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Debate: "Should Libertarians Endorse Basic Income?"

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A Lockean Argument for Basic Income*

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Abstract – Libertarians should not reject the goal of establishing a global basic income program. There are strong Lockean considerations that favor such a program. This article articulates a conception of equal share left-libertarianism that is supported by the rights of full self-ownership and world ownership. It argues that an appropriately constructed basic income program would be a key institution for promoting those rights.

Keywords – full self-ownership, libertarianism, John Locke, natural resources, taxation, world ownership

1. Manifesto

Munger (2011) argues that a universal basic income (BI) is not an essential element of an ideal libertarian state (i.e., that BI would not be endorsed by “pure libertarianism”) but, he contends, “incremental libertarianism” might endorse BI

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as an improvement over the current welfare state in the U.S.. In contrast with Munger, I argue that certain pure libertarians (Lockean libertarians) should endorse BI. Libertarians should not reject BI as a central element of an ideal libertarian state. They should not only endorse the minimal, night-watchman state: they should also advocate voluntary associations that effectively protect the moral rights of individuals, even if those institutions require wealth redistribution. This short article cannot provide a full-fledged defense of this controversial thesis. My modest task is to articulate a coherent and attractive sketch of a version of Lockean left-libertarianism that requires a global BI, by which I mean a payment that is not only universal in the sense of being paid to all citizens of a nation but that is also paid on a worldwide basis. I present a Lockean theory of rights in support of equal share left-libertarianism (ESLL). ESLL finances BI with revenue that is acquired from taxing the value of natural resources.¹ And it requires distributing that funding in equal shares to everyone.

Sections 2 and 3 provide some background for the main argument and clarify the terminology. Sections 4 and 5 present a provisional defense of ESLL. Section 5 defends Lockean ESLL by deflecting some objections to it that are presented by other contributors in this *Basic Income Studies* debate issue.²

2. What Is Basic Income?

BI is a universal entitlement that is regularly allocated to persons irrespective of their need or willingness to work. There are three main desiderata for a complete theory of BI. First, the theory should explain *who* will directly receive BI payments. Although BI is an entitlement for all persons, certain individuals (e.g., children, incarcerated persons and mentally incapacitated persons) may not be able to receive their BI payments directly. Working out the details of the scope of the universal grant is a project for a complete theory of BI.³ Second, *how often* should the allocation of the BI grant occur? BI differs from a stakeholder grant,

¹ I follow Steiner (1994, p. 271, n11) in focusing on the *economic value* (i.e., price) of natural resources. I set aside the complicated issues involved in explaining how the economic value of natural resources is, or should be, determined. My own, admittedly undefended, view is that the value of natural resources depends on counterfactual auctions.

² The main arguments defended here are similar to Steiner (1994). Steiner's view and mine differ, in that Steiner contends that natural resources are *unowned* in the state of nature. In Sections 4 and 5, I explain how natural resources are commonly owned in the state of nature.

³ A complete theory of BI needs to explain whether children, criminals or mentally incapacitated persons should receive their BI grant directly. Are children entitled to back payments for their BI grants when they become adults? Will prisoners receive back payments of their BI grants when they finish their prison terms? Who is eligible to serve as a proxy for mentally incapacitated persons?

which is a universal, one-time payment entitlement that does not depend on need or willingness to work.⁴ According to most stakeholder grant theories, the grant is distributed to an individual upon reaching the age of maturity. Like a stakeholder grant, the BI allocation intervals could depend on the recipient's age (it could be an annual birthday check) or, more sensibly, the BI could be allocated to everyone on the same date and at the same frequency (e.g., annual payments on New Year's Day).⁵ The payment frequency will depend on both how the BI is financed and which payment schemes are efficient.⁶ A complete theory of BI should describe how the BI will be financed and should determine which payment scheme would be efficient. Third, a BI theory should explain whether the payments should be paid in *cash* or *in kind*. Should the BI be allocated as cash payments, income tax credits or some other form of income? Murray (2006) and Van Parijs (1997) argue that BI should be allocated in cash payments. Friedman (1962) proposed the "negative income tax," of which the U.S. earned-income tax credit is a form. The cash payment approach has two features that appeal to libertarians: (1) it has fewer administrative costs, and (2) it does a better job of respecting citizens' privacy.⁷ The administrative costs would be less because the income tax credit requires that the distributive agency determines each citizen's income. Cash payments would do a better job of respecting citizens' privacy, because the cash payments would be sent to all citizens irrespective of their income. The payment form that will be used to allocate the BI is another central question for a complete theory of BI.

It is important to be clear about the manner in which BI entitlements depend on considerations of *natural rights*. Sections 3 and 4 present a case for BI that appeals to the natural rights of *self-ownership* and *world-ownership*.

3. Libertarianism and Natural Rights

Libertarianism is a family of moral and political theories that is often criticized for exemplifying a type of rights fetishism.⁸ One element of truth in this criticism is that many prominent versions of libertarianism either implicitly assume or

⁴ A clear example of a stakeholder grant program is formulated by Bruce Ackerman and Anne Alstott in their contribution to Ackerman, Alstott and Van Parijs (2005).

⁵ It is more sensible to allocate the BI payments to everyone at the same time in order to reduce administrative costs. Keeping track of everyone's age would increase the cost of BI grant administration, and it would intrude into the private lives of individuals in a manner that is unacceptable to libertarians.

⁶ Van Parijs (1997) proposes monthly payments.

⁷ These points are also discussed in Layman (2011), Munger (2011) and Zwolinski (2011).

⁸ See Moseley (2011) for further discussion of the varieties of libertarianism.

explicitly endorse rights-based moral and political theories.⁹ Most versions of libertarianism are construed as either theories of morally permissible action or theories of justice.¹⁰ These prominent versions of libertarianism characteristically maintain that there are “natural rights”: these are prepolitical and nonacquired rights possessed by all moral agents.¹¹ Natural rights are prepolitical in the sense that they are inherent features of persons. Natural rights are unacquired in the sense that these rights are not the product of any performance on the part of either rights holders or any other (nondivine) party. The right against coercion is one of the clearest examples of a natural right, and libertarians emphasize the central importance of this natural right.¹² An individual’s right to not be murdered is a constituent of the right against coercion. The natural right against coercion is central to libertarianism’s emphasis on negative liberty and negative rights.¹³

The natural rights tradition, which has a rich and complex history, extends beyond the confines of libertarian moral and political theory. It developed in conjunction with natural law theory, which maintains that morality is based on natural laws that apply to all persons, irrespective of their race, gender, family, religion or birth location.¹⁴ One common misconception is the view that natural law theory is a form of religious ethics from the Dark Ages that depends on a crude version of divine command theory (i.e., the theory that morally right or wrong action depends on the will of God). In fact, the natural law tradition has roots that were developed in the secular writings of the Stoics prior to the Medieval Era. The natural law tradition is well known for its religious advocates: Aquinas, Grotius, Locke and Pufendorf. Locke’s *Two Treatises of Government* is an important contribution to it, and is one of the earliest statements of a libertarian (or quasi-libertarian) moral and political theory (Locke, 1960). Locke’s emphasis on *consent* in his conception of political obligation and his concern about the moral significance of *private property* are central themes of libertarianism. Libertarianism is consistent with various conceptions of the basis of natural rights. One key respect in which libertarian natural rights theories differ from others (e.g., Thomistic natural law theories) is that libertarian theories

⁹ Influential examples include Lomasky (1987), Narveson (1988), Nozick (1974) and Steiner (1994).

¹⁰ This point is illustrated by Nozick (1974) and is discussed in Mack (2009) and Vallentyne (2007, 2009, 2011).

¹¹ This characterization of natural rights closely follows Mack (2010).

¹² Mack (1977) presents a clear account of the natural right against coercion.

¹³ Brennan and Schmidt (2010) present a libertarian-friendly discussion of the nature of negative liberty and its history in Western civilization. Narveson (1988) explains the distinction between negative and positive rights: the right against assault is a paradigmatic example of a negative right, and a right to welfare assistance is a positive right.

¹⁴ Schneewind (1998) presents an excellent overview of the development of the natural law tradition.

characteristically hold that moral agents possess the natural right of full self-ownership and a corresponding right of private property. These natural rights fall within the purview of the natural right against coercion. The right of full self-ownership can be roughly characterized as the moral power of individuals to appropriate private property from *the commons*. The realization of this moral power correlates with the right of private property. One has a legitimate claim to the fruits of mixing one's labor with natural resources, which one has a legitimate title to acquire. I dub both the natural right of full self-ownership and the right of private property, "libertarian rights."

Left-libertarianism states that, in addition to libertarian rights, persons have rights to natural resources (or the value of natural resources).¹⁵ Left-libertarianism is a family of moral and political theories that attempts to reconcile libertarian rights with other central egalitarian concerns. Vallentyne (2011) distinguishes two kinds of left-libertarianism: equal-share left-libertarianism (ESLL) and equal-opportunity left-libertarianism (EOLL). Section 4 presents some Lockean considerations in favor of ESLL and discusses under what conditions a person has a legitimate title to acquire something as private property by mixing one's labor with it. In Section 5, I rebut some of the main objections facing this Lockean defense of BI.

4. A Lockean Argument for Equal Share Left-Libertarianism

John Locke sketches a compelling account of the basis of private property rights in Chapter Five, "Of Property," of *The Second Treatise of Government* (Locke, 1960, pp. 285–302). Locke's account of private property rights suggests a two-fold structure of rights.¹⁶ First, Locke claims, human beings collectively own natural resources: "God, who hath given the World to Men in common, hath also given them reason to make use of it to the best advantage of Life, and convenience" (Locke, 1960, § 26, p. 286).¹⁷ One important feature of Locke's account of the collective ownership of natural resources, i.e., *world-ownership*, is that it does not require *joint-ownership*, which is the doctrine that all persons must collectively

¹⁵ For an excellent introduction to left-libertarianism, see Vallentyne and Steiner (2000a, 2000b). Steiner (1994) is an impressive example of a substantive left-libertarian moral and political theory.

¹⁶ See Simmons (1992) for an outstanding discussion of Locke's theory of rights. The conception of the rights of world-ownership and full self-ownership that is developed in this article departs from Simmons's theory in significant ways. Unfortunately, it is beyond the scope of this debate article to delve into the historical exegesis of Locke's theory of rights. Layman (2011) raises important challenges to my account of Locke's theory of private property.

¹⁷ Locke (1960) also discusses the theological issues surrounding "original communism" in *The First Treatise of Government*.

grant permission to individuals for those individuals to legitimately acquire private property.¹⁸ Locke affirms world-ownership, and he rejects the assumption (that is endorsed by Filmer, Grotius and Pufendorf) that world-ownership requires joint ownership. The natural right of world-ownership consists in individuals' entitlement right to use natural resources to sustain and support themselves. According to this reading of Locke, natural resources are not *unowned* in the state of nature prior to their acquisition: they are not privately owned but they are *commonly owned* in the sense that all persons have the right to acquire goods from the commons. Second, Locke endorses the libertarian rights of full self-ownership and private property: "Though the Earth, and all inferior Creatures be common to all men, yet every Man has a *Property* in his own *Person*. This no Body has any Right to but himself. The *Labour* of his *Body*, and the *Work* of his *Hands*, we may say, are properly his." (Locke, 1960, § 27, pp. 287–288). Locke's claim that "Man has a *Property* in his own *Person*" suggests that persons have the moral power to acquire private property, and Locke's point that the fruits of one's "*Labour*" are one's legitimate property suggests that the moral power of acquisition is realized by mixing one's labor with natural resources.

World-ownership is a central component of Locke's theory of rights because it explains how individuals are entitled to acquire natural resources from the commons. If the items are not owned, then on what basis do individuals have a right to acquire them? World-ownership is a crucial feature of this conception of rights because, without it, it is unclear how individuals would be entitled to make rightful claims to property. Without world-ownership, individuals are not entitled to the fruits of their labor, because those acts of creation would consist in using materials that individuals have no right to use. The right of world-ownership implies that all persons have a right to make use of natural resources so that they can live fully. According to this reading of Locke, the right to acquire natural resources and to make use of them is justified because persons have a common title to natural resources.¹⁹

World-ownership is one of the main reasons for the Lockean Proviso that "enough and as good be left in common for others" (Locke, 1960, § 27, p. 288).²⁰ Locke does not defend a locust morality that consists in the unbridled acquisition of goods. The Lockean Proviso places strong limits on the moral power of

¹⁸ I borrow the phrase "world-ownership" from Otsuka (2003).

¹⁹ This reading of Locke is at odd with others, such as Layman (2011) and Steiner (1994), who take Locke to hold that natural resources are unowned in the state of nature.

²⁰ See Locke (1960) § 31–41, pp. 290–297, for strong evidence of the role of world ownership in Locke's account of the normative basis of original acquisition. Vallentyne (2011) describes how libertarians may be classified according to their differing interpretations of the Lockean Proviso.

acquisition. Since the theory of world-ownership states that all individuals have an equal right to the natural resources that are necessary for life, world-ownership establishes limits on acquisition's moral power. Moreover, excessive acquisition of natural resources may violate others' natural right against coercion, and when that occurs those victims should be compensated for their loss of freedom.²¹

All persons own the value of natural resources, and individuals that appropriate excessive shares of that owe everyone else for transgressing their entitlement share; the revenue generated from taxing excessive natural resources use should be distributed, in equal shares, to all persons that are not exceeding their natural resources use. Providing everyone with a BI financed by taxing land value can plausibly compensate those individuals whose freedom is restricted by natural resources privatization by others.²² In addition to taxing land value, the BI could be financed with a 100 percent tax on estates that are not bequeathed to anyone.²³

5. Objections and Replies

Objection:

Munger (2011) presents three main libertarian considerations against arguments for BI: consent, crowding out and metastasis. *Consent*: If individuals do not *consent* to supporting BI, then it is an illegitimate deployment of force to *tax* those people. *Crowding out*: If charity is provided by the state, then it is no longer charity. *Metastasis*: If the amount required for minimal subsistence is collectively defined by democratic procedures, then one is on a slippery slope to the tyranny of the masses or some other kind of tyranny.

Reply:

The Lockean argument for BI straightforwardly avoids the worries about crowding out and metastasis. The global BI program advocated above is not justified by an appeal to *charity*, it is justified by the claim of a universal *right* of world ownership. BI is an entitlement right that is owed to all citizens of the

²¹ This idea is familiar. For other defenses of it, see Vallentyne and Steiner (2000a, 2000b) and Powell (2011).

²² The classic case for the land tax is presented in George (1879).

²³ One obvious implication of this policy is that it would create incentives for people to will their estates; and, thereby, the revenue accrued by estate taxation would be much less than the revenue generated by land taxation. The proposal being advanced here is also expressed by Thomas Jefferson in his claim that "*the earth belongs in usufruct to the living*" that the dead have neither powers nor rights over it" (Vallentyne and Steiner, 2000a, p. 67).

world. Moreover, the BI amount would not necessarily be determined by democratic procedures. The taxation rate could be determined by appointed panels of distinguished economists, such as Professor Munger.

The point about the lack of full consent for BI raises important philosophical questions regarding the Lockean approach to political legitimacy.²⁴ The discussion of Locke's theory of rights in Section 4 addresses neither the rights of states nor the significance of consent in Locke's approach to the topic of political obligation. Locke famously held that the actual consent (either *express* or *tacit* consent) of an individual to the rule of a state is necessary for that individual to have a moral obligation to obey the laws of that state.²⁵ One well-known consequence of this version of the consent theory of political obligation is that it strongly suggests that most (or perhaps all) of the currently existing nations in the world lack moral legitimacy since they are not sustained by the full actual consent of the people over whom they claim authority. Philosophical anarchists embrace this conclusion. Philosophical anarchism maintains that the world's nations are not legitimate: if they were supported by the actual consent of their citizens, then their citizens would have the moral obligation (instead of prudential reasons) to obey them.²⁶ According to the Lockean perspective on political legitimacy, an ideal libertarian state would be backed by its citizens' full, actual consent. This Lockean perspective on political obligation suggests that there could be two ways for a global BI program to be part of an ideal libertarian state. First, there could be a single world government, backed by the full consent of everyone in the world, which provided a global BI. The second option is more feasible than the first, but would also require massive global institutional restructuring. In this world there would be a global BI that was supported by a confederation of voluntary associations that enforced a global BI treaty.

Objection:

Boettke and Martin (2011) utilize a public choice theory argument, which they dub "comparative analysis," to make the case that the institutions that would be necessary to create and sustain a BI would not be feasible.

Reply:

Boettke and Martin's arguments raise challenging questions about issues of "method" in political philosophy. To what extent are considerations of feasibility

²⁴ Simmons (2001) clearly and carefully defends the Lockean approach to political legitimacy.

²⁵ Simmons (1993) explains the central importance of actual consent to Locke's approach to political obligation.

²⁶ Philosophical anarchism is discussed and defended in Simmons (2001).

relevant to the demands of justice?²⁷ Boettke and Martin's argument purports to be strictly empirical and to not question the justice of BI. However, their case does seem to presuppose that if BI is not feasible, then libertarians *should* reject it. I disagree with their assessment of the feasibility of a global BI. Institution building is difficult, and it would be a long and challenging process to establish a global confederation of voluntary associations that could lay the groundwork for a legitimate and justifiable global BI. One should not confuse the difficulty of a task with its feasibility.

6. Conclusion

This article presents a sketch of a Lockean, left-libertarian case for a global BI. There is one important upshot of the view that is worth mentioning. Rather than using utilitarian considerations to justify providing aid to foreign lands, a Lockean left-libertarian defense of a global BI would establish a program that would provide much needed assistance to the poorest and sickest people on earth. Even if the revenue generated by the program only provided an annual payment of \$30 to all citizens of the world, that sum could be lifesaving for persons in the poorest regions of the world. Hence, BI could be an important part of a libertarian-friendly solution to global poverty.

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²⁷ The relevance of feasibility considerations to the demands of justice is a central issue in the debate between ideal-theory and nonideal-theory proponents in moral and political philosophy. The classic statement of ideal theory is made by Kant (1793), and its contemporary defenders include Rawls (1971) and Cohen (2008, pp. 229–273). Defenders of nonideal theory include Schmidtz (2006) and Sen (2009). Brennan and Moseley (2012) discuss both the relevance of feasibility considerations to normative principles and central assumptions about the nature of morality that are widespread among economists.

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