



# PREDISTRIBUTION AND UNCONDITIONAL BASIC INCOME

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## Introduction

The aim of this paper is to explore the relationship between predistribution and unconditional basic income (UBI). It will do so by proceeding in the following steps. Firstly, a characterisation of predistribution will be offered. The need for a predistributive approach to progressive reforms is the consequence of several important socio-economic developments that have taken place in many developed economies since the 1970s. First, inequalities in the distribution of the fruits of social cooperation have increased dramatically, with extreme concentrations of income and wealth in the hands of a few individuals and businesses. The consequences of these inequalities are numerous and profound: a stagnation of wages and of the standard of living of the less privileged members of these societies; reduced opportunities for social mobility;

increased unemployment and precarious jobs (Standing, 2011); a growing influence of economically powerful individuals and groups in the political process. As socio-economic inequality continues to climb, confidence in the traditional welfare state redistributive approach to solving this problem is gradually diminishing. Likewise, progressive taxation and public investment have been revised downwards, in particular because of the ideological domination of austerity policies in most developed countries since the 2008 global financial crash. This, in turn, has led more voices to characterize traditional progressive redistribution as both economically inefficient and socially destructive and unjust. It is in this context of rising inequalities and the growing crisis of the redistributive welfare state that interest for predistribution has grown. In a period of budgetary austerity, predistribution indeed appears to be a convincing alternative because it reduces the use of taxes and traditional *ex-post* transfers to reduce inequalities. However, we should not oppose predistribution and redistribution, as Piketty (2016) has argued, and resist the temptation of adopting a variant of the “everyday libertarianism” which some proponents of predistribution seem to imply, as suggested by O’Neill (2020).

Secondly, we will explore the extent to which the disbursement of an unconditional basic income is aligned with the objectives of predistribution. We will seek to dispel concerns with unconditional basic income that are based on an alleged disincentive to work and on the inflationary risks of the policy.

Finally, the paper will argue that UBI is at least as plausible as a redistributive policy as the State as Employer of Last Resort (SELR). These two policies are often considered incompatible in the literature, but this is a mistake because not only are they compatible but they are also complementary as egalitarian redistributive policies (Merrill & Neves, 2021).

## Predistribution as an organising idea

The idea of “predistribution” draws our attention to the need for the implementation of public policies aimed at generating a more equitable distribution of the benefits of social cooperation. Predistribution has initially been understood in contrast with redistribution (Hacker, 2011; Hacker; Jackson; O’Neill, 2013). Redistribution traditionally consists of the implementation of policies that mitigate the unequal consequences of market activity through *ex post* tax transfers. By contrast, predistribution consists of putting in place policies that allow the powers of those who engage in market activities to be reshaped by modifying the distribution of this power before taxes and traditional fiscal transfers from the state, thus preventing inequalities from occurring even before redistributive state intervention. This at least is how some defenders of predistribution view it, that is as a form of distributive justice that seeks to fight economic inequality by changing market rewards rather than redistribute income and wealth after taxes are levied. In a certain sense, therefore, these are policies that may be said to seek change in pre-tax labour income. Why is this important?

237

Advocates of predistribution may supply several reasons in favour of this approach. Firstly, there is a question of size of inequalities. The levels of income and wealth across several OECD countries has reached staggering heights, since the neoliberal turn in economic policies in the 1980s. The size of these inequalities may be such that standard redistributive policies may be insufficient in reducing them in a way that fulfils liberal egalitarian theories of justice. This approach, therefore, would favour predistributive policies as a supplement to tax-and-spend redistributive policies.

A second reason in favour of predistribution pertains to political expediency. Despite the relative neglect of taxation on the part of political philosophy, it remains the subject of impassioned political debate. Proposals to increase the

top marginal rate of personal income tax are often met with anger on the part of high-income individuals. These, in turn, tend to wield a disproportionate share of influence in the political sphere and are likely to exercise it in order to sway the electorate against redistributive policy-making. Opponents of steep progressive taxation express concern with labour or capital flight or the fact that taxation, beyond a certain point, may raise less revenue than if it was set a modest rate. These difficulties may suggest that egalitarians should look elsewhere, namely predistribution, in the struggle to reduce inequalities.

238

There is a slightly different reason of political expediency that may favour the pursuit of predistributive policies. This is the fact that redistributive policies can be easily reversed by future governments. As Martin O'Neill puts it, "a future government can easily dismantle whatever a progressive government is able to achieve in reconfiguring the fiscal statement" (O'Neill, 2020). On O'Neill's view, this supplies a reason why the fiscal response to inequality must be but one part of a broader political economy that includes other tools. Predistributive policies that seek to alter pre-tax incomes such as, say, changes in corporate governance that attribute a role in management to workers or workers' elected representatives may be one such tool (*Ibid.*).

A third reason that may favour predistributive policies is a concern with individuals' self-worth. The individuals who may present the strongest justice-based claim against existing inequalities in western, OECD societies are, plausibly, the least advantaged in terms of income or wealth. It is also important to consider that, on some theories of political morality, self-worth or self-respect feature among the currency of distributive justice. Redistributive policies tend to be of a more fickle nature than predistributive ones. Given that taxation and spending are, to an extent, the bread and butter of policy-making, redistributive policies

are likely to be the subject to a lot of change and intense debate. The debate about whether transfer payments, in a given moment, should be more or less generous may well be damaging to the self-worth of individuals who stand to gain from them. This is particularly likely if there are people in the political forum who espouse the view that welfare-state policies that implement a social minimum are profligate and that, for some reason or other, should not be put in place. This may obtain as well in the case of policies that fulfil other principles beyond a social minimum, namely some form of principle of fair equal opportunities that is present in some liberal egalitarian conceptions of justice, such as John Rawls' *Justice as Fairness*. The fact that the realisation of these important principles hangs in the balance and is far from secure may well be damaging to the sense of self-respect or self-worth of those individuals in society who are currently disadvantaged by the absence of immunity from absolute poverty or by objectionably unequal opportunities. It may be the case that redistributive policies, such as reforms in corporate government, changes in trade union legislation or investment in the provision of universal pre-K schooling are somehow more 'entrenched' and difficult to reverse. This may also serve as a better signal that such policies are not points of contention between citizens who are more and less generous when it comes to deciding on charity. Instead, the entrenchment of redistributive policies conveys the idea that the least-advantaged individuals are owed treatment not based on charity, but on the basis of justice (O'Neill & Williamson, 2012).

239

We have now canvassed a range of reasons that may recommend the implementation of redistributive policies in the broader policy mix used in the struggle against inequality. However there has been some recent discussion about how to characterise redistribution and whether it does indeed represent a set of unique policy

proposals. Martin O’Neill has recently argued that it does not make sense to speak of a policy domain that is either conceptually or temporally prior to taxation. Any policy is inevitably part of a broader edifice of which taxation must be a part.<sup>1</sup> To fail to notice this would be to commit the same mistake that Liam Murphy and Thomas Nagel dubbed “everyday libertarianism” (Murphy & Nagel, 2002). Everyday libertarianism is the conviction that individuals are normatively entitled to their pre-tax income. Moreover, a lot of redistributive policies have predistributive effects as well. The establishment of a national health system funded by general progressive taxation, for example, is an eminently redistributive policy. Nevertheless, it also strengthens the bargaining power of workers with respect to their employers over matters of wage negotiations. As O’Neill writes, ‘when workers’ access to healthcare depended directly on their employment status, and where employers had a role as gatekeepers in terms of access to more adequate and attractive health insurance plans, workers obviously had a direct incentive against ‘rocking the boat’” (O’Neill, 2020). The establishment of the national health system, on the other hand, renders a possible unemployment less costly, thus strengthening the bargaining power of workers.

As such, O’Neill claims that predistribution should instead be thought of as an ideal that seeks to reduce the dependence of individuals on market incomes (O’Neill, 2020). As well as achieving this, predistributive policies reinforce the bargaining power of workers before the owners of capital.

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<sup>1</sup> This normative point about the state is independent of the institutional shape that a given welfare state assumes. There is a broad variety of types of welfare states. The latter may comprise mostly services that are aimed at a given section of the population such as the unemployed or the disabled or services that have a universal character. We wish to thank an anonymous referee for drawing our attention to this distinct but important empirical question. Readers may be interested in Esping-Andersen, G. (1990). *The Three Worlds of Welfare Capitalism*. Polity Press and Rothstein, B. (1998). *Just Institutions Matter*. Cambridge University Press.

The fact that workers are less dependent upon wage income for the satisfaction of their needs and interests places upward pressure on wages during wage negotiations. Predistributive policies should, therefore, be conceived as ones that have the potential to remove or reduce objectionable inequalities within market relationships and to give a secure standing to individuals outside of market relationships.

There are, it should be noted, different types of predistribution. One may distinguish between labour predistribution and capital predistribution. The former, it might be said, is chiefly concerned with the strengthening of labour unions, whereas the latter is concerned predominantly with ensuring that all citizens benefit from capital returns. James Meade, for instance, was sceptical about labour predistribution as he believed that the costs in terms of efficiency of bidding up the price of wages was too high. He, therefore, favoured capital predistribution. The distinction between the two, nevertheless, is tenuous on occasion. This obtains, for instance, in the case of a sovereign wealth fund that is publicly owned, but which nevertheless is used to provide everyone with some form of basic income. In this instance, capital would not be owned by citizens privately.

241

## **Predistribution and UBI**

A more radical conception of predistribution aims to disperse the ownership of productive assets by granting each citizen a capital endowment, thus contributing to reduce if not eliminate the oligarchic excesses of the capitalist social state. Indeed, capitalism generates economic inequalities which tend to turn into political inequalities. The substantive purpose of the institutions of our economic systems should not be the redistribution of income at the end of each period to those who have less, but to ensure the appropriation of the means of production and human capital (Rawls, 2001,

pp. 139). Because if the economic dynamics inherent in capitalism tend to create excessive concentration of property and wealth, then, if political measures are not taken, we will inevitably be led to the political domination of a small fraction of society that will have taken control of the economy. The attempt to prevent this by dispersing capital ownership throughout the population may be referred to as “property-owning democracy” (Merrill, 2017a; O’Neill & Williamson, 2012; Rawls, 2001; Thomas, 2016).

242

This egalitarian ideal of predistributive dispersal of the ownership of productive assets turns out to be more ambitious since it calls into question the idea of a natural free market. This dispersion of external resources can be done in many ways that correspond to and “egalitarian toolkit” (White, 2015), through for example the establishment of a sovereign wealth fund that would make it possible to pay to each citizen a social dividend financed by a tax levied on all external assets, either in the form of a “capital grant” (Ackerman & Alstott, 1999), or under that of a basic income (Van Paris & Vanderborght, 2017), or granting each citizen a right to “access the commons” (Bollier & Helfrich, 2014; Merrill, 2017b), aimed at ensuring equal opportunities to exercise our economic freedoms. In this vein, it is particularly important to explore the relationship between the predistribution and the pursuit of an unconditional basic income as the latter falls squarely within the conception of predistribution outlined in the preceding paragraphs. An unconditional cash transfer, disbursed to all individuals within a given state, would strengthen bargaining power of the least advantaged member of society. As noted by scholars specialized in this topic, unconditional cash transfers allow the most disadvantaged to withdraw from jobs they do not like, that pay poorly and the conditions of which are poor (Merrill & Neves, 2021; Merrill; Neves; Laín, 2022; Gentilini, 2020). All other things being equal, this will militate to put

pressure on employers to either raise wages or to improve the conditions of jobs.

The disbursement of unconditional basic income serves to fulfil the second objective of predistribution: ensuring that a portion of an individual's income does not come from work. As noted by James Meade, "any alternative method of affecting the distribution of income must necessarily imply that individuals receive income which, in some form or another, to a greater or smaller degree, is not related to the pay which they receive from work" (Meade, 1993, pp. 7). These are indeed some of the main purported benefits of an unconditional basic income according to some of its most ardent supporters, namely Philippe Van Parijs (1995).

The fact that the unconditional basic income is not cancelled when someone has a job – unlike several forms of transfer payments – is a property that may further strengthen the bargaining power of workers. If workers could only receive a UBI while being out of work, a person may have to go through painstaking, bureaucracy-riddled periods of delay between the moment she found herself jobless and the moment she started receiving the cash transfer. Workers, therefore, would still not feel as comfortable 'rocking the boat' during negotiations with employers than under the alternative scenario in which one can earn a wage and receive the unconditional cash transfer. Under certain institutional schemes, workers are not even entitled to receive unemployment insurance or means-tested social assistance if they voluntarily quit their jobs. Such provisions are, therefore, less likely to foster the bargaining power of workers than an unconditional basic income. Recently, Simon Birnbaum and Jurgen De Wispelaere have questioned whether basic income recipients really do have a greater bargaining power in virtue of a greater exit option (Birnbaum & De Wispelaere, 2021). They maintain that the non-monetary rewards of employment and

things like earnings-related social insurance, pension rights and other economic benefits cannot be adequately replaced by a universal basic income. These aspects about employment may mitigate the strength of the exit threat that employees may make. They also engage with the more troubling possibility of whether a basic income scheme may, in fact, worsen the bargaining power of employees. This may occur on account of the plausible possibility that the implementation of a basic income would compete for funding with other social programmes. Should social programmes have to be cut in order to make way for a basic income, it might be the case that, all things considered, the bargaining power of workers diminishes. Furthermore, some advocates of basic income stress that it would enable workers to accept unattractive jobs but also low wages for intrinsically rewarding work. This agenda, however, is in tension with the idea that universal basic income would raise reservation wages and labour's bargaining power. Employers may embrace the prospect of basic income in a scenario in which it acts as a replacement for adequately paid employment (Birnbaum & De Wispelaere, 2021). Ultimately, the ability of basic income to strengthen exit options and to allow workers to express a credible threat will depend on how the scheme interacts with other social programmes, on the level of unemployment, on automation and on the voice that workers have within firms in the form of, say, representatives on management boards.

There are other respects in which a predistributive unconditional basic income is relevant from the standpoint of a liberal egalitarian conception of justice. It provides a more direct and secure way of fulfilling basic needs – on the assumption that the cash transfer in question is generous – and this is an important component of a social minimum that should figure in any plausible theory of justice. Simon Birnbaum argues that there is a strong connection between

unconditional basic income and predistribution. A lot of the opposition to redistribution hails from commonplace ideas about deservingness and exploitation. These criticisms take a variety of forms and it is virtually impossible to survey them all and to unite them in a common thread. It is reasonable, however, to suggest that a lot of these ideas turn on the notion that the fruits of one's labour belongs to oneself. As Simon Birnbaum notes, predistribution may 'sensibly be conceived as a way of addressing people's unequal endowments; that is, the value of the resources that we receive (rather than produce) throughout our lives. According to this view, we should interpret the basic income as a strategy for predistribution of assets to which we all have an equal claim rather than a redistribution' (Birnbaum, 2016).

There is also a more obvious connection between unconditional basic income and predistribution that we should mention. Capital predistribution, as defended by James Meade, seeks to ensure that all individuals benefit from capital returns. One of the elements, as noted before, of capital predistribution would be the collective, public ownership of capital through institutions. These institutions could be used to fund an income stream such as an unconditional basic income.

There is a further question of whether the institution of a basic income may diminish other strands of predistribution, namely the struggle for higher wages. The risk may also come from the possibility that governments may rely on the disbursement of an unconditional basic income as an alternative to the provision of public services and other income support schemes that may be necessary to fulfil liberal egalitarian principles of justice. Thomas Piketty, for instance, is alive to these risks as an advocate of a form of basic income. The policy he advocates consists of a basic income that is set at 60 percent of average after-tax income. It should be directed to individuals with 'no other resources

at 60 percent of average after-tax income’ and this amount would decline as income from other sources increased (Piketty, 2020). The basic income scheme he has in mind is, therefore, significantly different to the one that is envisaged by Philippe Van Parijs and others. The latter favour the disbursement of a UBI that is independent of the wage level. Piketty is sceptical about this approach. He favours a basic income scheme that is linked to a conception of a just society ‘based on the wage relation and the right to work and unionize’ (Piketty, 2020, pp. 1003). He maintains that a basic income scheme that consists of a separate payment runs the risk of weakening such a link – he fears additionally that it may be exploited by those who seek the “hyperflexibilization and the fragmentation of labour” (Piketty, 2020, pp. 1003). We will now clarify for which reasons this concern is unfounded.

## **UBI and SELR**

In order to grasp the potential of UBI as a predistributive policy, it is useful to contrast it with another allegedly predistributive policy: State as Employer of Last Resort (SELR).<sup>2</sup> This is a policy which seeks to guarantee a full employment rate – at approximately 2.5%. SELR seeks to respond to unemployment by creating a public market of jobs. The state provides jobs to those able and willing to work at least at the rate of the minimum wage. During periods of economic growth, the thought goes, individuals who resorted to the SELR will tend to move to the private

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<sup>2</sup> There is a broad variety of advocates of SELR. We wish to thank an anonymous referee for drawing our attention to Matt Bruenig’s, “The Job Guarantee and the Unemployment System” in People’s Policy Project. This piece states that job guarantee schemes have historically been popular among conservative commentators with staunch anti-welfare stances that wish to compel individuals to take up jobs. Advocates of SELR, however, do not need to embrace these conservative positions. Our case, therefore, is made stronger by our more charitable portrayal of the defence of SELR.

sector in virtue of increased demand across the economy, but also because of the skills that individuals acquire when working the job provided the state; it is important to note, furthermore, that during these periods, the state provides training and reskilling to workers.

By formulating explanations concerning the recent developments in income inequality, a wide range of the literature on the causes of this inequality assumes that change technology acts as an important driver of growth economic. However, technological change can also become a trigger of income inequality. Indeed, the changes technologies often increase the demand for skilled workers. However, in order to limit the increase in income inequalities, an equivalent increase in the supply of skilled workers is needed. This phenomenon is often seen as a race between education and technology. If the race is won by technology, inequality rises; if the race is won by education, inequality tends to lessen. SELR aims to promote the internal capacities of individuals and it is egalitarian because it aims to improve equal opportunities at the level of the employability of workers, but it does not help to reform or change the mechanisms of the market. Predistribution is therefore understood here as the equivalent of educational programs and continuing education programs (see the chapters devoted to this theme in Chwalisz & Diamond, 2015) as well as the assurance of being employed as a last resort through to the State.

Even if this type of predistribution lends itself to several objections,<sup>3</sup> we can formulate two main arguments in favor of this redistributive policy: one economic, the other normative. From an economic point of view, several studies show that investing in internal capabilities people through education and training increases growth globally, mainly in the poorest countries (Hanushek & Woessman, 2012).

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<sup>3</sup> For an exposition of these objections cf. Merrill (2018).

And from a normative point of view, the idea is that it is better to invest in people's education and productive skills, to enable them to find a employment, which allows them to recover their self-esteem and social dignity and to live according to an ethics of responsibility.

The advocates of the state as an employer of last resort favour it with respect to the disbursement of a UBI based on several arguments. They contend that a UBI would result in the worst-off withdrawing from the labour market. It is important to assess how plausible this claim is. Catarina Neves and Roberto Merrill contend that there is no large, full-scale experiment of an UBI that allows us its critics to draw this conclusion (Merrill & Neves , 2021; Merrill; Neves; Laín, 2022). There is also a recent report by the World Bank that suggests that the UBI does not lead to a disincentive to work (Gentilini et al., 2020). Moreover, evidence from the Netherlands and Finland, in fact, points to an increase in the number of hours worked on the part of some groups of the population (Merrill & Neves, 2021). This is consistent with the idea that UBI reduces the disincentive to work that occurs in several conditional forms of support: the acceptance of a job means the loss of state benefits. Instead, under a UBI scheme, the acceptance of work is always beneficial from a strictly monetary point of view.

We should clarify that the purpose of this discussion is not deny that the withdrawal of the worst-off from the labour market is a plausible concern; it is instead to argue that the limited evidence we have thus far suggests otherwise. There may, however, be legitimate concerns about the impact of UBI on the number of hours worked. UBI experiments suggest, however, that it is more likely that this materialises in the case of middle-class citizens or the better off in society.

Critics of the UBI as a redistributive policy may also point to a concern that it may have a very big inflationary

effect.<sup>4</sup> To a large extent, our response to this concern must draw on our response to a concern about the possible withdrawal of the worst-off from the labour market. This is because the concern with inflation is itself premised largely on the thought that the worst-off will withdraw from the labour market. Wage levels, so the thought goes, would have to rise in order to attract workers who could otherwise live on a UBI. This, in turn, would push up the price level across the economy. The concern with inflation is also that the unconditional basic income would not be accompanied by investments in the productive capacities of individuals and this, coupled with the withdrawal of labour, would have inflationary effects. Nevertheless, this assumption need not be true. It is perfectly possible – and, indeed, probably desirable – for the UBI to be accompanied by investments in retraining and in individuals’ skills (Merrill & Neves, 2021). Absent such policies, there are still reasons to think that an unconditional basic income could lead to an improvement in the productive capacities of individuals. Once again, the limited evidence at our disposal about experiments in the unconditional basic income suggest otherwise.

249

Advocates of SELR vis-à-vis UBI maintain that it is a better tool at promoting the wages of the worst-off (Thomas, 2020). This belief is premised on the fact that one of the characteristics of income inequality in OECD societies is income fluctuation that is caused by workers moving frequently in and out of work. The latter phenomenon, in turn, is arguably caused by the limited bargaining power of workers. It seems uncontroversial that a SELR would improve the bargaining power upon workers, but it is unclear why a UBI should not be better in this respect. Plausibly, a transfer that is not contingent upon availability

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<sup>4</sup> A more thorough discussion of the alleged inflationary risks of UBI may be found in Merrill & Neves, 2021.

for and the satisfaction of a means test would strengthen the bargaining power at least as much as a system that a system in which the state acts as an employer of last resort. Given transition costs and the time it takes to take on a new job, an employee is likely to feel empowered to rock the boat under an SELR system that under a political economy in which a basic income is disbursed unconditionally. Whether this turns out to be the case depends, of course, on how the level of the unconditional basic income compares with the remuneration and quality of jobs in the SELR scheme.

250

It bears emphasizing, moreover, that the unconditional basic income is distinctively more predistributive than the SELR. O'Neill (2020) interestingly portrayed predistribution as an organising idea for egalitarians that serves two main objectives: the reduction of objectionable market relationships and helping to secure the standing of individuals outside of the market. This is consistent with what other egalitarian thinkers, such as James Meade (1993), have said about the importance of providing individuals with revenue other than their labour income. Otherwise, there are likely to be inefficiencies in output and in the way workers spend their hours of labour. In order to avoid these risks, the provision of income outside of labour must be substantial. In light of O'Neill's characterisation, a UBI is more predistributive than an SELR in the sense that it provides individuals with a much stronger position outside of the market. The SELR, on the other hand, bolsters the position of individuals within the market.

It is also the case that the implementation of an SELR, without a UBI, may perpetuate the notion that market income is more valuable or more legitimate than non-market income. This depends of course on whether a SELR would be supplemented by unemployment insurance and whether access to it would be conditional upon taking up work. If either SELR is implemented without UBI or unemployment insurance is attached to a requirement

to take up work, the notion that income work is more legitimate may indeed be perpetuated.

A UBI is of greater use to those in most need of social assistance. A crucial part of the welfare state is to provide income support to those who are not able to earn market income, namely children, the disabled and the old. The SELR would not be as advantageous to these groups of individuals as a UBI.

## Conclusion

Traditional redistributive policies – unemployment benefits, guaranteed minimum income benefits – are designed to help those who have suffered a misfortune, such as unemployment or an accident that prevents them from earning income on their own. However, in many cases, this strategy may be insufficient. That does not mean we should abandon the strategy of redistribution. It may mean that we have to good reason to reform our political economy.

Many industrialised countries have a “Winner-takes-all” economy (Hacker & Pierson, 2010); increases in inequalities lead to greater political influence on the part of the most-advantaged and this, in turn, generates policies that are more congenial to the preferences of the top decile of the income distribution (Bartels, 2016; Gilens, 2012).

It is plausible, however, that liberal egalitarianism requires a more balanced dispersal of advantages across the population. An unconditional basic income would provide a non-labour form of income whereas the SELR, self-evidently, would not. In this sense, UBI would be more predistributive than then SELR. We can, therefore, be confident that not only is the UBI better in terms of its economic effects than SELR, but also that it is more congenial to the spirit of predistribution. Twenty-first century egalitarianism must certainly go beyond the paradigm of compensation but without falling into the false opposition between the policies

and redistributive and redistributive programs (Piketty, 2016; O'Neill, 2020). It is however essential that numerous clarifications be offered concerning the scope and objectives of redistributive mechanisms, of which UBI is an example.

In this paper, we have sought to clarify the senses in which UBI is a redistributive tool. It is a redistributive tool because it can help to reinforce the power of individuals within market relationships and provide them with a more secure standing outside of the labour market. The redistributive credentials of the UBI are superior to those of SELR. This paper also tempers concerns with the risk that UBI may lead to inflation and a withdrawal from the labour market.

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252

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## PREDISTRIBUTION AND UNCONDITIONAL BASIC INCOME

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**Abstract:** The aim of this piece is to explore the relationship between unconditional basic income (UBI) and predistribution. It will do so by proceeding in the following steps. Firstly, we offer a characterisation of predistribution. Secondly, we will explore the extent to which the disbursement of an unconditional basic income is aligned with the objectives of predistribution. This piece will then seek to dispel concerns with unconditional basic income that are based on an alleged disincentive to work and on the inflationary risks of the policy. Finally, the paper will argue that UBI is a superior redistributive policy to the State as Employer of Last Resort (SELR).

**Keywords:** Basic income; Distributive justice; Predistribution; State as employer of last resort.

### *PRÉ-DISTRIBUIÇÃO E RENDA BÁSICA CIDADÃ*

**Resumo:** *Este texto explora a relação entre Rendimento Básico Incondicional (RBI) e a ideia de pré-distribuição. Em primeiro lugar, caracterizamos pré-distribuição. Em segundo, discutimos até que ponto a instituição de um RBI está alinhada com a ideia de pré-distribuição. Com isso, discutimos e rejeitamos preocupações com o RBI baseadas numa alegada falta de incentivo do trabalho e em riscos inflacionários. Em terceiro e último lugar, o artigo sustenta que o RBI é uma política pré-distributiva superior à do Estado enquanto Empregador em Último Recurso (EUR).*

**Palavras-chave:** *Rendimento básico incondicional; Justiça distributiva; Pré-distribuição; Empregador em último recurso.*

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