Abstract: Universal Basic Income is a welfare scheme that deliberately stays agnostic about how it is spent and the type of people it benefits. In this paper, I argue that contrary to its façade of agnosticism, UBI is not as carefree as its proponents say it is or wish it to be. I point out a definitional feature of UBI that is at odds with its commitment to anti-paternalism--its insistence on continuous payment. Drawing on the contest between Basic Income and Basic Capital, the latter of which endorses lump-sum payments as opposed to Basic Income's periodic ones, I suggest that UBI proponents cannot stand by its requirement of periodicity without jeopardizing the anti-paternalistic grounds that underpin the policy.
Universal Basic Income (UBI) can be characterized by five core features: It is paid 1) periodically, 2) in cash, 3) on an individual basis, 4) universally without a means test, and 5) unconditionally.¹ In this paper, I argue that contrary to its façade of agnosticism, UBI is not as carefree as its proponents say it is or wish it to be. I point out a definitional feature of UBI that appears to contradict its commitment to anti-paternalism: UBI as continuous payment. It is arbitrary that people are given almost absolute autonomy over how they spend basic income (henceforth BI), yet paternalistic concerns bar them from exercising the same autonomy to determine the interval in which they receive payment.

I do not argue that UBI’s commitment to anti-paternalism is problematic in itself. In other words, I refrain from assessing the moral quality of recipients and whether UBI is excessively carefree as a welfare scheme. For the purpose of this paper, I assume that the proponents’ rationale for insisting on unconditional and universal payment is compelling. Based on this premise, I argue that hints of paternalism are lurking in UBI, suggesting an inconsistency within its normative model.

Defendants of the right to UBI may attempt to reconcile the inconsistency on the basis of egalitarianism; however, I demonstrate that their justifications ultimately fail. The normative inconsistency I point out leaves UBI vulnerable to accepting other forms of mild paternalism such as the implementation of in-kind benefits or basic filters for unworthy recipients.

I. Universality and Unconditionality

Philippe Van Parijs defines UBI as the following:

“By universal basic income I mean an income paid by a government, at a uniform level and at regular intervals, to each adult member of society. The grant is paid, and its level is fixed, irrespective of whether the person is rich or poor, lives alone or with others, is willing to work or not. In most versions—certainly in mine—it is granted not only to citizens, but to all permanent residents.”²

Liberal supporters of UBI like van Parijs place great emphasis on UBI’s inclusivity and unconditionality. In fact, some proponents of UBI would claim that the greatest strength of UBI as a welfare scheme comes from precisely the features that maximize individual freedom and autonomy. But the very first line of Van Parijs’ description hint at UBI’s paternalistic feature that often goes unjustified in UBI literature. Why must UBI be paid in intervals when a lump-sum payment could maximize autonomy of the recipient? I don’t think the answer to this question is as obvious as some UBI proponents think it is.

¹ (About Basic Income, n.d.)
² (Van Parijs, 2000, p. 2)
I am not objecting to all limitations placed on UBI’s universality and unconditionality. I am only objecting to ones that suggest some conflict with its normative commitment. Hence, the accusation that UBI is not truly universal because it limits eligibility to permanent residents is not one that I am concerned with. This limitation to UBI’s scope stems from feasibility and not necessarily from its normative commitment. If UBI proponents were given the means to implement UBI uniformly across the globe, most of them would welcome it. Regarding periodicity, however, proponents of UBI insist that UBI be paid in regular intervals even with the option of lump-sum payments. They consider the condition of periodicity integral to the normative case for UBI, which is exactly why my claim of internal inconsistency should be taken all the more seriously by UBI proponents.

Moreover, I can only claim that there is an inconsistency between UBI’s normative commitments and its insistence on regular payment if I can show that there is a conflict between the two that cannot be resolved immediately. If UBI can justify these attributes within the boundaries of its normative framework, I can no longer claim an inconsistency. Thus, I first explicate the normative commitments of those who believe that UBI is a right in order to show that they cannot prima facie account for the paternalism of UBI’s periodicity.

Consider the most undeserving people of UBI.

(a) Joe is a perfectly able-bodied man but he chooses not to work. Instead, he spends most of his time at home drinking and playing games. He spends every bit of his $1000 monthly UBI payment (his only source of income) on alcohol and buying expensive items to perform better in his online games. He relies on his mother to financially support him and his two children.

(b) Leo is in heavy debt to his friends after making a series of unwise investments that resulted in no return. He, however, is procrastinating on paying his debt. Whenever he receives his $1000 monthly UBI, he does not spend it on paying off his debt. He uses it to sustain his lavish lifestyle and support other questionable investments that do not seem to pay off.

In these two scenarios, it isn’t simply that Joe and Leo are spending their UBI unwisely. Even beyond that, UBI is clearly feeding their respective unhealthy habits in life. Worse yet, these habits are not purely self-regarding. Joe and Leo are living in a way that harms or burdens others, and UBI is helping them sustain such lifestyle.

Yet, the proponents of UBI refuse to revoke Joe’s and Leo’s entitlement to UBI benefits. In fact, the built-in features of UBI explicitly sanction their eligibility. In Joe’s case, UBI’s lack of a means-test does not require that Joe work in order to receive BI. Moreover, its ‘no strings attached’ policy ensures that he can spend it as he wishes without any repercussions. Leo, in addition to these, also takes advantage of the fact that UBI is non-mortgageable. Thus, even when he is in debt, his creditor cannot seize his BI to make up for the money owed.

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3 (Bidadanure, 2018, p. 13)
II. UBI as a Right

I assume that the proponents are right that Joe and Leo are still worthy of UBI. There are a few normative bases for which proponents may argue that UBI should be unconditional and universal, inclusive of people like Joe and Leo. Left-libertarians like Van Parijs would say that real freedom is the right to pursue one’s own conception of the good life.\(^4\) Hence, a surfer in Malibu should be able to use BI in order to sustain her lifestyle, against the reaction that she is idle and free-riding off of others’ income. Moreover, Van Parijs suggests that one should be able to have access to different ways of life.\(^5\) Not only should she be able maintain a reasonable living standard and be given opportunities to support her current path in life—in this case, surfing—she should be able to pursue things she may want one day.

Real freedom is a conception of freedom so comprehensive that it is difficult to think about its limits. Unless one’s conception of the good life involves illegal activities or is in conflict with that of others, real freedom grants that you have a right to pursue it, no matter how idle or unhealthy your preferred lifestyle may appear to others. Accordingly, advocates of UBI on the basis of real freedom would not be perturbed by the fact that UBI may fund Malibu surfers, or even people more undeserving of BI like Joe or Leo. If they really believe that UBI is a fundamental right on the basis of real freedom, they should steadfastly stand by the belief that all three types of people deserve UBI.

It is possible to try to challenge left-libertarian proponents of UBI even further by proposing a hypothetical scenario such that a significant number of UBI recipients happen to spend their basic income just like Joe or Leo, unproductively and on unhealthy habits. But even given this scenario, proponents who believe that UBI should be a fundamental right should maintain without hesitation that UBI be unconditional and universal regardless of the unfavorable state of affairs. They may not like the fact that a considerable number of people are using their money on alcohol, but if that is how they decide to spend their BI, so be it. If they were to change their position on UBI after learning about the unflattering statistics, that would mean that their support for UBI is contingent on some utilitarian calculus, and hence not a fundamental right.\(^6\)

Another way to respond to the challenge is to accept that some people will blow their BI, but claim that this is still not a good reason for depriving others of having economic power over their own lives: “why should their claims to real freedom be sacrificed simply to prevent others from ‘abusing’ their freedom?”\(^7\) This position maintains that as long as there is a single person for whom BI serves an important role in advancing their conception of the good life, it is not right to take away her BI simply because others misuse it. Yet again, this position is contingent on the empirical condition that there is at least a single person who is using BI wisely, or at least not unwisely. If the hypothetical scenario were

\(^4\) (Van Parijs, 1991, p. 130)
\(^5\) (ibid.)
\(^6\) (Pettit, 2007, p. 3)
\(^7\) (Ackerman & Alstott, 2006, p. 51)
adjusted such that somehow every single UBI recipients happened to be using BI like Joe or Leo, one is committed to retracting support for UBI. This position, while more subtly than the earlier one, also bases its support of UBI on a utilitarian calculus. It doesn’t actually believe that Joe and Leo’s freedom through UBI in themselves are something worth protecting. Rather, it sees their values as something derived from the larger goal of securing basic income for others. In other words, this position really wishes to protect others’ right to UBI despite Joe and Leo’s misuse. Thus, if there were a way to accurately and efficiently filter out the Joes and Leos, one may happily exclude Joes and Leos from receiving UBI.

For those who rely on a utilitarian calculus to defend UBI, as exemplified by the two positions, not only is UBI no longer a fundamental right (and subject to withdrawal under certain empirical circumstances), but also universality and unconditionally need not be one of its definitional features. There would be little reason to insist on universal and unconditional payment if the calculation of gains and loss indicate that UBI better serves social utility when certain limitations on eligibility are imposed. As long as they can show that refusing to pay Joe and Leo results in net social gain, revoking their claim to UBI would not result in inconsistency with their utilitarian case. The same approach is unavailable for proponents of UBI as a means to real freedom. Since they actively reject such utilitarian calculus, they must relentlessly stand by UBI’s universality and unconditionality. For real freedom precisely hinge on those features. Thus, they cannot simply declare that Joe and Leo no longer have a right to UBI without considering the implications to their normative theory. If they wish to set minimal limitations on universality and unconditionality, they must provide a compelling reason for doing so. The inconsistency I point out is only really problematic to this normative position ‘UBI as a right’ proponents commit to. Thus, from this point when I say UBI proponents, I am specifically referring to those who see UBI as a fundamental right.

III. Basic Income vs. Basic Capital

A core feature of UBI is that it is paid in intervals. The precise interval (e.g. annual or monthly) is flexible, but proponents of UBI strongly prefer that it be handed out regularly and not in bulk. The competing alternative to BI would be stakeholder grants or basic capital (BC), which provides a lump-sum payment at the beginning of people’s adult lives. BC can be converted into BI, since one can decide to divide up one’s capital in the form of a monthly income. The reverse, however, is prohibited. Therefore, while BC gives a recipient great flexibility in determining how and when she decides to spend her BC, BI, on the contrary, places a temporal constraint on her spending by virtue of it being paid in intervals. Are there good reasons BI proponents can give to justify this constraint? Yes, but not good enough to absolve it of paternalism, or so I will argue.

8 (Van Parijs, 1991, p. 6)
9 (Ackerman & Alstott, 2006, p. 45)
10 (Bidadanure, 2018, p. 13)
Let us consider the concrete impact BC and BI will have on individuals. Upon receiving a stake of $800,000 in the beginning of her adult life, Lisa has the option of choosing whether she wants to spend it incrementally throughout the span of her life or use it all at once.\(^\text{11}\) Lisa can also opt to do anything in between (e.g. spend half of it immediately for college tuition but divvy up the rest). Under UBI, however, Lisa’s options are more limited. Her spending is constrained by the fact that BI only comes in intervals. She can attempt at saving her monthly income, but she is still unable to commit to an investment or project that requires a large sum of money in the earlier stages of life. For example, if in her youth she wanted to start a business that required a substantial start up cost, or she really needed to pay for her tuition on top of her family’s medical bills, she would not be able to do so under the UBI plan.

The winner of the BC versus BI debate is a no brainer. Since BC can replicate the monthly payments of BI for those who wish to spread out their spending, BC captures all of the benefits associated with BI, and provides additional benefits that are exclusive to BC.\(^\text{12}\) The exclusive benefits BC offers are the following. BC embraces different spending habits. The risk-averse person who prefers stable, continuous payments can choose to spend BC in the form of a monthly income, and those who are more risk-seeking or have a cause they would like to pursue early on in life can spend it in bulk. BC respects these different spending habits and allows people to choose the one they prefer more, excel at, or simply need due to their circumstances. In this manner, BC helps people reach their maximum potential through their preferred spending behavior. Moreover, BC allows individuals to fully take charge of their lives, forming long-term plans about using the payment without being constrained by BI’s condition of periodicity. With BI, however, the investment-savvy, ambitious startup entrepreneur and the struggling student in debt will have no alternative but to adjust their goals and spending plans to conform to the constrained reality of regular, incremental payment.

BI proponents accept that through maximizing recipient autonomy, BC increases diachronic utility and has the potential to result in the greatest amount of change in people’s lives; however, they see something troubling about the autonomy BC provides.\(^\text{13}\) They fear that BC paves way for a recipient to all together waste her money and be left without the opportunity to actually benefit from the promises of BC.\(^\text{14}\) Indeed, BC does nothing to prevent Lisa from blowing her $800,000 in Las Vegas the same day she acquires it. Once she blows it, that will be it for Lisa. For the rest of her life, she won’t be receiving any other form of BC. In this sense, BC does not ensure lifetime sufficiency. Such dramatic loss of capital would not occur in the case of BI. Even if Lisa wastes her monthly payment of $1000 on video games,

\(^{11}\) Ackerman and Alstott (2006) specifically propose a stake of $80,000 (p. 45). I consider a bulk payment of $800,000 (ten times their proposed amount) in order to compare a monthly BI of $1,000 and BC on more equal grounds. $80,000 is numerically equivalent to only 80 months of BI, which is less than 7 years of BI. Hence, it wouldn’t be fair to compare a lifetime monthly payment of $1,000 with a lump-sum payment of $80,000. $800,000 of BC, which amounts to slightly less than 70 years of BI, would provide a fairer comparison between BC and BI.

\(^{12}\) I would even reject the characterization that BI and BC clash against each other. BC can absorb BI and offer more, thanks to the autonomy it grants recipients.

\(^{13}\) (Bidadanure, 2018, p. 11-13)

\(^{14}\) (ibid., p.11)
she will be receiving another $1000 the next month. She will not be left helpless and unfunded since she will be given numerous opportunities to make decisions about her spending.

This critique of BC, while valid, is motivated by paternalism. It is true that handing out a large one time payment comes with the chance that the recipient wastes a big portion of it early in life. But so what if Lisa blows her $800,000 all at once? To insist that BI be handed out periodically in order to prevent a situation like Lisa’s does so at the expense of undermining her autonomy. It presumes that Lisa might make bad decisions, and attempts to protect her from her own decision. Ackerman and Alstott echo this sentiment, arguing that BI’s treatment of young people as presumptive spendthrifts “demeans their standing as autonomous citizens and radically constrains their real freedom”. Indeed, BI’s goal of ensuring lifetime sufficiency appears to be a euphemism for preventing people from messing up.

UBI proponents may attempt to justify BI’s mild paternalism on egalitarian grounds. They argue that in order to realize the egalitarian goal of ending relationships of domination, we must ensure that individuals are relational equals “at every point in their lives”. Providing the same starting stakes (as BC does) is only superficially egalitarian according to this account because it leaves people like Lisa helpless and vulnerable to domination after some mishap. They further assert that BC risks exacerbating existing interpersonal inequalities since those who will blow their stake are more likely to be people who are already disadvantaged. Conversely, those who are already advantaged will have a better chance at success thanks to the “access to better information, support and coaching.” They fear that BC will invite judgements about complete lives in which people are pronounced either winners or losers based on how successful they have spent their BC. All this is made even more problematic because it happens with the façade of equal starting point.

Indeed, if there were a considerable number of Lisas who blew away their $800,000 soon to be faced with social stigma, and if the underprivileged were overrepresented among this group of people, that would mean BC enforces existing and new unequal power relations. BC would no longer be attractive on egalitarian grounds since its goal of equalizing is subverted into exacerbating inequalities. But BI proponents tend to overlook how BI is subject to a similar problem. Due to their upbringing, stress, lack of financial literacy, etc, Joes or Leos may disproportionately be from the disadvantaged population. If they start with bad habits to begin with, BI could help fund and reinforce these bad habits that constantly put them at a socioeconomic disadvantage. Does the presence of a monthly income necessarily ensure that they are free from domination? BI proponents can try to draw a distinction between BI’s and BC’s impact on these types of people by responding that at least with BI, they will have the means to turn their lives around if they choose to do so one day. This conjecture is questionable.

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15 (Ackerman & Alstott, 2006, p. 49)
16 (ibid., p. 32)
17 (Bidadanure, 2018, p. 31)
18 (Van Parijs, 1991, p.6; Bidadanure, 2018, p. 21)
19 (Bidadanure, 2018, p. 21)
20 (ibid., p. 23)
21 (ibid., p. 24)
however. BI decreases the incentive for them to disrupt the vicious cycle since it is difficult to see what difference a small amount of monthly income can make. The monthly payment is “too small a sum to give them real freedom to look decades ahead and appreciate shaping choices they are making”.22 Even if the Joes and Leos determine to turn life around, it will take extraordinary perseverance and financial prudence in order to continuously save up for or invest in lifting themselves up. Instead, it is more likely that the Joes and Leos will spend it on the fly without thinking about its long-term potential because an incremental payment of $1000 encourages consumerist spending. 23

IV. The Slippery Slope of Paternalism

This form of presumptive judgement that people, especially the underprivileged, will blow their BI is one that UBI proponents adamantly reject; however, it isn’t clear why they put forth a similar egalitarian challenge to discount BC. Either they shouldn’t engage in this type of reasoning at all or they should also worry about the Joes and Leos receiving UBI. I have argued that even if we agree to examine BI and BC from an egalitarian perspective, BI does not necessarily come out on top. But for now, suppose that BI proponents are right that BC worsens inequalities so much more than BI--that is, there will be more Lisas than Joes and Leos. Then, BI proponents would have successfully demonstrated that BI outperforms BC on egalitarian grounds. I even give it that they can justify the condition of regular payment in itself on the basis of relational egalitarianism. What they cannot justify, however, is their refusal to seriously consider other nudges that help people spend BI more wisely, or not mess up at least. In other words, if UBI proponents uphold BI over BC on the basis that BI better prevents people from wasting the payment, they put themselves at a precarious position of having to accept other preventative measures insofar as they serve an important role in advancing UBI’s egalitarian cause. For example, consider conducting an eligibility test on those in rehabilitation or barring recipients from spending their BI on gambling or substances like cigarettes and alcohol. For UBI proponents, they don’t seem to accept any other form of mild paternalism for the sake of real freedom, leading to a inconsistency in their normative case for UBI.

Beyond Lisa who tragically blows her money in Vegas, there are many other ways UBI recipients can waste BI, as in the case of Joe and Leo. UBI proponents wish to place paternalistic safeguards against Lisa’s spending but refuse to extend them to Joe and Leo. Is there a difference between wasting $800,000 in bulk and wasting it gradually? UBI proponents seem to be motivated by the thought that Lisa’s losing a fortune in Vegas is a one time mistake that she did not intend, whereas Joe’s and Leo’s continuous, destructive spending indicates greater intentionality. Hence they come to think that setting repercussions for Joe and Leo indicates active intervention and prohibition--a direct threat to their autonomy--while preventing Lisa from wasting her money is gentle protection that saves herself from something she did not will. There are a few problems with this strain of thought. First of all, it wrongly assumes intentionality for Joe and Leo and the lack thereof for Lisa. Joe and Leo might have been chemically addicted to substances or may have had their autonomy compromised due to unfortunate,

\[22\] (Ackerman & Alstott, 2006, p. 48)

\[23\] (ibid.)
uncontrollable circumstances like excessive stress or mental illness. They may have truly wished someone could save them from themselves just like Lisa may have regretted her night in Vegas. But why even assume that Lisa lacked intention in the first place? She made the active choice to gamble at her own risk. Second, even if we assume that Joe and Leo were content with their own destructive choices and Lisa, less so, benign paternalism is still paternalism. The government did not receive prior consent from Lisa that she wishes to be protected from future bad choices. Hence, UBI proponents cannot draw a clear-cut distinction between the paternalism they endorse and the paternalism they reject. Their willingness to treat BI’s periodicity as some benign nudge is quite out of line with the reasoning they have used to reject other paternalistic measures.

Meanwhile, BC proponents do not have to take a position of complete indifference about Lisa blowing her $800,000. They too might wish to mitigate Lisa’s post-Vegas circumstances on egalitarian grounds. Only BC can help Lisa make better spending choices while staying clear of paternalism. I propose a variant of BC in which people who want to receive continuous, steady income, perhaps because they don’t trust their own spending choices, can arrange to receive BI-like payments. With this option, people will be protected from their own choices but only after they agree to be protected. This variant of BC mimics the effects BI while leaving out BI’s paternalistic implications.

There is only one way UBI proponents can restore consistency within their normative model while upholding UBI as a fundamental right. Else, they are at risk of falling into a slippery slope of paternalism. They must strike regular payment as one of UBI’s definitional feature and instead embrace a form of BC that aligns with their commitments to anti-paternalism.

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