Rawls does not provide (and again seems inconsistent with the ideal of justice as fairness), that enforced work is beneficial for the poor (see e.g., Mead, 1986, 1992).

## 5. Conclusion

Many theories of distributive justice begin with an egalitarian distribution (though how egalitarian varies considerably) in an ideal initial state. Pointing out that the conditions of this ideal initial state can never be replicated in subsequent generations may seem trivially obvious, but it is a way of demonstrating that addressing the dynamics of the market and of the generations is fundamental to the integrity of a theory of distributive justice. If the rules change in subsequent generations, then the persuasive power of the scenario of the initial state is lost.

Nozick and Dworkin both suffer from this, but in different ways. For Nozick, liberty in the initial state is constrained by utilitarian arguments about how private appropriation, in violation of the liberty of others, improves, or at least does not worsen, the position of others. But in subsequent generations, the liberty of some trumps not only the liberty of others but utilitarian concerns as well. For Dworkin, the initial unconditional egalitarian distribution of resources is replaced by a conditional distribution in subsequent generations, and some ambition-insensitive distribution is allowed in the form of inheritance.

Rawls' justice as fairness does not share this generational problem because there is no initial egalitarian distribution; the original position and the veil of ignorance serve to create a moral equality that is independent of the existing distribution of resources, and the two principles of justice inform the creation of institutions and policies to create and maintain a just distribution throughout the generations. But Rawls' resolution of the work/leisure question in favor of a work requirement allows the political equality of justice as fairness to be undermined by the necessary monitoring and enforcement of work on the least advantaged. Perhaps, as Philippe Van Parijs has argued, there is no neutral way to adjudicate between work and leisure in the Rawlsian framework (Van Parijs, 1991).

But the idea of the property-owning democracy, which Rawls appears to endorse, allows this question to be adjudicated capitalistically and democratically, by giving individuals the means to decide with their own actions within the context of the market the value they place on work and what it brings in higher income, and to do this without interfering in the market's supply and demand for labor. An unconditional basic income, by its unconditionality and its permanency, provides individuals with the kind of capital resources Meade sees as so critical to true political equality. The kind of equality that Rawls and more traditional state of nature theorists describe in the initial position may be illusory in terms of history, let alone for subsequent generations, but Meade's property-owning democracy, with its unconditional basic income, suggests a way for capitalist societies to emulate the state of natural equality on a continually renewable basis.

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