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## Libertarian Perspectives on Basic Income

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### Introduction

How can libertarianism—which is thought to be hostile to any redistribution—support universal, unconditional cash transfers in the form of a Basic Income? Surprisingly, many vocal proponents of programmes similar to Basic Income—such as economist Milton Friedman, public intellectual Charles Murray, and eBay co-founder Pierre Omidiyar—are self-described libertarians. As this chapter demonstrates, these and other libertarian proponents are not deviating from libertarian thought: instead, they reflect the nuance and diversity of its theoretical foundations.

To that end, this chapter explores several justifications for a Basic Income grounded in libertarianism. By libertarianism, we mean a family of theories that emphasize the right of the individual to be free from coercion, a strong respect for private property rights and the free market, and a presumption that market distributions are just and should be disturbed only in limited circumstances. As in any family, however, different personalities emerge. At one end of the spectrum is ‘anarcho-capitalism’, proponents of which assert

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that there is no such thing as a just state and that voluntary associations can adequately protect one's life and property (Rothbard, 1982). Next come 'minimal state libertarians', who believe that only 'a minimal state, limited to the narrow functions of protection against force, theft, fraud, enforcement of contracts, and so on, is justified' (Nozick, 1974: ix). The more permissive members of the family include left-libertarianism and classical liberalism. The latter theory posits that a just government can legitimately provide a limited number of public goods and impose a minimal amount of rules and regulations, although it supports neither the broad swathe of activities in which most Western governments currently engage nor the large-scale redistributive programmes supported by many welfarists and egalitarians (Epstein, 2003; Mack & Gaus, 2004: 124–129). Left-libertarianism stems from the premise that natural resources (sometimes called simply 'land') fall under egalitarian ownership. Under this view, anyone who appropriates more than their fair share of natural resources owes compensation (in the form of redistribution) to others (George, 1879/1905; Steiner, 1994).

As in any philosophical domain, internal debate exists as to the precise boundaries and contours of the libertarian family tree. Some anarcho-capitalists assert that anarchy is the only arrangement consistent with libertarian principles. Other theorists accept a 'night watchman' state—that is, one purely concerned with physical security, property rights, and the enforcement of contracts—but insist that classical liberalism is distinct from libertarianism. Others believe that classical liberalism is properly considered a subset of libertarianism, or vice versa. This chapter sets that debate aside. What matters for our purposes is that there is a set of philosophical beliefs that are sufficiently distinct from traditional utilitarianism, socialism, and the liberal egalitarianism of John Rawls, Ronald Dworkin, and other resource egalitarians. Philosophies within this set share a number of views about property rights, coercion, and the role of government, even if some are more rigid than others. Moreover, many theorists with these beliefs call themselves 'libertarian', and are called such by others—even if the most strident seek to limit the term's use (Fleischer, 2015: 1361).

The twentieth-century resurgence of classical liberalism is sometimes referred to as 'neoliberalism'. As we will make clear in this chapter, some but not all thinkers associated with neoliberalism, such as Milton Friedman and Friedrich Hayek, were sympathetic to Basic Income or something similar. On the other hand, the term can also be used to describe post-Thatcherite 'Third Way' welfare policies that emphasize stringent welfare conditionality, workfare schemes, and cuts in social spending (Harvey, 2005). As such, the term 'neoliberal' can encompass contradictory types of welfare policy, which

makes it conceptually vague. It is also mostly used as a term of reproach, and almost nobody self-identifies as a neoliberal. It is therefore more accurate to speak of libertarianism.

We argue that each variant of libertarianism justifies, but does not mandate, redistribution, although for differing reasons and at different levels. (Because anarcho-capitalism maintains that no state at all is justified, let alone one that potentially engages in redistribution, we set that theory aside.) Because this conclusion runs counter to most readers' impressions of libertarianism, this chapter focuses on making the libertarian case for redistribution.

We further show that once one accepts the case for redistribution, providing such redistribution through unrestricted, unconditional cash transfers best reflects core libertarian principles. Although the arguments may differ somewhat depending on the variant of libertarianism in question, two commonalities emerge. First, many of them share the intuition that in contrast to in-kind or restricted transfers, unrestricted cash transfers further individual autonomy by recognizing that individuals—even poor ones—are better judges of their needs than the government. Moreover, since libertarians are sceptical of the abilities of the government to exercise wise discretion, decoupling redistributive transfers from work requirements acknowledges the inability of the government to distinguish the deserving from the undeserving in a principled way.

Before turning to these arguments, an additional caveat about terminology. Authors in the libertarian tradition tend to view the difference between a Basic Income and a Negative Income Tax as less significant than other theorists in the Basic Income debate. Chapter 15 discusses the differences and similarities between these two mechanisms in more detail than we do here, as does Van Parijs and Vanderborght (2017: 32–40). Quite briefly, however, both a Basic Income and a Negative Income Tax can deliver the same relationship between earned income and net income, and neither is work-tested. The difference is in administration. A Negative Income Tax is explicitly income-tested with varying gross amounts being delivered to the recipient. In contrast, a Basic Income is a uniform gross amount that does not explicitly vary from recipient to recipient (although libertarians believe that any increased income taxes necessary to pay for a Basic Income mean that it implicitly varies). Another potential difference is that Negative Income Tax proponents seem more willing to accept a household-based benefit instead of an individual-based one. That said, many discussions of an ideal Negative Income Tax would deliver it to individuals, and there have been proposals to pay household-based quasi-Basic Incomes (Brittan & Webb, 1990).

The chapter proceeds as follows. The first part begins with the minimal state libertarianism of John Locke and Robert Nozick, which is what most readers likely associate with the term ‘libertarianism’. The second part explores various classical liberal theories, and the third part left-libertarianism. We conclude with a few observations about the path forward. Given this chapter’s necessary brevity, readers might wish to consult Fleischer and Hemel (2017) and Lehto (2022) for longer explorations of these topics.

## Minimal State Libertarianism

Consider first minimal state libertarianism, which proceeds from a Kantian ‘deontological’ emphasis on the separateness of persons, combined with John Locke’s theory of natural property rights. Locke (1690) argues that (1) natural resources are unowned in the state of nature, and (2) individuals have property rights to their own person and labour. He thus concludes that if an individual mixes her labour with a previously unowned resource, she acquires ownership rights in it—subject to certain conditions. For our purposes, the most important of these conditions is that ‘enough, and as good’ should be left for others (this is known as the Lockean Proviso) (Locke, 1690: 19–21). If an appropriation meets these conditions, then nobody else has a claim on such resources. Self-ownership also implies that an individual is not required to contribute her labour for the benefit of others. Together, these conclusions suggest that redistributive taxation violates property rights.

Robert Nozick echoed these arguments almost three hundred years later, when he crafted his ‘entitlement theory’ to rebut popular utilitarian and egalitarian calls for redistribution. Nozick emphasized the separateness of persons, writing that

[t]here are only individual people, different individual people, with their own individual lives. Using one of these people for the benefit of others, uses him and benefits the other . . . . To use a person this way does not sufficiently respect and take account of the fact that he is a separate person, that his is the only life he has. (Nozick, 1974: 33)

Nozick (1974: 169) thus infers that forcing one individual to work for another’s benefit violates the separateness of persons: and that is exactly what redistributive taxation does in his view, rendering it illegitimate. Given these baseline principles, how can minimal state libertarianism support any redistribution that is funded by compulsory taxation? This section explores three answers to that question, one grounded in the separateness of persons, and

two in the Lockean Proviso. Before turning to these arguments, we acknowledge that although some theorists working in the traditions that we explore (such as Mack) accept some level of redistribution as legitimate, others think that the state's role is purely to enforce contracts and provide protection of life and property. Although we believe that minimal state libertarians should embrace the following arguments, not all do.

## The Separateness of Persons

Philosopher Eric Mack (2006) provides our first answer, springboarding off the classic 'freezing hiker' hypothetical. Imagine a hiker who, through no fault of her own, encounters unpredicted and fatally cold conditions. She happens upon a locked but unoccupied cabin: if she enters, its shelter, fire, and blankets will save her life. An absolutist conception of property rights holds that she must honour the cabin owner's property rights, even at the cost of her own life. Mack counters that 'no plausible moral theory' would require the faultless hiker to sacrifice her life in this manner (Mack, 2006: 119). To insist otherwise, according to Mack, would be to deny the essential premise of Nozick's argument: that each individual is a separate person, that hers is the only life that she has, and that she cannot be forced to relinquish that life for others. The freezing hiker cannot be compelled to sacrifice her life—her only life—solely because of an absolutist conception of property rights.

Next imagine a homeless person who trespasses in a garage for shelter, or steals food from a backyard garden to survive. The same reasoning applies here: a moral theory based upon the separateness of persons must allow individuals, who find themselves in dire circumstances through no fault of their own, to engage in self-protection (Mack, 2006: 112). The social order would quickly become chaotic, however, if intrusions on private property based on ad hoc determinations of need were allowed. Some way of preventing faultless individuals from finding themselves in such dire circumstances that such intrusions are justifiable is therefore needed. Enter a minimal safety net. A guaranteed minimum income removes the conditions under which others can legitimately violate property owners' rights, thus rendering such rights absolute (Mack, 2006: 140–141).

Mack (2006: 122, 140) limits the foregoing in two key respects. First, the state should assist only those individuals who are not at fault for their plight, to ensure that the intrusion truly is necessary to protect the lives and limbs of others. In theory, then, Mack's safety net would be provided

only for those willing but unable to work. On that point, several theorists have recently refined Mack's point in light of libertarianism's antipathy to government intrusiveness and scepticism about government competence (Fleischer & Hemel, 2017: 1239–1241; Zwolinski, 2015: 525–526). Trying to distinguish who can work from who cannot is incredibly intrusive and error-prone. Work capability is often not readily observable, and the notion itself is often subjective. Many individuals, such as those suffering from depression and difficult-to-diagnose cases of chronic pain, will be classified as able to work. In contrast, many individuals with the wherewithal to convince a government administrator that they are incapable of work might be among those who are actually the most capable of work. Due to these errors, a safety net that required evidence of deservingness would still leave some individuals in dire straits, thereby justifying their intrusion on others' property rights. To fully remove such a justification, the safety net should therefore not be conditioned on inability to work. Second, any aid should be extremely basic—enough for 'food, shelter, and basic medical care', but nothing more (Mack, 2006: 140). This justifies only a sufficientarian Basic Income, one that is likely smaller than one mandated by non-libertarian philosophies.

Although this theory does not directly address the form of such aid, two points suggest unrestricted cash transfers best reflect these principles. Firstly, such transfers recognize the dignity and autonomy of beneficiaries. In contrast, restricted or in-kind transfers are paternalistic, which diminishes beneficiaries' value as separate persons. Secondly, unrestricted cash transfers are likely to be more efficient from the government's perspective. This means that more aid can be provided at a lower cost, thereby minimizing the intrusion on property owners' rights in the form of taxation. For more on these points, see Fleischer and Zwolinski (2023).

## Satisfying the Lockean Proviso

The Lockean Proviso described above provides a second argument for redistribution in the minimal state (Fleischer & Hemel, 2017: 1212–1217; Zwolinski, 2015). Recall that individuals who mix their labour with unowned natural resources justly acquire property rights in those resources only if 'enough, and as good' is left for others. Given the scarcity of natural resources, theorists do not interpret the proviso literally, for it would be impossible to satisfy. If A appropriates beachfront property, B loses access to that area of the beach. And while B and C might claim adjoining lots, such lots will eventually disappear, and X, Y, and Z will be out of luck.

The proviso is thus generally interpreted as meaning that the appropriation must not leave others ‘worse-off’ in terms of welfare. Under this view, the proviso is satisfied if the appropriation generates positive externalities that equal or exceed the value of the appropriated resource. For example, A’s appropriation of beachfront property would comply with the proviso if she plants a coconut grove and builds a coconut water factory on her property, providing jobs to X, Y, and Z which render them no worse-off than when they had access to the beach itself (Kymlicka, 2002: 115–117). Supporters of strong property rights argue that private appropriation almost always meets the proviso, since it encourages owners to add value to natural resources. A is more likely to plant a coconut grove if she knows she can reap its bounty without free-riders harvesting coconuts for themselves (Schmidtz, 1990: 507–509).

However, the fact that private property rights might create positive externalities does not guarantee that nobody will be made worse-off on an individual level. Philosopher Matt Zwolinski continues:

But that doesn’t mean that we should ignore the fact that the tide is rising and that property rights are an important part of the cause. If rights of private property fail to make everyone sufficiently better off to satisfy the Lockean proviso, this doesn’t mean that we should throw out such rights altogether. We just need to make sure that something is done to help those whom the general tide of prosperity has left behind. This is the role of a government-financed safety net in libertarian theory. (Zwolinski, 2015: 521, 523)

In this manner, the Lockean Proviso is likely to require some type of state aid to those rendered worse-off by our system of private property. In theory, this justification mandates some type of showing of deservingness. If X chooses not to trade her labour for some of A’s coconuts, then she cannot plausibly claim to be made worse-off than in the state of nature. As we have argued, libertarian scepticism of government intrusiveness and capacity renders seeking evidence of deservingness unworkable in practice. Further, we believe that the same arguments for providing aid in the form of unrestricted cash rather than in-kind or restricted transfers that we outline above apply here as well. A Basic Income thus best satisfies the Lockean Proviso.

## Rectification

Nozick’s entitlement theory—which layers the separateness of persons onto Lockean theory—provides the third argument for redistribution in a minimal state. This theory has three components. The first, ‘justice in acquisition’,

holds that if an initial acquisition is just (based on Lockean principles), then the owner can do whatever she likes with the property. The second, 'justice in transfer', holds that if justly acquired property is voluntarily transferred, then the resulting distribution is necessarily just and cannot be interfered with. The third principle, 'rectification', arises when one of the first two principles is violated. If either an initial acquisition of property or a later transfer is unjust, then compensation is due to whoever was harmed. Rectification thus justifies redistributive taxation for this limited purpose (Nozick, 1974: 150–153, 174–182).

In theory, rectification requires redistributing resources from the beneficiaries of past injustices (or their descendants) to the victims of such injustices (or their descendants). Implementing this ideal, however, is a daunting task (Fleischer, 2015: 1365–1372). First, we lack sufficient information about all but the most obvious past injustices (such as slavery), and, even then, it is unclear exactly who owes rectification to whom. Do all white Americans owe rectification to all African-Americans and Native Americans? Do all descendants of slave owners owe rectification to all descendants of slaves? What about others who have been the victims of past state injustice, such as Jewish and Irish Americans? Secondly, how much rectification is due to the victims? Nozick (1974: 152–153) suggests that we should recreate the pattern of holdings that would have evolved 'if the injustice had not taken place', although he admits that doing so would require multiple estimates and assumptions.

Unfortunately, Nozick's discussion of these issues is sparse. He does, however, suggest that a modestly redistributive tax system based on Rawls's difference principle might serve as a rough means of rectification (Nozick, 1974: 231–232). He suggests that if 'those from the least well-off group in the society have the highest probabilities of being the (descendants of) victims of the most serious injustice who are owed compensation by those who benefitted from the injustices', and the beneficiaries of past injustices are 'assumed to be better off', then redistribution from the better-off to the worse-off might be a rough way of implementing rectification (Nozick, 1974: 231–232).

Although this argument makes the case for redistribution, it does not in and of itself mandate that such redistribution be in the form of a Basic Income. A Basic Income best implements rectification for two reasons, however. Firstly, note that Nozick's rough formulation does not acknowledge that some disadvantaged individuals might not be victims of past injustices, but might instead be responsible for their plight. In our view, this is not fatal to implementing rectification through a Basic Income. Just as the state's



inability to determine work ability counsels in favour of eschewing determinations of deservingness, so too does the state's inability to determine who is poor due to past injustice. Secondly, Nozick does not address the form of such redistribution. As with the other arguments grounded in minimal state libertarianism, we believe that a Basic Income is most consistent with other aspects of Nozickian thought. It best respects the autonomy and dignity of beneficiaries, and its efficiency minimizes the coercive taxation that must be imposed to effectuate the appropriate amount of redistribution. Lastly, Nozick acknowledges that determining the amount of rectification is difficult and imprecise. Although our prior two arguments justified only a sufficientarian safety net, it might well be the case that rectification mandates a larger Basic Income. What is key, however, is that uncertainty about how much redistribution is required by rectification does not undermine the argument that rectification requires some redistribution.

## Classical Liberalism

In contrast to minimal state libertarianism, classical liberalism theorizes that a just government can provide activities beyond a night watchman state, such as producing public goods, reducing negative externalities, and prohibiting monopolies. As legal theorist Richard Epstein explains:

The stripped-down libertarian theories ... preclude ... the use of taxation, condemnation, and the state provision of infrastructure. These practices were part and parcel of government action long before the rise of the modern welfare state. Figuring out why these institutions are needed and how they should be designed and funded requires a major correction to the starker versions of libertarian theory, which is what the classical liberal approach seeks to supply. (Epstein, 2003: 7)

John Tomasi explains the difference in terms of distributive justice:

Strict libertarianism is biologically averse to such ideals [of distributive justice]. But classical liberalism, with its longer and more explicit history of concern for the working poor, is congenitally open-minded about distributive questions. (Tomasi, 2012: 167)

Although deontological theories motivate minimal state libertarianism, the theoretical underpinnings of classical liberalism are more complicated.

Many theorists, including Epstein, Friedman, and Hayek, blend consequentialist arguments that focus on the benefits of free markets and strong private property rights with deontological arguments about coercion and autonomy (Epstein, 2003: 2–5; Friedman, 1962; Hayek, 1960). Others, such as Gaus, Lomasky, and Buchanan (and Epstein here as well), use contractarian reasoning. In their view, the coercion that arises from establishing a state is acceptable only if that coercion is justifiable to all citizens. Actual consent is unnecessary, but society must be ordered such that all individuals would consent. This section first explores contractarian arguments for a Basic Income and then turns to consequentialist ones.

## Contractarian Theories

Contractarian arguments for a limited, classical liberal state appear in both the legal and the philosophical literature (Fleischer & Hemel, 2017: 1228–1231). Philosopher Gerald Gaus starts from the foundation that a just society treats individuals as both free and equal. Because of individuals' status as free and equal, any coercion must be justified. Given that free and equal individuals will differ in how much coercion they are willing to accept, a just society is one which each concludes is better than none: '[i]f the system of [strong] property rights is to be publicly justified, it must be the case that everyone has reason to accept it and no one has reason to reject it'. Yet 'some people inevitably are left out of the general abundance of modern economies', and Gaus argues that they have no reason to consent to such a system. A minimal safety net, however, gives them an incentive to accept a social system with strong property rights (Gaus, 1999: 188–191). Loren Lomasky, who views individuals as simultaneously pursuers of their own individual projects and as social creatures, echoes this argument. He reasons that individuals lacking basic necessities, and therefore the ability to pursue their projects, might 'lack sufficient reason to acknowledge [the] duty of noninterference' called for by strong property rights. Again, a safety net facilitates the necessary buy-in (Lomasky, 2016: 176–177). We note that like the Mackian and Lockean arguments outlined above, this supports only a sufficientarian Basic Income.

Legal scholar Richard Epstein similarly conceptualizes the classical liberal state as '[a] network of forced hypothetical exchanges' in which each person is 'required to surrender his right to use force in exchange for the like promise of every other individual to so refrain'. Epstein argues that these hypothetical exchanges are 'Pareto-superior move[s]' that leave each person at least as well-off—and some individuals better-off—than they would be in the state of nature. He concludes that '[i]n principle, no person can object to [a]

world in which the use of sovereign power leaves him better off than he was with his natural endowments' (Epstein, 1986: 53). Although Epstein himself does not extend this argument to justify a minimal safety net, others have reasoned as follows: Given what we know of human nature from scenarios such as the Ultimatum Game (Güth et al., 1982), it is entirely plausible that some individuals would reject a scenario (here, a system of strong private property rights) that leaves them better-off if they perceive that the division of the surplus is unfair. Again, we see that some redistribution might be necessary so that individuals who gain less than others will accept the hypothetical exchange that leads to private property rights, although it is unclear how much redistribution might be insisted upon (Fleischer & Hemel, 2017: 1229–1231). This foundation for a Basic Income, therefore, might well justify one that is more generous than a sufficientarian Basic Income.

Following contractarian reasoning, James Buchanan has likewise suggested that free and equal citizens might hypothetically agree to a fiscal constitution that includes, as one of its components, a rigidly rule-bound Basic Income (the 'Demogrant'). Fixing Basic Income behind day-to-day politics, combining it with a flat tax, and constraining the fiscal state with a balanced budget requirement could theoretically constrain welfare rent-seeking and promote general welfare (Brennan & Buchanan, 1985; Buchanan & Congleton, 1998; Lehto & Meadowcroft, 2021).

## Consequentialist Theories

A second justification for a classical liberal state stems from consequentialist political theories. Starting from Scottish Enlightenment thinkers such as David Hume and Adam Smith, many classical liberals have argued that individual liberty, strong private property rights, and checks on excessive government power increase public welfare and produce desirable social consequences (Hume, 1777; Smith, 1776/2007). Such consequentialists assess institutions such as the welfare state and the marketplace in terms of how well they provide for the maximum flourishing of individuals. These arguments thus evaluate alternative policy suggestions based on their consequences alone (for instance, on individual freedom, moral virtue, or human flourishing). A particularly influential subcategory of consequentialism is utilitarianism, which focuses solely on maximizing individual and social welfare ('utility') (Bentham, 1789). Not all consequentialists are utilitarians, but all utilitarians are consequentialists.

In the comparative assessment of public institutions, utilitarianism gives priority to social welfare (or happiness, or pleasure), and freedom itself has

value only when, and if, it increases social welfare (or happiness, or pleasure). As soon as one evaluates private property rights from the utilitarian perspective, there is no intrinsic reason why private property owners should be entitled to the full ownership of their labour, except to the extent that such private ownership is beneficial to the development of long-term welfare outcomes, including the welfare outcomes of the least well-off members of the society.

Utilitarianism takes the needs of the poor into full account when calculating socially optimal outcomes. However, unlike some other theories of justice, it does not automatically give preferential treatment to their needs. Everybody's preferences are given equal weight. However, the diminishing marginal utility of income means that extra money to the poor tends to be money well spent. Even so, the libertarian interpretation of utilitarianism justifies only a flat minimum income instead of income equality, on the grounds that a system that allows the talented to thrive increases the welfare of the poor by generating jobs, innovations, and opportunities for everybody.

The government thus has a duty to alleviate easily preventable suffering through judicious government action while tolerating those inequalities that increase net welfare. The difficulty is that government interventions into the market can obviously have a spectrum of welfare consequences from the very good to the very bad. Consequentialists tend to approach the government provision of public services and redistributive programmes pragmatically, carefully measuring their costs and benefits. However, classical liberals tend to be rule-consequentialists who emphasize the importance of stable rules over interventionist policymaking. In the long run, the stable liberal institutions of private property, free markets, and a limited government are seen as the best public policy solution to maximizing social welfare even if, in the short run, they do not guarantee optimal results for each individual. As Hume emphasized:

Public utility requires that property should be regulated by general inflexible rules; and though such rules are adopted as best serve the same end of public utility, it is impossible for them to prevent all particular hardships, or make beneficial consequences result from every individual case. (Hume, 1777: §257)

Regrettable short-term welfare losses are an unavoidable cost of sticking to principles, but this does not mean that the 'general inflexible rules' cannot be refined to provide for the poor in a systematic way.

F. A. Hayek has used such 'Humean' argumentation in his discussion of the rule of law that applied to the various institutions of the classical liberal

political economy, including limited redistributive mechanisms: ‘[I]n whatever manner the government restrains (or assists) the action of one, so it must, under the same *abstract rules*, restrain (or assist) the actions of all others’ (Hayek, 1982: 142, emphasis added). This leads to a preference for a welfare system that provides for all citizens ‘the assurance of a certain flat minimum income if things go wholly wrong’ (Hayek, 1982: 143). A Hayekian Basic Income, in effect, implements Hume’s insistence on ‘general inflexible rules’, although Hume himself never addressed a Basic Income (Hume, 1777: §257).

We can thus see that consequentialists, from Hume to Hayek, are often willing to countenance government interventions that violate the strict libertarian priority of individual freedom if they maximize public welfare. As a result, despite the presumption in favour of individual freedom and against government intervention, some consequentialists are likely to accept Basic Income-style proposals as a matter of first principles (Lehto, 2018).

Other consequentialists omit any discussion of first principles, such as the neoclassical economists George Stigler (1946: 358–365) and Milton Friedman (1962). They justify a Basic Income, and particularly a Negative Income Tax, as a pragmatic second-best reform that can alleviate the problems of existing redistribution. According to their arguments, as long as there exists a desire for income redistribution, Basic Income or Negative Income Tax is the most efficient method of implementing that redistribution. Friedman lists numerous ways in which such a system could increase the efficiency of the welfare state:

The advantages of this arrangement are clear. It is directed specifically at the problem of poverty. It gives help in the form most useful to the individual, namely, cash. It is general and could be substituted for the host of special measures now in effect. It makes explicit the cost borne by society. It operates outside the market. (Friedman, 1962: 158)

Charles Murray’s influential libertarian argument for Basic Income is essentially Friedmanite: ‘Only a government can spend money so ineffectually. The solution is to give the money to the people’ (Murray, 2016: 1).

The consequentialist libertarian arguments for Basic Income that Friedman and Hayek pioneered have been expanded upon by contemporary classical liberal scholars, such as Matt Zwolinski (2013), John Tomasi (2012), Michael Munger (2018), and Kevin Vallier (2021). These scholars, who sometimes call themselves ‘Bleeding-Heart Libertarians’, tend to reject the bureaucratic ‘welfare state of administration’ in favour of the Hayekian ‘welfare state of law’ (Vallier, 2021: 203). In a similar vein, Lehto (2021, 2022) has made a

neo-Hayekian case for a rule-bound Basic Income as an ‘evolutionary’ tool of decentralized problem-solving, adaptation, and ‘permissionless innovation’. These scholars see Basic Income as one possible implementation of a rule-of-law based welfare state. This line of thought suggests that sustainable welfare policy should take the long-term view without succumbing to short-term, micro-managerial temptations to superintend people’s private affairs. The neo-Hayekian paradigm suggests general scepticism towards more expansive and intrusive redistributive schemes but remains open to Basic Income.

## Left-Libertarianism

Left-libertarians and Georgists (also known as ‘geolibertarians’) combine a defence of robust self-ownership (which they share with minimal state libertarians) with a defence of the egalitarian ownership of natural resources (which they share with left-wing Lockean and Painean traditions). The best sources for understanding left-libertarianism are two anthologies—one historical and the other contemporary—both published in 2000 and edited by Peter Vallentyne and Hillel Steiner (Vallentyne & Steiner, 2000a, 2000b).

### The Land Question: Henry George

Henry George, the author of the influential book *Progress and Poverty* (George, 1879/1905), was arguably the first left-libertarian. He is revered by some socialists, but he was a nineteenth-century classical liberal who believed in free trade and the doctrine that self-owning individuals should be entitled to the fruits of their labour: ‘Well may [the community] let the laborer have the full reward of his labor, and the capitalist the full return of his capital’ (George, 1879/1905: 436). However, George argued that self-ownership, which is the foundation of the libertarian argument against income and capital taxation, did not imply an absolute right to the appropriation of land (by which he meant the totality of nature’s creations, including land, water, air, minerals, precious metals, and so on). Similar to the left-wing interpretation of Locke’s and Paine’s theories of property, George thought that the earth belonged to the whole community of equals, or humankind (George, 1879/1905: 333–346). George was also strongly influenced by the early works of the libertarian philosopher Herbert Spencer (Spencer, 1851).

The Georgist position is essentially that if society allows for the appropriation of external resources into private property, then it must ensure that those who are not land owners—that is, the propertyless—are compensated

for their unequal exclusion from the land. George's concrete policy proposal was to abolish all taxes on labour and capital and to institute a one hundred per cent Land Value Tax (LVT) (Chapter 12). Unlike Paine, who proposed unconditional payments to every member of the society, George did not explicitly tie his policy to a social dividend model: he only specified that the proceeds of the LVT should 'go to the community as a whole, to be distributed in public benefits to all its members. In this all would share equally—the weak with the strong, young children and decrepit old men, the maimed, the halt, and the blind, as well as the vigorous' (George, 1879/1905: 441).

George (1879/1905: 454–457) argued that the revenues of the tax could be used for funding various ordinary government expenses, including the police, the courts, and public infrastructure. In a later interview he suggested that the redistributive side of his programme could be implemented according to the Paine proposal, as a 'payment of a fixed sum to every citizen when he came to a certain age' (George, 1885: 6). However, his 'theory does not require that it should be disbursed [in any particular way], but simply that it should be used for public benefit' (George, 1885: 7). However, some neo-Georgists, especially Hillel Steiner, have argued more forcefully that Basic Income might be the best way to distribute the money collected from LVT.

### Left-Libertarianism: Hillel Steiner

Hillel Steiner's left-libertarian theory of justice, like that of Henry George, falls into the tradition of 'classical laissez-faire liberalism of the natural rights kind' (Steiner, 1994: 282). This theory shares the 'self-ownership' thesis of right-libertarians such as Robert Nozick (1974). In Steiner's own words,

like right libertarians, left libertarians are not enamoured of the welfare state and its system of conditional benefits. Nor do they harbour much affection for extensive state regulation of the economy, which they see as being more efficiently and justly run through the market mechanism. (Steiner, 2016: 296)

But it differs from Nozick's theory in that it incorporates Painean and Georgist views on private property. Given that assumption of initial common ownership of resources, Steiner openly advocates for a Basic Income as the best way to redistribute land and natural resources to all people equally (Steiner, 2017). For Steiner (2016), Basic Income funded through LVT functions as practical 'compensation for liberty lost'. This differs from George, who was more ambivalent about what to do with the collectivized rents, and

who only occasionally hinted at the possibility of a Basic Income distributed as a national dividend.

Importantly, a Georgist or Steinerian Basic Income can only be just if it is funded through a LVT. According to both George and Steiner, taxes on labour income or capital income are unjust—indeed, akin to thievery. As a strict consequence of this fact, Georgist or Steinerian left-libertarian theories do not justify a Friedmanite Negative Income Tax scheme, or any other income-tax-funded Basic Income scheme. This excludes most common Basic Income proposals today.

Not all left-libertarians support Basic Income. Steiner's co-author, Peter Vallentyne, is more ambivalent about the justice of Basic Income (Vallentyne, 2011: 1–11). He argues that, at best, a Basic Income is a very rough tool of justice, since, without proper discretionary standards, 'some people will get less than that to which they are entitled' (Vallentyne, 2011: 10). For that reason, he thinks that 'justice would be better served by excluding those who have assets above some specified level and who do not have a medically certified, costly disability' (Vallentyne, 2011: 10). He thus prefers a more conditional distributive scheme.

## Varieties of Left-Libertarianism

There are two other pro-Basic Income theorists who can be classified as left-libertarian, or at least adjacent to left-libertarian, and whose role in the Basic Income debate is very important: Philippe Van Parijs (1995) and Karl Widerquist (2013). We will not attempt a thorough explanation of their theories here. We only wish to explore to what extent their theories fall within the broad spectrum of libertarianism.

Philippe Van Parijs (1995) calls his theory 'real-libertarianism' (or 'real freedom for all'), partially to distinguish himself from right-libertarian theories, and partially to signal his allegiance to the classical liberal tradition, which shares many similarities with the liberal egalitarianism of Dworkin (1981: 283–345), Cohen (1995, 2011), and especially Rawls (Rawls, 1971; Van Parijs, 1995: 90). He goes beyond Georgist left-libertarians in arguing for what Karl Widerquist rightly calls 'an extremely activist welfare state' (Widerquist, 2008: 4). Yet he also swears by 'self-ownership' as a core tenet of his theory, although only as one of its three core tenets (Van Parijs, 1995: 25). And at the heart of it all is a theory of freedom as the possession of 'the means, not just the right to do what one wants to do' (Van Parijs, 1995: 32–33). It thus qualifies as a full-fledged libertarian theory.



Karl Widerquist has an equally interesting relationship to the libertarian tradition. He calls his theory ‘Independantarianism’, according to which freedom should be conceived as ‘the power to say no’, which means the capacity to be independent of the coercive demands of others. Nobody, he claims, should be forced ‘to do the bidding of others’ or ‘forced to work for someone who controls access to resources’ (Widerquist, 2013: 26). He calls his theory of freedom ‘status freedom as effective control self-ownership (ECSO)’ (Widerquist, 2013: 25–50). Unlike left-libertarianism, in which the justified level of Basic Income is determined by the (unpredictable) tax yield of LVT, independantarianism is a sufficientarian theory: ‘[t]he freedom people can derive from resources is not the ability to get an equal share of stuff but the ability to meet their needs and secure their independence’ (Widerquist, 2013: 141). This qualifies as a quasi-libertarian theory, albeit one that is quite different from both Steiner’s and Van Parijs’s.

## Conclusion

This chapter has argued that several theoretical interpretations of libertarianism mandate, or at least allow for, some (often limited) redistribution, and that using unconditional, unrestricted cash transfers to implement that redistribution best reflects libertarian ideals.

The above arguments all share an emphasis on the value of liberty. However, freedom-based arguments are invoked by people across the political spectrum. It is not uncommon to hear a socialist, a conservative, and a liberal argue in unison that people should be given more freedom. However, the superficial unity can break down upon deeper reflection. For this reason, it is useful to separate comprehensive libertarianism, per se, from the libertarian arguments used by non-libertarians. Libertarians (and classical liberals) pursue freedom as the highest (political) value, and not merely as one corner of the multidimensional package of Basic Income. This does not mean that freedom is the only value for libertarians, but it does mean that it trumps other considerations.

Strategic alliances can be powerful, deep, and necessary. But at the end of the day, when it comes to implementing an ideal Basic Income scheme, the committed libertarian will diverge from the committed socialist on several key questions. Designing a Basic Income in accordance with libertarian principles requires addressing a number of further implementation details (Fleischer & Hemel, 2020; Widerquist, 2013: 1252–1266). Although resolving such questions is beyond the scope of this chapter, we hope that

the fuller understanding of the foundations justifying a Basic Income that we have provided will enable advocates and policymakers to think through what is required.

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