

Fairness, Freeriding and the Distribution of Meaningful Work: Is Guaranteed Employment Superior to Guaranteed Outcome

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Abstract: This paper compares guaranteed employment with guaranteed income. At first glance, guaranteed employment seems superior to guaranteed income for two reasons. First, employment or work has an intrinsic value that guaranteed income cannot provide. Second, guaranteed income is unfair because it allows for the idle to free-ride on the rest of society. This paper will argue that those two reasons do not hold. In addition, it will evaluate several reasons for and against the significance of the free-rider argument. Ultimately, I will argue that meaningful work is a scarce resource and those who do meaningful work free-ride on the efforts of those who do meaningless work – creating a need for meaningful activity to be redistributed.

Robert Kennedy once said, “I’m not for a guaranteed income. I’m for a guaranteed job”.¹ While guaranteed employment and income both provide the unemployed with a means of income enough to meet their basic needs, there is a clear difference between the two as indicated by the quote above. Guaranteed employment is able to provide the activity of work, usually through the government as the employer of last resort. Under a system of guaranteed employment, employment is not only guaranteed but required for income: income becomes conditional on accepting the work provided by the government. The case for the superiority of guaranteed employment is two-fold: firstly, work has an intrinsic value beyond income alone; secondly, making income conditional on work avoids the free-rider problem. However, this paper will show that even if work has an intrinsic value, guaranteed employment does not provide work of such value. Furthermore, the free-rider problem is an insufficient reason to reject guaranteed income which deals with the unfair distribution of meaningful activity.

A guaranteed income provides the unemployed with the ability to provide for their own needs. Allowing for citizens to have a certain standard of living is in itself a good thing. No individual should be allowed to persist in a state of poverty and the government has an obligation to prevent such conditions. It can be argued that this government obligation remains even if an individual does not wish to accept guaranteed

employment. If income were conditional on accepting government employment, the individual who does not wish to take guaranteed employment will continue in a state of poverty.

As a result of removing the threat of poverty, the worker is also no longer economically coerced into taking a stultifying job. Such jobs are not only meaningless, but often in poor working conditions and low compensation. In the workplace, the threat of unemployment which enabled employers to coerce their workers would lose its effect. A worker who previously had no real alternative to such a stultifying job is now able to quit because a guaranteed income allows him to meet his needs without taking the job. Furthermore, even if the worker does not quit, the fact that he is able to quit drives firms to improve salaries if not working conditions in order to retain labor.

Guaranteed employment is equally able to provide a means to avoid poverty and worker exploitation. Guaranteed employment brings with it income as long as the individual is willing to work. In addition, government-provided employment provides a reasonable alternative to an undesirable job as well, granting workers the freedom to leave their previous job for the government-provided job. As pointed out by Kalecki, “under the regime of full employment, the ‘sack’ would cease to play its role as a disciplinary measure”.² The only difference from guaranteed income is that these benefits of dealing with poverty

and worker exploitation are dependent on accepting government employment.

However, there is nothing wrong with having individuals who persist in a state of poverty if they reject the means out of poverty. The government is only obliged to provide the opportunities for welfare rather than actually determining the actual levels of welfare that individuals reach.³ Even in the case of guaranteed income, an individual could, in the extreme case, dispose of the income he collects by setting it on fire. In a more probable case, the individual might squander all his income on alcohol. In both cases, the individual is in a state of poverty as a foreseeable consequence of his own actions. As long as the opportunity has been presented, the government has fulfilled its obligation. Hence, in the case of guaranteed employment, even though individuals who refuse to take the government-provided employment will persist in poverty, there is nothing unjust because it is a product of the individual's own choice.

Beyond the distribution of income, guaranteed employment deals with the problem of an unequal distribution of work. In an economy where there are fewer jobs than job-seekers, the government needs to at least provide the opportunity for people who want to work to get work. Work provides some intrinsic benefits which the unemployed miss out on and suffer as a result. Work provides a sense of fulfillment in overcoming the resistance of objects.⁴ It is in overcoming

obstacles that we develop our capacities and realize our freedom. Furthermore, the lack of employment tends to erode self-esteem. It is easy for the involuntarily unemployed to attribute their failure to find a job to personal incompetence. Merely guaranteeing income is not sufficient for providing these two values. The involuntarily unemployed individual who receives a guaranteed income may continue to feel like a failure and feel even more like a parasite on society.

These intrinsic values are not unique to paid employment. An individual can easily find the same fulfillment in doing volunteer work or pursuing causes that he believes in. In those activities, the individual can still overcome the resistance of objects and do something socially productive, which will prevent a loss of self-esteem. Adding monetary compensation to an activity does not make it any more fulfilling. If the purpose of guaranteeing employment is to supply fulfilling activity, there is no shortage of unpaid fulfilling activity even in the absence of guaranteed employment.

It must be noted that guaranteed employment does not equate to guaranteeing meaningful work. Not all work is fulfilling and even work that allows the individual to overcome obstacles might be done in unhealthy and dehumanizing conditions. Even those who are seemingly in support of a right to work do so only if it is meaningful. Cullen believes that “the quality of the work done is just as important for people’s

well-being as the quantity”.⁵ Similarly, Arneson, who argued in favor of guaranteed employment, suggested nine guidelines for jobs to boost self-esteem, including the requirement that “the jobs provided by the state must be manifestly socially beneficial”.⁶ It is unlikely that these proponents of guaranteed employment will support the guarantee of meaningless and stultifying work.

Even if we accepted that work had its intrinsic value, it is likely that guaranteed employment will not provide this sort of work. If the unemployed feel a loss of self-esteem because they feel like they have failed in the market system, needing to rely on the employer of last resort does little to ease this feeling. Having a job in itself is not enough to provide self-esteem. According to Elster, jobs provide self-esteem because they meet some form of societal demand. If there is already a demand for jobs that provide self-esteem, there is no need for the government to provide it. But if the government has to provide for it, it means that there is no demand for such a job, which means that it is unlikely that such a job will be able to promote self-esteem.⁷ In other words, jobs that are provided with the purpose of promoting self-esteem will fail to do so. Even if governments set a policy such that only meaningful work would be provided, these would likely be capital-intensive rather than labor-intensive. Such a policy would require huge subsidies, which will not only be costly, but also undermine the

individual's self-esteem.⁸ In all likelihood, in order to cater to the typically unskilled unemployed, the work will not require a high skill level and will be labor-intensive. Arneson also suggests that "if the state as the employer-of-last-resort designs jobs that require a high skill level, the truly disadvantaged are unlikely to derive much benefit".⁹ Yet it is precisely such work that is unlikely to provide much meaning.

Given that government-provided employment will most likely not be meaningful, guaranteed income has several clear advantages over guaranteed employment beyond their overlapping function of providing income to the unemployed. Firstly, guaranteed income removes the need for an individual to spend time on a meaningless job, hence allowing him to have more free time. This includes not only time for leisure, but also time to pursue activities which the individual deems as meaningful. As mentioned above, there are ways to be socially productive even though it might not be paid for. It is likely that these forms of activities will be more meaningful than the government-provided job, precisely because they were chosen by the individual rather than the government. The freed-up time enables the individual to pursue such activities to a greater extent than he would have with a job.

Secondly, under the case of guaranteed employment, economic coercion is not entirely dealt with. An individual might not be economically coerced into taking a stultifying job offered in the book shipping

industry, but he might nonetheless be economically coerced into taking a government-provided job, which might not be meaningful to him. The need to receive an income still compels an individual to take a job even if he would prefer not to and he has no reasonable alternative to taking the government-provided job. It is equally likely for the government as an employer to impose unreasonable demands on its workers knowing that they have no real option of quitting. Even if the government does not impose unreasonable demands, the fact remains that an individual who does not want to work will still have to take a job to feed himself. In contrast, guaranteed income provides income regardless of whether the individual decides to take a job. An individual will not have to do a job that he feels he is not suited for and has the option of only taking work that he deems meaningful.

Overall, a guaranteed income provides the individual with what van Parijs calls real freedom.¹⁰ Real freedom goes beyond protecting pre-existing natural rights and protects the material means to lead lives as they wish. This includes the freedom from the circumstances of poverty and the freedom to say no to an employer without fearing the unemployment that might result. The individual could also have more time to choose the activities he wishes to pursue instead of spending his time working. Even if guaranteed employment provided the material means to determine one's life, it will not provide the time to do so. Especially if an individual

has a strong preference for leisure and would rather not work, guaranteed income enables him to have the real freedom to pursue such a lifestyle. Furthermore, it would otherwise be unfair for someone who is congenitally lazy to have less freedom than someone who prefers to work. People who are averse to work can pursue their conception of good that of idleness while people who are not averse to work can continue to do so. A guaranteed income allows both groups of people to pursue their conception of the good.

The defender of guaranteed employment will probably need to acknowledge these benefits exist, but argue that they are not of sufficient importance relative to the competing considerations. An individual might be made better off by being given more leisure time, but he will likely be made better off if the government gave him a seaside condominium as well.¹¹ This does not mean that the government should give him a seaside condominium. The point is that just because a provision makes an individual better off does not mean that the government is obliged to grant it, as they are luxuries that will come at a cost to society. As for economic coercion, at least the individual has a real alternative to what may be the worst jobs in society. Even if the individual is economically coerced into taking a government job, at least he is likely to be better off than being economically coerced into taking a job under an employer trying to maximize profits and minimize costs, including the costs of safety measures.

More significantly, these two benefits are outweighed by other greater competing concerns, such as the cost to society and unfairness in the form of the free-rider problem.

Free-riding occurs when one group of individuals is able to live off the efforts of another group of individuals without reciprocating or contributing in any way. Under guaranteed income, the unemployed are able to free-ride on the efforts of the employed. According to Hart, “accepting a benefit creates a liability to contribute to its cost of production”.¹² By not contributing to the cost of production, the free-rider violates a principle of reciprocity and takes unfair advantage of those who do contribute. Perhaps free-riding would be permissible if it came at no cost to those who put in the effort, but providing a guaranteed income to people who would otherwise work does impose costs. Because there are fewer employed people contributing to production and more people drawing upon it in the form of guaranteed income, the size of the economic pie shrinks. This could be said to be unfair to the employed individuals who put in the effort to produce and contribute to society. They are made worse off as their total produce shrinks in order to support the unemployed who contribute nothing to society.

There are several assumptions in trying to use the free-rider problem to show that guaranteed income is unfair. The first assumption is that those who are unemployed contribute nothing to society just because

they do not accept employment. This is not necessarily true. Rather, the unemployed merely refuse to do what the market recognizes as work. It is possible for them to contribute to society through means which are not recognized by the market. This includes unpaid volunteer work, involvement in political activism or even the raising of children. All of these contribute to society even though there is no compensation through the market. Especially if we hold the belief that human beings have a need to engage in productive activity for fulfillment, it is likely that people will still engage in socially productive activity even in the absence of wages. However, this argument is limited as it does not deal with the individuals who decide to contribute nothing to society. No doubt some may choose to contribute in unpaid means, but not all will. Those who contribute nothing will still be free-riding on the efforts of others.

The second assumption behind the free-rider argument is that there is supposed to be a relationship between the amount of contribution and amount of benefits. Benefits and contributions do not tend to correspond proportionally in real life.¹³ In society, individuals vary in terms of their contribution but the benefits they receive in the form of non-excludable public goods are generally the same. Individuals could also vary in terms of their benefits: an individual who falls ill more often benefits more from the provision of subsidized healthcare than a healthier individual, even if the two of them contributed the same amount. In other

words, there is free riding the moment a public good is supplied. Furthermore, Levine takes the argument even further and argues that “Each of us all the time free rides on the culture, knowledge and techniques that are every living human being’s inheritance from preceding generations”.¹⁴ If free-riding is unavoidable in the provision of any public goods and even in any human achievement, we cannot say that there is something wrong with free-riding.

In response to this argument against the free-rider problem, one could accept that it is inevitable that some individuals contribute more while benefiting less and others contribute less while benefiting more. However, it can be argued that some form of contribution is still necessary as compared to no contribution at all. According to Rawls, society is a cooperative venture between free and equal persons for the purpose of mutual advantage. This provides a case for distributing to those who participate in that venture even if they only contribute a little. But an individual who contributes nothing at all cannot be considered part of a community, and in turn cannot receive the benefits of the cooperative venture.

One might then ask: what about the disabled who are incapable of contributing at all? Does the fact that they do not contribute then mean that they do not deserve the advantages of society as a cooperative venture? The disabled are indeed free-riding, but society offers them help in order to meet a human need which is essential

for survival. The need for leisure is not as important as the needs of the disabled. Furthermore, the disabled do not have a choice in whether they can contribute. On the other hand, the idle is aware of the consequences of his actions and should reap the cost and benefits of his actions. Hence, while a disabled person is entitled to receive without contributing, the same cannot be said for someone who chooses not to.

As for Levine's comparison to free-riding on the knowledge of our predecessors, the analogy can be distinguished from the free-riding that occurs when there is a guaranteed income. Free-riding on the knowledge from our predecessors does not inconvenience. But in the case of a guaranteed income, money which could be used to benefit those who contribute is diverted to support those who contribute nothing. Levine's argument that "unless we are prepared to condemn what we cannot avoid, there can be no general proscription of free-riding" does not stand.

The third assumption underlying the free-rider argument is that individuals are entitled to the full produce of one's labor. While individuals deserve to be recognized for their contributions, this is already recognized in the form of the higher income they receive. Individuals owe their earnings to the rest of society as well. For instance, the legal framework set up by society allows for the individual to produce. In the absence of this, "individuals will exert relatively little

effort and a large share of that which is exerted will be devoted to predation and defence".¹⁵ Because the legal framework is owned by the community and a portion of an individual's product is due to the legal framework, the individual owes at least a part of his product to the community.

While this argument does show that the individual is not entitled to the full produce of his labor, it does not show why the produce should go to another person. The individual might owe the produce to the legal framework, but many individuals in society, apart from perhaps judges and policemen, do nothing to contribute to the legal framework. Perhaps this is a case for an individual to pay taxes to protect the legal system, but it does not seem to provide a case for giving money to needy individuals. Even if we accepted that individuals owe a part of their produce to the community as a whole because it "owns" the legal framework, it is unclear whether individuals who do not contribute at all should be regarded as part of the community.

Another argument to show that there is no entitlement to the full product of one's labor could be how what we produce is dependent on the effort of many other individuals in society. Rawls pointed out that a significant part of the social product can be traced to a diversity of talents.¹⁶ However, this argument merely shows that people who do meaningless work might deserve more compensation for their contributions. Guaranteed income is likely to support a group of

voluntarily unemployed people who do not contribute at all to the diversity of talents that Rawls talks about. In fact, guaranteed income will result in those who perform meaningless work supporting those who do not do any work at all.

An argument for redistributing resources to even those who do not contribute would be that every individual has an equal right to the value of natural resources.¹⁷ People ought not to be worse off than they were before the state of nature. In the state of nature, resources were meant for all to share until private appropriation prevented such sharing. As such people with resources owe something to the community, whose members have a natural inheritance to the earth. However, this principle will merely lead to a small handout if we somehow calculated and took the value of natural resources and divided it by the population.¹⁸ This might not be of a value that is sufficient to meet the needs of individuals. To supply a large enough guaranteed income, the remainder will not be from the value of natural resources but the earnings of those who work.

The unfairness of free-riding could be justified if a competing concern outweighed it. For instance, the necessity of providing public goods such as defence or streetlights outweighs the unavoidable free-riding of even those who do not contribute to society. There could even be a case for the need to provide services which are essential for living, such as healthcare. The

question is whether guaranteed income, together with the freedom and leisure that accompanies it, is of sufficient importance to justify free-riding. According to Levine, guaranteed income provides the individual who does not want to work with the means to pursue his conception of the good.¹⁹ The problem with this view is that its logical extension would mean that the government should subsidize any lifestyle which an individual deems as his conception of the good. Levine tries to get around this problem by showing that distinguishing leisure from other expensive goods. Unlike a sea-side condominium, leisure is not substitutable with other consumption goods that can be bought with income. In order to purchase leisure with income, the individual has to work, which goes against his concept of good of being idle.²⁰ Without a guaranteed income, individuals whose conception of good involves no work are economically coerced into working and thus cannot possibly achieve their conception of good.

One objection is that the pursuit of the conception of the good is by no means an absolute right. It can be curtailed if it went against the interest of society, for instance, if it involved anti-social and illegal behavior. Levine limits the scope to activities that are “compatible with the ideal of a well-ordered liberal constitutional regime”.²¹ A life of idleness falls within this scope, but perhaps this scope could reasonably be broadened to include any activity which does not impose an unfair

burden on society to support. In which case, a life of idleness would be considered as a conception of the good which the government does not have to support.

It is unclear when governments need to supplement the means to pursue the conception of good, as opposed to merely not forbidding it by law. An individual might want a harem as a conception of good, but there is nothing wrong with not being able to pursue his conception of good. Many may consider being admired as part of their conception of the good and individuals are permitted to pursue it as long as it is within their means. Like leisure, admiration is a non-substitutable non-commodity good that cannot be bought that could matter fundamentally to an individual. Suppose some individuals have a need for more admiration than other people, it is difficult to say that the government should somehow help provide the means for more admiration. As mentioned above, Levine tries to distinguish leisure from luxuries like a seaside condominium by saying that it goes against a leisure-seeking individual's concept of good if he had to work for income to buy leisure. However, it is not clear why this special property of leisure makes leisure so important as a conception of the good that it justifies imposing a cost on society to support. As a conception of the good, leisure is not substantially different from other luxuries that a government would be unwilling to subsidize.

Allowing individuals as much freedom to pursue whatever their conception of good is might not be a good justification, but a stronger justification would be that guaranteed income corrects an unfair distribution of meaningful activity. Unlike Levine's argument, this is not just about providing more freedom for its sake. Rather it is unfair for some individuals to monopolize meaningful activity at the expense of others. Meaningful activity is fundamental to human life and contributes to the quality of life. Given that work tends to take up a lot of an individual's time, a person with meaningful work would get to spend more time on meaningful activity. Conversely, a person with meaningless work will have little time or even energy for meaningful activity. Because meaningful work is a scarce resource, it is inevitable that some individuals will be deprived of meaningful work even if they all put in as much effort as possible. It is not necessarily true that individuals deserve their meaningful job because they earned it by their efforts. A large part of their achievements are owed to their genes and environment, which they have no control over. It is unfair for some individuals to be deprived of meaningful work because of factors they had no control over. Furthermore, the contributions of those who do meaningful work are dependent on those who do meaningless work. A computer scientist is able to do his more comfortable, fulfilling and better paid work because he does not have to worry about the manufacturing of his clothes or computer parts.

These other tasks are done by factory workers. It is not enough to redistribute work, meaningful activity needs to be redistributed.

A guaranteed income rectifies this unfairness by allowing workers more free time. One option would be for them to leave a meaningless job to devote their time to an unpaid meaningful activity. Another option would be for them to use the increased bargaining power they have from being able to quit in order to shorten their work hours and spend the remaining time on meaningful activity. But what about the employed individual who decide to continue working? The employed individual cannot complain about the unfairness of free-riding because he has the same opportunity to stop work and live off the efforts of those who do work. As he is not forced into working to support the unemployed, it is not unfair that someone else does so. Furthermore, the unfairness of monopolized meaningful activity is greater than the unfairness of free-riding because of the extents they affect life. Free-riding might cause some decrease in the economy's pie, but this is insignificant compared to the amount of meaningful activity that an economically coerced worker is made to give up in order that others can have meaningful work. The improvement to the lives of workers who gain access to more meaningful activity is greater than the loss from decreased contributions.

Apart from the free-rider concern, there is another practical concern: what happens if everyone chooses to

be voluntarily unemployed instead of contributing? In that situation, society will run out of funds to supply a guaranteed income for everybody and the system will fall apart. This is not a likely scenario. As mentioned above, if we accept that human beings need some form of socially productive activity to feel fulfillment, they will continue to work – either in the form of employment or unpaid productive work. Furthermore, it is most likely that people would want to earn more than the basic income in order to consume more.

The more realistic concern is that a guaranteed income results in nobody wanting to do certain jobs in society which are stultifying but nonetheless essential to the functioning of a society. The likely outcome is that the wages for such jobs will rise to the point that people will be willing to take them. This improves the standard of living of workers significantly to compensate for the undesirable nature of their nature. In a situation where we cannot redistribute meaningless activity evenly, we should at least be able to compensate workers who perform the meaningless work substantially for their contributions.

In a more extreme case, it is possible that there is stultifying work that nobody will do the moment there is a guaranteed income because they will only do it if they are economically coerced into doing it. In such cases, coercion might have to be used in order to get people to perform such necessary tasks. While this sounds unpalatable, it needs to be compared to

the status quo where a group of people do such tasks only because they are economically coerced. In either case, coercion will be used. Except under this case, the government has the opportunity to use coercion to ensure that there is equal liability of meaningless work, thus distributing meaningless work in a fairer manner than the status quo which relies on economic coercion. It is unfair for one group of people to spend their entire lives doing meaningless stultifying work. If economic coercion becomes necessary, it might be possible to spread the meaningless work out more evenly across the population such that everybody does a bit of it or takes turns doing it. It must be noted that it is an assumption that the government will distribute meaningless work equally – but at least an egalitarian government would now have the chance to do so. However, in all likelihood, the government will not need to resort to coercion as a huge wage increase should be sufficient to attract people to do even meaningless work.

In conclusion, while free-riding will occur, it is justified as it addresses the unfair distribution of meaningful activity. While guaranteed employment is able to redistribute paid work to help the needy, it does not redistribute meaningful work. It would not be fair for some to be deprived of meaningful activity in order for others to pursue meaningful activity. Guaranteed income provides real freedom to allow an individual to have the opportunity to seek meaningful activity.

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