A Defense of Participation Income*

Accepted for publication in The Journal of Public Policy

Cristian Pérez-Muñoz
Pontificia Universidad Católica de Chile

Abstract: This article offers a novel defense of participation income (PI). It claims that there are pragmatic and normative reasons to prefer a PI over 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 article ends by addressing five objections that can be raised against its argument.

Key words: Participation Income, Unconditional Basic income, Civic Service, unmet social needs

*I am grateful to Randy Calvert, Jurgen De Wispelaere, Clarissa Hayward, Frank Lovett, Ian MacMullen, Joshua Potter, Michael Sherraden and Stuart White for their comments, suggestions and criticisms on previous drafts of this paper. In addition I want to extend special thanks to JPP editor Andy Whitford and the four anonymous reviewers for their invaluable feedback. The final stages of manuscript preparation were supported by Iniciativa Científica Milenio del Ministerio de Economía, Fomento y Turismo, RS130002.
Introduction

This article 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 rather 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 (Atkinson 1996, p. 68–69). Second, a PI is paid to individuals. 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 valuable contribution in return. Thus, both rich and poor are entitled to a PI.

Although PI has been widely discussed in the literature on unconditional basic income (UBI), its main implications have been largely unexamined. This article seeks to fill that void. In particular, it argues that there may be both pragmatic and normative reasons to prefer a PI over 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. At present, we know very little about the potential benefits or negative consequences of a PI. However, there exists an extensive literature on 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 alleviated by the voluntary actions of the recipients of an unconditional scheme than by the recipients of a PI.

This article is organized as follows. Section One both describes the main justifications of PI and develops my proposal of conceiving a PI as a particular type of civic service program. Section Two addresses five objections that can be raised against my argument. Section Three discusses the future challenges and implications of my proposal.

**Reasons in favor of a PI**

Atkinson’s characterization of PI is open to interpretation. He simply defines a PI as a basic income paid at 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 which entitle people to receive a PI. Different formulations of the 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 exhibits high levels of accessibility and congruence, these gains might come at the expense of transparency. In this article, 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.

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 the creation of 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 undercuts unemployment’s inherent value (Atkinson 1995b, p. 3). Thus, it should help low-income individuals improve their material situation through their own efforts. It should also 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 in favor of 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 Robert 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.

Note that there are two possible versions of the political feasibility argument. On the one hand, this argument can be grounded in the assumption that a PI is a better policy given that a UBI scheme is politically unfeasible not only in the short run but also in the long term. On the other hand, we might argue that in current circumstances a PI is a more feasible policy because it can serve 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 be better able to construct coalitions that support conditional than unconditional policies. However, it is an empirical question as to 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. Although there are different ways to interpret the notion of stability, the most common notion utilized 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 very similar state after the perturbation (Hansson and Helgesson 2003, p. 222). 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. In the context of redistributive policies, this mainly means that the redistribution of resources will not produce motivational obstacles that could eventually affect the stability of that redistributive scheme. In contrast to unconditional income guarantee programs, we could reasonably argue that PI is likely to be more stable because it should not affect people's incentives to work and search for paid jobs. Unconditional schemes like a UBI do not adopt any motivational strategy to productively deal with those motivational obstacles that might affect their stability in the long term.

UBI schemes are designed to give people the freedom to decide whether or not to participate in the job market and to contribute to society by performing some type of activity that may be useful to society at large. In particular, 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, Pérez-Muñoz 2015). 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 may be 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.

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 2003b). For example, Stuart White (2003b) defends a conception of economic justice based on the idea of fair reciprocity. 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 (White 2003b, p. 63). A PI works well for this purpose because it is less vulnerable than a UBI to the exploitation objection (White 2003a, p. 149). This objection says that unconditional schemes such as a UBI allow some citizens to engage in a morally troubling and parasitical relationships with their fellow citizens (Elster 1986; Van Donselaar 2008). Since a UBI guarantees an income without demanding a contribution in return, people are able to “free ride on the productive efforts of others” (White 2004, p.62). Thus PIs could be understood to be redistributive schemes that promote reciprocity and deter free rider behaviors.

An alternative justification

Because the feasibility and stability argument for PI has been extensively discussed elsewhere, I do not examine it further here. 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. The allocation of services to address unmet social needs is a missing dimension in the debate about UBI and PI. Although UBI advocates argue that the unconditionality of that policy frees people up to engage in various activities—among them, the provision of services to address unmet social needs—this claim has, as of yet, remained largely unsubstantiated in the literature.

Here 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 set of services directed to address unmet needs ranges 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 volunteering in homeless shelters. As I will explain later in the paper, the activities that count in my version of PI are defined—and delimited—in an explicit listing. Therefore, we should expect Atkinson’s PI proposal to be more open-ended than the version of PI defended in this manuscript. In other words, depending on the number and type of activities included in the list, a PI program conceived as a civic service can be more restrictive than what PI’s original proposal intended.?

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. 2). 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 et al 2007, p. 5).

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, pp. 1-3). Finally, participation in civic service programs may be compulsory or voluntary. In their global evaluation of civic service in the world, McBride, Benitez, and Sherraden (2003) found that of the 210 programs found in 57 countries, only four percent were compulsory.

Civic service programs are designed to provide services as different as assisting and mentoring students at different educational levels, helping people to navigate and obtain access to health services and social programs, improving recycling practices and constructing and preserving houses. Civic service is commonly aimed to address some modalities of market and government failure. That is, to provide services that neither the market nor the state typically carry out in an effective and efficient way (Moskos 1988). On the one hand, some of the services provided by civic service programs can be too expensive and administratively problematic to be implemented by government employees (Moskos 1988, p.1). On the other hand, the decisions of entrepreneurs in the marketplace may not produce socially desirable outcomes. This might
happen, for example, because low demand levels for most of those services means that their provision is not commercially viable in an open market. This limited demand can be explained by different factors. To begin with, most people who need those services may be not able to afford them. This results in these services being insufficiently lucrative for market entrepreneurs. Likewise, the low demand in the market also can be affected by people’s expectations about the positive effect that those services may have in their lives.

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. 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 to 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 public services that otherwise would not be available to communities without dependence on direct public service employment or common forms of contracting (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 this argument. On the one hand, some argue that civic service programs promote people’s personal growth. By serving in some types of civic service 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 (Frumkin and Jastrzab 2010, p. 156).

What distinguishes these justifications from one another is who benefits from the 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 relative emphases placed on servers versus 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 can 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 1992). 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 1992, p. 10). For these two reasons, in this essay 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.

**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 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.

*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 in order to
reciprocate 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 compensation 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. This places the burden of helping the needy on those who cannot afford to pass up the monetary incentives (Fabre 2006, p. 60).

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 vulnerable to this objection. In contrast to these authors, I do not argue that PI programs further the principle of fair reciprocity more convincingly than unconditional ones. Instead, my argument is that PI programs can be superior to unconditional ones because they can help satisfy unmet social needs.

Note, however, that the same criticism could be applied to my argument in the following form: even if there is a PI in place and it efficiently addresses unmet social needs, we presumably will still have both unmet social needs and people benefiting from other public goods without rendering any relevant contribution to address those unmet needs. Therefore, my argument is not immune from the selectivity problem either. There is, however, a possible way to avoid (or at
least minimize) that normative problem. The alternative is to argue that a fair PI program would only be possible when other redistributive programs coexisting with the PI are also designed to respond in some relevant way to unmet social needs. In other words, this possibility implies that a PI program can only be fair if there are certain background conditions in place – in this case that other public institutions do not allocate benefits without requiring their recipients to help alleviate unmet social needs. The unfairness of the situation lies not in the fact that PI recipients are required to address unmet social needs but that the recipients of other public benefits are not meeting their obligations of justice.

But that answer, of course, leads us to the second reason behind the selectivity problem. This second reason is based on the empirical claim that a PI scheme will be attractive only for those who have fewer options when it comes to 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, cruel and difficult to endure” (Walzer 1983, p. 165). Some of these tasks might qualify as “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 types of work are negative goods 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 provided through a mandatory civic service scheme (Walzer 1982, Fabre 2006). Hard or dirty work should be shared among citizens. PI’s recipients may be
disrespected by mandating them to perform unwanted jobs.

The ethical worry is that a PI can constitute an undue inducement which influences people to participate in activities from which they would normally prefer to abstain. 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 (Grant 2011, p. 51-53). 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, p. 53). 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 participants 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' participants 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).

This, of course, does not tell us that a PI program will have 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 as to 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. 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 worried about the undue inducement effect that a PI program may have.

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; Vanderborght 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 only those activities 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 2007, p. 526; Vanderborght 2012, p. 131).
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 clarity necessary to usefully distinguish 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 correctly anticipate the full range of socially valuable services. The main concern is that the procedures employed in populating this list may be complex and nontransparent. Transparency is one of the variables – together with accessibility and congruence – that Diver suggests are 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 proposed mix of transparency, accessibility and congruence 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.\textsuperscript{12}

These are, of course, important problems that may adversely affect a PI scheme. Conditional policies have administrative and enforcement costs that unconditional ones do not have. The important question is, however, whether or not the trade-offs associated with regulation can be minimized and legitimized. For example, 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 2004). Participatory budget policies allow citizens to actively participate in the public budget allocation at a municipal level (Wampler 2007, Rios and Rios Insua 2007, Fung 2004). Government officials and citizens participate in decision-making processes to produce public policy solutions that can be favorable to the community (Wampler 2007, p. 1).

Advocates of this type of program believe that participatory budgets offer greater legitimacy to 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 (Rios and Rios Insua 2008, p.204). Although it is beyond the scope of this article to go into the details of participatory democratic governance policies, I point out here that the basic intuition underlying these policies is that a procedure of participatory democratic governance can be used to craft an annual list of needed services.\textsuperscript{13}

There are various implementation issues associated with participatory democratic schemes. For instance, the level in which the participatory scheme is implemented (e.g. municipal, national) will have some impact on the performance of the policy. Likewise, it is necessary to establish a criterion to evaluate the regulation and administration of those private contributive activities (e.g. care for dependents). These are just some of the issues that increase the regulatory complexity of the policy. My point is simply that the problem of defining a list of approved activities can be addressed through appropriate participatory mechanisms.\textsuperscript{14}

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. This policy, inaugurated during Bill Clinton's first presidential term, became the largest civic service program in the U.S (Bass 2013, p.154; Perry and Thomson 2004). 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 encouraging people to participate in different programs.15

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 programs around the world which 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. Although these alternatives cannot solve all the problems of transparency associated with the design of the list, they can at least help to minimize the costs of that process.

*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 participate. 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 (Grant 2011, p. x). 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). Thus, while this is a compelling reason to be concerned about how PI programs are implemented, it is not necessarily a concern 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, Vanderborght 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, conditional cash transfer programs (CCTs) implemented in several developing countries require beneficiaries to change their behavior with respect to the health and education of their children (Fiszbein, Schady and Ferreira, 2009, p.205). 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.

*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 lower wages 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 cleansups, 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. 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 take into consideration the demands of union representatives and other stakeholders. As Fabre (2006, p. 68) points out, large-scale civic service programs solve this problem by stipulating the participation of union representatives on the boards or commissions in charge of the services. As is the case with most civic service programs, the feasibility of a PI depends on its capacity to consider and accommodate the demands of various interests groups of interference.

To this day, we do not know nearly enough about PI’s potential economic impact. In contrast to other redistributive schemes, PI programs have barely been studied. 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 market.

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 2011). As Guy Standing (2011, 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” (Standing 2011, p. 178). 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 toward addressing 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 intended to match PI recipients to service programs can perform better overall than can the uncoordinated mechanism of a UBI. At present, we do not know enough about the comparative advantages of one over the other. In any case the worry with a UBI scheme should not be that it promotes radical idleness rather than a broad range of voluntary activities. Instead, the concern is whether or not a 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 be directly used to promote the delivery of some important civic services.

There is at least one important reason to question the efficiency of a UBI as a decentralized mechanism to allocate services to respond to unmet social needs. That reason lies in the fact that not all the unmet needs requiring society’s attention are comparable in scope and type. Broadly speaking, some of those needs might be best addressed by uncoordinated individual actions (e.g. dependent care work) but others may only be solved through a coordinative and cooperative effort among several people. For instance, the implementation of after school programs for children or activities of environmental remediation to create more habitable living spaces are activities that require coordination and cooperation. It is more difficult to imagine that in those cases, uncoordinated behavior can lead to the desired outcomes. UBI's decentralized nature may have more problems than a PI at the time of coordinating those efforts.

UBI's advocates can argue that a UBI will allow individuals the flexibility to join different organizations that are precisely designed to provide various services. I am not arguing that this is an implausible outcome. However, it is more difficult to advance the idea that a UBI can be more effective in motivating people to create and join organizations that are specifically designed to address unmet social needs. If that is the case, a centralized mechanism such as a PI has an operative advantage over a UBI. It will not only organize and match participants with needed services but it can also provide the adequate infrastructure to perform the required activities. UBI's advocates need to explain with more detail why it could be the case that a UBI will be superior to a PI in that particular aspect.

My argument does not need to assume that a UBI will motivate a significant number of
people to free ride on the efforts of others. It will work as long as a UBI fails in supporting a broad range of voluntary activity. On the one hand, the possibility that a UBI has to work as a mechanism to provide services depends on its recipients’ choices about leisure and work (Watts 2002, p. 132). But on other hand, it also depends on the modality of services that people are willing to provide and their capacity to coordinate efforts to provide various services that cannot be individually performed.

Likewise, UBI’s advocates can argue that the design of a list of activities that qualifies people to get a PI will inevitably produce a trade off between allocative efficiency of services and the inclusiveness of the program. The requirements of inclusion that characterize both UBI and PI should be tradeoffs in the latter policy in favor of improving the efficiency of the allocation of services to address unmet needs. That argument assumes that a more restrictive list of activities will achieve more allocative efficiency. However, that does not need to be the case.

The list of activities does not necessarily need to be very restrictive in order to better allocate services to address unmet social needs. Instead, the most important role of the list is to organize people to perform needed services that require cooperation and coordination. That is, to regulate the provision of some activities that the community collectively considers to be highly relevant. It can be the case, of course, that an insufficient number of PI’s recipients are willing to perform some of the most demanding services. But even in that case, a PI should be in a better position to deal with that problem than a UBI. While the latter relies on peoples’ willingness to participate in the provision of different services, a PI can be designed to provide incentives to induce people to provide those services which are more salient at that particular moment. For instance, a PI could incorporate a system of differential payments for those recipients who are willing to engage in the provision of certain services. A system of differential payments would
not challenge the inclusiveness of the program, but it could help to recruit more people to the provision of the most needed services. That does not mean that the list should be restricted to only the most pressing activities. Rather it just means that a more inclusive list can provide differential benefits for those recipients who are willing to perform the most required activities. Thus, a PI should score better on the allocation of services than a UBI.

**Discussion**

A PI program is certainly not the magic bullet for all of society’s redistributive problems. But it deserves more attention than it has received up to now. I have argued that a PI can be an important instrument to motivate people to help others in the context of unmet social needs. The justification of PI that I propose here is a pragmatic and not a principled one.18 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 based entirely upon the belief that a PI can be the better way to achieve some important goals. In particular, I believe that a PI can be designed to fulfill two 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 could act as a safety net with the intent of reducing poverty. Second, 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.

However, the relevant comparison between how PI and UBI can allocate services to address unmet needs is an empirical one. At the moment we do not have many empirical referents with which to compare these programs. UBI’s advocates argue that a UBI can be an
efficient decentralized mechanism to allocate both income and services. The thought is that a UBI will be successful in addressing unmet social needs because UBI’s recipients will have more time and opportunities to pursue the activities they want to pursue. Likewise, UBI advocates argue that the unconditional nature of that policy helps not only to decentralize the allocation of services but also to improve the overall performance of those services.

That outcome is possible. Unfortunately, as far as I know this empirical claim has not been substantiated. It is perfectly plausible to think that a significant number of UBI’s recipients may not spend any time providing services to respond to unmet social needs. After all, they are formally free to engage in various activities that are not likely to address unmet needs. If the provision of services is also important for UBI’s advocates, then they need to explain how a decentralized and uncoordinated mechanism such as a UBI will provide those services in an efficient manner.

The goal of this manuscript is not to make the strong case for the superiority of a PI over a UBI in all dimensions. Instead, it attempts to explain why a PI can be a more complete redistributive policy than a UBI. This is an important but previously unattended issue. Further debate should show why – and when – a decentralized mechanism such as a UBI might be a better redistributive tool than a centralized program such as a PI. We need a better debate about this crucial point which has been overlooked thus far in the literature. Many more evaluations and studies need to be conducted before scholars will have a clear picture as to how best to make use of a PI. This article will have served its purpose if it stimulates further theoretical and empirical work on PI programs.

References


A UBI is “an income paid by a political community to all its members on an individual basis, without means tests or work requirements” (Van Parijs, 2004, p.8). This income is “paid to each full member of society (1) even if she is not willing to work, (2) irrespective of her being rich or poor, (3) whoever she lives with, and (4) no matter which part of the country she lives in”. (Van Parijs 1995, p. 35).


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

A similar concern can be leveled against a PI as well, namely that under a PI scheme people would choose to leave the formal employment market in order to participate in a PI program. If a sizeable number of people choose that path, we may think that the stability of a PI will be significantly affected. The contributive nature of a PI, however, should make a difference in the politics of this policy. At the same time, it is important to note that Atkinson stipulates that people with paid employment should also have access to a PI. As a non-means test policy, a PI is not interrupted once a PI's recipient receives a paid job. 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 paper is to implement a different level of payment that distinguishes between (1) those who directly participate in a PI scheme by performing the activities included in the list and (2) 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. I thank an anonymous reviewer for pressing me on this point.

5 What counts as a productive contribution and what does not is a highly contentious issue. I generally agree with Stuart White's (2003) discussion of that problem. According to White (2003, p. 20), a contributive obligation should be understood as “an obligation to satisfy a basic work expectation: a socially defined lifetime minimum of paid employment. But such expectations should be adjusted ...for specific kinds of care work, typically unpaid in societies like our own, which should also be regarded as labour of a kind that counts in satisfaction of the citizen's contributive obligation”. For a discussion of this issue, see White (2003, chapter 5).


7 As I mentioned above, some UBI advocates also support a PI under certain parameters; that is, as a middle ground between means-tests/targeted redistributive policies and universal/unconditional schemes. A more restrictive PI (that is, a PI with a more limited number of activities included in the list) can be disapproved by some of the UBI advocates who originally supported Atkinson's PI proposal. Thus, the nature of the list of activities that defines a PI has political implications for the implementation of a PI. While a restricted list can gain support from advocates of more conditional/targeted policies, it can also gain disapproval from UBI advocates. I thank an anonymous referee for pressing me on that point.

8 For a good overview of civic service programs around the world see Eberly and Sherraden (1990) and McBride and Sherraden (2007).

9 Notice that these justifications assume that the benefits and outcomes that can be achieved by this type of program highly depend on the particularities of each civic service program. For a discussion and overview of alternative justifications of civic service see Moskos (1988); Evers (1990); Dionne, Drogosz and Titan (2003); Dagger (2005); Frumkin and Jastrzab (2010) and Bass (2013).

10 Both 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.

11 One might argue that there are at least two groups of people who should be differentiated. First, there is a group of people who are motivated to participate in the program independently of the existence of any kind of monetary remuneration. Second, there is another group of people who would only participate because of the monetary remuneration. My point is, however, that the selectivity problem appears when the second group predominates. That is, when there are much more people who participate in this program just because of the monetary compensation, particularly, when there are a large number of people who participate because a PI constitutes the only way to secure an income. How those groups are represented in the total number of PI participants is the key to understand the selectivity problem. That is, of course, an empirical issue that we cannot properly discuss without data. We can, however, observe some real-world experiences with civic service programs to see whether or not that kind of program produces a selectivity problem. My argument is that we have some evidence which points to this not always being the case. But I cannot go further than that. I thank an anonymous referee for pressing me on that point.

12 Creative 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).

13 Note that Participatory Budget programs are not free of criticism. 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).

14 I thank an anonymous referee for pressing me on that point.

15 Evaluations of AmeriCorps’ performance can be found in Bass (2013).

16 Two notable exceptions are Atkinson (1998) 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.

17 It is worth recognizing that the idea of a graduated PI might raise problems of its own. In a paper of this scope, I cannot seriously engage this possibility so I will merely state two potential problems. On the one hand, a PI with differential payments can be administratively more complex to implement and regulate than a constant PI. That outcome may work against the transparency of the policy. On the other hand, the sole use of a graduate PI will
require the creation of various categories of PI recipients. We need a further normative discussion to justify the introduction of those categories.
18 See Barry (1996) for a discussion on pragmatic and principled justifications of UBI proposals.