Thirty years ago, in the aftermath of the major expansion of welfare state programs of the 1960s, there was a lively political debate in the United States over whether or not a negative income tax should be adopted as a centerpiece of a policies designed to alleviate poverty and reduce inequality. In the end the Family Assistance Program, as the proposal was known, was narrowly defeated in the U.S. Congress, and so the existing welfare mechanism of Aid to Families with Dependent Children remained intact.

In that debate of 30 years ago the issue was what sort of institution of redistribution would best serve broader social and economic goals, not whether the state should get out of the business of redistribution altogether. The intervening three decades witnessed a massive shift in the ideological coordinates of public policy discussion. By the early 1990s, defenders of traditional redistributive policies of the affirmative state were on the defensive and virtually no one in the public debate argued that income redistribution was a worthy political goal. Instead of a political ethos in which the basic well-being of all citizens was seen as part of a collective responsibility, the vision was one in which each person took full “personal responsibility” for their own well-being. The nearly universal call was to “end welfare as we know it”, replacing it with a vestigial welfare state that a most would provide a minimal safety net only for those people clearly incapable of taking care of themselves. Times were indeed bleak for progressives committed to an egalitarian conception of social justice.

Given this ideological climate, it might seem like an unpropitious time to propose radical strategies for reducing inequality through new programs of income and wealth redistribution. Redistribution is now broadly regarded as antithetical to economic efficiency and thus ultimately self-defeating; there is no vocal political coalition demanding new efforts at egalitarian redistribution; and talk of raising taxes and dramatically expanding the activities of the state are seen by most analysts as off the political agenda. The *Real Utopias Project*, which is sponsoring this conference, is based on the belief that it is important to engage in rigorous analysis of alternative visions of institutional change even when there seems to be little support for such ideas. To quote from the programmatic statement of the Real Utopias project:
[The real Utopia’s Project] is founded on the belief that what is pragmatically possible is not fixed independently of our imaginations, but is itself shaped by our visions. Self-fulfilling prophecies are powerful forces in history, and while it may be polyannish to say “where there is a will there is a way”, it is certainly true that without “will” many “ways” become impossible. Nurturing clear-sighted understandings of what it would take to create social institutions free of oppression is part of creating a political will for radical social changes to reduce oppression. A vital belief in a Utopian ideal may be necessary to motivate people to leave on the journey from the status quo in the first place, even though the likely actual destination may fall short of the utopian ideal. Yet, vague utopian fantasies may lead us astray, encouraging us to embark on trips that have no real destinations at all, or worse still, which lead us toward some unforeseen abyss. Along with “where there is a will there is a way”, the human struggle for emancipation confronts “the road to hell is paved with good intentions”. What we need, then, are “real utopias”: utopian ideals that are grounded in the real potentials of humanity, utopian destinations that have accessible waystations, utopian designs of institutions that can inform our practical tasks of muddling through in a world of imperfect conditions for social change. These are the goals of the Real Utopias Project.

In this spirit, the Rethinking Redistribution conference in the Real Utopias Project will examine two provocative proposals for radical redesigns of redistributive institutions: Universal Basic Income, as elaborated by Philippe van Parijs, and Stakeholder Grants, as elaborated by Bruce Ackerman and Anne Alstott. While both of these proposals contain a range of complex details, they are both based on very simple ideas:

**Basic Income.** All citizens are given a monthly stipend sufficiently high to provide them with a standard of living above the poverty line. This monthly income is universal rather than means-tested – it is given automatically to all citizens regardless of their individual economic circumstances. And it is unconditional – receiving the basic income does not depend upon performing any labor services or satisfying other conditions. In this way basic income is like publicly-financed universal health insurance: in a universal health care system, medical care is provided both to citizens who exercise and eat healthy diets and to those who do not. It is not a condition of getting medical care that one be “responsible” with respect to one’s health. Unconditional, universal basic income takes the same stance about basic needs: as a matter of basic rights, no one should live in poverty in an affluent society.

**Stakeholder Grants.** All citizens, upon reaching the age of early adulthood – say 21 – receive a substantial one-time lump-sum grant sufficiently large so that all young adults would be significant wealth holders. Ackerman and Alstott propose that this grant be in the vicinity of $80,000 and would be financed by an annual wealth tax of roughly 2%. In the absence of such grants, children of wealthy parents are able to get lump-sum stakes for education, housing, business start-ups, investments, and so on, whereas children of non-wealthy parents are not. This situation fundamentally violates values of equal opportunity. A system of stakeholder grants, they argue “expresses a fundamental social
responsibility: every American has an obligation to contribute to a fair starting point for all.”

In some ways, basic income and stakeholder grants are not completely different kinds of proposals. After all, if one invests a stakeholder grant in a relatively low-risk investment and waits a number of years, than it will generate a permanent stream of income equivalent to a basic income. Similarly, if continues to work for earnings in the labor market while receiving a basic income and one saves the basic income, after a number of years it will become the equivalent of a stakeholder grant. Nevertheless, they reflect quite distinct visions of what kind of system of redistribution would be morally and pragmatically optimal in developed market economies. Stakeholder grants emphasizes individual responsibility and what is sometimes called “starting gate equality of opportunity”. Individuals get a stake, and if they blow it on conspicuous consumption rather than long-term plans, then this is their responsibility. Basic income envisions a system of redistribution that permanently guarantees everyone freedom from poverty and a certain kind of lifetime equality of minimal opportunity: the opportunity to withdraw from the labor force to engage in non-remunerated activity.

There are, of course, many objections that can be raised against both of these proposals. Some of these objections are moral: basic income rewards people for being parasites; redistributions of wealth illegitimately takes assets away from people who have worked hard to build them up. Others are pragmatic: so many people would withdraw their labor from the labor market if there was a decent basic income that the economy would collapse; the rates of taxation required for basic income will undermine incentives; redistributions of wealth to create stakes will eliminate incentives to build up assets. The central goal of the Rethinking Redistribution conference is to clarify the arguments behind these two proposals, evaluate the cogency of the objections, and explore a range of other models of redistribution in light of these objections.

The Rethinking Redistribution Conference will open on Thursday evening, May 2, with an open public forum in which the two proposals will be presented and discussed by a panel of experts. This will be followed on Friday and Saturday with intensive discussions of 15 or so commentaries on the proposals that are being prepared by invited participants.

**Authors of Core proposals**

**Philippe Van Parijs** is professor of philosophy at Université Catholique de Louvain in Louvain-la-Neuve, Belgium. He has written numerous scholarly articles on basic income, linguistics, and other topics. He is the editor of *Arguing for Basic Income* (1992) and the author of *Real Freedom for All: What (if anything) can justify capitalism?* (1995).

**Bruce Ackerman** is Sterling Professor of Law and Political Science, Yale University. He is the author of twelve books and fifty scholarly articles. **Anne L. Alstott** is a professor of law at Yale University. She is the author of several scholarly articles on social welfare policy, tax policy, and feminism. Together they wrote *The Stakeholder Society* (1999).
Conference Organizer


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