

The Public Administration Case against Participation Income

Author(s): Jurgen De Wispelaere and Lindsay Stirton

Source: *Social Service Review*, Vol. 81, No. 3 (September 2007), pp. 523-549

Published by: The University of Chicago Press

Stable URL: <https://www.jstor.org/stable/10.1086/520939>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <https://about.jstor.org/terms>



The University of Chicago Press is collaborating with JSTOR to digitize, preserve and extend access to *Social Service Review*

JSTOR

The Public Administration Case against Participation Income

Jurgen De Wispelaere
Trinity College, Dublin

Lindsay Stirton
University of East Anglia

Anthony Atkinson's proposal for a participation income (PI) has been acclaimed as a workable compromise between the aspirations of unconditional basic income proposals and the political acceptability of the welfare model. This article argues that PI functions poorly in terms of a number of essential administrative tasks that any welfare scheme must perform. This leads to a trilemma of participation income, which suggests that PI can only retain its apparent ability to satisfy the requirements of universalist and selectivist approaches to welfare at the cost of imposing a substantial burden on administrators and welfare clients alike. Consequently, the main apparent strength of PI, its capacity to garner support across different factions within welfare reform debates, is shown to be illusory.

Many scholars of the modern welfare state agree with Robert Goodin (2000) that the crumbling of its traditional pillars limits the ability of welfare policies to achieve a range of often contradictory objectives. However, they disagree about which policies might be introduced as alternatives. In particular, a fault line separates those favoring increased emphasis on universal mechanisms such as unconditional basic income (UBI), commonly understood as an income granted by right to each individual, without means test or work requirement, from those who favor increased targeting of benefits through a host of conditional and activating measures that are commonly captured under the label "welfare."¹ This article challenges the idea that the modern welfare state would be improved by the introduction of a participation income (PI) in an attempt to accommodate the twin objectives of universal social protection and broad social participation.

Superficially, PI appears to be extraordinarily well suited to bridge the

Social Service Review (September 2007).
© 2007 by The University of Chicago. All rights reserved.
0037-7961/2007/8103-0006\$10.00

divide between welfare reform's universalists and selectivists, that is, between those favoring UBI (and its cognates) and those favoring welfare. Like UBI, PI grants each adult citizen a right to a secure basic income regardless of the individual's living arrangements and whether he or she has alternative sources of income or wealth (Atkinson 1995, 1996, 1998). However, unlike UBI, PI requires that recipients satisfy a broad participation requirement as a condition of support. Forms of participation include a range of such socially useful activities as caring for an elderly relative, volunteering in a neighborhood project, and engaging in a human capital-enhancing activity (e.g., vocational training or studying for an educational qualification). Participation income is thus conceptually distinct from welfare because PI expands the notion of social participation well beyond the narrow frame of labor-market participation. Nevertheless, PI retains a strong notion of eligibility conditions; this conditionality seems to allow PI to bridge the gap between, on one side, those who believe universal social protection and inclusion are the key objectives of the modern welfare state and, on the other side, those who think its primary task ought to be the increased activation (i.e., engagement in socially productive behavior) of adult citizens.²

In this article, we take issue with this view of PI. Unlike those who regard PI as a policy solution that merges the best features of two worlds, a welfare scheme that appears to be genuinely inclusive and activating, we argue that PI has very little to offer either side of this debate. By critically assessing PI from the standpoint of administrative analysis and by drawing on evidence of existing programs, we identify several concerns at the level of implementation and find that these concerns are largely ignored in existing debates. Once these concerns are confronted, we argue, it becomes clear that although PI may seem attractive as a political compromise, this does not translate into a stable administrative solution, given the divergent priorities and agendas of those within the universalist and selectivist camps.

Our first aim is to demonstrate that, in its current underdeveloped state, PI does not constitute a workable proposal.³ A closer examination reveals significant weaknesses in PI's administrability: the program's capacity to be administered in a practical and efficient manner, in accordance with its primary objectives, and in keeping with existing constraints. These weaknesses make PI's endorsement by UBI supporters, in particular, premature if not altogether gratuitous. Although recognizing these weaknesses primarily affects what we refer to as the first-best justification of PI, it also has important applications for what we will call the second-best case for PI.

This brings us to the second theme of this article. The administrative instability of PI, we maintain, confronts would-be supporters of the proposals with what we label the "trilemma of participation income." If one assumes that effective enforcement of a broad participation requirement

imposes substantial moral and economic costs on welfare bureaucrats and clients alike, the implementation of any PI scheme effectively presents the following alternatives: (a) institute a weak enforcement of any participation requirements, rendering PI barely distinguishable from UBI; (b) structure a participation requirement around narrowly selective eligibility criteria, effectively resulting in a version of welfare; or (c) accept the substantial administrative costs of ironclad enforcement. Because selectivists and universalists hold explicit and opposing views on how to resolve this trilemma, it is difficult to see how PI can attract a sufficient coalition in support of it. In short, because administrative instability produces political instability, PI may well represent the worst of all possibilities instead of a perfect compromise between proponents and opponents of universal welfare reform. The final section of this article considers the implications of this conclusion for the broader basic income debate.

Participation Income: An Analytical Outline

Participation income is the brainchild of Anthony Atkinson (1996, 1998), an Oxford economist with a distinguished track record of research into poverty and social exclusion. Since the 1980s, welfare policy in the United Kingdom has centered, as it did in many other countries at this time, on means-tested benefits. Increasingly dissatisfied with this focus, Atkinson came to look sympathetically upon arguments in favor of universal grants that would be allocated without a means test. He recognized, however, that “it will be difficult to secure political support for a citizen’s income while it remains unconditional on labour market or other activity” (Atkinson 1996, 67). The solution for Atkinson is a social assistance program that retains the politically salient notion of social participation but gives up on means testing. The broad outline of PI is best described by quoting Atkinson at some length:

In my proposal, the basic income would be paid conditional on *participation*. I should stress at once that this is not limited to labour market participation. While the qualifying conditions would include 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, it would also include people engaging in approved forms of education or training, caring for young, elderly or disabled dependents or undertaking approved forms of voluntary work, etc. The condition involves neither *payment* nor *work*; it is a wider definition of social contribution. (Atkinson 1996, 68–69)

The precise nature of PI depends crucially on the sort of activities that policy makers allow to satisfy the requirement of social participation. It is perfectly possible for a PI to barely expand on existing labor-market-oriented notions of economic participation (see, e.g., the social and

economic participation income [SEPI] proposal by Jordan et al. [1999]). Alternatively, a PI might define participation to encompass such a wide range of social activities that the program is virtually indistinguishable from a genuine UBI. Although this flexibility offers valuable maneuvering room in which policy entrepreneurs can construct an enacting coalition, it raises concerns about how (and by whom) the precise scope of participation is to be determined.

A second key concern relates to the question of how compliance is to be enforced. As Loek Groot and Robert van der Veen (2000) suggest, a PI with a broad notion of social participation and lax enforcement will bear a close resemblance to a UBI, but the same policy with a narrowly defined participation requirement and strict enforcement will in practice bear a close resemblance to a workfare program. Thus PI could equally be regarded as either a mutated UBI proposal or an expanded workfare scheme. However, the apparent symmetry masks an important distinction; the strategy behind UBI is to eradicate a host of social and economic ills solely by providing cash support. By contrast, workfare and closely related activating welfare policies in addition employ other forms of support, such as job training, job placement, transportation, or assistance with child-care responsibilities, with the aim of helping clients to negotiate various employment barriers. In practice, such support measures are often crowded out by a variety of other priorities (Handler 2004; Handler and Babcock 2006), but the analytical distinction between UBI and workfare nevertheless stands, suggesting a close alignment between PI and UBI.

Atkinson's proposal has gained almost universal, if at times implicit, support among basic income advocates, as well as from a number of UBI's more sympathetic critics. This support comes despite the fact that little has been done to flesh out Atkinson's original proposal.⁴ Of course, it may be that PI retains the support of scholars and advocates with widely divergent perspectives precisely because both the concept and the policy details remain vague. In order to advance the debate, it is now necessary to consider those features that make PI attractive to scholars, advocates, and policy makers advancing different positions.

We can discern three reasons for endorsing PI. Each reason may take priority for some subset of those currently in favor of the proposal. First, one might endorse PI, believing it to be a first-best welfare policy under contemporary conditions. For example, PI grants recipients generous income support as well as the freedom to engage in a wide range of socially useful activities. Thus, Stuart White's relentless and sophisticated arguments against unconditional welfare, rooted in the view that unconditionality fails to satisfy the basic requirement of fair reciprocity, has led him to endorse PI on several occasions (White 2003b; see also Gutmann and Thompson 1996). In addition to such justice-based ar-

guments, those who advance a first-best argument for PI sometimes also advance an incentive argument, asserting that PI promotes socially valuable activities without relying on overly coercive measures. Here, we could imagine PI complementing both feminist approaches to welfare reform (McKay and Van Every 2000; Robeyns 2000; McKay 2001; Pate-man 2003, 2004) as well as postproductivism, in which narrow employment-driven policies are supplanted by schemes that induce the broad valuation of social activity, including care work (Offe 1992; Fitzpatrick 1999; Standing 1999, 2002; Van der Veen and Groot 2006). In practice, the justice-based and the incentive-based perspectives often coincide, but the arguments are sufficiently distinct to warrant separate mention.⁵

The two approaches differ markedly from what may be called second-best justifications for PI. Such justifications are put forward by scholars (like Atkinson himself) who favor unconditional policies but acknowledge that it may be impossible to gather sufficient political support for UBI. Many basic income supporters, including Philippe Van Parijs, Claus Offe, Robert Goodin, and Brian Barry, adopt this type of position. However, second-best justifications for PI come in two subtly distinct variants. One is held by those who regard political feasibility in static terms and thus accept PI, perhaps reluctantly, as a permanent settlement. Atkinson himself seems to hold this position. A second view holds that PI ought to be supported as a first step toward a more radically unconditional scheme. This is the more dynamic of the two views; it assumes that once a PI is in place, an important milestone is established in progress toward universalizing welfare. Subsequent strategy would then be directed toward adjusting the scheme along various parameters in order to move from PI to a mature UBI. Examples of such adjustment include increasing the level of the grant as well as broadening eligibility and limiting the conditions so that benefits coverage broadens (De Wispelaere and Stirton 2004).

Recently, a number of basic income scholars have drawn attention to the many ways in which existing welfare and social support schemes can be made to mimic basic income in one of its versions. The three most common strategies are (*a*) start with a partial income and then move toward a full UBI that provides benefits at the level of subsistence, (*b*) start with a UBI in one sector or for part of the population (e.g., basic pension or child benefit) and extend that gradually to cover the whole target group, or (*c*) introduce multiple schemes that operate in combination as a UBI (Van der Veen and Groot 2000; Van Parijs 2001, 2004; Standing 2005; Vanderborght 2005). Unfortunately, thus far we have not encountered a genuinely convincing strategy that indicates how to move from PI to a UBI; in the absence of such a strategy, it remains equally plausible that opponents of universalism might use PI to establish a fairly narrow criterion of social participation and then gradually

restrict eligibility. For example, opponents might impose the sort of time constraints enacted in the U.S. welfare reforms of 1996 (cf. White 2003a).

In summary, first-best justifications see PI as an ethical compromise between competing normative claims; second-best justifications regard PI essentially as a political compromise in a constrained policy environment. It can be argued that PI consequently emerges as a policy with the capacity to unite a range of different groups and, as such, it stands out as the welfare policy par excellence, capable not only of sustaining a coalition based on shared goals but also of allowing different groups to avoid more extreme policy choices like UBI or workfare. This apparent capacity to unite explains much of PI's success among basic income advocates and the apparent willingness of most advocates to lend their support without fully assessing how a PI would operate in practice.

In our view, this illusion is largely maintained by avoiding detailed discussion of PI. Even sophisticated thinkers like Van Parijs (2004) offer only an impressionistic analysis of PI. Once a detailed examination is carried out, the illusion rapidly disintegrates, and PI reveals itself to be risky as well as costly.

The Essential Features of an Income Support Mechanism

Any welfare scheme must perform three essential administrative tasks. First, a welfare scheme must establish the operational criteria of eligibility that define the intended beneficiaries. Second, it must identify those within the population who meet these criteria of eligibility and distinguish them from those who are not eligible. Third, it must transfer eligible beneficiaries' payments correctly. Accordingly, the design of an income-support mechanism involves, at a minimum, taking a position on how each of these tasks is to be performed. If a scheme is unable to perform one or more of these tasks as required, this inability may undermine or negate the reasons for preferring the scheme in the first place. Even where such differences in administrability are not decisive, how we resolve questions of administrative design may have important consequences for the way the scheme is expected to operate in practice and, thus, for the conclusions we draw about the normative appeal of different schemes. The following three subsections deal with each task in turn. We argue that PI performs poorly in each of these three tasks.

Standards Conferring Entitlement

The first step in the design of any welfare benefit is to determine what criteria, if any, should govern eligibility for a grant and how these criteria are best encapsulated in a set of rules or standards. The relative difficulty

of reducing alternative criteria of eligibility into a set of suitably precise rules is relevant to the balance of considerations for and against different income support schemes.

Colin Diver (1983) has examined the failure of a number of public policies to achieve their intended purposes, attributing such failure to inappropriate degrees of precision in the design of the rules that govern the implementation of the policy. Diver (1983) identifies three separate dimensions of rule precision. First, "transparency" (Diver 1983, 67) is defined as the extent to which the language in which rules are formulated is clearly defined and has universally accepted meaning. Second, a rule is "accessible" (1983, 67) to the extent that it is readily applicable by those who are required to interpret it in concrete or street-level situations. The third dimension is the extent to which verbal formulations are "congruent" (1983, 67) with the underlying policy objectives, so that compliance with the terms of the rules should lead to the outcomes consistent with the policy. A key part of Diver's argument is that these three dimensions are not collinear. In order to produce effective rules, policy makers need to make compromises and trade-offs among the three dimensions.

Applying Diver's analysis to the problems of designing an effective PI scheme reveals the complex administrative judgment involved in implementing such a scheme. As we noted previously, the key feature that distinguishes PI from UBI, on the one hand, and from welfare, on the other, is the incorporation of a broad participation requirement. Drawing on Diver's rule-precision analysis, consider the problem of legislating Atkinson's participation criterion into a set of rules. The following three models (inspired by Diver 1983, 69) offer alternative formulations of a participation requirement:

Model 1: A person shall be entitled to receive a PI if he or she 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.

Model 2: Any person substantially engaged in an appropriate socially valued activity shall be entitled to receive a PI.

Model 3: A person shall be eligible to receive a PI provided he or she undertakes activities as prescribed in the following table. (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.)

Among these three alternatives, model 1 is clearly both transparent and accessible. The model is understandable, and it is relatively easy to determine whether the model applies to a particular case if one is familiar with the relevant facts. However, the model performs poorly in terms of congruence with the underlying policy of promoting an inclu-

sive conception of active citizenship demanded by such reciprocity theorists as Elizabeth Anderson (2001), William Galston (2001), and Stuart White (2003b). Specifically, the formulation is in certain respects underinclusive; one can envision many socially valuable activities (e.g., nonuniversity education, other noncredited forms of training, and caring for dependents outside the prescribed relationship) that are not captured by the formulation. Model 1 may also be overinclusive in other respects; it is debatable whether all charitable organizations contribute unambiguously to the public good. Moreover, in the absence of clear standards, one can expect a proliferation of charitable organizations, many of which may be set up with the explicit objective of exploiting the scheme. Such exploitation would be an example of "creative compliance" (McBarnet and Whelan 1991, 849), which is discussed below.

That a scheme might inadvertently support negatively valued activities while failing to support socially beneficial activities is a matter of some concern among both advocates and adversaries of PI. This concern is also well documented in the literature on welfare reform; this literature frequently refers to the issue of goal congruence, the doctrine that policy systems should transmit formal policy goals in a straightforward manner throughout the system and should provide street-level caseworkers with both resources and incentives to implement policy accordingly. Recent research argues that congruence between formal policy goals and street-level operational goals is a prerequisite for effective welfare administration (Meyers, Riccucci, and Lurie 2001). However, goal congruence is immensely difficult to achieve when either policy goals or the operational environment (delivery systems) is complex. Complex policy goals invite conflict and ambiguity regarding the proper interpretation and ranking of goals. Complex administrative environments introduce conflicting incentives into the equation. Marcia Meyers and her colleagues (2001) show that if both policy goals and the administrative environment are complex, a decoupling of stated policy goals and achieved objectives often occurs.

One strategy to avoid such decoupling would be to start with clearly defined policy goals (Riccucci et al. 2004). This is the approach taken in model 2, which directly elucidates the policy intention behind the rule. However, model 2 manages to avoid the decoupling of stated policy goals and achieved objectives only by offering a vague, all-encompassing criterion of participation. The criterion is so broad that it is open to conflicting interpretations by clients, welfare officers, policy makers, and even the general public. Because the model is ambiguous, it is not accessible. For various political reasons, "elected officials are predisposed to providing vague or ambiguous policy directives" (Meyers et al. 2001, 166). Especially where policy goals are contested, decision makers have the motive, and may exploit any opportunities, to shift responsibility to administrative agencies and caseworkers (Brodkin 1990, 1997).

Although this political predisposition toward vagueness may confer advantages, it may also encourage strategies of blame avoidance (Weaver 1986).

Model 3, in turn, may avoid excessive ambiguity, providing both high accessibility and congruence, but policy makers must foresee all the socially valuable activities of which individuals can conceive, and a list of such activities is likely to be extremely complex; the gains offered by this model thus come at the expense of transparency.⁶ Of course, this lack of transparency could be addressed by combining different versions of the models. For example, model 2 could be combined with a set of guidelines similar to those in model 3, and some official could be given discretion to include other cases not covered by the guidelines. But such a strategy risks combining the weaknesses of different approaches as well as their strengths and may furthermore come at the cost of considerable complexity.

Although models 2 and 3 may avoid problems of goal congruence, model 2 confronts another central problem in welfare administration; it confers excessively broad discretion on welfare administrations, enabling them to determine unilaterally the eligibility of clients (Diller 2000). Poor accessibility exacerbates this problem because unless there is a firmly established consensus among the interpretative community on which activities are socially valued, a consensus that is highly unlikely in modern plural societies (Black 1995), key decisions are typically passed through the system to street-level caseworkers.

Similarly, model 3 may be regarded as highly congruent with the underlying policy goal of instituting a broad participation criterion, but the model avoids these problems only by creating another; poor transparency increases the *de facto* discretionary power of street-level administrators because welfare workers and clients face imperfect and asymmetrical knowledge of the regulations (see Baldwin 1995, 15–33). The literature on the implementation of welfare policies demonstrates that caseworkers are frequently overwhelmed by forms, rules, and regulations; they are often forced to take on responsibilities for which they are insufficiently trained, and such engagements leave little or no time for actual engagement with clients (Sandfort 2000; Handler and Hasenfeld 2006).⁷ As a consequence of these pressures, nontransparent rules are shown in some cases to lead administrators to base decisions on cues and heuristics that may themselves be incompatible with underlying policy concerns. This has been shown to lead to the creaming of easy cases and the dumping of problem clients, the selective provision of key information to clients, and the arbitrary use of compliance and sanctioning (Handler 2004). Paradoxically, attempts to curtail welfare workers' discretion by expanding rules and otherwise routinizing welfare implementation have proven counterproductive because they incite caseworkers to ignore cumbersome procedures and to use their discre-

tion to achieve what they perceive as the primary goal, which is typically understood to be case-load reduction (Meyers, Glaser, and MacDonald 1998; Handler 2004; Handler and Hasenfeld 2006). Sandfort observes, "Because staff recognize the limited ability of the programs to move all clients into work, they develop alternative definitions of organizational success" (Sandfort 2000, 739).

How do alternative schemes compare with PI in terms of their capability to be expressed in appropriate, suitably precise standards conferring entitlement? It is often assumed that UBI sidesteps the problem of rule formulation because eligibility is nominally unconditional. Although this point is not entirely without force, it should not be overstated; even in its most inclusive formulation, UBI must restrict entitlement to some subset of the inhabitants of one country, or perhaps of some supranational region such as the European Union (Van Parijs 1995; Van Parijs and Vanderborght 2001; Howard 2006). A UBI scheme must include rules that pertain to such issues as the level of the grant, its uniformity, and the time scale within which it operates. All of these issues involve considerably more regulation than is appreciated by many UBI supporters (De Wispelaere and Stirton 2004). Nevertheless, reducing a proposal for a radical UBI scheme into a set of transparent, accessible, and congruent rules is likely to be a relatively straightforward matter. In comparison with other forms of welfare grants, including PI, such a scheme is based on comparably well-defined criteria.

At the other extreme, there are a number of reasons why workfare might outperform PI in defining a standard for conferring entitlement. First, workfare and PI both require some form of participation as a condition of entitlement, but the sheer number of participation options in a broad participation scheme and the relative paucity of options in workfare are likely to affect the performance of each of the respective policies. Second, precisely because work conditions are typically part of a formal relationship (e.g., between employer and employee), they are likely to be more readily expressed as a rule than broad participation requirements, which are often embedded in informal social or economic relations. Third, because work conditions can be easily embedded in existing practices and labor-market institutions, workfare is more likely than PI to engender accessible and transparent regulations because the latter demands the institution of newly valued activities (or at least activities that are new in terms of formal institutional recognition). Of course, research shows that, in practice, workfare faces many complicated problems and in fact manages to gather support despite a record of failing to obtain its goals and objectives (Meyers et al. 1998; Sandfort 2000; Handler 2004; Handler and Hasenfeld 2006). Nevertheless, from both political and administrative perspectives, it makes a considerable difference whether entitlement standards are initiated through a clear and coherent process or instead result from one that, by its very nature,

covers a diverse and heterogeneous range of activities. Regardless of actual outcomes, workfare and PI in this respect do not appear to start on a similar footing.

In short, all welfare schemes face the sorts of hard choices and trade-offs inherent in Diver's (1983) optimal precision calculus, but different schemes vary in how well they negotiate these trade-offs. As a grant that lacks a means test but is subject to a broad participation requirement, PI ignores the distinctive ways in which participation can be operationalized. Bringing the operational dimension to the foreground, as we have done in this section, demonstrates that PI faces considerably greater problems in implementation than do UBI and workfare.

Identification and Monitoring of Beneficiaries

The task of determining whether individuals satisfy eligibility criteria, and whether beneficiaries have complied (or continue to comply) with conditions attached to the receipt of a grant, is familiar in welfare administration. From the perspective of administrative analysis, this determination focuses attention on the informational demands associated with different schemes. It also creates the potential for strategic behavior on the part of potential beneficiaries, who may evade conditions of entitlement or engage in creative compliance (McBarnet and Whelan 1991). These concerns are closely intertwined with the issues of rule design (addressed in the previous section); rules that perform poorly along any of the three dimensions of rule precision typically give rise to additional monitoring and enforcement problems. The following discussion addresses these issues by examining the features of benefit schemes that lend themselves to the effective identification of beneficiaries, by assessing how far the previously discussed alternative formulations of the participation requirement embody these features, and by suggesting how the challenges associated with monitoring and enforcement of a participation requirement compare with equivalent implementation issues posed by UBI and workfare, respectively.

Christopher Hood (1985; 1986, 74–81; 1994) discusses in detail the features that affect the administration of a tax in a given sociotechnical environment. The features identified by Hood can also be applied to the payment of income-support grants. First, Hood (1994, 118) coins the term "standard clarity" to denote "the property of being relatable to values that can be ascertained relatively economically and 'objectively.'" Although Hood presents what is arguably just an enforcement perspective on Diver's (1983) criterion of accessibility, Hood's discussion of standard clarity reinforces the point that if standards cannot be applied readily to particular circumstances, determining compliance is likely to be costly and difficult, and potentially leads to policy failure. Hood (1986, 76–77; 1994, 118) also argues that ease of administration

requires that the scheme's targets must be "cadastralable."⁸ That is, in the case of taxes they must possess "the property of being applicable to a readily identifiable population of taxable units, if possible from sources which are available in advance and cannot be easily contaminated by evasive action" (Hood 1994, 118). Likewise, the payment of a grant is administratively easier if there is a readily identifiable population of beneficiaries. This also implies that, if individual circumstances (e.g., the amount of hours worked by casual employees) are likely to change frequently, they constitute a poor basis for entitlement because they lead to a rapidly changing and therefore unstable target population. This is a problem for both welfare administrators and clients themselves, as clients often fail to understand when they are in violation of an eligibility constraint (Handler and Babcock 2006; Handler and Hasenfeld 2006).⁹

Our hypothetical implementation of a participation requirement again helps to illustrate how alternative rule descriptions can affect compliance determinations and thus lead to divergent outcomes. In model 1 and model 3, decisions about what constitutes active citizenship are made in advance; determining compliance requires only knowledge of the facts of individual circumstances. While information about employment can be gleaned from payroll information and enrollment in education can be assessed from matriculation records, there are no comprehensive or reliable sources of information about the distribution and extent of care work in the home. Effective monitoring of care work would indeed require overly intrusive forms of monitoring; alternatively, some form of self-reporting may be used, but this would be susceptible to manipulation by those not meeting the participation requirement. In particular, this susceptibility increases if eligible clients are unaware of their entitlement.

Model 2 faces all of these problems and more. In particular, this model performs poorly in terms of standard clarity. In the absence of a strong interpretative consensus, basing entitlement on the model's abstract definition of a "socially valued activity" gives administrators a broad discretion to decide which activities qualify. Broad discretion raises concerns about due process and the procedures established to enable recipients to challenge administrative decisions (Danz 2000; Lens and Vorsanger 2005). This discretion may also be a recipe for inconsistent application. Inconsistency is an acute concern, especially if multiple agencies are involved (Stoker and Wilson 1998; Meyers et al. 2001).

Again, model 2 outperforms its competitors in that it is less susceptible to the form of manipulation termed creative compliance, that is, complying with the technical requirements of a rule or standard in such a way as to undermine the purpose of the rule (McBarnet and Whelan 1991). Model 1, for instance, might encourage enrollment at a university, and this may lead to a proliferation of what the United Kingdom's

former Higher Education Minister Margaret Hodge called “Mickey Mouse courses” (Lightfoot 2003; Woodward 2003). Policy makers might attempt to prevent such opportunistic exploitation by adopting detailed rules, such as those in model 3, but such rules require administrators to monitor course selections and to distinguish courses that are deemed acceptable from those that are not. Because model 2 avoids such formalism, it permits administrators to respond flexibly to such attempted exploitation, but this flexibility also gives administrators substantial discretionary authority.

Consideration of the task of identifying eligible beneficiaries and monitoring compliance also raises questions concerning what (if any) sanctioning mechanisms should complement information gathering. If clients fail to abide by the conditions of a grant, they normally face some form of sanction; these typically diminish or withhold the benefit itself (Handler 2004). The link between monitoring and sanctioning appears to be straightforward (Mead 1986; Hasenfeld and Weaver 1996; Riccio and Hasenfeld 1996). However, recent research casts doubt on various assumptions implicit in the design and operation of common approaches to sanctioning (Wilson, Stoker, and McGrath 1999; Hasenfeld, Ghose, and Larson 2004; Handler and Hasenfeld 2006). First, it remains unclear whether sanctioning is grounded in moral or utilitarian arguments (Hasenfeld et al. 2004; Handler and Hasenfeld 2006). In addition, it is questionable whether sanctioning really produces desired outcomes. That is, it is not clear if sanctions teach noncompliant welfare recipients a moral lesson or if sanctions merely preselect, or cream, the least demanding clients without taking account of the manifold “barriers to compliance” that may affect clients’ behavioral disposition (Hasenfeld et al. 2004, 306).

The unconditional nature of UBI suggests that monitoring and enforcement are not issues of central importance to the scheme’s implementation. If each and every individual citizen has an unconditional right to a grant, there is no need for, nor point to, monitoring compliance among recipients of the grant. There might nonetheless be other reasons for retaining some form of monitoring. For example, it may ensure that all citizens receive the benefit to which they are entitled. In the absence of mechanisms to monitor citizens, it is impossible to assess take-up rates (a point elaborated below). Although monitoring might constitute an important built-in safety mechanism, the need for a monitoring apparatus is nonetheless significantly reduced, if not eliminated, in a basic income welfare state. Similarly, UBI would reverse the sanctioning philosophy implicit in current welfare programs.

Workfare programs promote a narrow conception of active citizenship that is based on claimants fitting particular labor-market categories or being embedded within specific institutions. That most of these labor-market categories already feature prominently in various cadasters sug-

gests that they could be monitored easily, at least in theory. In practice, evidence shows that monitoring remains one of the most challenging aspects in the administration of welfare (Handler and Babcock 2006; Handler and Hasenfeld 2006). The evidence also suggests that monitoring is both costly and prone to error; caseworkers often make decisions on the basis of outdated, inaccurate, or incomplete information. This, in turn, has potentially disastrous implications for subsequent assessments of eligibility, sanctioning, and so forth. The situation becomes more complicated if the discussion shifts from pure people-processing technology to a focus on the people-changing requirements inherent in welfare's ambitious activation goals (Hasenfeld and Weaver 1996, 240). Agencies that embrace an eligibility-compliance culture find it hard to endorse notions of self-sufficiency (Bane and Ellwood 1994).

We do not wish to downplay the problems associated with current welfare-to-work administration, but the point remains that where welfare faces difficulties, monitoring and enforcement of broad participation requirements become practically unworkable because of the ambiguities inherent in broad participation schemes. One important variable to consider is which presumption applies when there is implicit uncertainty about the outcome of a verification procedure. Do we assume that a client is eligible unless proof to the contrary is offered, or do we place the full burden of proof on the client (Stoker and Wilson 1998)? Proportionality is also problematic. How does one identify a sanction that is proportional in effect to the infraction for which it is imposed? In the case of the Temporary Assistance for Needy Families program (TANF) in the United States, the majority of sanctions are applied for missing an appointment or for failure to fill out forms properly. Some clients lose the entire TANF grant as a result (Cherlin et al. 2002). Clearly, concern about the circumstances in which sanctions are applied relates to the types of participation requirements (whether narrow or broad) and their strict or lax enforcement. In addition, PI faces major obstacles to interagency coordination because broadening the list of approved activities also implies an increase in the number of agencies that need to cooperate to produce the required information (compare Stoker and Wilson 1998). Finally, the ambiguities inherent in PI will also bring uncertainty about when clients deserve to be sanctioned under the scheme. This uncertainty may introduce further arbitrary and unequal treatment.¹⁰

Disbursing Payments to Beneficiaries

The third essential feature of a welfare scheme is the means by which grant payments are disbursed to those identified as the proper beneficiaries of the grant. A set of standards may confer eligibility on a set of beneficiaries, may do so with an appropriate degree of precision, and

may accurately identify those who meet eligibility criteria, but the scheme must be judged a failure unless it includes an effective means of disbursing payments to beneficiaries. Further, a payment system's vulnerability to fraud or opportunism may undermine the legitimacy and efficiency of a scheme.

Hood's work on tax administration again offers theoretical inspiration for our attempt to identify how administrative concerns factor into debates on welfare reform. Hood's concept of the "conduitability" of a tax is defined as "the property of being assessable and collectable through a relatively small number of surveillable channels or 'bottlenecks' at which oversight can economically be applied" (Hood 1994, 118). The concept is equally applicable to the administration of welfare grants. In that context, conduitability can be considered analogous to the degree of fit or complementarity between the way in which beneficiaries are defined (and identified) and the means by which payments are disbursed. The arrangements for disbursing a benefit should ideally enable administrators to cross-check individual eligibility to a benefit (see Hood 1986, 78–79).

There are two ways in which conduitability, as the concept is applied here, may be considered important to the administrability of a welfare scheme. First, the monitoring of payments is essential to ensure that benefits are received by all those who are entitled. Second, by incorporating robust oversight mechanisms into the arrangements for payment of a benefit, the design of a scheme plays an important part in ensuring that payments are only made to those who meet (and continue to fulfill) conditions of entitlement. The first design combats false negatives; the second eradicates false positives. To the extent that these two desiderata have conflicting implications for the design of a scheme, addressing the question of conduitability calls for skillful administrative judgment.

Broadly speaking, two strategies ensure the effective disbursement of payments to beneficiaries. The first is to rely on as few alternate payment channels as are sufficient to reach the target population. The optimal arrangement would make use of a single but universally accessible payment mechanism. It is often suggested that a scheme with a small number of surveillable channels is to be preferred on administrative grounds because such a scheme avoids the complications that arise in managing multiple payment systems. For example, in the United Kingdom, the National Audit Office (NAO) has argued with reference to the frequently maligned Child Support Agency that "the parallel running of separate systems makes the customer interface more complex" (NAO 2005, 38). However, such cursory assessments should be treated with caution because the specific design of payment schemes matters a great deal. Consider, for instance, a heavily monitored single-payment channel in which a case officer presents a grant check after a face-to-face en-

counter. This design may effectively ensure compliance with the general eligibility requirements, but it is likely to prove costly, especially if the scheme is intended to benefit a large beneficiary population. By contrast, a single-payment scheme that eschews monitoring might more effectively reach eligible claimants, but the absence of monitoring may also make the scheme vulnerable to false positives.

The alternative strategy is to embrace redundancy and to disburse payments through multiple, overlapping mechanisms. This strategy lacks the ease of oversight provided by a single-channel system, but overlapping payment mechanisms may effectively ensure that beneficiaries can easily access their grant. Overlapping systems are also advantageous in dealing with difficult-to-reach beneficiary groups that require special policy attention. Beneficiaries who are homeless or excluded from the formal labor market, and hence from firms' payroll systems, are typical examples. Even so, the advantages of the multiple-channels approach may not always be as clear in practice. The effectiveness of payment systems may be undermined or negated by common mode failure; for example, electronic payment of funds and grant checks both require that the intended beneficiary have access to a bank account, and so both have the same disadvantages. As the NAO report (2005) suggests, any advantages of redundancy come at the cost of complexity. This complexity could lead both beneficiaries and caseworkers to make mistakes. In some circumstances, it could also increase fraud and barriers to accessing particular benefits. In summary, effective design of payment systems achieves an appropriate balance between targeting the full spectrum of beneficiaries and delivering benefits through a small number of surveillable channels. Administrative failure in these systems can make access to benefits unequal and lead to irregular take-up rates.

Because UBI is radically inclusive, the most important aspect of conductability in this scheme is ensuring that payments reach all those deemed eligible. By eschewing conditionality and eliminating the requirement that payment systems act as a check on entitlement, UBI takes this approach to its extreme. Discussions of UBI usually propose one of the following payment schemes: UBI can be implemented through existing tax-credit schemes (such an implementation turns UBI into a refundable tax credit); UBI proponents alternatively advance the idea of a basic income debit card from which recipients draw their grant. The card functions just like a bank card; a recipient uses it to make a cash withdrawal. Both of these approaches reflect the implicit (and sometimes explicit) assumption among the basic income community that it is desirable to relieve caseworkers of the gatekeeper role, because it would increase beneficiaries' autonomy and improve take-up rates. One potential shortcoming of both tax-benefit integration and the basic income debit card may be that these approaches offer little or no means

of checking whether people have actually received their grants. So far, this point seems to have escaped the attention of UBI advocates.

By contrast, workfare approaches, far from dispensing with oversight, rely on extensive intervention from caseworkers. Such face-to-face oversight imposes considerable variable costs that increase with the number of claimants. Although such costs might be considered to be tolerable as long as benefits are targeted narrowly at those in formal employment and training, this approach may cease to be feasible as the target population expands. Obvious solutions to this problem include restricting access to benefits and proactively reducing the number of beneficiaries; however, these solutions significantly shift the goals of workfare (Handler 2004; Handler and Babcock 2006). A second advantage of workfare is that the focus on training and formal employment provides a host of institutionally embedded oversight mechanisms, including payroll systems and university matriculation records, that allow for effective cross-checking, at least as long as the necessary administrative resources are kept in place. Such mechanisms enable workfare administrators to properly monitor the delivery of payment systems, even if conduitability under workfare is achieved by restricting eligibility to those who are part of the formal employment sector.

Workfare and UBI clearly take opposite approaches to the issue of conduitability. Workfare restricts the population of beneficiaries to those who can be reached by existing well-defined channels; UBI minimizes the oversight requirements that enable enforcement of eligibility rules. Each of these approaches has problems, but both may be regarded as broadly viable strategies. By contrast, PI does not possess the strengths of either of these two schemes. Because eligibility for PI is limited to those who meet the participation requirement, PI does not share UBI's ability to dispense with oversight mechanisms that withdraw payment if conditions are not met. If either the tax-benefit integration or the basic income debit card idea is combined with monitoring and oversight of conditions associated with PI, the result invites the risks associated with complexity.¹¹ Similarly, because PI is intended to be more broadly targeted than workfare, the variable costs of face-to-face monitoring by PI caseworkers may become prohibitive. Furthermore, because PI's participation requirement may be satisfied by informal activities (e.g., care work), the scheme is limited in its ability to exercise control through such surveillable payment channels as employer payroll systems or payment to students at the point of college registration.

One might argue that PI has one modest advantage over UBI: because PI is targeted at a narrower set of beneficiaries, it may retain some of the capacity for ex post monitoring of benefit receipt. However, the breadth of the participation criterion and the stringency with which it is interpreted may negatively affect this capacity, leaving subclasses of

beneficiaries unprotected, particularly those who find themselves near the informal end of the participation spectrum. This violates a core goal of providing equal security across the population (Standing 1999, 2002). Even this modest advantage of PI is in turn trumped by workfare simply because workfare's beneficiaries will always be more restricted than those associated with PI, and such a restriction implies that the set of workfare beneficiaries will be smaller as well as more homogeneous.

It thus seems that, as was the case with the previous two administrative tasks, PI performs worse than either UBI or workfare in terms of the disbursement of payments to beneficiaries. Although not necessarily decisive in comparing these schemes, administrative analysis of the task of channeling payments does not offer countervailing arguments that might support the case for or outweigh the identified disadvantages of PI.

The Trilemma of Participation Income

From the analysis of the previous two sections, it follows that PI proponents face a trilemma of participation income. The first horn of the trilemma consists of the requirement that PI must remain substantively inclusive if it is to satisfy the concerns of basic income advocates. The second horn is represented by the equally important requirement, insisted upon this time by reciprocity theorists and soft workfare proponents, that recipients must satisfy a genuine participation requirement. Such a requirement in turn demands that any PI scheme must be capable of differentiating between those who fulfill their social obligations, however defined, and those who do not. Finally, the third horn is made up of the previously discussed concerns that pertain to the economic and human costs associated with administrability. The trilemma arises because PI can only avoid two of three horns simultaneously. The scheme inevitably gets pinned on a third. Each of the three routes out of the trilemma will appeal, if at all, only to a small subset of those attracted at a general level to PI, and each therefore has obvious negative consequences for the political feasibility of PI.

The Ironclad Administration Strategy

A first possible resolution of the trilemma would be to reject any compromise on ease-of-administration considerations; if these conflict with a participation requirement, the former should always give way. In this way, PI might hope to retain the support of both UBI and workfare supporters, as well as of those who support PI on first-best grounds. Although this constitutes a coherent position that some PI proponents

implicitly seem willing to adopt, there are nevertheless important consequences that adherents to this position may be reluctant to accept.

The ironclad administration strategy sacrifices some of the chief advantages related to providing benefits without a means test—notably, PI's ability to use bureaucracy sparingly. Hood (1983, 142) identifies two senses in which one may seek to use bureaucracy sparingly: first, by economizing on the administrative resources or on the administrative capacity used to execute welfare policy, and, second, by minimizing what Adam Smith (1776/1998, 454) calls the “trouble, vexation, and oppression” visited upon the citizenry by the welfare administrators. Concerns with using bureaucracy sparingly in the first sense are captured by the notion of program efficiency (Goodin et al. 1999). The second sense is captured in concerns that easy and objective measures of compliance are needed to limit welfare administrators' constant interference in recipients' lives. Such interference is an all too familiar issue in welfare policy; freedom from it is often cited as one of the key advantages of universal and unconditional measures (Van Parijs 1992, 2004; Wolff 1998; Fitzpatrick 1999; Standing 1999, 2002; Offe 2005).¹²

To the extent that one or both of these two senses of using bureaucracy sparingly is relevant to the feasibility and desirability of any income support scheme, considerations of administrability are obviously material to the choice between rival income support mechanisms. A PI scheme that fails to use bureaucracy sparingly by economizing on administrative resources may achieve its objectives only at considerable administrative cost, satisfying demands for improved target efficiency, if at all, only at the cost of poor program efficiency (Goodin et al. 1999). Poor program efficiency, in turn, is likely to negatively affect PI's capacity to attract a necessary enacting coalition. It would also negatively affect public opinion because one of the core arguments in support of UBI (that the cost of administration is low) no longer holds.

If a proposed scheme also fails to use bureaucracy sparingly in Hood's second sense of limiting administrative interference in beneficiaries' lives, the administrative demands of effectively enforcing a broad participation requirement are borne not only by administrators, but also directly by welfare recipients and by the general population. In the absence of easy and objective verification procedures, intrusive inspections, threats, punitive sanctions, and the like may all prove necessary to discourage cheating. This is an important observation with clear effects on the considerations, such as these for the freedom and respect of recipients, that often inform universal approaches to income support (Wolff 1998; Eyal 2006). In short, a considerable cost comes with negotiating the trilemma by embracing ironclad administration; workfare proponents will lament the increased resource cost of welfare admin-

istration, and UBI proponents will denounce the interference cost associated with increased monitoring and enforcement.

The Soft Workfare Strategy

A second approach would be to formulate the participation requirement in a deliberately underinclusive fashion. This effectively drafts a participation requirement in such a way as to include only those activities that are easy to specify precisely and to monitor efficiently. It includes (as far as possible) those beneficiaries to whom it is administratively simple to make payments. Such a strategy of creaming suitable welfare applicants is familiar in the workfare literature (Wilson et al. 1999; Handler 2004).

Although this approach is less attractive in principle than the broad participation requirement envisaged by Atkinson and others, it might be regarded as a viable compromise between the theoretical advantages of PI and the requirements for ease of administration. However, the approach also narrows the gap between PI and selective workfare schemes. In practice, the scheme will necessarily focus participation requirements to include those social categories or activities that already feature prominently in current administrative systems. In other words, such an approach exhibits the conservative tendency to reinforce existing institutionalized practices by excluding alternative social activities, such as voluntary work or care work, that PI in theory embraces. Such a solution would be unacceptable to those UBI proponents, notably feminists and postproductivists, who consider the recognition and valuation of nontraditional forms of work a key objective of welfare reform. Moving away from broad acceptance of nontraditional forms of work is likely to lose the support of political factions that represent these points of view and might even incur active resistance.

In the extreme, there is even a danger that PI would prove less inclusive than workfare because, as mentioned before, it lacks the myriad of support programs (e.g., training, in-work assistance, and placement) that, at least in theory, constitute an integral part of workfare.¹³ Advocates of PI may well acknowledge the need to supplement basic security with additional activation support. But what we might call PI-plus programs face two important constraints. First, if activation support is to be designed and implemented on top of a PI scheme, it is unlikely that such support will be instituted at a large scale with appropriate levels of funding. These efforts face a political environment of permanent austerity and the sort of political constraints that are common to workfare programs in the United States and United Kingdom (Pierson 2001). Second, even if we could resolve such concerns as they pertain to labor-market activation, part of the attraction of PI is that it expands the notion of social participation to include a wide range of activities. It remains unclear whether a PI-plus proposal would offer support for

individuals to engage in such activities over and beyond the grant they receive; also unclear is what form such support would take.

The Lax Enforcement Strategy

A third resolution of the trilemma, an alternative compromise between the incorporation of a participation requirement and ease of administration, is to adhere to a broad specification of the participation requirement, accepting that effective monitoring of compliance will be problematic. This resolution is the welfare state equivalent of “rigid rules” and “lax practice” that for De Tocqueville (1856/1962, 73) characterized France’s Ancien Régime. If the previous soft workfare approach narrows the gap between PI and workfare, the present strategy all but obliterates any distinction between PI and UBI.

Instituting an overly broad PI implies that a participation requirement represents only a symbolic commitment to eliminating free riders. This would more than likely be acceptable to those who prefer to adopt a UBI and only supported PI as a politically feasible, second-best option. In addition, it is likely to satisfy political entrepreneurs who oppose UBI on purely strategic grounds and who regard this second route as a unique opportunity to save on administrative resources, opposing big government and the like, while retaining a firm and public stand on the need for social participation in return for state support.¹⁴

However, this route out of the trilemma would hardly be acceptable to those who favor PI as a first-best policy. Symbolism aside, lax enforcement of a broadly specified social participation requirement does not engender commitment to promoting reciprocity or a stand against free riding. If PI ceases to meet the needs of a core partner in the fragile compromise, that party will seek suitable alternatives (with robust activation components) elsewhere. In addition to more genuine workfare schemes, research of the past 10 years has opened up some interesting possibilities. Time-limited policies represent one option under consideration. Stuart White (2003b), for instance, suggests combining unconditional, time-limited policies with conditional unlimited schemes. The recent surge of interest in (conditional) asset-based welfare schemes in the United States and the United Kingdom represents another possibility (Ackerman and Alstott 1999; Goodin 2003; Le Grand and Nissan 2003; Paxton, White, and Maxwell 2006).

Implications for the Basic Income Agenda

Our analysis of the difficulties in administering a PI scheme, and of the resulting trilemma, points to several potentially far-reaching implications for the basic income debate. First, the analysis calls into question the assumption that a PI can be easily slotted into existing social security

and welfare assistance arrangements. The discussion emphasizes the challenges posed in the formulation, application, and fulfillment of standards that institute a broad participation requirement, the defining feature of PI, as part of welfare policy. Because both UBI and workfare attempt to accommodate such difficulties, albeit in very different ways, these alternative visions of welfare may be regarded as better able to meet the challenges faced by all income support mechanisms. Our analysis of the trilemma points to various resolutions; each resolution has important consequences for first- and second-best supporters of PI.

Those who support PI on first-best grounds must squarely confront the issue of whether the advantages they claim for PI are sufficient to justify the high administrative costs, which are borne by both administrators and welfare recipients. If these advantages are not sufficient, the next step is to ascertain whether they might be sufficiently realized by a scheme that resembles workfare or, alternatively, by another that is barely distinguishable from UBI. The trilemma is still more uncomfortable for supporters of PI on second-best grounds. Because support for PI as a second-best option represents a political compromise, the risk arises that such a compromise will evaporate as policy makers face tough choices in the design and implementation of a scheme. Specifically, compromise may falter over the means by which the state will accomplish the tasks discussed in the previous section. Except under the somewhat implausible scenario in which supporters of universal and active welfare give up ironclad administration, these two positions opt for incompatible routes out of the trilemma. At some point in the implementation process, the political compromise is expected to collapse and, as noted earlier, solutions to the trilemma may essentially turn PI into UBI or workfare.

These considerations lead to a second significant implication for basic income debates. Implicit in many discussions of universal welfare reform is the assumption that, in key respects, PI closely approximates a UBI. The trilemma suggests, however, that depending on the fine-grained details of any proposed scheme, PI may just as likely come to resemble workfare schemes (though without the benefit of the activation mechanisms that in theory are part of the workfare program). This undermines the dynamic and the static versions of the second-best case for PI. In a recent essay, Brian Barry (2001, 66) writes, "My guess is that something like 'participation income' might be necessary politically to get a basic income introduced, but that the expense and intrusiveness of administering it (as well as its lending itself so easily to fraud) would lead either to abandoning the whole experiment or moving to an unconditional basic income." There is, however, a third plausible alternative; given the problems identified by Barry, criticism of such a scheme could lead to a tightening of both the formulation and enforcement of the participation criterion. The resulting outcome is essentially a work-

fare scheme. In response to such scholars as Barry, Offe, Yannick Vanderborght, and Van Parijs, we caution against using PI's political and administrative instability as a means to introduce basic income by stealth. Such a strategy might lead to the abandonment of experiments with universalism, and it is also plausible that the fine-tuning of such schemes might open the door for workfare schemes. Furthermore, our analysis shows how this backdoor strategy might plausibly require universalists to sacrifice the two greatest advantages of their preferred policies: ease of administration and nonintrusiveness.

The final lesson of this analysis is that supporters of basic income and related policies cannot ignore the administrative realities of welfare reform. Abstract discussion seldom sets the supposed advantages of a broad participation requirement against the costs of administrative complexity in the implementation of such a requirement. This absence of administrative consciousness impoverishes discussion of universal welfare reform more generally. The risk arising from this neglect of the administrative factor is that conditions on which the feasibility and desirability of particular proposals depend may be ignored. The current analysis shows how administrative analysis can generate important insights that go beyond abstract theorizing. Supporters of UBI ignore these insights at their peril. Much progress can be made by applying the insights from welfare studies to anticipate the likely effects of proposed schemes. In this particular case, such analysis clearly suggests that PI proposals suffer from important weaknesses. Although none of our conclusions is necessarily decisive, the findings together present a strong public administration case against participation income.

References

Ackerman, Bruce A., and Anne Alstott. 1999. *The Stakeholder Society*. New Haven, CT: Yale University Press.

Ackerman, Bruce A., Anne Alstott, and Philippe Van Parijs, eds. 2006. *Redesigning Distribution: Basic Income and Stakeholder Grants as Cornerstones for an Egalitarian Capitalism*. London: Verso.

Anderson, Elizabeth. 2001. "Optional Freedoms." In Van Parijs et al. 2001, 70–74.

Atkinson, Anthony B. 1995. *Public Economics in Action: The Basic Income/Flat Tax Proposal*. Oxford: Oxford University Press.

—. 1996. "The Case for a Participation Income." *Political Quarterly* 67 (1): 67–70.

—. 1998. *Poverty in Europe*. Oxford: Blackwell.

Baldwin, Robert. 1995. *Rules and Government*. Oxford: Clarendon.

Bane, Mary Jo, and David T. Ellwood. 1994. *Welfare Realities: From Rhetoric to Reform*. Cambridge, MA: Harvard University Press.

Barry, Brian. 2001. "UBI and the Work Ethic." In Van Parijs et al. 2001, 60–69.

Black, Julia M. 1995. "Which Arrow? Rule Type and Regulatory Policy." *Public Law* 1 (Spring): 94–117.

Brodkin, Evelyn Z. 1990. "Implementation as Policy Politics." 107–18 in *Implementation and the Policy Process: Opening up the Black Box*, edited by Dennis J. Palumbo and Donald J. Calista. New York: Greenwood.

—. 1997. "Inside the Welfare Contract: Discretion and Accountability in State Welfare Administration." *Social Service Review* 71 (1): 1–33.

Cherlin, Andrew J., Karen Bogen, James M. Quane, and Linda Burton. 2002. "Operating within the Rules: Welfare Recipients' Experiences with Sanctions and Case Closings." *Social Service Review* 76 (3): 387–405.

Cunliffe, John, and Guido Erreygers, eds. 2004. *The Origins of Universal Grants: An Anthology of Historical Writings on Basic Capital and Basic Income*. Basingstoke: Palgrave.

Danz, Sheri M. 2000. "A Nonpublic Forum or a Brutal Bureaucracy? Advocates' Claims of Access to Welfare Center Waiting Rooms." *New York University Law Review* 75 (4): 1004–44.

De Tocqueville, Alexis. (1856) 1962. *L'Ancien Régime*. Translated by M. W. Patterson. Reprint. Oxford: Blackwell.

De Wispelaere, Jurgen, and Lindsay Stirton. 2004. "The Many Faces of Universal Basic Income." *Political Quarterly* 75 (3): 266–74.

Diller, Matthew. 2000. "The Revolution in Welfare Administration: Rules, Discretion, and Entrepreneurial Government." *New York University Law Review* 75 (5): 1121–1220.

Diver, Colin S. 1983. "The Optimal Precision of Administrative Rules." *Yale Law Journal* 93 (1): 65–109.

Dowding, Keith M., Jurgen De Wispelaere, and Stuart White, eds. 2003. *The Ethics of Stakeholding*. Basingstoke: Palgrave.

Eyal, Nir. 2006. "Basic Income Guarantee and the Social Bases of Self-Respect." Paper presented at the Fifth Congress of the U.S. Basic Income Guarantee (USBIG) Network, Philadelphia, February 24.

Fitzpatrick, Tony. 1999. *Freedom and Security: An Introduction to the Basic Income Debate*. Basingstoke: Palgrave.

Galston, William A. 2001. "What About Reciprocity?" In Van Parijs et al. 2001, 29–33.

Goodin, Robert E. 1992. "Towards a Minimally Presumptuous Social Policy." In Van Parijs 1992, 195–214.

———. 2000. "Crumbling Pillars: Social Security Futures." *Political Quarterly* 71 (2): 144–50.

———. 2003. "Sneaking up on Stakeholding." In Dowding et al. 2003, 65–78.

Goodin, Robert E., Bruce Headley, Ruud Muffels, and Henk-Jan Dirven. 1999. *The Real Worlds of Welfare Capitalism*. Cambridge: Cambridge University Press.

Groot, Loek. 2004. *Basic Income, Unemployment and Compensatory Justice*. Dordrecht: Kluwer Academic.

Groot, Loek, and Robert van der Veen. 2000. "How Attractive Is a Basic Income for European Welfare States?" In Van der Veen and Groot 2000, 13–38.

Gutmann, Amy, and Dennis Thompson. 1996. *Democracy and Disagreement*. Cambridge, MA: Harvard University Press/Belknap Press.

Handler, Joel F. 2004. *Social Citizenship and Welfare in the United States and Western Europe: The Paradox of Inclusion*. Cambridge: Cambridge University Press.

Handler, Joel F., and Amanda Sheely Babcock. 2006. "The Failure of Welfare: Another Reason for a Basic Income Guarantee." *Basic Income Studies* 1 (1): 1–22.

Handler, Joel F., and Yeshekel Hasenfeld. 2006. *Blame Welfare, Ignore Poverty and Inequality*. Cambridge: Cambridge University Press.

Hasenfeld, Yeshekel, Toorjo Ghose, and Kandyce Larson. 2004. "The Logic of Sanctioning Welfare Recipients: An Empirical Assessment." *Social Service Review* 78 (2): 304–19.

Hasenfeld, Yeshekel, and Dale Weaver. 1996. "Enforcement, Compliance, and Disputes in Welfare-to-Work Programs." *Social Service Review* 70 (2): 235–56.

Hood, Christopher C. 1983. *The Tools of Government*. Basingstoke: Macmillan.

———. 1985. "British Tax Structure Development as Administrative Adaptation." *Policy Sciences* 18 (1): 3–31.

———. 1986. *Administrative Analysis: An Introduction to Rules, Enforcement, and Organizations*. Brighton: Wheatsheaf.

———. 1994. *Explaining Economic Policy Reversals*. Buckingham: Open University Press.

Howard, Michael W. 2006. "Basic Income and Migration Policy: A Moral Dilemma?" *Basic Income Studies* 1 (1): 1–22.

Jordan, Bill, Phil Agulnik, Duncan Burbridge, and Stuart Duffin. 1999. *Stumbling towards Basic Income: The Prospects for Tax-Benefit Integration*. London: Citizen's Income Study Centre.

Le Grand, Julian, and David Nissan. 2003. "A Capital Idea: Helping the Young to Help Themselves." In Dowding et al. 2003, 29–41.

Lens, Vicki, and Susan Elizabeth Vorsanger. 2005. "Complaining after Claiming: Fair Hearings after Welfare Reform." *Social Service Review* 79 (3): 430–53.

Lightfoot, Liz. 2003. "'Mickey Mouse' Degrees to Vanish in University Courses Shake-up." *London Daily Telegraph*, January 14, 10.

McBarnet, Doreen, and Christopher Whelan. 1991. "The Elusive Spirit of the Law: Formalism and the Struggle for Legal Control." *Modern Law Review* 54 (6): 848–73.

McKay, Ailsa. 2001. "Rethinking Work and Income Maintenance Policy: Promoting Gender Equality through a Citizens' Basic Income." *Feminist Economics* 7 (1): 97–118.

McKay, Ailsa, and Jo van Every. 2000. "Gender, Family, and Income Maintenance: A Feminist Case for Citizens' Basic Income." *Social Politics* 7 (2): 266–84.

Mead, Lawrence M. 1986. *Beyond Entitlement: The Social Obligations of Citizenship*. New York: Free Press.

Meyers, Marcia K., Bonnie Glaser, and Karin MacDonald. 1998. "On the Front Lines of Welfare Delivery: Are Workers Implementing Policy Reforms?" *Journal of Policy Analysis and Management* 17 (1): 1–22.

Meyers, Marcia K., Norma M. Riccucci, and Irene Lurie. 2001. "Achieving Goal Congruence in Complex Environments: The Case of Welfare Reform." *Journal of Public Administration Research and Theory* 11 (2): 165–201.

Murray, Charles A. 2006. *In Our Hands: A Plan to Replace the Welfare State*. Washington, DC: AEI Press.

NAO (National Audit Office). 2005. *Department for Work and Pensions: Dealing with the Complexity of the Benefits System*. Report by the comptroller and auditor general, HC 592, sess. 2005–2006, November 18. London: Stationery Office.

Offe, Claus. 1992. "A Non-Productivist Design for Social Policies." In Van Parijs 1992, 61–78.

—. 2005. "Wasteful Welfare Transactions: Why Basic Income Security Is Fundamental." In Standing 2005, 69–82.

Pateman, Carole. 2003. "Freedom and Democratization: Why Basic Income Is to Be Preferred to Basic Capital." In Dowding et al. 2003, 130–48.

—. 2004. "Democratizing Citizenship: Some Advantages of a Basic Income." *Politics and Society* 32 (1): 89–105.

Paxton, Will, and Stuart White, with Dominic Maxwell, eds. 2006. *The Citizen's Stake: Exploring the Future of Universal Asset Policies*. Bristol: Policy Press.

Pierson, Paul, ed. 2001. *The New Politics of Welfare*. Oxford: Oxford University Press.

Riccio, James, and Yeshekel Hasenfeld. 1996. "Enforcing a Participation Mandate in a Welfare-to-Work Program." *Social Service Review* 70 (4): 516–42.

Riccucci, Norma M., Marcia K. Meyers, Irene Lurie, and Jun Seop Han. 2004. "The Implementation of Welfare Reform Policy: The Role of Public Managers in Front-Line Practices." *Public Administration Review* 64 (4): 438–48.

Robeyns, Ingrid. 2000. "Hush Money or Emancipation Fee? A Gender Analysis of Basic Income." In Van der Veen and Groot 2000, 121–36.

Sandfort, Jodi R. 2000. "Moving beyond Discretion and Outcomes: Examining Public Management from the Front Lines of the Welfare System." *Journal of Public Administration Research and Theory* 10 (4): 729–56.

Smith, Adam. (1776) 1998. *An Inquiry into the Nature and Causes of the Wealth of Nations*. World Classics Paperback Edition, Kathryn Sutherland, ed. New York: Oxford University Press.

Standing, Guy. 1999. *Global Labour Flexibility: Seeking Distributive Justice*. Basingstoke: Palgrave.

—. 2002. *Beyond the New Paternalism: Basic Security as Equality*. London: Verso.

—, ed. 2005. *Promoting Income Security as a Right: Europe and North America*. London: Anthem.

Stoker, Robert P., and Laura A. Wilson. 1998. "Verifying Compliance: Social Regulation and Welfare Reform." *Public Administration Review* 58 (5): 395–405.

Vanderborght, Yannick. 2005. "The Basic Income Guarantee in Europe: The Belgian and Dutch Back Door Strategies." In Widerquist et al. 2005, 257–81.

Van der Veen, Robert, and Loek Groot, eds. 2000. *Basic Income on the Agenda: Policy Objectives and Political Chances*. Amsterdam: Amsterdam University Press.

—. 2006. "Post-Productivism and Welfare States: A Comparative Analysis." *British Journal of Political Science* 36 (4): 593–618.

Van Parijs, Philippe, ed. 1992. *Arguing for Basic Income: Ethical Foundations for a Radical Reform*. London: Verso.

_____. 1995. *Real Freedom for All: What (If Anything) Can Justify Capitalism?* Oxford: Clarendon.

_____. 1996. "Basic Income and the Two Dilemmas of the Welfare State." *Political Quarterly* 67 (1): 63–66.

_____. 2001. "Reply." In Van Parijs et al. 2001, 121–27.

_____. 2004. "Basic Income: A Simple and Powerful Idea for the Twenty-first Century." *Politics and Society* 32 (1): 7–39.

Van Parijs, Philippe, Joshua Cohen, and Joel Rogers, eds. 2001. *What's Wrong with a Free Lunch?* Boston: Beacon.

Van Parijs, Philippe, and Yannick Vanderborght. 2001. "From Euro-Stipendium to Euro-Dividend: A Comment on Schmitter and Bauer." *Journal of European Social Policy* 11 (4): 342–52.

Weaver, R. Kent. 1986. "The Politics of Blame Avoidance." *Journal of Public Policy* 6 (4): 371–98.

White, Stuart. 2003a. *The Civic Minimum: On the Rights and Obligations of Economic Citizenship*. Oxford: Clarendon.

_____. 2003b. "Freedom, Reciprocity, and the Citizen's Stake." In Dowding et al. 2003, 79–93.

Widerquist, Karl, Michael Anthony Lewis, and Steven Pressman, eds. 2005. *The Ethics and Economics of the Basic Income Guarantee*. Aldershot: Ashgate.

Wilson, Laura A., Robert P. Stoker, and Dennis McGrath. 1999. "Welfare Bureaus as Moral Tutors: What Do Clients Learn from Paternalistic Welfare Reforms?" *Social Science Quarterly* 80 (3): 473–86.

Wolff, Jonathan. 1998. "Fairness, Respect, and the Egalitarian Ethos." *Philosophy and Public Affairs* 27 (2): 97–122.

Woodward, Will. 2003. "'Mickey Mouse' Courses Jibe Angers Students." *Guardian*, January 14, 8.

Zelleke, Almaz. 2005. "Basic Income in the United States: Redefining Citizenship in the Liberal State." *Review of Social Economy* 63 (4): 633–48.

Notes

This article was partly written while Lindsay Stirton was a visiting fellow in the Regulatory Institutions Network, Research School of Social Sciences, Australian National University. Earlier drafts were presented at the Social and Political Theory Research Seminar, Australian National University (November 1, 2005), and the fifth U.S. Basic Income Guarantee Network Conference (Philadelphia, February 24–26, 2006). We are grateful to audiences at both events for comments, and to T. T. Arvind, John Baker, Geoffrey Brennan, Richard Caputo, David Casassas, John Ferejohn, Bob Goodin, Peter Grabosky, Rob Heverly, Michael Lewis, José Antonio Noguera, Claus Offe, Yannick Vanderborght, Philippe Van Parijs, and Almaz Zelleke for helpful suggestions. The usual disclaimer applies.

1. While welfare advocates occupy the mainstream in contemporary welfare policy, a substantial literature on basic income and related policy proposals has developed over the past 2 decades. See in particular Van Parijs (1992, 1995), Atkinson (1995), Ackerman and Alstott (1999), Fitzpatrick (1999), Standing (1999, 2002, 2005), Van der Veen and Groot (2000), Van Parijs, Cohen, and Rogers (2001), Dowding, De Wispelaere, and White (2003), White (2003b), Cunliffe and Errreygers (2004), Groot (2004), Widerquist, Lewis, and Pressman (2005), Ackerman, Alstott, and Van Parijs (2006), and Murray (2006). In June 2006, *Basic Income Studies*, the first academic journal on basic income, published its inaugural issue (<http://www.bepress.com/bis/>).

2. Van Parijs (1996, 2004) proposes a UBI as a means of simultaneously combating exploitation and exclusion, but most policy analysts insist that inclusion in the form of labor-market participation can only be secured through an approach that increases participation.

3. Fairness requires us to mention that Atkinson is well aware of problems with PI that

might not arise with UBI. For example, some people may fail to secure a PI but would otherwise have received a UBI (Atkinson 1996, 69).

4. Zelleke (2005, 640–41) is one of the few exceptions. She explicitly denounces PI for its selective treatment of various tax and benefit measures.

5. In the language of political philosophy, the justice-based argument is substantially (though not solely) backward looking, primarily concerned with ensuring that people are held responsible for past actions; the incentive-based argument is genuinely forward looking, aimed at ensuring that individuals bring about a sizable social product.

6. The manifold presumptions that drive current social policy are often regarded as key advantages of universal measures that, in the words of Goodin (1992, 195), are “minimally presumptuous.”

7. For example, Jodi Sandfort notes that the mere list of standardized forms to be used in the processing and following up with welfare recipients adds up to an astounding 33 pages (Sandfort 2000, 735).

8. The word “cadastre,” though not now in common usage, originally referred to a tax register. The French *cadastre* is still used. Here, we use the term “cadaster” to refer to any standardized list or register of individual activities or attributes that may be used to determine compliance with the conditions of a PI scheme. Examples might include a company payroll or a disability register. “Cadasterability” refers to the ease with which eligibility criteria can be reduced to, or deduced from, such a list or register.

9. Conversely, basic income supporters often point out that rule complexity prevents many eligible individuals from understanding when they qualify for a particular benefit.

10. At least one study shows that sanctioning interventions do not teach clients any deep moral lessons on appropriate behavior; they instead provide simple lessons on how to properly cooperate with welfare workers who determine eligibility. “In the end, paternalist reform seems to be a lesson about power, not responsibility” (Wilson et al. 1999, 485; see also Hasenfeld and Weaver 1996).

11. Complexity poses risks for the implementation of tailor-made information technology systems designed to manage welfare payments. It may defeat attempts at automation and require substantial caseworker intervention (NAO 2005).

12. Although UBI is often advocated because of its optimal efficiency in regard to both senses of using bureaucracy sparingly, we urge some caution in this assessment because UBI has an inherent flaw; part of the administrative apparatus is made obsolete, and this may affect administrative redundancies or even administrative capacity. Lack of administrative capacity may cause problems that UBI proponents have thus far failed to appreciate.

13. In this respect, PI remains crucially underspecified; it is compatible with but does not explicitly require the installment of programs offering support to individuals who face difficulties entering the labor market.

14. Charles Murray’s (2006) recent proposal for introducing a “Plan,” his version of what essentially amounts to a neoliberal UBI scheme for the United States, would fit this scenario.