

THE ADMINISTRATION OF UNIVERSAL GRANTS

Reconsidering Implementation in Universal Welfare Reform

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This paper contributes to the literature on welfare reform by looking at the unfairly-neglected administrative dimension to universal grant policies. Starting from the insight that the universal grant design is a classic ‘polycentric’ problem, we argue that an application of the relevant normative principles is not sufficient to determine the shape or form a universal grant ought to take. Furthermore, acknowledging the polycentricity of universal grant design, together with an appreciation of the limits of administration implies, in our view, that by taking a ‘principles first, implementation second’ attitude, the debate over universalism has taken a wrong turn. To redress this, we demonstrate the real administrative challenges that any universal grant must meet in order to make it ‘off the drawing board’, and show how an appreciation of the ‘administrative factor’ can move the debate over universal grant schemes forward.

1. INTRODUCTION

From its early inception, the Beveridge-style welfare state comprised a mixture of universal and selective programs (Titmuss, 1963). In spite of continuous efforts to curb welfare programs in response to the increasing financial austerity of the 80s and 90s (Block et al, 1987; Pierson, 1994; 2001), the past decades have also witnessed a barrage of proposals geared at radically reforming welfare-as-we-know-it by *expanding* universal welfare. While there are important regional differences, proposals for universal welfare reform continue to make persistent forays into the political and policy agenda in the US, Europe and more

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recently in a number of developing countries. In the US, arguments in favour of universalism made some headway in the 1960s and 1970s with discussions on introducing a Guaranteed Income or a Negative Income Tax (Moynihan, 1973; Friedman, 1962), and currently feature prominently in the proposal by Yale scholars Bruce Ackerman and Anne Alstott to endow US citizen with a \$80,000 one-off citizen's stake upon reaching maturity (Ackerman & Alstott, 1999, 2004; Ackerman 2003).¹ In contrast with the US, where the recent revival of universalism seems predominantly limited to academic discussion, the universal grant proposals — better known as 'Basic Income' or 'Citizen's Income' — have made some modest ventures into the political arena of various European states.² Although in many cases the reception of radical universalism has been hesitant at best, universal welfare remains a recurrent and powerful ideal in the European debate on welfare reform. Finally, perhaps one of the more surprising developments has been the appeal of universal welfare in developing countries, most notably in South-Africa and Brasil, where universal welfare reform has become a crucial part of the toolkit for more widespread social and economic reform (cf. Van Parijs, 2004, for discussion and references).

Although the principle of universalism remains heavily contested, the debate itself seems to have 'matured': broadly universal welfare policies are considered by most analysts as serious contenders for the next stage in the reform of the modern welfare state (cf. Van Parijs, 2004). In light of the growing interest in basic income, stakeholder grants and related universal policies, it is somewhat surprising that the debate so far has focussed quite narrowly on the normative desirability and (more recently) the economic and political feasibility of universal grant schemes. With one or two notable exceptions, administrative concerns related to the design and implementation of different schemes have been largely ignored. The purpose of this paper is to explore the role of administration in universal welfare, and to argue explicitly that what Bernard Schaffer (1973) has termed the 'administrative factor' ought to take a more central position in debates about the design of universal grant schemes.

Our argument starts from the observation that designing a universal grant scheme is a classic 'polycentric' problem (Fuller, 1978). The assertion that a welfare or social support scheme is genuinely polycentric is best illustrated by pointing to the interrelationship between

¹ In addition to asset-building strategies such as stakeholder grants, NIT proposals remain one of the favourite universalist strategies in the US (Block 2001; Block & Manza, 1997)

² Examples include the endorsement of an unconditional partial basic income in a government advisory report in 1985 in the Netherlands (Groot & Van der Veen, 2000), the founding of a 'basic income' political party, VIVANT, in 1997 in Belgium (Vanderborght, 2000), the presentation of a Green Paper on Basic Income in October 2002 in Ireland and finally the proposal to institute a modest stakeholder grant in the form of a 'Baby Bond' in the UK (HM Treasury, 2001).

three distinct, but overlapping administrative dimensions that must be addressed in a scheme's design — namely, the drafting of standards conferring entitlement on beneficiaries, the identification of beneficiaries who qualify under those standards to receive a grant, and the channelling of payments to those identified as proper beneficiaries. One consequence of polycentricity, we argue, is that the problem of designing such a scheme is not amenable to resolution through arguments of principle, which in turn clears the way for arguments about '*administerability*' to enter into debates about the feasibility and desirability of universal grants. Contrary to the conventional wisdom amongst the proponents of universal grants, we argue that universal schemes are not exempt from the dilemmas of administrative design and implementation which plague more selective approaches to welfare policy. The remainder of the paper illustrates the various ways in which a concern with the administerability of a scheme affects the specific design of universal support mechanisms.³

2. THE DESIGN OF UNIVERSAL WELFARE SCHEMES AS A POLYCENTRIC PROBLEM

The starting point of the present analysis is that universal welfare in its various guises constitutes what legal theorist Lon Fuller (1978) describes as a '*polycentric*' problem.⁴ Fuller does not define polycentricity as such, but deploys a number of illustrations including that of a judge having to decide how to equally divide an estate of famous paintings amongst two beneficiaries. The problem the judge faces is that 'the disposition of any single painting has implications for the proper disposition of every other painting', and consequently the application of the relevant principle— i.e. that there must be an equal division— cannot fully accommodate the 'complex repercussions' resulting from changes at any given point (Fuller,

³ A terminological note: Throughout this paper we employ what might be called the 'expansive' notion of universal grants, aimed at capturing a broad family of welfare policies that are united in their emphasis on being maximally inclusive by restricting selectivity where possible. This definition includes policies such as Philippe Van Parijs's (1995; 2004) proposal for an Unconditional Basic Income, arguably the best-known form of universal grant, but also a number of policies that are remarkably similar yet differ sufficiently along a number of key dimensions to warrant detailed comparative evaluation. Examples of alternatives include Tony Atkinson's Participation Income (Atkinson, 1996; 1998), Claus Offe's time-limited Sabbatical Grant (Offe, 2000; see also White, 2003a; 2003b), or Bruce Ackerman and Anne Allstot's (1999; 2004) Stakeholder Grants. For a comparison of the main ethical and policy features of alternatives to basic income, see Dowding, De Wispelaere and White (2003) and the essays in the 2004 special issue on basic income/basic capital of the journal *Politics & Society*. We have elsewhere argued the benefits of employing an expansive notion of universal grants and direct the interested reader to that piece (De Wispelaere & Stirton, 2004).

⁴ The idea of polycentricity was first put forward by philosopher Michael Polanyi (1951) and subsequently elaborated by Fuller (1978) to demonstrate the limitations of legal adjudication.

1978: 394). Polycentric problems, then, are characterised by many-faceted ‘interacting points of influence’ (Fuller, 1978: 395).

The design of a universal welfare scheme has similar properties, and policy designers by implication face a similarly complicated decision process. Any universal welfare scheme has the potential of satisfying a wide range of desirable goals, as well as having to avoid numerous undesirable side-effects, but the precise relationship between these goals is often unclear, and may lead to considerable ambiguity at the level of implementation (cf. Baier, March & Saetren, 1986; Hasenfeld, Rafferty & Zald, 1987). More precisely, it is not always obvious what sort of trade-offs are mandated from a particular normative perspective. Universal grant advocates often argue that an unconditional basic income or a cognate scheme is uniquely qualified to negotiate the difficult trade-off between poverty and unemployment, while also having a beneficial impact on a host of other social goals (e.g., Van Parijs, 1992; 2001; 2004). Unfortunately, in many cases, even well-balanced accounts underestimate the extent to which tough choices and trade-offs are necessary to jointly accommodate multiple goals.⁵ An additional factor affecting the design is the interplay of a host of background conditions — economic, cultural, political and administrative — on the details of a welfare scheme, and in particular the differential impact that any given condition may have on the design features of a proposed universal policy. It will arguably matter a great deal whether the society in which we plan to introduce, say, an unconditional basic income supports a ‘culture of property ownership’, as is most evident in the US and UK, or rather aims at establishing a ‘culture of disposable time’, an increasing concern across Europe (Van der Veen, 2003). The arguments above suggest that, like Fuller’s illustration of the division of an art collection, the design of a universal welfare scheme eludes simple sequential strategies, since solving one aspect of the ‘goals-conditions-design complex’ will have significant knock-on effects in terms of possibilities and constraints for solving other issues.

For the present paper, two important implications follow from the assumption that the design of a universal welfare scheme constitutes a polycentric problem. First, we take issue

⁵ Philippe Van Parijs (1995) proposes a *leximin* approach to accommodate the possibility that a gradual change in one objective might override another higher-ranking objective. But obviously we still need a substantive argument to guide us in precisely deciding when an additional unit of objective X will supercede objective Y. For an excellent illustration of the intricate links between the design of a basic income and the objectives it is meant to satisfy, consider Carole Pateman’s argument against Van Parijs’s willingness to compromise on adequacy by preferring a partial basic income to no basic income at all. Pateman (2004) appreciates a partial basic income might go some way to alleviating poverty or increase some people’s opportunities in the labour market; but it singularly fails if the goal is increased self-government, which according to Pateman requires a level of independence that can only be provided by a subsistence-level basic income. Barry (2001) makes a similar point about the intricate relationship between the level of the grant and the sort of arguments that support its institution.

with the idea that normative argument can *directly* determine the shape and form of a universal grant because, as Fuller made clear, polycentric problems are not amenable to resolution through a mere explication of the relevant rational principles.⁶

‘There are rational principles for building bridges of structural steel. But there is no rational principle which states, for example, that the angle between girder A and girder B must always be 45 degrees.’

(Fuller, 1978: 403)

In other words, if we are correct in assuming that universal welfare reform constitutes a polycentric problem, there are clear limitations in terms of how far we can argue for one proposal rather than another *purely* on grounds of principle. We may have rational or normative grounds for favouring one set of objectives over another, and even of establishing boundaries as to which instruments for achieving these objectives are acceptable, but these will not get us all the way in selecting the features that a universal grants policy should determine the detailed design of the best possible policy. Obviously this requires us to move the discussion from abstract ideal conceptions of universal grants to the level of detailed policy design.⁷ We have argued elsewhere that basic income has ‘many faces’: although these different dimensions are analytically distinct, they are nonetheless interdependent; how any one of them is decided has implications for the rest, opening up certain possibilities, and closing off others (De Wispelaere & Stirton, 2004).⁸ Clearly, the instrumental or ‘pragmatic’ view of policy choice we propose, unlike purely principled arguments for universal grants, is not *prima facie* committed to a particular shape of form that welfare policies ought to take. Instead, we take the view that different policies may be appropriate to different circumstances, eschewing one-size-fits-all approaches.⁹ By regarding universal grants as an extended family of inclusive policies, as opposed to a radical single-minded policy, we

⁶ Although Fuller’s account of the limits to legal adjudication has been criticized in legal theory (cf. Allison 1994), this does not impact on our use of polycentricity in policy analysis.

⁷ Brian Barry supports this move: ‘Asking about the pros or cons of basic income as such is rather like asking about the pros and cons of keeping a feline as a pet without distinguishing between a tiger and a tabby’ (Barry, 2001: 63).

⁸ In De Wispelaere & Stirton (2004) we propose that policymakers face a set of design choices in at least seven analytically distinct dimensions: (1) universality; (2) individuality; (3) conditionality; (4) uniformity; (5) frequency/duration; (6) modality; (7) adequacy.

⁹ The distinction between *principled* and *pragmatic* approaches to policy choice is due to Barry (1996). Let us make it absolutely clear that we propose a division of labour between principles and practical considerations, not a downgrading of normative argument in policy analysis. In our view, any policy recommendation must start with some account of what constitutes a desirable state of affairs, and how the recommended policy is supposed to contribute to its achievement.

believe universal welfare reform retains important opportunities for accommodating polycentricity at the design level.

This brings us to the second important implication of viewing universal welfare as a polycentric problem. If explication of normative principles cannot generate unique answers to questions about the appropriate shape or form of welfare policies, then to move discussion forward, we need to find a way to capture the ‘administrative factor’ within arguments about the design of universal grant schemes — not just as an afterthought. This is not straightforward because most existing contributions to the debate appear to have assumed something like what Robert Baldwin (1995: 34) has called the ‘transmission-belt’ view of administration. On this increasingly discredited view, arguments about policy are addressed — directly or indirectly — to elected representatives, who are responsible for taking ‘political’ decisions; administrative concerns are allowed to enter the picture only into the picture only once the major political issues have been resolved.¹⁰ It is precisely because universal grant design is a polycentric problem that this sequential ordering of design choices falls down.

It is often assumed that universal measures will be administratively unproblematic, since its high level of inclusiveness appears to require less administrative control and therefore implies significant savings in terms of implementation costs. It is true that basic income in its most ‘pure’ form does not require the bureaucratic machinery needed to implement more selective social support schemes. But there are at least three reasons why administrative considerations are inescapable — even for those who advocate the most radical, unconditional form of basic income. First, as we will discuss in considerable detail in subsequent sections, administration is an intractable feature of universal grants because even the most universal scheme involves *some* administrative demands. Second, although universal grant advocates have rightly pointed to many administrative advantages of universal schemes, it is fair to say that these benefits are not automatic; rather, they apply only under specific conditions which may well prove too imposing for the pragmatic policy designer.¹¹ Third, the sort of radical unconditional scheme that significantly reduces the burden of administration is not likely to be the most *politically feasible* scheme — at least not in the short term (Atkinson, 1996; Goodin, 2003; White, 2003a; 2003b, Van Parijs, 2004). Now, as soon as we begin to

¹⁰ Proponents of this traditional view of government have included Theodore Lowi (1969) and John Hart Ely (1981); distinguished critics have included Richard Stewart (1975) and Jerry Mashaw (1985).

¹¹ Further research on ‘administrative capacity’ or ‘administerability’ can contribute a greater understanding regarding the precise conditions under which particular schemes are optimal from an implementation point of view.

temper with the most radical proposals to accommodate political feasibility considerations, the ‘universality-implies-less-administration’ assumption becomes questionable.

The point really is that administrative burdens do not have a strict linear relationship with the level of unconditionality or universality. Even a minor deviation from the ‘pure’ form may have substantial implications for the effectiveness of the scheme. As an illustration, take Tony Atkinson’s proposal for a more politically acceptable form of citizen’s income incorporating a *participation* requirement.

While the qualifying conditions would include people working as an employee or self-employed, absent from work on grounds of sickness and injury, unable to work on grounds of disability and unemployed but available for work, it would also include people engaging in approved forms of education or training, caring for young, elderly or disabled dependents or undertaking approved forms of voluntary work, etc.

(Atkinson, 1996: 68-69)

This is a useful illustration of the basic administrative dilemmas in universal grant design, and it is one to which we will return throughout the paper. The fundamental point is that Atkinson’s proposal poses a number of administrative challenges, most obviously, how such a requirement is to be monitored and enforced — but, as we shall argue in the next section, the issues go far deeper. It is important to stress that this is not intended as a rebuttal of Atkinson’s proposal, but as a demonstration of the shortcomings of the ‘transmission-belt’ view: the question of whether to adopt Atkinson’s proposal cannot be decided without reference to administrative issues.

One of the reasons why administration matters, and therefore should become more visible in the current debate, relates to the problem of ‘imperfect implementation’ (see Hill & Hupe, 2002, for arguments and further references). At each of the stages mentioned before the spectre of *administrative error* looms. Continuing with the earlier example, a grant may be withheld from a beneficiary despite an individual’s compliance with a participation requirement; or else an individual in breach of the requirement may nonetheless receive a grant.¹² These errors may be the inevitable result of ‘honest mistakes’, opportunism or even outright fraud or corruption. Whatever the cause, a universal welfare scheme that fails to come to terms with administrative error will be substantially—perhaps fatally—undermined.

¹² Readers already familiar with the literature will notice that this is an example of the distinction made between Type I (‘false positives’) and Type II errors (‘false negatives’). For application within welfare administration see Goodin (1985), Atkinson (1998: 131-133); see also more generally K. Shrader-Freschette (1991).

For reasons well-known in the literature on public administration, a decision between alternative universal grant proposals cannot only focus on *minimising* error, but must also include deliberation regarding the forms and types of errors that are politically, morally and legally acceptable — including the difficult question of choosing the side on which to err on (Goodin, 1985). We take it as unexceptional that to the extent that the effects of policies differ from their intended effects, normative evaluation of policy choices should consider policy outcomes, taking account of an assessment of the objective likelihood of errors, rather than the ‘on paper’ benefits of a hypothetically error-free policy. In other words, the capacity or incapacity of an institutional system — in this case, a universal welfare regime — to deal with administrative error has important normative implications.

To briefly recap the main arguments in this section: universal welfare constitutes a polycentric problem, which requires a pragmatic approach to policy design in which administrative constraints, together with numerous other background conditions, jointly determine what policy might best serve whatever policy objectives our normative theory puts forward. To the extent that administration — and, more to the point, administrative error — is an inescapable part of universal welfare design and significant impediments on administrative effectiveness partly influence our choice between rival schemes, the failure of the universal grant debate to address the administrative factor needs to be redressed.¹³ In the following sections, we flesh out the main insights of the polycentric approach to universal welfare design.

¹³ This point is all the more important if we take seriously the idea of employing universal grant policies as tools for social reform in developing countries, where weak inadequate administrative capacity is often identified as a common source of policy failure (World Bank, 1997).

3. ADMINISTRATION AND UNIVERSAL WELFARE

The design of a universal grant scheme involves, at a minimum, three fundamental interrelated tasks.¹⁴ First, one must *formulate a set of rules or standards* establishing the conditions under which grants will be given. These include, amongst others, rules about who is entitled to the grant, how much recipients are entitled to receive, and the frequency with which grant payments will be made, and so on. Secondly, a scheme must *establish information-gathering* mechanisms through which one can identify those who qualify with those conditions of entitlement and monitor compliance with conditions of eligibility. Finally, a universal grant scheme must provide a mechanism for the *allocation of benefits* to those judged to qualify with the criteria for receiving the grant.

Each of these tasks presents a number of challenges that may be addressed in a variety of ways, and some level of administrative error in each of these is likely: policymakers might do a less than perfect job of defining the class of beneficiaries through under- or over-inclusive rules or standards; officials applying those rules or standards may fail to identify some eligible persons or else overlook non-eligibility; and systems designed to allocate payments may be flawed, resulting in under- or non-payment or else in over-payment or payment to the wrong individuals. Inevitably, there is a high degree of interconnectedness between these tasks, establishing the inherent polycentricity of the overall design. We will discuss each of these three tasks in turn, before discussing some of the practical implications of polycentricity for the design of universal grant schemes.

3.1 SETTING STANDARDS FOR CONFERRING ENTITLEMENT

The first step in the design of any welfare benefit is captured in the following question: How do we draft a set of rules or standards setting out who is to receive what under what conditions? On even the most expansive notion of universalism, outlined before, supposedly ‘universal’ benefits still carry some element of restriction. Child benefits, for example, are only paid to the parents or guardians of children, to take a trivial example. Or consider a proposal for an Unconditional Citizen’s Income: even in its most inclusive formulation such a grant must restrict entitlement to some subset of the inhabitants of one country, or perhaps of

¹⁴ These follow from the essential features of any control system, whether in art or nature, as defined by the literature on ‘cybernetics’. Hood (1983) provides a lucid application to public administration.

some supra-national region such as the EU (Van Parijs, 1995; Vanderborght and Van Parijs, 2001).

For any particular universal grant scheme to make it ‘off the drawing board’, answers to a number of questions concerning the formulation of legal standards must be provided.¹⁵ Who is to be covered by the scheme: citizens or (permanent) residents? Should it apply across the population, however defined, or only to a sub-set of the population, such as children, adults of working age or pensioners? What is the most appropriate beneficiary unit? Universal grant schemes are typically targeted towards individuals, but household-based basic incomes have also been proposed. In the latter case, what definition of a household is to be adopted (cf. Atkinson, 1998)? What (if any) conditions should be associated with the receipt of a grant? While some favour strictly unconditional grant schemes, others propose policies that retain some ‘active citizenship’ or ‘non-delinquency’ component. One of the central questions in the latter case obviously is how these are to be defined. Finally, what shape and form is the grant to take? Policy-makers must choose between one-off or periodic payments and between cash or in-kind support (vouchers). Questions also arise as to the precise amount of the grant, as well as whether a uniform amount is to be paid to all beneficiaries or rather different amounts to be paid to different (classes of) beneficiaries.

Clearly, all of these questions have a normative dimension; but this cannot be completely divorced from concerns that are traditionally the concern of scholars of law and public administration. A central concern is how far answers to these questions are to be embodied in a set of rules conferring entitlement on eligible individuals, and how much residual discretion should be conferred on administrators to decide entitlement on a case-by-case basis. In a recent article, Matthew Diller (2000) has explored the shifts in the US from a social work model with considerable discretion in the 1960s to a legal-bureaucratic model with strong emphasis on rules; only to have become superseded in the 1996 Welfare Reform by a new discretionary model in which welfare administrators are effectively turned into ‘superworkers’ — effectively controlling the life of welfare recipients in all its dimensions, and with little countervailing power on the part of claimants or their advocates.

In a distinctive take on the — by now, well-worn — rules-versus-discretion debate, Colin Diver has attributed the failure of many policies to achieve their intended purposes to inappropriate degrees of rule-precision (Diver, 1983). To avoid this fate, policymakers must

¹⁵ The design of legal standards is itself a multi-faceted problem. Baldwin (1995: 7-11) outlines the dimensions of rules. There is an extensive legal literature on the dilemmas standard-setting. Breyer (1982: chapter 5) and Black (1995) provide useful case-studies. Hood (1986) provides a highly readable textbook account.

trade off three separate dimensions of rule-precision. First, Diver argues, rules must be *transparent*; that is to say, the language in which rules are formulated must be clearly defined and have universally accepted meanings. Second, rules must exhibit the property of *accessibility*; that is, they must be readily applicable by those that are required to interpret them in concrete situations in order to minimise confusion and arbitrariness in interpretation. Third, there must be *congruence* with the underlying policy objectives, meaning that compliance with the terms of the rules should lead to the outcomes as intended by the design of the policy at hand (Diver, 1983: 67-68).

To appreciate the problems in determining rule-precision, and the trade-offs among the different dimensions of rule precision, we can formulate three different model standards in an attempt to implement Atkinson's participation requirement discussed above.

1. *Model I*: Any person working for at least ten hours per week in employment, self-employment, for a charitable organisation, or in study at university, or caring for dependent parents, children or spouses shall be entitled to receive a citizen's income.
2. *Model II*: Any person engaged in an appropriate socially valued activity shall be entitled to receive a citizen's income.
3. *Model III*: A person shall be eligible to receive a citizen's income, provided he or she undertakes activities as prescribed in the following table. (This statement is followed by a detailed table displaying various types of employment, positions within voluntary organisations, college and university courses, disabilities, care work activities, etc.).

Comparing these three alternative formulations highlight the complex administrative judgement required in setting standards conferring entitlement even when the intention of policymakers is to create a highly inclusive scheme. Model I is clearly both transparent and accessible — it is relatively easy to know what it means, and whether it applies to any particular case, provided one is familiar with the relevant facts of the case— but it is less congruent with the underlying policy of promoting active citizenship. Specifically, the formulation is in certain respects under-inclusive: one can envisage many valuable activities that are not captured by the formulation, such as non-university-based education and other non-credited forms of training, or caring for dependents outside of the prescribed relationship. It may also be over-inclusive in other respects: it is debatable whether all charitable organisations contribute to the public good. The fact that a participation income might end up inadvertently supporting socially negative activities, while at the same time failing to support activities that are generally considered beneficial to society at large, is a topic of some

concern amongst advocates as well as adversaries of the scheme.¹⁶ This problem is apparently avoided by Model II, which directly elucidates the policy intention behind the rule, but unless there is a firmly established consensus among the ‘interpretative community’ on which activities are socially valued — improbable in modern plural societies — it scores poorly in terms of accessibility. Finally, Model III may get round this problem, providing both high accessibility and congruence — provided policy-makers can foresee all the socially valuable activities of which individuals can conceive — but is likely to be extremely complex, so these gains come at the cost of poor transparency.¹⁷

Because the possibility of administrative error significantly affects distributive outcomes, the ‘administrative factor’ is integral to judgements about what kind of scheme we should have. The argument can be easily extended from Participation Income to the wider range of universal grant schemes: unconditional basic income, basic capital, sabbatical grants and so on each require a set of rules or standards that must perform adequately well in terms of ‘transparency’, ‘accessibility’ and ‘policy congruence’. Once we abandon the ‘transmission-belt’ approach, and acknowledge that perfect implementation is impossible, the task of standard-setting has to be understood as one of deciding which trade-offs are acceptable and which are not. As one would expect, these problems may become even more acute if there is a plurality of views as to the policy purposes behind the participation requirement. At this point the inherent *bivalence* of administrative error — erring on one side rather than another — becomes a key factor. Depending on its implementation the same basic Participation Income may end up becoming highly restrictive and exclusive rather than inclusive.

3.2 DETERMINING COMPLIANCE WITH CONDITIONS OF ENTITLEMENT

The second essential task in the administration of a universal grant, as we have set things out, is to determine who qualifies under the rules to receive a grant. We are concerned not only with ‘compliance’ in the technical sense used by socio-legal studies scholars (see Hutter, 1997), but with the broader problem of identifying the recipients of a grant from within the

¹⁶ The problem is a political one in the sense that the content of the participation requirement ideally should form part of a political consensus. In practice, however, it is likely that it will be policy-makers and bureaucrats who effectively decide where to draw boundaries.

¹⁷ Of course, we could attempt to get round this particular problem by combining different versions of the models. For example, we could combine Model II with a set of guidelines similar to Model III, leaving residual discretion of some official to ‘include’ other cases. However, this would combine the weaknesses of different approaches as well as their strengths.

population at large. As noted above, even the most universal scheme is not intended to apply literally to ‘everybody’, and so beneficiaries and non-beneficiaries, as defined by standards of entitlement, must somehow be distinguished *in practice*. Related to this, administrators must know how much and to whom grants have been paid, in order to avoid errors of over- and under- or non-payment.

This aspect of universal grant administration requires answers to another set of questions. How are recipients to be identified? Should ‘claimants’ be required to come forward or should entitlement be determined by reference to ‘external’ sources of information without the active intervention of the beneficiary? In the former case we must decide what information we require claimants to provide¹⁸, while in the latter case we must deliberate on the sources of information to be used and how (and how often) these should be updated? A second set of questions relates to judgements about compliance with conditions of eligibility. Who decides whether an individual has complied with the conditions of entitlement? Is ‘self-certification’ by individuals feasible or must we rely on decisions taken by administrators? The former case raises issues concerning the powers of audit or inspection by welfare administrators and the related issue of sanctioning fraudulent behaviour. These include also concerns about due process, such as what (if any) appeals procedures must be made available to those who are denied a grant to challenge that decision (cf. Danz, 2000)?

Design choices about how beneficiaries are to be identified and how compliance is to be determined are closely intertwined with the question of how rules are drafted.¹⁹ Rules conferring entitlement provide for different levels of benefit to be paid according to regional cost-of-living circumstances — similar to the London Allowance in the UK — will not achieve their intended purposes unless administrators must have access to up-to-date information on where people live. Conversely, rule-based criteria on how residence within a particular region is defined may be designed to facilitate — or to impede — efficient monitoring. Information might be elicited from beneficiaries or gleaned from already existing sources of information, such as the electoral register. Each has its advantages and disadvantages: beneficiaries might exploit the scheme by using the address of a family member in a high-cost region; on the other hand, electoral registers may be updated too

¹⁸ One of the main problems is that an administratively-sound request for information easily turns into a mechanism supporting what is referred to as ‘verification extremism’ (Danz, 2000; Diller, 2000). Bane and Elwood (1994) also illustrate the difference — politically as well as administratively — between an ‘eligibility-compliance’ and a ‘self-sufficiency’ culture amongst welfare administrators.

¹⁹ In this context it is worth noting that one of the key reasons identified for regulatory failure is a lack of sensitivity on the part of rule-makers to the challenges of enforcement and compliance (Baldwin, 1990).

infrequently to be of much practical use. Either approach invites a degree of administrative error.²⁰

These examples illustrate some general propositions about the administrative demands related to the identification of beneficiaries that are generated by alternative schemes. The features that make for ease of determining compliance in the context of tax administration have been discussed by Christopher Hood, and can — with minimal re-specification — be applied into the context of universal grants (Hood, 1985; 1986: 74-81; 1994: Ch. 7). First, Hood (1994: 118) coins the term ‘*standard clarity*’ which he defines as ‘the property of being relatable to values that can be ascertained relatively economically and “objectively”.’ While this is arguably just an enforcement-officer’s perspective of Diver’s criterion of accessibility, it drives home the point that where standards cannot readily be applied to particular circumstances, determining compliance is likely to be costly and difficult — and a serious concern for the prospects of implementing the scheme in question. Quite apart from this, Hood (1994: 118; 1986: 76-77) argues that ease of administration requires that the scheme’s targets must be cadasterable, where ‘*cadasterability*’ is defined as ‘the property of being applicable to a readily identifiable population of [in the case of universal grants, ‘creditable’] units, if possible from sources that are available in advance and cannot be easily contaminated by evasive action’.²¹ This also implies that individual circumstances that are likely to change frequently — for example, the number of hours worked from week to week by ‘casual’ workers — perform poorly as a basis for entitlement, because they lead to an unstable beneficiary population.

Again, our ‘hypothetical’ implementation of a participation requirement helps to illustrate how alternative models of standards can lead to divergent outcomes by virtue of their effects on determining compliance. Model II appears to exhibit neither ‘standard clarity’ nor ‘cadasterability’. The idea of a ‘socially valued activity’ requires administrators to make a judgement call about the value or otherwise of different activities — a prototype of poor standard clarity. The absence of clearly defined categories in turn makes it harder to compile a register of individuals undertaking such activities. In Model I and Model III, on the other hand, decisions about what constitutes active citizenship are made in advance; determining

²⁰ A scheme that distinguishes between children, working-age adults, and pensioners requires only knowledge of a beneficiary’s date of birth, which is not so easily manipulated. Unfortunately, current EU plans to abolish the retirement age might at the same time deny us a convenient marker for identifying pensioners.

²¹ A ‘cadaster’ is an old word for a tax register. An important difference between taxes and grants, of course, is that in the case of grants, individuals will tend to have an incentive to bring it to the attention of the authorities if they are not included within the scheme; ‘Fire-alarm’ type monitoring arrangements have the potential to operate to correct Type II errors (though this raises the opposite problem that Type I errors—wrongly including the ineligible within a scheme, including errors of ‘double-counting’—will be hard to eliminate in this way.

compliance requires only knowledge of the facts of individual circumstances. But different ways of satisfying active citizenship requirements tend to perform very differently in terms of cadasterability: while information about employment can be gleaned from payroll information or university study from matriculation records, there are few reliable sources of information about the distribution and extent of care work in the home.²²

There is, however, at least one respect in which Model II outperforms its competitors: it is less susceptible to the form of manipulation that socio-legal scholars have termed ‘*creative compliance*’ — that is, compliance with the technical requirements of a rule or standard in such a way as to undermine the purpose of the rule (McBarnett & Whelan, 1999). Model I, for instance, might invite enrolment at a university, leading to a proliferation of what UK Higher Education Minister Margaret Hodge has called ‘Mickey Mouse’ courses — a B.Sc. in Surfing Studies perhaps? Tackling such opportunistic exploitation through additional legislation or further detailed standard-setting along the lines of Model III, which might specify ‘approved’ university courses, in turn requires further detailed monitoring to allow administrators to distinguish between those courses which are valuable and those which are of the Mickey Mouse variety. By avoiding ‘formalism’, Model II at least potentially allows administrators to respond flexibly to such attempted exploitation.

Irrespective of which model of standards is adopted, it is clear that the practical identification of beneficiaries and the subsequent monitoring of compliance with *ex ante* or *ex post* conditions remains one of the core administrative challenges to implementing a welfare scheme. Opting for universal schemes might generate significant savings by relinquishing the need for significant monitoring, but even universal schemes will still have to spend considerable administrative effort ensuring that all beneficiaries are effectively identified in practice.

3.3 CREDITING PAYMENTS TO BENEFICIARIES

The final activity that is essential to a universal scheme is — self-evidently — the crediting of payments to those who have been identified as proper beneficiaries of the grant. The practical relevance of this aspect of implementing universal welfare should not be underestimated. A set of standards may properly confer eligibility on a defined class of beneficiaries, and decisions concerning compliance by individuals with the conditions conferring entitlement

²² This point has been brought home by the critique of care work and the gendered distribution of household tasks (see e.g. Kittay 1999; Fineman, 2004).

may have been reached, but unless a universal welfare scheme includes *effective* means of crediting payments to beneficiaries it must be judged a complete failure. Policy-makers typically face a variety of choices with respect to the delivery system of credit payments to beneficiaries. How often should a grant be paid? At one end of the scale, capital grants are paid only once, while basic income schemes can be paid yearly, monthly or even potentially weekly. Sabbatical grants are paid at a regular interval, but only for a limited period of time. What form should the payment take? Most universal grant proposals envisage payments in cash, but we believe it is arbitrary to rule out vouchers or in-kind benefits on *definitional* grounds. Assuming cash benefits, how should these be credited — by cheque, electronic funds transfer into beneficiaries' current accounts or to special grant debit account, 'across the counter' on presentation of a passbook, in the form of a refundable tax credit, etc.?

Again, there is an intricate relationship between these questions and those that we have considered in the previous two questions. Consider the example, discussed in the last section, of a universal grant whose value is adjusted for regional cost-of-living arrangements. If such a grant were to be paid only 'across the counter' in the locality of the beneficiary, then the problem of ascertaining valid information about where the beneficiary resides is partially avoided. On the other hand, such a restrictive approach may make it difficult for beneficiaries to take advantage of a grant to which they are entitled for reasons of being engaged at work during office hours, facing problems of mobility, etc. There is ample evidence of the — often deliberate — practices local welfare administrators engage in to make it as difficult as possible for beneficiaries to register or claim their benefits (Danz, 2000; Diller, 2000; Meyer, 2002).²³

Again, Christopher Hood's work on tax administration provides inspiration for our attempt to capture the administrative factor in this aspect of the design of universal grants. Hood's concept of the '*conduitability*' of a tax, defined as 'the property of being assessable and collectable through a relatively small number of surveillable channels or 'bottlenecks' at which oversight can be applied', has its counterpart in the administration of universal grants (Hood, 1994: 118). In the context of universal welfare we can think of conduitability as the ease with which different kinds of payments are credited to beneficiaries: the less bottlenecks impede the smooth crediting of a beneficiaries account, the higher take-up rates and, hence, the target efficiency of a system.

²³ Partly for this reason, civil liberties groups in the US have lodged a number of high-profile court cases against local administrations to ensure independent advocates retain access to welfare offices (Danz, 2000).

Efficient administration suggests that we favour highly integrated delivery systems over setting up a new and presumably costly system. ‘Piggy-backing’ on existing payment channels, we can imagine a universal grant in most contemporary societies to take one of two forms: a refundable tax credit or an electronic transfer into a beneficiary’s bank account. However, there is considerable evidence to suggest that existing channels may lack sufficient ‘reach’ to benefit many vulnerable groups. While a refundable tax credit would benefit those on ‘payroll’ taxes, this approach may be problematic for the casually employed or the unemployed. In the case of electronic funds transfer, the question of access to banking facilities arises. For example, according to the UK Office of Fair Trading:

In Birmingham in the early 1990s five of the 39 electoral wards had no bank or building society branches, while a further six wards each had only one. But 28 per cent of the city's population lived in the relevant areas – including some of its poorest inhabitants.

(Office of Fair Trading, 1999: 22-23)

Alternative channels face similar problems. Those without ‘fixed abode’ — including not only the ‘homeless’ in a strict sense, but itinerant workers and even some students on vacation — may face serious problems receiving a grant paid by post. Proposals to endow every eligible citizen with a debit card with a periodic — e.g. monthly — top-up too might systematically disadvantage some vulnerable groups. When deliberating on delivery systems considerations of take-up rates and target efficiency often compete with financial constraints such as higher start-up costs. The frequency with which payments are made may exacerbate or ameliorate these problems. A key advantage of basic capital schemes from an administrative perspective is that payments have to be made only once: many of the ‘soft’ barriers to accessing a ‘regular’ grant — travelling across town to a bank, post office or government office — have to be faced only once, and thereafter the beneficiaries can make arrangements most convenient to themselves (see Hasenfeld et al, 1987; Danz, 2000; Diller, 2000, Meyers, 2002).

One inventive way in which these problems can be addressed is through a ‘redundancy’ strategy — instituting multiple ‘parallel’ payment channels, so that those who are unable to access a grant paid in one way can take advantage of other means of access. The limit to this, in addition to possibly prohibitive administrative costs in properly maintaining several delivery systems at the same time, is that the very features that make it difficult for vulnerable

individuals who lack access to one mode of payment — homelessness, for example— may make it difficult for them to access others.

3.4 POLYCENTRICITY AND DESIGN SYNERGIES

The discussion so far has considered the negative implications of polycentricity: given that the design of a universal grant is a polycentric problem, we argued, arguments based on normative principle can guide choice of a particular universal grant scheme only so far. We should, therefore, consider the details of universal grant design taking full account of the perspective of public administration scholarship. But while polycentricity may appear to be an inconvenient constraint to those who prefer to deal in terms of normative principles of justice, polycentric situations also affords important opportunities for creating schemes which exploit synergies between the different components of a universal grant scheme to improve the delivery of desirable goals. Two features of good design, again identified by Christopher Hood's work on tax administration (Hood, 1985; 1986; 1994), illustrate the potential for exploiting this polycentricity: these are 'reinforceability' and 'cross-sanctions'.

To begin with, *reinforceability*, identified by Hood (1986: 78) as 'cross-checking oversight from different vantage points, established for different purposes', opens opportunities for policy-makers or welfare case workers to identify situations in which target beneficiaries exceed the level of services they are entitled to, but also situations in which target beneficiaries fail to take up the full range of entitled services. Cross-checking improves target efficiency by countering both under- and over-inclusive benefit take-up. It may be used for combating welfare fraud, but serves an equally important purpose in ensuring that some eligible individuals do not slip through the cracks of the system. To illustrate, consider again the three competing standards of the participation requirement discussed in a previous section. Recall that Model I conferred entitlement on those who spend their time caring for dependent parents, children or spouses. While we have criticised this formulation for being under-inclusive in some respects, these degrees of relationship are easily monitored through registers of birth, marriages and death, and the relevant dependency relationship might also be verified from disability registers, child benefit records, etc. To take another example already discussed, local residence might be assessed against the electoral register *as well as* self-certification by individuals, with inspection focussed on cases where there is a discrepancy between the two.

In both illustrations above, reinforceability introduces mechanisms that pro-actively identifying and seeking out potential beneficiaries of a support scheme, and in doing so improving take-up rates.²⁴ At the same time, taking advantage of polycentricity in this way involves giving up some of the perceived advantages of universalism as an administration-light form of welfare policy. The importance of reinforceability in administrative design has important implications for the question of how far a universal grant should replace or operate alongside other benefits — quite apart from the concern with financial stability that appear to dominate this aspect of the debate. For example, proponents of basic income differ between those who favour a full basic income versus those who prefer a partial basic income to be supplemented, perhaps by a minimum income guarantee. While advocates of the full basic income approach have asserted the superior efficiency of a single benefit, there may be cases where the importance of bureaucratic cross-checking overrides this argument.

Next, a second polycentric mechanism introduced by Hood is the idea of *cross-sanctions*: ‘cross-sanctions means that those who contemplate breaking a rule are put in a position where they must offset the advantages of violating one rule against corresponding disadvantages that automatically come into play’ (Hood, 1986: 79). More generally, we can speak of cross-sanctions as incentives for compliance with conditions of entitlement with a grant, as well as incentives for accurately reporting the information necessary for administrators to make accurate determinations of eligibility — or in the case of self-certification schemes, incentives to make an honest self-assessments of eligibility. Consider again the example of a universal grant that pays differential benefits to accommodate high living costs in certain areas along the lines of the London Allowance. Assuming that higher cost-of-living areas on average have higher local tax rates, individuals living in such areas will have incentives to report their proper place of residence for purposes of getting a higher grant, but the opposite incentive for tax purposes (the opposite incentive scheme applies for people living in low cost-of-living/low tax areas). If the same information is used to assess individuals’ tax obligations and to determine the level at which a universal grant is paid, then the incentives for providing false information for either system are reduced. At the same time, this points to a potential downside of cross-sanctions: they can also create incentives for individuals to exclude themselves from receipt of a grant, in order to minimize other

²⁴ This is likely to have a significant effect on those countries where take-up of benefits differs considerably from one social group to another due to network effects related to obtaining the correct information (see Borjas & Hitlon, 1996, for a discussion of different take-up rates amongst recent immigrants in the US).

liabilities.²⁵ One possible solution to the latter problem is to deliberately enshrine cross-sanctions in a complex system that obscures the extent to which compliance with the system is to that person's advantage. By purposively constructing a 'veil of vagueness' (Gibson & Goodin, 1999) over any rational calculus of personal advantage in relation to compliance with rules, administrators significantly improve the reliability of information obtained by low-cost measures such as self-reporting. Again, complexity here might actually offset some of the benefits of a simple scheme such as unconditional basic income.

Both reinforceability and cross-sanctions open opportunities for administrators to deploy some of the synergies inherent in polycentric situations, provided policy-makers and administrators engage in the sort of creative policy-making that might turn polycentric interaction effects from a constraint into a real asset.

4. LESSONS TO BE LEARNED

Having outlined the administrative challenges policy-makers face when designing and implementing a welfare assistance scheme, we want to conclude this article by drawing general lessons from the previous analysis for those who are keen to replace current selective welfare policies with more inclusive and universal measures.

A first lesson concerns the relation between the design and implementation features of welfare assistance, on the one hand, and considerations of desirability and feasibility on the other. As stated at the outset, one important goal of this article has been to champion the idea that administration should take more of a front-seat position in the debate on welfare reform. While few scholars of the modern welfare state deny that administrative considerations are legitimate concerns, most seem to think that such considerations only enter the debate once the 'big questions' of the normative desirability and economic and political feasibility are more or less agreed upon. Without repeating the main arguments against this sort of transmission-belt thinking, we have demonstrated the flaws in this approach and maintain that welfare reform instead requires an approach that manages to consider the 'administrability' of a welfare proposal on a par with its desirability and economic or political feasibility.

²⁵ Whether this is a serious concern depends on the details of each case: someone excluding themselves in order not to avail certain forms of wealth for tax purposes clearly is to be treated differently from, say, a homeless person who excludes themselves from a grant out of fear of being forcefully moved to residential care arrangements. One of the main reasons why some refugees today refuse even basic services such as health care or social assistance is a fear to be deported. This is an example of cross-sanctions being used in an overly one-sided way by shifting the costs on vulnerable individuals.

Another lesson relates to the distinction between selective and universal welfare systems. Leaving aside philosophical or ideological arguments about the role of universalism in contemporary welfare reform, many authors continue to stress low administration costs and comparatively lower rates of administrative error — measured both in terms of ‘false positives’ and ‘false negatives’ — as a principal reason for adopting universal rather than selective measures. To put it differently, one could say that policy-makers who take administration seriously eschew universalism at a considerable cost. By and large we think this remains true: in the grander scheme of things a scheme that requires less information, enforcement, selection and follow-up on the part of case workers, and so on is evidently less burdensome in terms of implementation. But unfortunately, as we have tried to show in this paper, the argument that universalism-equals-less-administration-equals-more-effective-implementation does not really qualify as a universal truth. We have identified two broad reasons that support this claim.

First, some critical aspects of the implementation process feature in both selective and universal measures. A straightforward example is the fact that allocating grants requires a system of payments, a delivery system to ensure that grants actually reach eligible citizens, and preferably also an administrative system to double-check everyone also gets (precisely) what she is entitled to. It is of course true that delivery systems are required independent of whether our grant is universal or selective, but once a system is in place its effectiveness may depend partially on how it interacts with other extant mechanisms that may be absent in the universal proposal.²⁶ In addition, it is important to stress again that complete universalism is something of a myth in social policy: a radically universal grant, encompassing absolutely everyone, is simply inconceivable and all actual schemes currently on the agenda imply an important element of selectivity. Consider, for instance, the need to restrict eligibility to those who are somehow tied to the relevant polity: barring the occasional proposal of a world-wide universal grant (Frankman: 2004), any form of political boundary inevitably introduces a measure of selectivity in the proposed scheme. This in turn implies again that even universal welfare schemes must have some mechanism of identifying those entitled to support, and hence also an administration to deal with this particular aspect of the policy.

The second reason why less demand for administration does not provide compelling grounds for ignoring the administrative factor relates to the intricate connection between politics and administration. Scholars of public administration regularly keep politics and

²⁶ See our brief analysis of ‘reinforceability’ and ‘cross-sanctions’ as polycentric assets for welfare administrators in the previous section.

administration analytically distinct, but in reality both are connected (Hood, 1986). The most *potentially politically acceptable* scheme is highly unlikely to be the least selective or most universal — an insight that is widely accepted throughout the basic income community (Atkinson, 1996; Van der Veen & Groot, 2000; Goodin, 2003; Van Parijs, 2004). In practice, then, there may be a trade off between political feasibility and administrative feasibility. If that is the case, greater investment in researching the precise limits of administration of basic income may increase scope for political manoeuvrability; conversely, ignoring administration at the early stages of policy advocacy might become an insurmountable hurdle later on when considering implementation. Our discussion of the participation requirement has revealed hidden — and not so hidden — snags with respect to its administrability, but nothing in that discussion suggests that something like a Participation Income or any related scheme (cf. Goodin, 2003; White, 2003b) should be abandoned or prevents its proponents from devising ways of making it (even imperfectly) workable. The obvious benefit of rendering Participation Income more administrable is that it increases the choice among universal instruments that can be advocated politically, and consequently the scope of political feasibility for universal welfare in general.

The importance of accepting that universalism is not entirely administration-free is that once administration looms, so does the spectre of administrative error. Here we borrow from Hood's ideas on cross-sanctions and the potential mutual reinforcement of administrative mechanisms. Interaction effects between different administrative mechanisms that may be in operation in quite distant parts of the overall administrative system matter because they affect the balance of error, which in turn determines the target efficiency of a policy. In addition, important bureaucratic scale effects may come into operation when mechanisms are designed in such a way that they mutually reinforce achieving the main goal. This argument is of course directly relevant to the savings in administrative cost that many basic income advocates argue will occur when making our benefit system more unconditional.²⁷ Again, the assumption of linearity that appears to underlie much of the arguments surrounding the cost of administration should be regarded with extreme caution.

²⁷ Philippe Van Parijs, for instance, suggests that even a partial basic income in combination with residual means-tested benefits would imply a decrease of administrative cost, since the institution of the basic income would 'reduce the number of people who would need to claim means-tested benefits' (Van Parijs, 1992b: 238). We do not dispute that *some* decrease in administrative cost will take place, but we warn against the idea that the amount of people claiming residual benefits bears a close relationship to administrative cost writ large, and even against the desirability of relying on reduced administration in some circumstances (cf. the discussion of interaction effects in polycentric administration). In short the so-called efficiency effects of the introduction of a basic income will have to be carefully assessed in the field.

Taking stock of the argument so far, we believe basic income advocates should qualify their assumption that universalism implies something akin to perfect administration. We have shown that, paradoxically, one way of dealing with administrative error is by introducing more, not less, administration mechanisms that link up to one another — an insight pioneered by Christopher Hood in regard to taxation, but easily extended to the administration of universal grants. The lesson is that insofar supporters of universal grant schemes are primarily concerned with outcomes, as opposed to program specifics, circumstances *may* dictate they compromise on universality on administrative grounds. Of course, the qualification of the notion that universal welfare equals less administration depends crucially on what happens in the background. As with many policy designs, the key to a successful welfare policy lies not in what is argued on the table, but rather in what is left out. This is a roundabout way of saying that any welfare program needs to be assessed in close relation with the institutional environment in which it is meant to operate.

This crucial idea is reflected in the notions of ‘administrative capacity’ or ‘administrability’, which refers to the variation in scope for instituting certain administrative measures across countries . One implication of a concern for administrability is that welfare administration will always require policy-makers to consider trade-offs between competing goals. But a more important point is that the form and scope of policy trade-offs, such as the choice between an Unconditional Basic Income, a Time-limited Sabbatical Grant or a Conditional one-off Stakeholder Grant, is determined by background circumstances that vary considerably between countries.²⁸ Policy analysis therefore must be firmly rooted in a comprehensive review of the institutions and bureaucracies that govern the implementation of welfare programs. While it is hard to draw positive recommendations from such a general view, one cannot escape one clear restriction: one-size-fit-all prescriptions, such as the one advocated following an overly principled approach, are unlikely to get the job done (see also De Wispelaere & Stirton, 2004).

²⁸ To the policy designer the institutions and bureaucracies that govern the implementation of welfare programs may have the appearance of an unmovable set of rules and regulations, but in reality relevant background circumstances are themselves subject to change. In addition to reinforcing the argument that one needs to carefully the specifics of one’s preferred universal grant proposal to the background institutions at hand, a dynamic approach has two further implications. Administrability is essentially about a capacity for dealing with administrative issues, and that capacity itself can be increased or decreased: in the long run, administrative capacity-building matters. Furthermore, once policy designers become aware of how their proposals not only affect the actual distribution of welfare for current recipients, but also possibly the distribution of welfare for a future generation through the impact on administrative capacity-building, the comparative assessment of competing universal grant proposals becomes even more intractable, morally as well as analytically.

5. CONCLUSION

This article addresses three different audiences. The practically minded scholar and policy-maker steeped in selective welfare reform we remind of the importance of administrative cost. We also remind her that administrative cost does not only refer to the deterrence effect of inefficient administration in general terms, but equally to the potentially devastating distributional impact of the two types of administrative error. To the pragmatically oriented basic income advocate, we suggest that she expand her arguments to include administrative concerns more directly. In our view, bringing administrability to the forefront in research on universal grant proposals will allow its proponents to differentiate more adequately between the many different forms of universal welfare as well as strengthening some of their arguments vis-à-vis the selective stream of welfare reform. As for the proponents of either end of the spectrum who insist on adhering to what has been referred to as the principled approach to welfare reform: we can only hope that they fully appreciate the limitations inherent in the use of abstract principles. Whether we like it or not, it remains an inescapable fact that policy recommendation is a murky business, and one that experience has shown to be ill-suited for an over-zealous use of principles in combination with a disregard of the constraints real life puts upon their implementation.

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