

Free Money for All

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Redesigning Distribution. Basic Income and Stakeholder Grants as Cornerstones for an Egalitarian Capitalism, edited by Erik Olin Wright. Verso. xii + 228pp. £17.99 and £45.

In the last 15 years, the Real Utopias Project has examined a range of proposals and models for radical social change. The basic idea is to examine some pressing social issue by combining rigorous normative theorizing about justice and social change with an analysis and discussion of pragmatic policy proposals. The Project consists of conferences, whereby a number of well-known scholars from various disciplines provide commentaries on the core manuscript of the conference. After each conference, the debates generated at this conference are published in a book.

Redesigning Distribution is the latest volume in the Real Utopias book series, and focuses on two closely related normative proposals to create a more egalitarian capitalism: basic income and stakeholder grants. In contemporary political philosophy these proposals are most often associated with the work of Phillippe Van Parijs, Bruce Ackerman and Anne Alstott. Van Parijs defends basic income, which is a monthly stipend that is given automatically to all citizens regardless of their economic need, willingness to work, or any other condition. A stakeholder grant is a one-time lump-sum grant which citizens are given upon reaching the age of early adulthood. In the stakeholder grant proposal by Ackerman and Alstott, it is given at age 21, and made conditional upon graduating from high school and staying clear of crime.

Redesigning Distribution is set up in three parts. In the first part, Van Parijs gives a brief restatement of his defence of universal basic income, and Ackerman and Alstott summarise their advocacy of stakeholder grants. These two chapters are concise summaries of their earlier work. The second part consists of seven commentaries that focus on some aspect of basic income and stakeholder grants. This part is also the main reason why this book is so useful for students of politics, political philosophy, or policy studies, since it offers a variety of perspectives from which to analyse radical policy

proposals. Stuart White defends a citizen's capital grant that may only be used for approved investments such as education, the purchase of a house, or establishing a new business. Erik Olin Wright examines the proposals from a class perspective, and argues that a basic income is likely to have more profound effects than stakeholder grants in redressing the power imbalance between capital and labour. Carole Pateman focuses on the different reasons for advocating basic income or a stake. She argues that in contrast to those who want to implement these proposals for poverty-alleviating reasons, she is interested in basic income for its beneficial effects on democratisation and on women's freedoms. In the next chapter, Julian Le Grand discusses the Child Trust Fund, which is the stake that will be given to all British 18-year olds who are born after 1 September 2002. Barbara Bergmann argues that people with progressive views should advocate a Swedish-style welfare state which combines targeted cash payments for those in special circumstances and some quality services available to all (schooling, health care, child care, subsidised college expenses, mental health care, decent housing, public transport and social work services). Bergmann argues that it is impossible to have such a welfare state and simultaneously a basic income or stake, and that therefore a Swedish-style welfare state is to be preferred since it guarantees that certain human needs will be met. Irwen Garfinkel, Chien-Chung Huang and Wendy Naidich provide empirical estimates of the poverty-reducing effects of different levels of basic income. Finally, Guy Standing argues that a basic income offer citizens more security and more control over their time than a stakeholder grant.

The volume concludes with two brief responses by Van Parijs and Ackerman and Alstott. After the thought-provoking commentaries, readers will be curious to find out how Van Parijs, Alstott and Ackerman would respond to the challenging objections and interesting arguments of the commentators. The readers will therefore be disappointing to find out that they do not engage with their commentators at all, but instead mount a defence of their own proposal viz-a-viz the other proposal. Thus, Van Parijs defends basic income over stakeholder grants on the grounds that the latter opens up the possibility of "stake blowing" by spending most or all of the money on something that will not yield returns, such as consumption or a bad investment. He concludes that a stake is therefore less egalitarian than a basic income, because those who have already limited opportunities at

age 21 will be more likely to blow their stake. In addition, Van Parijs is critical about the “commodifying effect” of stakes. Ackerman and Alstott expect that stakeholder grants will foster conversations among friends and families members about their most profitable use, which will encourage a market-oriented frame of mind. Basic income, in contrast, is often advocated on the grounds that it would *weaken* the impact of markets on our private lives: it is claimed to liberate people who want to care for children or perform voluntary community work from the need to perform (alienating) paid work. Van Parijs claims that under a basic income scheme there would be less need to speak about money, owing to the financial security that it generates. Ackerman and Alstott argue that the advocates of basic income are blind to the fact that not all young adults have the same opportunities when they reach adulthood; the “university student” type will have a sense that they have several good options for their future among which to choose, but for most young adults there is no such “macro-freedom”. By giving them a stake when they are 18, these other young adults too could ponder their life choices.

These final two chapters are interesting because they indicate that a stake fits much better in a market-oriented society where it is believed that everyone can be a millionaire, if only she is given a chance and works hard, whereas basic income fits much better in a society where people value public support of unpaid non-market work (such as caring and voluntary work) and where policies that allow people to “slow down” are part of the political agenda. But how many readers, apart from those who have themselves taken a position on this issue, are interested in the arguments in favour of a basic income rather than a stakeholder grant, or vice versa? It is unfortunate that these last two chapters focuses only on the difference between these two proposals, rather than provide replies to the most provocative or insightful commentaries. The reader is likely to feel that she has read an interesting book, but that she would also have wanted to know what Ackerman and Alstott and Van Parijs have responded to their commentators at the Real Utopia Conference.