

Universal Basic Income: Reconsidering the Administrative Factor¹

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This paper questions the simplistic and unthoughtful manner in which most advocates of an basic income have addressed the administrative issues that surround the decision to implement their preferred income maintenance policy. While administrative issues may impact on the decision to prefer a basic income over alternative (selective as well as universal) policies, the emphasis in this paper is on the choice among alternative ways of realising the ideal of an unconditional basic income for all. The paper proceeds first by providing an conceptual framework that allows us to assess a variety of administrative challenges facing *all* welfare schemes. We then apply the framework to the specific case of an universal, unconditional and individualized basic income scheme. Building on and applying the ideas of Christopher Hood, we show that applying the apparently simple administrative canon of “using bureaucracy sparingly” to the design of a basic income scheme in fact presents advocates of a basic income with a number of hard choices concerning the implementation of their preferred scheme. Such hard choices, moreover, require moral/political context, not merely a technocratic fix. We conclude that basic income scholars need to be more forthcoming in their engagement with administrative analysis than has previously been the case.

1. INTRODUCTION

This article discusses a number of administrative challenges posed by the introduction of unconditional basic income, as proposed most famously by Van Parijs (1992, 1995, 2001, 2004). In the past two decades basic income has gained considerable support as an alternative to the current active welfare state, with basic income advocates proclaiming positive effects on income

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security, unemployment, social exclusion and flexibility across the life-cycle amongst its main virtues. In a marked contrast to intense discussion of the ethics and economics of the basic income proposal, little effort has thus far been devoted to exploring basic income from the perspective of public administration. This neglect of what Bernard Schaffer (1973) calls *the administrative factor* is all the more surprising since ease-of-administration is sometimes advanced, often without much evidence or argument, as one reason for preferring basic income over alternative approaches to income maintenance.² On the other hand, the failure to consider the administrative issues in basic income may have arisen precisely *because* universal basic income is assumed to be administratively unproblematic. As we shall argue below, the assumption that *universalism-implies-less-administration* obscures a number of subtle issues that turn out to be central to the ethical and political case for a basic income. Our aim in this article is to take some first steps towards addressing the absence of administrative analysis in the basic income literature.³

This paper proceeds as follows: first, we outline a conceptual framework that allows us to distinguish three essential administrative tasks that *any* income support system must satisfy. With respect to each of these three essential tasks, we identify different ways in which the design of an income maintenance policy can be said to economize on administration, “using bureaucracy sparingly” in Christopher Hood’s (1983a) phrase. The remainder of the paper then applies this framework to the basic income proposal, identifying various dilemmas that arise in the design and implementation of a basic income scheme. In a concluding section we briefly relate these dilemmas back into the normative and political assessment of basic income schemes, arguing that administrative analysis of basic income demonstrates several ways in which basic income advocates face “hard choices”, the resolution of which requires

² The point is perhaps more often implicitly assumed rather than explicitly stated. However, Philippe Van Parijs (1992), Robert Goodin (1992) and Claus Offe (1992, 2005, 2008), amongst others, explicitly commit themselves to this view.

³ This paper offers a general analysis of the administrative conditions that a credible basic income proposal must satisfy. The analysis of how basic income compares against either cognate schemes, such as Tony Atkinson’s (1996) Participation Income, or more selective alternatives we undertake elsewhere (for a “teaser” see Stirton and De Wispelaere 2009).

⁵ Complexities arise in two different ways. On the one hand, specific stipulations must be made as to the amount, frequency, modality of payment and so on of a basic income scheme in order for it to amount to a genuine policy proposal. In principle, different concrete basic income schemes could differ extensively along these dimensions without fundamentally diverging from the paradigmatic conception (De Wispelaere and Stirton, 2004). Cognate conceptions of basic income, by contrast, are schemes that *compromise* on one or more of the core features of the paradigmatic scheme, and therefore only imperfectly mimic Van Parijs’s proposal.

not merely a technical but rather a moral/political answer. In our view, administrative analysis ought to take central stage in the basic income debate as a major area of concern that advocates need to address before turning their ideals into policy.

Before moving onto the next section, a short note about the definition of basic income is in order. In our work, we distinguish between *paradigmatic* and *cognate* conceptions of basic income, where the latter introduces several complexities to the neat, radical and uncompromising definition of basic income as “an income granted by right to each individual without means test or work requirement” (Van Parijs, 2004: 8).⁵ There are two reasons for introducing this distinction. First, the administrative challenges that we identify in the paradigmatic conception are compounded in the various cognate proposals, and for that reason they merit a separate assessment. Second, there are good reasons to think that cognate schemes are more politically feasible than the paradigmatic conception, and therefore we ought to take these proposals into account when assessing the administration of basic income.⁶ Examining both allows us to see more clearly one of the main problems of the *universalism-implies-less-administration* assumption – that it applies only to a specific subset of policies captured under the general label of basic income. However for the sake of this presentation we will primarily focus on the administrative challenges associated with the implementation of a paradigmatic basic income, only occasionally touching on cognate schemes.⁷

2. THE ADMINISTRATIVE FACTOR IN BASIC INCOME

We have already noted that the basic income literature tends to make the assumption that *universalism-implies-less-administration*. While this claim is not entirely without merit, it does require careful unpacking. To enable us to undertake this unpacking we present in this section a conceptual framework which emphasizes two dimensions: firstly, the three essential *administrative tasks* that any practical basic income scheme must perform; and secondly, the different ways in which a basic income scheme could aim at *using bureaucracy sparingly*. This conceptual framework not only allows us to specify in what ways (if at all) basic income is superior to its rivals in terms of ease-of-

⁶ There are three political reasons to support this “expansion” of the paradigmatic conception of basic income: cognate policies may offer *distinctive advantages* in their own right; there are good *strategic reasons* to favour adopting an expanded perspective since this may provide the basic income advocate with crucial political “wriggle room” in the game of give-and-take at the negotiation table; and there are *reasons of goodness-of-fit* to consider.

⁷ See De Wispelaere and Stirton (2007) for an extended analysis of Participation Income

administration; it also serves as a basis for making judgements about the administrative advantages and disadvantages of alternative approaches to implementing a basic income. Anticipation the argument that follows, we believe that there is no single “first-best” basic income design with respect to all tasks, and both senses of *using bureaucracy sparingly*. Just what is involved in the administration of a basic income? Following our earlier work (De Wispelaere and Stirton 2007), we argue that *any* income maintenance scheme must perform three essential administrative tasks, corresponding to the essential features of a control system as identified in the administrative cybernetics literature (Hood 1983b, Dunsire 1978).

First, *standard and rules* must be enacted to establish the operational criteria that define the intended beneficiaries.⁸ This includes establishing the conditions under which an individual becomes eligible to receive a grant, how much they ought to receive, with what frequency the grant is to be paid, and so on. While political philosophers interested in basic income would naturally approach the evaluation of rules of eligibility from a normative point of view, the design of such rules is as much a technical challenge as a moral one, and a considerable literature has been produced on the strategic rule choices administrators must make (see Hood, 1985, Chapter 2, Diver, 1983, Baldwin 1997). It has become commonplace that, without careful attention to these issues of rule design, public policies often fail to achieve their intended objectives.

Second, *information* must be gathered so that those who satisfy eligibility conditions can be identified, and distinguished from those who are not eligible. This is the realm of monitoring and compliance with which welfare policy scholars are intricately familiar. One of the key features here is to obtain a robust list (or “cadaster”) of all those who satisfy whatever criteria we deem appropriate, ideally ensuring that such a list is accurate and stable over time. The second major component of this task – monitoring compliance – is particularly challenging and resource-intensive, as welfare scholars know all too well. The main challenge is to ascertain at each time that those who are on the relevant cadaster are effectively still eligible to the grant in question, which includes constantly checking on formal criteria (such as age or residence) as well as claimants' behaviour where required.

Third, *payments* must be disbursed to those identified as proper beneficiaries of a grant – and only to those so identified. Ideally, the chosen mechanism of disbursement will be a good fit with the design of monitoring and compliance mechanisms, so that oversight of the payment system can be

⁸ Such rules need not be complete in the sense that matters can be left to the discretion of policymakers, in which case rules must establish in whom authority to exercise discretion is vested.

effectively provided. This task is often taken for granted in basic income research, although the literature points to a number of interesting choices for basic income design, such as the choice, discussed in detail below, between *tax/credit integration* and the creation of a completely separate payment mechanism, for example by means of a *basic income debit card* (Van Trier 1996). It is self-evident that without an effective payment mechanism, a basic income scheme cannot accomplish its stated objective. Nevertheless, the extent to which the design of payment mechanism implies difficult choices reflecting the relative importance of diverse goals or values associated with basic income, as well as affecting the general administerability of a basic income scheme, is typically obscured.

An immediate difficulty arises for the *universalism-implies-less-administration* assumption in that a more universal approach, while economising on the administration of the first two tasks outlined above, might plausibly be argued to increase the administrative burden of the third. This point is even more important to the extent that we wish to go beyond merely eliminating formal restrictions on eligibility, and instead to actively promote *real* as opposed to *nominal* universalism. Making a basic income accessible to hard-to-reach groups such as the homeless may impose a substantial administrative burden (albeit one that might be considered to be well worthwhile). A second difficulty arises once we appreciate the different senses in which a policy might be regarded as administratively burdensome. As Christopher Hood (1983) points out, the apparently simple canon of choosing the administratively least burdensome policy gives rise to potentially conflicting interpretations of “using bureaucracy sparingly.” Adapting Hood’s approach to the specific context of basic income, we can distinguish two important ways in which basic income might use bureaucracy more sparingly than its rivals.¹⁰

First we distinguish the *minimal (governmental) resources* sense of using bureaucracy sparingly. On this interpretation, the best income maintenance policy is that which requires the least bureaucratic resources, for any acceptable level of performance. This formulation appears to suggest a strict ordering of desirable policy goals and then opting for the implementation scheme that uses least administrative resources, but a more plausible “leximin” approach allows for small losses in policy objectives being justified by

¹⁰ For the sake of fidelity, we should point out that Hood identifies (but does not discuss in detail) a third, *marginalist* sense in which one might seek to use bureaucracy sparingly.

significant gains in administrative savings. Neither version assumes that budget concerns ought to take central stage, even on a minimal resources interpretation, but both assume that *what makes administration costly* is in effect the social opportunity cost of government resources being spent on implementing policy.

Turning to the three tasks identified above, using bureaucracy sparingly in this sense might indicate a preference for a (nominally) unconditional scheme because it economizes on the bureaucratic effort required to draft rules with adequate precision and dispenses with the various tests identified by Offe (2005). At the same time, however, applying this interpretation might severely limit the justifiable level of administrative effort in identifying or making payments to hard-to-reach beneficiaries since the social opportunity costs would vastly outweigh the benefits to this selective group of individuals. Of course what we deem justifiable depends crucially on one's normative perspective, and the comparable weight one gives to administrative savings over to the achievement of other policy goals, but this characterizes the hard choices decision-makers face when adopting the minimal resources approach to using bureaucracy sparingly.

Another approach is the familiar *minimal (personal) intrusion* sense of using bureaucracy sparingly. In one classic phrase, here basic income might fulfill its stated policy goals while imposing less "trouble, vexation and oppression" (Smith 1910, 307) on the populace than alternative policies. While much of the relevant debate focuses on minimal intrusion in a very strict sense, we argue for a more elaborate notion that explicitly captures the sense in which using bureaucracy sparingly minimizes *inconvenience*. Minimal intrusion thus not only captures the extent to which administration often directly intrudes in claimants' lives – through requirements to detail increasingly private aspects of their personal lives or the excessive use of behavioural monitoring – but also more indirect "vexations" such as the complexity of the system, which affects the difficulty in obtaining relevant information or the effort at negotiating various stages of the application process. In part minimal intrusion follows from what Goodin (1992) has termed the "minimally presumptuous" approach of basic income: a relative lack of presumptions means we can simply allocate a grant without having to actively intrude or pry in claimant's lives and defies unnecessary complexities in the application process. According to Goodin this has a major impact on the target efficiency of basic income schemes, but minimal intrusion is of course valuable in its own right. Like the minimal resources interpretation, this sense of using bureaucracy sparingly lead to a condemnation of highly selective schemes that commonly necessitate a high level of intrusion and are associated with a significant loss of privacy, which is universally considered demeaning and debasing.

Both the minimal resources and the minimal intrusion senses of using bureaucracy sparingly are relevant in terms of assessing the comparative advantage of universal or selective income support schemes. Both approaches offer a clear perspective on why welfare schemes ought to economize on administration, where feasible, and thus constitute an important criterion by which to evaluate the comparative merits of alternative basic income designs . The matter is complicated, however, by the fact that the public administration of basic income is likely to force hard choices upon the policy maker *when both senses of using bureaucracy sparingly point in different directions*, imposing a choice on whether to give priority to minimizing resources or minimizing intrusion, respectively. Analytically, both senses of using bureaucracy sparingly come apart in cases where the minimal intrusion sense would tolerate a large amount of bureaucratic effort to accomplish a truly universal scheme, provided greater universalism could be accomplished by relatively unobtrusive measures. In the remainder of this article we show that this is not only possible, but in fact quite likely to happen when implementing basic income. Decision-makers face a hard choice prioritizing one rather than another sense of using bureaucracy sparingly to the extent that the two approaches target two distinct types of beneficiaries: minimizing resources benefits the government or society at large, while minimizing intrusion benefits individual claimants.¹¹ And although there is considerable overlap, in our view both classes of beneficiaries are non-identical and the choice of which sense of minimizing bureaucracy to opt for is non-trivial. With these conceptual and theoretical distinctions in place, the next sections undertake a systematic analysis of the administration of different basic income models.

3. SETTING OPERATIONAL STANDARDS

Claus Offe (2005: 71-72) expresses the prevailing wisdom amongst basic income advocates when arguing that a substantial basic income dispenses with four of the five key tests of traditional welfare policy: the means test, the needs test, the family test and the employment or employability test, leaving only nationality and residence tests to be administered by welfare bureaucrats. Applying the analytical framework set out in the previous section shows that the matter is not quite so straightforward.

First off, there is no doubt that the absence of means, needs, family or employability tests potentially constitutes a genuine administrative saving,

¹¹ The minimal resources and minimal intrusion senses may gather different levels of support from different normative perspectives, with conservatives typically worrying more about the impact of big government on budgets and less about intruding into the lives of welfare claimants, while liberals and egalitarians typically reverse this priority. Thus the political problem maps onto a more fundamental issue of diverging ideologies and philosophical perspectives.

both in terms of the minimal resources and the minimal intrusion senses of using bureaucracy sparingly. At the same time, such savings will only in practice materialize if those five tests are not also required for the administration of parallel policies. For example if a means test (or the underlying information required in the assessment of it) are also required in the assessment of an individual's tax liabilities, it is not clear whether significant administrative savings will arise simply because such information is no longer required in the assessment of eligibility for *welfare benefits*. This points at the important qualification in Offe's statement, namely that a basic income must indeed be sufficiently *substantial* to allow basic income recipients to lead a decent life without having to rely on additional income maintenance programs that would require means or needs-testing.

Absence of means or needs tests notwithstanding, the remaining test of nationality or residence requires considerable administrative effort. While nationality tests make use of the various mechanisms that determine and regulate citizenship in modern states, in terms of residency requirements, "the operational criteria may be, for non-citizens, a minimum length of past residency, or it may simply be provided by the conditions which currently define residence for tax purposes, or some combination of both" (Van Parijs 2006, p. 7). In both cases it appears basic income is meant to piggy-back on administrative systems that are already in place in mature welfare states. If this is the case, it would appear that the nationality or residency test does not impose any additional administrative burdens on the administrability of basic income, for the simple reason that such tests are routinely carried out in most countries for other policy reasons.

But here a number of complications arise. Piggy-backing on existing systems or practices assumes the continued "complimentarity of purpose" for which those checks are performed. In the public administration literature, the phenomenon of "piling on" incompatible policy goals onto administrative activities is a familiar problem. And this problem is further exacerbated by the universalist philosophy underpinning the basic income proposal, which would balk at some of the more restrictive solutions to settle this matter.

Moreover, looked at from a public administration perspective the choice between a nationality or residency test is hardly trivial. Where nationality tests are reasonably easy to administer, residency tests require a considerable effort, in large part because of the variability of residency status in an increasingly mobilised and globalised world. Opting for the nationality test would clearly economize on both the social costs of government resources and the private costs of personal inconvenience. But different tests will typically produce different outcomes. On the one hand, some countries exhibit large numbers of expatriates who, while sharing the nationality requirement, are not genuinely

intended beneficiaries of a national basic income scheme. On the other hand, residency tests in combination with a generous basic income scheme may lead to the sort of welfare migration discussed at length in comparative political economy (Howard 2006). To the extent that an increase in false positives imposes prohibitive costs on the long-term feasibility of basic income proposals, selection of the correct administrative measure is crucial.¹²

4. IDENTIFYING BENEFICIARIES AND MONITORING COMPLIANCE

In relation to the second task of welfare administration – gathering the relevant information that allows us to accurately identify beneficiaries and monitor their compliance with the relevant standards and rules – again the accepted wisdom is that a paradigmatic basic income model, faces little or no administrative challenges because of its universal application across the national population. However, basic income scholars often confuse a crucial administrative distinction: the *als* from receiving the benefit does not automatically produce a full list of all the beneficiaries effectively *included* in the scheme. In other words, creating and maintaining a list of all beneficiaries of a basic income scheme, quite literally comprising almost the whole population, is of the utmost importance. In this regard, Christopher Hood introduces the concept of *cadasterability*, defined as “the property of being applicable to a readily identifiable group of taxable [in our case, “creditable”] units.” (Hood, 1994: 118). It follows that the more universal a scheme, the more encompassing the relevant cadaster, and the higher administrative costs, in either sense of using bureaucracy sparingly, will be incurred to keep it up-to-date and reliable.

Because basic income is universal in scope it does require maintaining a separate list (or “cadaster”) insofar as it is unlikely that the eligible population neatly fits any other existing database. Some countries have very robust cadasters comprising the entire population, in part because they employ a system of compulsory identity cards requiring every new entrant in the population to register in a central database, and therefore score highly on the cadasterability requirement.¹³ But in many other countries the implementation of a basic income would have to rely on less encompassing, and typically less reliable, cadasters such as voter registers or social security databases. The problem with these is that they are not nearly as universal as one might assume, and are therefore of only limited use for the task at hand: the voting

¹² Note that the philosophy of universalism will again introduce significant constraints on the interpretation of the “correct” target for basic income policies.

¹³ Examples such as Belgium and Spain come to mind. We are grateful to José Noguera for discussing this point with us.

register, for instance, typically excludes whole categories of people who would be deemed eligible for a basic income.¹⁴

In those circumstances it would appear we have three available strategies. First we may indeed have to set up a cadaster from scratch, effectively registering every eligible individual in a population. Needless to say this requires a huge administrative effort and commensurate investment of government resources. A second strategy would be to combine several extant cadasters in the hope they will sufficiently overlap to achieve close to universal coverage. In addition to familiar problems of coordinating or joining-up different administrative systems, the problem here is that there is no real way in knowing how much universal coverage is achieved. Furthermore, this approach suffers from a particular type of common-mode failure in that those most likely not to appear on any of the common cadasters are precisely those individuals or groups basic income specifically targets – the homeless, for instance.

This last point also works against the third option, which is to use the most universal cadaster we have – say, a voting register – as a proxy, and accept that false negatives are inevitable. We could combine this approach with an option for individuals who find themselves not included to actively sign up to the register, thus effectively outsourcing the externalities of cadasterability-by-proxy. Of course, in some ways the problems of designing a welfare scheme are the exact mirror image of those facing the ideal administrative features of a tax: individuals who become eligible for a basic income have every incentive to inform the relevant authorities of their eligibility, and to provide the relevant evidence.¹⁵ On the other hand, the reverse holds for those who find themselves *no longer eligible* for a basic income, perhaps because they are no longer residents or nationals. Effective standard-setting also requires a means to remove such individuals from the relevant cadasters.

This discussion of the role of cadasterability in the implementation of basic income schemes demonstrates the importance of having to decide on which sense of bureaucracy to use sparingly, as the various strategic options mentioned before amount to hard choices between economizing on social or private administrative costs. It also reveals a more fundamental problem with much of the basic income scholarship's perspective on public administration, in that it views administration in entirely the negative terms of enforcing restrictions on eligibility. This overly narrow conception of administration

¹⁴ Consider the case of institutionalized psychiatric patients who are often taken off the voting register but nevertheless would be eligible for a basic income under most proposals.

¹⁵ But note that incentives as such do not guarantee that eligible individuals also have the relevant information to pursue their best option.

derives from a failure to appreciate the distinction between *formal* and *substantive* universalism, and consequently ignores the crucial role played by administrators in ensuring that a welfare scheme fulfills its policy goals in practice.

5. DISBURSING PAYMENTS

Where basic income is expected to perform reasonably well with respect to the first two essential administrative tasks, when considering the third essential administrative task – that of disbursing the basic income grants to all citizens – matters become more interesting. The aim of a basic income disbursement mechanism is to ensure that *each* eligible person effectively receives the grant she is entitled to. It is almost trivial to assert that this task requires a robust administrative system; but as this is thought to be a problem shared by *any* welfare program, it is a topic that hardly features in the literature. Yet, here too universal basic income proposals face a number of important complications that warrant careful examination. Hood's work on tax administration offers theoretical inspiration for our attempt to identify how administrative analysis contributes to an assessment of alternative basic income schemes. Hood(1994: 118) identifies the criterion of *conduitability* as “the property of being assessable and collectable through a relatively small number of surveillable channels or 'bottlenecks' at which oversight can be economically applied.” The conceit is equally applicable to the administration of a basic income, or indeed of any other welfare scheme. In this context, *conduitability* can be considered analagous 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.

Let us begin by examining several practical options suggested in the relevant literature. One is the use of the *tax/credit system*: basic income grants are distributed as tax deductions or, in cases where the tax is refundable because of low tax liabilities, through some reimbursement scheme. This option raises a number of important questions. Given that most states deal with taxes (and tax reimbursements) only once a year, the first question is to decide whether the basic income will be provided on a yearly basis, after the tax calculations and relevant deductions have taken place, or whether to institute some advance payment mechanism with the basic income being (partially) clawed back through the tax system if the tax liability exceeds the grant.¹⁶

¹⁶ Although the basic income grant itself is not liable for tax purposes, there exists a clear rationale for clawing back the grant based on tax liabilities on other sources of wealth or income. In fact this is what makes basic income a redistributive scheme even when paired with a flat-rate tax (Van Parijs

The downside of the first option – an annual grant, disbursed after all tax liabilities are accounted for – is that it may impose burdens on those who have insufficient income to lead a decent life without their basic income. For poor people, small extra costs that occur regularly throughout the year may have a serious impact on how well their lives go; one very appealing argument in favour of basic income is precisely that it offers a secure floor throughout one's life, particularly for those at the bottom of the income distribution. This argument would strongly suggest that a basic income be disbursed in small regular installments as opposed to larger grants of equal value – for those living at or near the poverty line, equal *monetary* value simply does not imply equal *practical* value.¹⁷ Furthermore, the annual grant format may cause further problems as the precise amount of net basic income one receives after tax may be insecure to the extent that it depends in part on other sources of income and one's overall tax liability, which could vary considerably from one year to another. For those living at or near the poverty line this is again a source of considerable insecurity. In response the poor may want to defer part of their consumption for fear of not being able to afford it, which puts constraints on the use of the basic income grant that most advocates would find intolerable.¹⁸

The problem with the second solution – a regular income stream clawed back through the tax system – is that of “churning”, the pointless shifting of resources between different accounts, which not only incurs high administration costs but is also prone to error and thus frustrates basic income recipients. Of course one can conceive of compromise solutions. One example is Michael Opielka's proposal to grant every citizen a basic income entitlement, but one that only gets “activated” after a person who thinks her income is insufficient to cover her needs puts in a formal application (Opielka 2005, quoted in Offe 2008). If at the end of the fiscal year it turns out that her income in fact was higher than a previously agreed-upon threshold, part or all of the transfer must be paid back (with interest). But while the Opielka proposal prevents churning in a strict sense, it does not strike us as a great solution in that the administrative cost is likely to remain quite high: the scheme requires that we keep tabs on those who have applied for the scheme in order to ensure

1992, 2004). But one should not confuse the conceptual or normative with the practical or administrative rationale for claw-back mechanisms.

¹⁷ It is precisely for this reason that Van Parijs (1992, 2004) argues that a basic income is both conceptually and practically distinct from the Negative Income Tax proposal made famous by Milton Friedman (1962?).

¹⁸ One example is that one would not be able to use the grant as a downpayment for a loan, countering Philippe Van Parijs's (2004) argument that basic income and one-off basic capital grants (Ackerman and Alstott, 1999) are substantively equivalent. When it comes to consumption a more serious problem is that poor people might defer spending on needed goods - medicine, heat etc - out of fear to get into a downwards credit spiral.

that the terms of the scheme are complied with, which imputes considerable resource costs on both administrators and recipients as well as further intrusion costs on recipients.

An entirely different practical instrument for disbursing grants is to provide every eligible individual with a *basic income debit card*, which gets periodically topped up by the state and which the individual can use like any normal debit card to pay for transactions or withdraw cash (Van Trier 1996). This innovative scheme looks particularly interesting as it makes the delivery of a *universal* basic income to *all* very visible, and thus conforms to the ideal of nominal universalism outlined before. In addition, it would appear to bypass any problems that might occur because of logjams within the tax/credit system as it effectively sets up a new system. Of course, this in turn incurs administrative costs: close coordination between the different parts of the administration that maintain the cadaster of eligible citizens, provide the BI debit card and perform the effective crediting of the card must be ensured, which inevitably requires some sort of *administrative oversight*. The lack of an obvious robust oversight mechanism ensuring that all eligible beneficiaries effectively receive their basic income is a major concern from a public administration perspective: the inclination of basic income advocates to rely on the mere removal of barriers as the main pathway to achieving substantive universalism is seriously flawed.

The choice between a tax/credit mechanism of disbursement or that of a basic income debit card is instructive in terms of discerning general principles of good administration related to the third task. Consider the choice between instituting a single, universally accessible mechanism of disbursement, which is meant to cover all recipients, or else employing a set of mechanisms that are catered towards different target groups and partially overlap. It is a matter of empirical analysis which one of these has the most robust universal coverage, but some theoretical considerations apply. One obvious concern is that of *complexity*, which always faces a risk of decreased target efficiency because error on both supply and demand side is more likely; that is, administrators and claimants are more prone to making mistakes (National Audit Office, 2005). But an equally important principle is that of *redundancy*, which allows for one system's failure to be "backed up" by another and thus preventing recipients from falling through the cracks, as it were. Where single systems score well in terms of low complexity, multiple mechanisms typically score better in terms of improved redundancy and oversight.

What these insights reveal is that the paradigmatic basic income model faces genuine hard administrative choices when it comes to achieving the third essential task of implementation. As before we can understand these choices in terms of the different senses of using bureaucracy sparingly, with tax/credit

implementation economizing on social cost by externalizing part of the cost to (low-income) beneficiaries and the debit card model economizing on private inconvenience at considerable government resources expense. It also reveals, we think, that it would be wrong to think of administration as merely requiring a “technological fix”.

5. THE POLITICS OF HARD ADMINISTRATIVE CHOICES

The urgency of making the right administrative choices implies the *necessity* of basic income advocates to start taking the administrative factor seriously. This point is perhaps best illustrated by thinking about two different types of error that typically occur when administration fails.

In the first instance, administrative failure may lead to *false positives* not so much in the sense of non-eligible persons receiving a grant (since under basic income, strictly speaking, there are no non-eligible persons), but in the sense of some people receiving more than one basic income. Such a mistake easily occurs if the coordination between maintaining the cadaster and crediting the accounts, often undertaken by two different parts of the administrative system, fails. The problem of false positives is of course that it constitutes an unfair advantage as well as an extra financial burden. But an intriguing second-order problem arises when thinking about how to rectify this problem: should we insist on refunding the basic income, possibly from people living in poor conditions who may already have spent the grant?

A second, more serious problem is that of *false negatives*: in this case some recipients fail to receive a grant. The main reason why this problem is more serious is that it is more likely to systematically impact on people who we believe need the basic income grant more than your average citizen, and this in turn means it implies a genuine moral failure if we fail to redress this error. Vulnerable individuals are comparatively worse affected by false negatives in two different ways. First, not receiving a basic income quite understandably has more of an effect on their opportunity set or wellbeing than average citizens. Second, there are good reasons to think that there is more of a chance that this will happen to certain groups in society than others. To illustrate both points, think of the case of homeless people in the UK and elsewhere: these citizens readily constitute the most disadvantaged of our society and for that reason a group where receipt of a basic income makes a very real difference in terms of well-being and opportunity. Unfortunately, the homeless are also a category of claimants that are notoriously hard to reach, administratively speaking. Having no fixed abode means it is impossible to send them a postal cheque while it equally prevents them from opening a bank account, making any form of electronic transfer impossible.

These sort of *common mode failures* in the implementation of basic income constitute not merely an administrative challenge in a narrow sense, but more broadly impact on the political stability and normative desirability of the basic income proposal itself. This is largely because most justifications of basic income devote special attention to its impact on the worst off – of which the homeless arguably are a particularly vulnerable example – and any attempt at boosting administrative efficiency through using bureaucracy sparingly that comes at the expense of those groups will be unacceptable. If only for this reason, basic income advocates must take the administrative factor very seriously indeed.

6. CONCLUSION

In the last three sections we have shown that the paradigmatic basic income model that lies at the heart of the view that basic income economizes on administration in fact raises a number of very specific administrative concerns. In regards to the first task of welfare administration, the institution of a basic income points to the differences between adopting a nationality or residency test, but this is arguably a concern of comparatively minor proportions. Much more seriously, we argue, are issues pertaining to the “cadasterability” and “conduitability” of basic income proposals, respectively. The radical universalism of basic income proposals implies notable challenges in terms of setting up a reliable and up-to-date cadaster of all eligible beneficiaries. Granted, this is a problem that is likely to haunt some countries more than others, but the analytical point stands. And in terms of providing secure “conduits” for basic income grants to be transferred to beneficiaries at the appropriate time and at the correct amount, this is arguably one of the most prominent challenges that requires considerable analysis before basic income can become policy.

What is important to realize throughout is that administrative hard choices pervade each of the levels discussed above: which sense of “using bureaucracy sparingly” to prioritize is neither an obvious nor a trivial choice, and basic income advocates would do well to explore the inherent tensions at considerable depth before advocating one or other approach.

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