

Almaz Zelleke, “Work, Leisure, and Care: A Gender Perspective on the Participation Income,” paper to be presented at the 17th Basic Income Earth Network (BIEN) Congress, Lisbon, September 2017, as part of the panel on Anthony Atkinson’s Proposal for a “Participation Income.” September 20, 2017 draft. Work in progress; please do not cite without author’s permission. Contact almaz.zelleke@nyu.edu

Introduction

In his 1996 *Political Quarterly* article, “The Case for a Participation Income,” Anthony Atkinson identified unconditionality as the primary political obstacle to support for basic income.¹ He advocated holding fast on basic income’s universality (the lack of a means test), and on its individuality (the payment to individuals rather than households or couples), but replacing its unconditionality with a “participation” requirement. At the time, Atkinson’s critique read as astute political realism: to achieve the big win of the elimination of means-testing, make a concession to the fear of free-riding. Atkinson intuited that in the 1990s basic income advocates didn’t have the support needed for unconditionality.

It is ironic, then, that he remained opposed to unconditionality to the end of his life despite the growth of support for basic income over the last two decades, and despite his own contribution to developing exactly the argument unconditionality requires. Atkinson’s work on income and wealth inequality (often in collaboration with Thomas Piketty, Emmanuel Saez, and other leading inequality researchers) has demonstrated convincingly that economic returns now go disproportionately to owners of capital, rather than being shared with workers, and that arresting the growth of inequality requires measures beyond full employment and faith that a rising tide will lift all boats. Twenty years after “The Case for the Participation Income,”

¹ A.B. Atkinson, “The Case for Participation Income,” *Political Quarterly*, vol. 67, no. 1 (January-March 1996), pp. 67-70.

Atkinson's continued opposition to unconditionality appears to be more of a normative commitment than a political expedient.

Atkinson acknowledged the gendered effects of social insurance and social assistance means-testing and family-based benefits, which disincentivize the labor force participation of secondary workers, who are disproportionately women and caregivers. His participation income explicitly recognized caregiving as a social contribution, and he consistently supported universal child benefits--effectively an unconditional basic income for children and an indirect form of income support for their caregivers. However, his continued advocacy of a participation requirement, his frequent references to the problems of "dependency," and his support for categorical social insurance programs suggest unresolved tensions between conflicting commitments to gender equality and the primacy of the social insurance model

In this paper, I apply a gender perspective on the "participation" requirement to uncover the problematic notions of "dependence," "independence," reciprocity, and free-riding that underlie the preference for conditional and categorical benefits over unconditional and universal benefits. I argue that employing such a perspective makes the superiority of an unconditional basic income over a "participation" income in achieving the goals of more efficient and effective income support and reducing inequality.

The Case for a Participation Income: 1996

Atkinson's call for a participation income in his 1996 article was based on his desire to drastically reduce the government's reliance on means-testing for social assistance programs. He argued that means-testing has several flaws that cannot be repaired:

- Because benefits are limited to those who need them, they penalize incremental work effort through high withdrawal rates as earned income rises, leading to effective marginal tax rates well above those applied to higher earned incomes, and to poverty traps for those unable to secure incomes above the benefit levels.
- Because benefits levels are calculated in relation to disposable resources, means-testing has to apply to family or household income and assets, which has the effect of discouraging saving and the work of secondary workers as well.
- Because of these perverse incentives and the stigma attached to social assistance, take-up rates for means-tested benefits are lower than they are for social insurance benefits.

Atkinson argued that a Citizen's Income (CI), as he called it, that was taxable but not means-tested, would reduce individuals' "dependence" on social assistance and reduce the government's "dependence" on means-testing, which had increased as a result of cutbacks in social insurance programs. A CI would

- Reduce or eliminate poverty traps and perverse incentives
- Supplement, not replace low wages
- Reduce or eliminate the take-up problem
- Complement, not replace social insurance programs which provide differentiated benefits that are (in his words) "not arbitrary."²

This, together with some improvements to social insurance programs, would lead to a more efficient and effective welfare state.

Atkinson believed the CI could not be unconditional due to concerns about "dependency" on social assistance and about unconditional benefits appearing to run counter to active labor market policies. As a political matter, Atkinson was almost certainly right. The 1980s were a period of conservative leadership and welfare state retrenchment in the U.K. and U.S., and the Labour government and Democratic President that followed in those countries were decidedly centrist, "market-friendly," and unlikely to push for an unconditional basic income (UBI). He

² Atkinson, "Case for Participation Income," p. 68.

thus proposed making the CI a “participation income” (PI)--a universal (non-means-tested), individual (not family-based) cash benefit conditioned on a “participation” requirement broadly defined to include unpaid and voluntary activities, including caregiving. In the 1996 article he endorsed a modification of Hermione Parker’s partial UBI proposal that would have provided between £18-39 a week to adults (calculated in 1992 pounds, with the amount dependant on the tax rates selected), with a smaller benefit to children.³ Atkinson’s PI was more supportive of women’s economic security than the then-prevailing alternative of “workfare”--social assistance programs conditional on job seeking and other verifiable forms of willingness to work. In contrast to workfare, the PI recognized the value of unpaid but socially useful activities disproportionately performed by women and promised to provide some compensation for them.

Revisiting the Participation Income

Twenty years later, in *Inequality: What Can Be Done?* Atkinson again endorsed the PI.⁴ In this work, Atkinson’s attention shifted from reforming social assistance programs to addressing the problem of rising inequality in advanced economies in Europe and the U.S. The book presents an ambitious 15-point program of industrial, fiscal, and tax policies and social program reform in which the PI is again proposed as the replacement for means-tested social assistance, but here as an *alternative*, rather than a complement, to his now-preferred strategy of expanding social insurance programs with higher benefits and broader eligibility. Although there

³ See Hermione Parker, *Instead of the Dole: An enquiry into integration of the tax and benefit system* (Routledge, 1989), chap. 14, for Parker’s partial basic income proposal.

⁴ Anthony B. Atkinson, *Inequality: What Can Be Done?* (Harvard University Press, 2015).

is much to discuss about Atkinson's broader policy goals, I limit my comments here to examining Atkinson's defense of a "participation" requirement for receipt of the CI.

"Dependence" and "Independence"

Atkinson's consistent preference for a PI rather than a UBI owes much to his explicit goal of reducing or eliminating forms of "dependence" he and others find objectionable. His use of the terms "dependence" and "independence" is characteristic of much academic and policy work on the welfare state in the post-1970s period, and betrays implicit endorsements of gendered social norms, existing labor market and social program structures, and the market distribution of income and assets. Recipients of social assistance are negatively portrayed as being "dependent" on cash assistance, while recipients of social insurance cash benefits are considered legitimate claimants to benefits which they have "earned" through tax contributions, despite their equal "dependence" on these benefits during periods of unemployment, disability, or retirement.⁵ Nancy Fraser and Linda Gordon have traced the shifting meanings of "dependence" and "independence" through evolving economic regime types, from a historically nearly universal state of "dependence" for peasants and slaves tied to land and landholders, together with the rarer "independence" of those who controlled the land and other resources, to a mid 20th-century "independence" of male "family wage"-earners with appropriately "dependent" wives and children, to today's increasingly racialized and feminized "dependent" poor excluded--by program design--from categorical social insurance benefits for "independent"

⁵ See Martha Albertson Fineman, "Dependencies," in Nancy J. Hirschmann and Ulrike Liebert, eds., *Women and Welfare: Theory and Practice in the United States and Europe* (Rutgers University Press, 2001), pp. 23-37, for a discussion of the inconsistent application of the term "dependent" to recipients of different kinds of subsidies and tax benefits.

workers who may, despite their “independence,” still require wage supplements in order to survive.⁶ Atkinson’s own critique of social assistance programs suggests the way program design reinforces the very “dependence” we are supposed to deplore: if social assistance benefits are withdrawn at high effective tax rates, low-wage or intermittent workers are discouraged from accepting work that would make them “contributors.” In addition, the decision to fund social insurance programs by dedicated taxes, and social assistance programs from general revenues reinforces the perception that social assistance recipients are free-riding on the work and taxes of the employed, while social insurance recipients are merely withdrawing from a fund to which they have already contributed.

Both problems are direct results of their program design. Both could be eliminated under a CI subject to progressive taxation. But they signify a larger issue with the categorizations of citizens in modern welfare states, as illustrated by the list of activities Atkinson judged as “participation” for purposes of eligibility for a PI.

Participation and Reciprocity

In his 1996 article, Atkinson included

people working as an employee or self-employed, absent from work on grounds of sickness or injury, unable to work on grounds of disability and unemployed but available for work,...people engaging in approved forms of education or training, caring for young, elderly or disabled dependents or undertaking approved forms of voluntary work....It would also, of course, cover those who have reached the minimum retirement age.⁷

⁶ Nancy Fraser and Linda Gordon, “A Genealogy of ‘Dependency’: Tracing a Keyword of the U.S. Welfare State,” in Fraser, *Justice Interruptus: Critical Reflections on the “Postsocialist” Condition* (Routledge, 1997), pp. 121-49.

⁷ Atkinson, “Case for Participation Income,” pp. 68-69.

In other words, nearly everyone was defined as “participating”: the working, the unable but willing to work, those preparing for work and those not expected to work, stretching the definition of “participation” beyond coherence. If the coverage was so broad, why the need for a participation *requirement*? In the 1996 article Atkinson suggested that free-riding would be a small but real problem, significant enough to require the participation requirement in order to build *political* support for a CI. After the article was published, the participation requirement was criticized as being administratively intrusive and unwieldy enough to threaten its political appeal.

⁸ In the 2015 book, Atkinson was more explicit about the free-rider problem, and made clear that the participation requirement was not just a political concession, but also *justified* on the grounds of reciprocity:

The Belgian philosopher Philippe Van Parijs has written a famous article titled “Why Surfers Should be Fed: The Liberal Case for an Unconditional Basic Income.” In advocating the participation income, I am adopting the opposite position. I agree with John Rawls, who said that “those who surf all day off Malibu must find a way to support themselves and would not be entitled to public funds...” The participation condition should, in my view, be interpreted positively. It is an answer to the question, who is eligible for the basic income? *The answer conveys a positive message about ‘reciprocity,’ a message that is both intrinsically justified and more likely to garner political support.*⁹

In doing so, Atkinson invoked the androcentric work/leisure dichotomy that pervades the literature on conditional vs. unconditional benefits: if one is not working, one is engaged in leisure, and a life of leisure fails to “reciprocate” the contributions that workers make to fund

⁸ See, for example, Jurgen De Wispelaere and Lindsay Stirton, “The Public Administration Case against Participation Income,” *Social Service Review* (September 2007), pp. 523-49.

⁹ Atkinson, *Inequality*, p. 221 (emphasis added).

social assistance.¹⁰ But what if there are more than two categories of human activity--not just work and leisure, but work, leisure, and care?¹¹ Atkinson's inclusion of unpaid caregiving as meeting the participation requirement can be seen as recognition of its importance to human societies. But his conceptual starting point from a perspective that minimizes its status leads to several problems.

First, imagining the PI recipient to be guilty of free-riding until proven innocent by reason of verified participation prioritizes identifying the free-riders over ensuring that the benefit reaches all the legitimate claimants it is designed to serve. Doing so undermines the superiority of the CI approach to the means-testing it was meant to replace:

“participation-testing” merely replaces means-testing as the obstacle to full take-up of a much-needed benefit, making it less effective in meeting that goal--a problem Atkinson himself recognized.¹² This is especially true when acceptable forms of participation are subject to change according to broad social norms. In the second half of the 20th century, when the Beveridge model's “dependent housewife” gave way to increased labor force participation by women, those who chose to devote their working-age years to full-time care found themselves in a precarious position with respect to social assistance in many countries, especially when they were

¹⁰ The “reciprocity principle” is the dominant justification for work-conditioned welfare benefits, explicitly theorized by Stuart White in *The Civic Minimum: On the Rights and Obligations of Economic Citizenship* (Oxford University Press, 2003) and implicitly endorsed by many other philosophers and welfare state theorists, including John Rawls, Ronald Dworkin, Mickey Kaus, Amy Gutmann and Dennis Thompson, and David Ellwood, among others.

¹¹ See Almaz Zelleke, “Feminist Political Theory and the Argument for an Unconditional Basic Income,” *Policy and Politics*, vol. 39, no. 1 (January 2011), pp. 27-42, for a survey of gender and care perspectives on liberal theories of justice.

¹² Atkinson, “Case for Participation Income,” p. 69.

unmarried. Atkinson's shifting definition of participation reflects this: in his 1996 article, he wrote that "caring for young, elderly, or disabled dependants" was included in the forms of participation qualifying for the PI;¹³ in his 2015 book, this category of participation has been narrowed to "home care for *infant* children or *frail* elderly people."¹⁴ Caring for adolescent children or elders without disabilities has become "leisure," not "participation," and the "family wage" employers were once expected to pay can be lowered to individual levels as the expectation that all adults work full-time (and, implicitly, that they are part of two-adult households) becomes the norm, and care for infants and the frail becomes the exception. The instability of categories of "participation" undermine their ability to serve as stable gateways to effective income support.

Second, from a perspective that recognizes care as a sphere of human activity as important as wage labor, this androcentric notion of reciprocity encompasses only a *selective* reciprocity--an obligation for caregivers to document the care they provide in exchange for the PI, but not for recipients of care to document what they provide in exchange for the care they require before (and indeed, during and after) they are able to engage in paid employment and become contributing participants to social insurance programs.¹⁵ Nor does the PI have any positive effect on the redistribution of care work away from those whose gender, class, or ethnic status makes them disproportionately responsible for care. Indeed, if the PI is a complement to,

¹³ Atkinson, "Case for Participation Income," p. 68.

¹⁴ Atkinson, *Inequality*, p. 219 (emphases added).

¹⁵ Susan Moller Okin proposed implementing an enforceable but limited reciprocity for care in the form of mandatory paycheck-splitting between spouses in *Justice, Gender, and the Family* (Basic Books, 1989), pp. 180-83.

rather than a replacement of, social insurance benefits, the traditional forms of reciprocity to caregivers, including support of aged parents and entitlement to a share of wage-earners' incomes, is undermined. The aged are provided not with a share of their children's income, but with social insurance-based pensions whose benefits correspond to their own earned income and tax contributions, rather than to the amount of care they provided. Since income from employment must on average exceed PI benefit levels paid to caregivers, the working-aged are incentivized to *minimize* time in care work and *maximize* time in paid employment. Any redistribution of care in this context is likely to be from the employable and the affluent to the low-skilled and economically vulnerable, rather than from women to men. Any meaningful attempt to reduce inequality should address inequalities in responsibility for care as well as inequalities in income and wealth, if only because disproportionate responsibility for care has negative effects on lifetime earnings and savings for women.

Participation, Income, and Wealth

To be sure, simply removing the participation requirement and moving from a modest PI to a modest UBI might not on its own have much effect on the distribution of care work, although any relative increase in the economic resources of carers compared to workers should increase carers' bargaining power in negotiations over the division of labor. But in addition to implementing a selective reciprocity, the PI implements a *selective conditionality* as well. The "participation" requirement disadvantages those with comparatively little income or wealth, for whom declining to "participate" has much more serious consequences than it does for those with comparatively more: those with sufficient capital are free from the need to document the social utility of their daily activities while those without capital must do so in order to survive. This

selective conditionality implicitly endorses the basic legitimacy of the *status quo* distribution of income and wealth as based on merit. In contrast, the principle of unconditionality recognizes that many of us are free-riding “surfers” in any number of ways: as direct or indirect beneficiaries of the unpaid care and other voluntary work that sustains and reproduces our families and communities, or as individual beneficiaries of our collectively enforced rights to private property ownership and inheritance, or as recipients of unearned “rents” we collect through protected first-tier employment, luck-driven endowments at birth, or our places in economic and political power structures. Because our relative income and wealth are due at least in part to these forms of free-riding, a “participation” requirement improperly implies that high income and wealth is a proxy for “participation” that obviates the need for any further monitoring.¹⁶ Once again, a gender perspective makes this problem clear: women are disproportionately represented at the lower end of the income and wealth distributions,¹⁷ and thus disproportionately subject to the conditionality of the PI. Can it really be the case that women as a class contribute less to society than men do and thus require more monitoring of their “participation” than men?

Twentieth Century Social Policy in the Twenty-First Century Economy

¹⁶ A *universal* participation requirement, as suggested by Robert J. Van der Veen, in “Real Freedom versus Reciprocity: Competing Views on the Justice of Unconditional Basic Income,” *Political Studies*, vol. 46 (March 1998), pp. 140-63, is one way this objection could be addressed.

¹⁷ This is an area of research to which Atkinson contributed in one of his last papers. A.B. Atkinson, A. Casarico, and S. Voitchovsky, “Top incomes and the gender divide,” unpublished paper, August 2016, available at <http://www.tony-atkinson.com/articles/>.

The impulse to condition the CI on a work or participation requirement is a lingering artifact of a brief period of economic history in advanced industrial economies--a period in which industrialization and limits on capital mobility meant that economic growth was shared between workers and capitalists, and social norms limited the market's tendency toward income inequality. It is ironic that Atkinson maintained his insistence on a participation requirement despite his work on rising income inequality in the post-1970s era. In the 1970s and 80s there was still little understanding that post-war trends in GDP and wage growth had changed decisively. It had been possible to believe that the wage stagnation of the 1970s, the oil price shocks, the pressures to reduce public spending, and the flow of capital and growth in manufacturing jobs outside of Europe and the US were reversible anomalies. Beginning in the late 1990s, and certainly by 2015, when *Inequality: What Can Be Done?* was published, it became clear that the broadly shared economic growth and expansion of the welfare state in the 30-year post-war period was the anomaly, and it was clear largely as a result of work by Atkinson and economists like him. By then it was clear as well that advanced capitalist economies had settled into a two-tier system, with one group of workers enjoying stable employment, income, and employment-based benefits, and another group more precariously employed in work without fixed hours, holding short-term contracts with little job security, and less access to employer-provided or social insurance benefits. The data on increasing inequality of wealth was, if anything, even clearer.

As just one example of the challenges of changing social norms to reducing inequality that Atkinson himself notes, the post-WWII period was as a time in which the limited earnings opportunities for women limited household income dispersion: women's artificially compressed

wages meant that working women contributed proportionately more to household income when married to low-wage men than to affluent men. Now, women's wage (and wealth) dispersion has increased, and assortative mating means that working women contribute to inequality among households.¹⁸ Atkinson suggests that changes like these are outside the realm of policy to affect--but that is true only if our policies remain those that were designed for a different economy.

Unconditionality makes little sense in an economy in which all have equal pay and capital wealth, equal responsibility for care work, and equal opportunities to tailor the mix of care, work, and leisure they prefer. It only makes sense in an economy which *even when it functions well* leaves some groups with disproportionate responsibility for unpaid labor, and with widely dispersed levels of income and assets due more to institutional economic structures and global economic forces than to different levels of effort or ingenuity. Atkinson is right to say that "the differentiation involved in the typical social insurance scheme is not arbitrary,"¹⁹ but not for the reason he implied: categories of social insurance inclusion and exclusion are not arbitrary because they encode gendered, classist, and racist notions of dependence, independence, contribution, and participation, not because they are determined by different levels of desert.

Conclusion

Unconditionality is superior to conditionality for the CI not just because it is more efficient and effective (although it is), but because it is more *just*, asserting our universal

¹⁸ Atkinson, *Inequality*, pp. 58-62, 159-60.

¹⁹ Atkinson, "Case for Participation Income," p. 68.

entitlement to an unconditional share of common resources and reminding us that inequalities in access to those resources are tolerated only because, and insofar as, they lead to the common good. The belief in a common good beyond our individual status is one reason women, or caregivers of any gender, often seem to act against their own self-interest by foregoing opportunities to maximize income and wealth. Divisions of labor, including the gender division of labor, help us to achieve more than we could if individually responsible for our own needs and wants. But any division of labor between carers and earners needs to be in the interest of both groups. Otherwise, it is the earners who are the free-riders, not the other way around.²⁰ By requiring recipients of the CI to qualify for the PI, but not those with enough economic resources to do without it, the PI endorses the legitimacy of contemporary inequalities, rather than fighting against them.

²⁰ Nancy Fraser, “After the Family Wage: A Postindustrial Thought Experiment,” in *Justice Interruptus*, pp. 41-66.