

Universal Basic Income: when (if at all) is there parasitic exploitation?

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Abstract

In this paper I focus on parasitic cases of exploitation in the case of UBI. I start by arguing that existing concepts of parasitic exploitation in the literature are over inclusive, since they label as cases of parasitic exploitation some cases that are not. Then I offer my own narrower framework of parasitic exploitation, which includes three conditions: built-in mechanisms, structural vulnerability and non-proportionality. I suggest that exploitation happens when agents misuse a system to obtain additional profit at the potential expense of the weak party. This profit is additional compared to a counterfactual scenario in which the systemic vulnerability was not present. I argue that while some cases of parasitic exploitation may arise in the case of UBI, these cases are likely to be weak, and hence, absence of regulation of this system can be justified on the grounds that this would prevent stronger types of exploitation and domination.

Key words: Universal Basic Income, parasitic exploitation, transactional exploitation, domination, misusing a system, free-rider.

Renta Básica Universal: ¿cuándo hay explotación parasítica?

Resumen

Este artículo se enfoca en la explotación parasítica en el caso de la renta básica universal. Comienzo argumentando que los conceptos existentes de explotación parasitaria en la literatura son demasiado inclusivos, ya que consideran como casos de explotación parasítica algunos casos que no lo son. Luego ofrezco mi propio concepto, más estrecho, de explotación parasítica el cual incluye tres condiciones: mecanismos incorporados, vulnerabilidad estructural y no proporcionalidad. Sugiero que la explotación ocurre cuando los agentes hacen un mal uso de un sistema para obtener ganancias adicionales a potencial costo de la parte débil. Esta ganancia es adicional en comparación con un escenario contra factual en el que la vulnerabilidad sistémica no está presente. Sostengo que, si bien pueden surgir algunos casos de explotación parasitaria en el caso de la renta básica universal, es probable que estos casos sean débiles y, por lo tanto, la ausencia de regulación de este sistema puede justificarse con el argumento de que esto evitaría tipos más fuertes de explotación y dominación.

Palabras clave: *Renta Básica Universal, explotación parasítica, explotación transaccional, dominación, mal uso de un sistema, free-rider.*

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INTRODUCTION

In recent years, most of the literature on exploitation has focused on classic cases of exploitation, in which one party takes additional advantage of the vulnerability of another one (e.g. Kates, 2019; 2015; Faraci, 2019; Horton, 2019; Coakley and Kates, 2013; Barnes 2013; Powell, 2014; Powell and Zwolinski, 2012; Zwolinski, 2010; 2008; 2007; Snyder 2010, 2008; Mayer, 2007; Risse, 2007; Meyers, 2007; 2004; Arnold, 2009; Arnold and Hartman, 2005; Arnold and Bowie, 2003, Radin, 2006; among others). Consider the following cases: a person who is lost in the desert and needs water to survive is offered a bottle of water at an exorbitant price by a seller; people living in an area affected by a natural disaster are offered basic goods at very high prices by a gouger; an employer in an area with few employers offers someone a job for a very low wage. Hereafter, I will call these classic cases of exploitation, in which one party with market power takes additional advantage of the vulnerability of the other by offering her an unfair price, cases of *transactional exploitation*. A different set of cases of exploitation belong to what I call cases of *parasitic exploitation*. Consider the following cases; a parasite infects a host and lives from sucking her blood while causing her disease; because of the implementation of Universal Basic Income (UBI) a person (free-rider) decides to quit her job and stay at home watching Netflix; a capitalist who owns the means of production of a firm and lives from the surplus value generated by the workers' labour. These are some examples of parasitic exploitation that have been presented in the literature.

Parasitic cases of exploitation differ from transactional ones in at least three ways. First, as opposed to cases of transactional exploitation, in which exploitation happens within a single transaction between two individuals, parasitic exploitation usually happens as a process. For example, the free rider does not interact directly with people who contribute to UBI, instead there is a process that connects these people. Second, while in transactional cases of exploitation one agent usually wields some market power, in parasitic cases there is an absence of market power, e.g. the free rider and the capitalist do not have market power over other people, instead their ability to benefit comes from the rules or set of laws. Third, and more importantly, in cases of transactional exploitation the exploited party is usually better off with the exploitative transaction, e.g. the person in the desert and people in the disaster area are better off paying a high price than not having these goods and workers are better off receiving low wages than with no income at all. This creates a paradox of exploitation, according to which

exploitation in some cases may be justifiable since it leaves both parties better off. A reply to this paradox involves a need for a benchmark of justice, since one may argue that the exploited party is better off compared to the absence of the transaction, but worse off compared to a fair, or non-exploitative transaction. As opposed to transactional cases, parasitic cases of exploitation do not present this paradox, since the parasites or free riders, simply make the hosts or contributors worse off than they would have been in the absence of these actions. As opposed to transactional cases, in cases of parasitic exploitation agents do not enter the situation in a voluntary way, but instead they have no choice other than being affected by these activities. Therefore, in these cases there is no need for a benchmark of justice, as the parasite simply makes the host worse off than she would have been in the absence of the infection.

In this paper I focus on parasitic cases of exploitation and I aim to offer a framework based on the case of UBI. This paper proceeds as follows. *In section 1* I introduce two concepts of parasitic exploitation that exist in the literature of UBI: those of Gijs van Donselaar and Stuart White. I suggest that these two definitions of parasitic exploitation are over inclusive, since they label as cases of parasitic exploitation some cases that are not. *In section 2* I offer my own narrower concept of parasitic exploitation. I suggest that exploitation happens when agents misuse a system to obtain additional profit at the potential expense of the weak party. I offer a framework of parasitic exploitation, which includes three conditions: built-in mechanisms, structural vulnerability and non-proportionality. *In section 3* I suggest that while cases of parasitic exploitation may arise in the case of UBI, these cases are likely to be weak. *In section 4* I delve into the issue of regulation, and argue against regulation in this case on the grounds that an unregulated system would prevent stronger types of transactional exploitation and domination. Finally, I conclude.

1. TWO CONCEPTS OF PARASITIC EXPLOITATION

In this section I introduce two concepts of parasitic exploitation that exist in the literature of UBI, those of Gijs van Donselaar and Stuart White. In a nutshell, van Donselaar consider parasitic exploitation as living from the labour of others, while White argues that parasitic exploitation happens when people benefit from cooperation without cooperating in return. After introducing these two concepts of parasitic exploitation, I suggest that there is an over inclusiveness problem with them. In other words, I show that because these concepts are too wide,

they identify cases that are not necessarily exploitative, as cases of parasitic exploitation.

a) Two concepts of parasitic exploitation

Gijs van Donselaar draws on the Marxist concept of parasitic exploitation, living from the labour of others, to argue against Philippe Van Parijs' proposal of a Universal Basic Income (UBI).¹ UBI is a "policy proposal of a monthly cash grant given to all members of a community, without means test, regardless of personal desert, with no strings attached and, under most proposals, at a sufficiently high level to enable a life free from economic insecurity" (Bidadanure, 2019: 481). According to Philippe Van Parijs' original proposal this tax could come from employment rents (Van Parijs, 1995). In other words, people who work would be taxed, and these taxes would then go to a fund that distributes and offers all citizens a basic income. According to van Donselaar, the implementation of a UBI violates a principle of non-parasitism in social relationships. He argues that a parasitic relationship happens when "A is worse off than she would have been has B not existed or if she had nothing to do with him, while B is better off than he would have been without A, or had nothing to do with her" (Van Donselaar, 1997: 4). He concludes that a lazy surfer or "non-needy bohemian" who does not want to work, exploits contributors to UBI in a parasitic way, since she lives from the labour of others (Van Donselaar, 1997: 153).

An alternative concept of parasitic exploitation is offered by Stuart White, also for the case of UBI. According to White, exploitation in the case of UBI happens when individuals violate the reciprocity principle. According to this principle, people who have claimed benefits from cooperation, have an obligation to contribute back to the community, and failing to do so would be an injustice, since it is unfair to enjoy benefits without cooperating in return (White, 2003: chapter 3). In White's words, "those who willingly enjoy a decent minimum of the economic benefits of social cooperation without satisfying their suitably adjusted reasonable work expectation violate the principle of baseline reciprocity, and thereby take unfair advantage of – i.e. exploit – those

¹ According to Van Parijs, one cannot truly be free without access to resources to survive and to follow our life plans (Van Parijs, 1995). He defines real freedom as the freedom to do what one might want to do, which also includes the capacity do so (Idem). Van Parijs concludes that the implementation of a UBI would increase real freedom for everyone, since it would allow the resources for everyone to pursue their desired live plans.

citizens who do satisfy this expectation” (White, 1997: 320). White argues that it is justified to offer redistributive benefits to, say, handicapped people, since it is necessary to protect citizens from significant brute luck disadvantage. However, when the handicapped claim benefits, they should also contribute back to society, and failing to do so would be an injustice (White, 2003: 63). This does not mean that people should contribute a proportional value to the benefits they received, but instead, they should contribute back what they can according to their own situation – e.g. a single parent should contribute less than other people (White, 2003: 319).²

b) The over inclusiveness problem

The two concepts of parasitic exploitation face a similar problem, which I call the over inclusiveness problem. I suggest that these concepts identify cases that are not necessarily exploitative, as cases of parasitic exploitation. In what follows I show how this problem applies for each of the three concepts of parasitic exploitation presented above.

The over inclusiveness problem for van Donselaar’s definition of parasitic exploitation stems from a powerful objection raised by Richard Arneson. Arneson observes that there are cases in which one agent A is bound by coercive justice to assist others, such as disabled and old people, which makes this agent A worse off, while benefiting the disabled and the old, but these are not cases of exploitation. In Arneson’s words, “one man’s parasitism is another man’s distributive justice” (Arneson, 2013: 400). Even if the affected parties are worse off in the presence of those who benefit from them, and the latter benefits from the labour of the former, because these interactions are fair, or consistent with distributive justice, there is no exploitation. In the case of UBI, if we consider this case as a redistributive system, the profit obtained by people who are the recipients of the distributive system is justifiable, and hence not exploitative, even if others are worse off in the presence of these people and if their profit comes from the labour of others.

² In non-ideal conditions, White argues that obligations of reciprocity arise – and others have a right to ask contribution back - mainly when institutions have minimally satisfied the following five conditions: *Non-immiseration*, *Market security*, *Work as challenge*, *Minimized class division*, and *Non-discrimination*. When institutions do not meet these conditions, White concludes that individuals have less reciprocity obligations, and when disadvantages are great enough that contribution exposes individuals to harm, these individuals are exempted from productive contribution and are entitled to withdraw from cooperation in the economic system (Idem).

There is a similar problem in the case of White's idea of parasitic exploitation as a failure to reciprocate. If we consider UBI as a redistributive policy, it is not clear that recipients gain additional reciprocity obligations from this policy. Think about other types of redistributive policies, such as progressive taxes. In these cases, recipients obtain what they are owed and do not gain additional responsibilities to contribute to society because they receive these benefits. We may think that recipients have reciprocity obligations to society in general, but not *qua* recipients of these policies. For example, recipients from social benefits that come from taxes do not have additional responsibilities to cooperate compared to taxpayers. Similarly, in the case of UBI there may be cases in which recipients of UBI do not contribute back, but because they are legitimately entitled to this benefit, then they do not necessarily exploit. Suppose that one of the reasons a society implements UBI is to reduce domination between citizens.³ Now consider that a housewife uses UBI to increase her bargaining power and to mitigate domination by her husband.⁴ According to White, the wife is a candidate for exploitation, and she exploits others if she fails to contribute with her reciprocity obligations of productive contribution.⁵ I disagree. If we consider UBI as a redistributive policy that aims to reduce domination, then the housewife obtains what she is owed (living free from domination). Relying on UBI in these cases, does not necessarily trigger special or additional obligations of reciprocity as productive contribution. Thus, if the housewife did not exploit others before the implementation of UBI, she also does not exploit others after receiving a basic income.

In this section I introduced two concepts of parasitic exploitation and suggested that those that offer objections to UBI face an over-inclusiveness problem. In other words, that they consider as cases of parasitic exploitation cases that are not necessarily so. In the next section I propose a different, and narrower, concept and framework of parasitic exploitation.

³ I assume that the institutions of this society satisfy the five conditions of non-immiseration, market security, work as challenge, minimized class division, and non-discrimination, offered by White for the non-ideal scenario.

⁴ Suppose that the wife is economically dependent on her husband for reasons that are not brute luck, but then she finds herself in a situation of domination and uses UBI to increase her bargaining power: now she can leave her dominating husband if she wants to.

⁵ Which are adjusted by care work (White, 2003: chapter 5).

2. FRAMEWORK OF PARASITIC EXPLOITATION: THE CASES OF UBI

In this section I introduce an alternative concept of parasitic exploitation for the case of UBI, which is narrower from the ones presented in the last section. I will suggest that parasitic exploitation happens when agents misuse a system, to obtain additional profit at the potential expense of others. In what follows I present a framework of parasitic exploitation that consists of three different concepts: built in mechanisms, structural vulnerability and non-proportionality.

2.1. Framework of exploitation

a) Built-in mechanisms

In the introduction of this paper I made a distinction between cases of transactional and parasitic exploitation. In the former cases, exploitation happens due to the vulnerability of one party who is in desperate need for something – water, basic goods or jobs – which the exploiter party happens to have, and she is offered a disproportionate price by the other party. In these transactional cases of exploitation, there is a paradox of exploitation, since the exploited party is better off by being exploited by the exploiter than in the absence of the transaction. The person in the desert is better off buying an expensive bottle of water than dying, people in the disaster area are better off paying an expensive price for basic goods than without these goods, and people are better off with low paying jobs than with no jobs at all. As opposed to transactional cases, in cases of parasitic exploitation there is no paradox. By definition, parasitic exploitation leaves the exploited party worse off than she would have been in the absence of the parasite or in the absence of the parasitic action. In nature a parasite benefits from living in the body of the host or by feeding from her blood, at the potential expense of the host who suffers a loss of blood and who may be affected by disease.

This distinction between presence and absence of a paradox of exploitation is relevant, since in the absence of incentives to enter a transaction or a situation, there is an additional force or coercion needed for this situation to happen. In transactional cases of exploitation, because individuals are better off when these transactions happen they do not need to be additionally, or externally, coerced into the transaction. This coercion is internal, vulnerable individuals are forced by their desperate situation to accept the transaction – or to make unfree choices (Shelby, 2002: 393)– and hence, no additional source of force or

coercion is needed for them to enter this transaction. Cases of parasitic exploitation are different, individuals would rather not enter the transaction, but are either forced into it, or they lack the power to prevent these situations from happening. In the case of nature, the host would rather not have parasites, but she lacks the power to prevent being infected by the parasite. This does not necessarily mean that the parasite is overall more powerful than the host, parasites are actually much smaller than the host, but instead the parasite has a specific or a limited type of coercive strategy that allows it to obtain benefits despite resistance from the host (Shelby, 2002: 401). As opposed to transactional cases of parasitic exploitation, in which the exploiter usually wields market power, in transactional cases the parasite rarely has market power. Similarly, there is no bargaining power, since the two parties in this case are not bargaining nor negotiating.

Instead of one party having some type of power, in cases of parasitic exploitation one party is able to make additional benefit due to built-in mechanisms. By built-in mechanisms I mean mechanisms, such as laws, informal rules, absence of regulation or others, that offer one agent the ability to take additional advantage of the other.⁶ In the case of UBI, these built in mechanisms come from the lack of, and the unfair, rules. In a system of unconditional UBI, taxpayers contribute to a collective fund that is then distributed among all citizens as a basic income. This system is coercive, since on the one hand, paying taxes in such a scheme is mandatory for contributors, and on the other hand, because an unconditional UBI does not discriminate between justifiable and non-justifiable forms of interaction, individuals can use this system to free-ride. As in the case of nature, those who contribute cannot prevent free-riders from obtaining unjustified profit from their taxes. Therefore, in this case of UBI the built-in mechanisms that benefit free-riders come both from the coercive rules, that force payment of taxes, and from the lack of rules, which do not discriminate between different forms of interaction.

Some form of built-in mechanism, which is coercive, is necessary for a situation to be parasitically exploitative, since in the absence of this condition, we would have a situation which is voluntary, hence, that the potentially exploited party could prevent if she wanted to. For example, consider the case of people who live in the same house who decide to

⁶ I do not deny that in some cases of transactional exploitation there may also be built-in mechanisms. Instead the claim is that in parasitic cases, these mechanisms are a necessary condition for exploitation due to the absence of paradox of exploitation, and hence, the need for some form of coercion.

take turns to cook for everyone else, and there is one person who always eats the food others prepare but never cooks. In this case people who cook could either ask the person who free-rides to contribute, or could stop cooking if they think the system is unfair. Because they have the power to avoid this situation, and stop cooking for others if they want to, this situation is not an exploitative one.

b) Structural vulnerability

The second condition of parasitic exploitation, which is related to built-in mechanisms, is structural vulnerability. Because those affected by parasitic exploitation cannot defend themselves from the parasite, they are vulnerable to this type of exploitation. In the case of nature, the host is vulnerable, since she cannot avoid being infected by the parasite who has infection mechanisms to obtain benefits from her. This type of vulnerability is relational, the host may not be vulnerable in general terms, she may be overall healthy and strong, but because she lacks the capacity to avoid parasites, she is vulnerable to their infection. As in the case of nature, in the case of UBI there is also a structural vulnerability. Contributors who are affected by having to pay more taxes than they should, given the presence of free-riders, cannot avoid having to pay these additional taxes. Therefore, they are vulnerable to this increase in taxes due to built-in mechanisms, which in this case are both rules and absence of regulation.

In the absence of this type of vulnerability we would not have a case of exploitation, since the parasite would not have power over this specific agent. For example, consider cases in which parasites have the power or coercive force to infect a certain species, but a particular host is immune to these parasites, e.g. she has a very strong immune system or she has had a vaccination against parasites. In this case, even if the parasite has force over the species, it cannot exploit this particular host. Similarly, in the case of UBI not all will be vulnerable. Consider the case of two people who free-ride on UBI. In this case, one of the free-riders does not exploit the other, since the other is not vulnerable to the rules: only those who work and contribute are vulnerable to being charged more. Those who are vulnerable because of the rules are taxpayers, who cannot avoid having to pay additional taxes due to free-riders, but not free-riders who obtain unjustified profit from the situation.

c) Non-proportionality

If we only consider the two previous conditions, of built-in mechanisms and vulnerability— in which one party benefits while the other is harmed - we face a powerful objection raised by Richard Arneson. If we only focus on the outcomes of a coercive system, there may be cases in which one agent is better off at the expense of another, that are procedurally –and overall– fair and not exploitative. For example, cases of distributive justice that benefit the old and sick are not exploitative even if their benefit leaves taxpayers worse off (Arneson, 2013: 400). Therefore, not any benefit that comes at the potential expense of others can count for exploitation.

In what follows I aim to determine a benchmark that allow us to determine when the benefit of the parasite becomes exploitative. Earlier I pointed out that in cases of transactional exploitation there is a paradox of exploitation. Namely, the exploited parties are better off by being exploited than in the absence of the transaction. This generates a need for a benchmark of justice, in order to show that even if the exploited parties are better off with the exploitative transaction, they are worse off compared to a benchmark of justice. In cases of parasitic exploitation there is no such paradox. Individuals are worse off by parasitic exploitation, and hence, there is no need for a benchmark of justice. Instead, what we need in this case is a counterfactual scenario that is factual hypothetical. We need to show that the parasite is harmful to the host, a causal connection between the parasite and the host, and that the former is harmful to the latter.

Someone may argue that the counterfactual scenario is trivial: a situation in which we remove the parasite. I disagree, since we need to make three additional distinctions. The first one, is between activities that are parasitic and those that are not. As argued by Arneson we could say that taxpayers are better off in the absence of disabled or old people, but because their activities are not parasitic, taxpayers are not really worse off, since they are only meeting their distributive justice responsibilities. The second distinction is between parasitic agents and parasitic activities. Because agents may participate in multiple activities, both parasitic and non-parasitic, the other parties may be better off in the presence of these agents but worse off compared to the absence of parasitic activities. Finally, there may be cases in which a non-exploitative scenario requires one party to actively engage in certain activity, rather than disappear, since the presence of the agent is a given consideration. In the case of UBI contributors are worse off compared to a scenario in which the free-rider was also a contributor, rather than compared to the

scenario in which the free-rider was absent, since the presence of citizens is a given consideration.

2.2 Universal Basic Income (UBI) and justification

In order to offer a counterfactual scenario for parasitic exploitation, we need to ask what is the aim of the system. While there are different answers to this question, I will assume the following: UBI is a system of distributive justice which aims to increase equality of relations among citizens. In other words, the aim of UBI is to increase the capacity of individuals to make free choices: that is to mitigate and diminish cases of domination and cases of transactional exploitation (Pettit, 2007; Casassas and De Wispelaere, 2016; Widerquist, 2013).

Given this definition, we can distinguish cases that will not be parasitically exploitative. Consider the following cases.⁷ A low-paid worker in conditions with few employment options and many employees, is vulnerable to her employers' abuse and power to arbitrarily dismiss her, and is offered a low wage that is not enough for her to function in society. In this case, having an unconditional UBI, allows this person to fall back on UBI and exit the situation, making her less prone to transactional exploitation. A second case is the case of a wife who is financially dependent on her husband, who controls her by imposing certain limits on her, and she cannot leave because of this dependency.⁸ In this case, UBI offers this woman a way out of the dominating situation, and also offers her more bargaining power in this situation.

In these cases, people who do not work and receive benefits do not exploit others, since they interact in ways that can be justified to others, that is they use the system in accordance with its aim, namely to prevent exploitation and domination. Thus, these are all legitimate interventions. Even if people who receive benefits never contribute back, they do not exploit others under the assumption that what they are given is what they deserve in terms of justice, and society as a whole owes them that. In these cases, even if these people do not contribute back, we can say that this system is a reciprocal one, since if any of the contributors today falls under these situations in the future, she will also be able to avoid domination and transactional exploitation by using UBI.

⁷ I borrow these cases from Pettit, 2007: 5.

⁸ Also, in this case the implementation of basic income leads to more justice in the household, since it would recognize women's labour at home that is currently not being paid, which men free-ride on, and would offer women's self-government and standing as citizens (Pateman, 2004).

2.3. Counterfactual Scenario

More controversial cases happen when individuals misuse a system that is created for one purpose for a different purpose, in ways that cannot be justified to others. Consider the case of a young adult who does not have dependents, and is not under any threat of exploitation or domination, and because of UBI, she decides to quit her job and stay at home watching Netflix. Let us call this the case of the free-rider.⁹ As opposed to the previous examples, of the wife and the workers who uses UBI as an exit option to avoid domination, in this case the person who decides to watch Netflix misuses the system in a way that is not consistent with the purpose and goal that the system aims to achieve. These actions, or interactions cannot be justified to others, since we cannot say that there is a reason of justice to allow people to quit their job because they would prefer to stay at home watching Netflix, as opposed to the previous cases, in which there is a reason of justice to avoid exploitation and domination.

To be clear, it is the particular actions of individuals that misuse a system what cannot be justified, rather than the system as a whole. A sceptic may argue that if those that suffer exploitation cannot avoid misuses of the system, then these are not misuses, and the system is simply unjust. I disagree with this view for two reasons. First, unjustified actions can be misuses even if there is no regulation against them. Consider the case of a society which decides to implement UBI for the reasons offered above, to reduce domination and transactional exploitation, and make this aim and purpose public. In this case, individuals know that when they quit their job to watch Netflix they are misusing the system even if there is no regulation against it. Moreover, these actions are not unavoidable – e.g. individuals are not forced to quit their job. Instead, what is unavoidable is for others, more specifically the affected parties, to avoid these misuses. Second, the fact that a system allows misuses or unjustified actions, which may lead to parasitic exploitation, does not necessarily make the whole system unjust. For example, an unregulated system that allows weak types of parasitic exploitation in order to avoid stronger injustices, is overall fair.

Cases of free-riders are candidates for exploitation as a process because they have the ability to move prices. Unlike transactional cases of exploitation, which usually happen in a single transaction, the case of UBI happens as a process. In this case, there is no single transaction between contributors and recipients, instead there is a system to which

⁹ I borrow this example from Bidadanure, 2019: 483.

working people contribute to, through taxes, this contribution goes to a common fund, which is then distributed to every citizen. The connection between contributors and recipients happens through the prices of taxes. Because UBI is a fixed price, a price that will enable citizens to live a life free from economic insecurity, a connection through changes in prices happens through taxes. The more people are in the paid workforce, the more contributors to the fund, the less amount of contribution each one has to pay through taxes in order to achieve the same fixed UBI. Therefore, the more people free-ride, the more taxes contributors have to pay. Because the free-rider profits from misusing this system, which leads to this increase in prices for others, she is a candidate for exploitation.

These are mainly candidates for exploitation, since they profit from vulnerability when benefiting from this increase in prices. Previously, I argued that the vulnerability of the potential exploited party in the case of UBI relies on the rules and regulations, or in the absence of these rules. Because UBI does not discriminate between the forms in which individuals make use of this system, some individuals may misuse the system and interact in ways that cannot be justified to others, which has the potential to increase prices of taxes to others. This situation allows the potential exploiter, the free-rider, to take advantage of this vulnerability of others, which relies on the rules. On the one hand, coercive rules demand that contributors pay taxes, and on the other hand an absence of regulation that distinguishes between different forms and reasons for interaction, allows the free-rider to benefit at the expense of others.

Given that exploitation happens when one agent takes additional advantage of vulnerability (Goodin, 1987: 198), then the counterfactual scenario is the absence of this vulnerability. More specifically, because in parasitic cases the vulnerability is structural, then the relevant counterfactual scenario is the absence of this structural vulnerability. In other words, a scenario in which the rules and regulations distinguished different types of interaction and prohibited those that are misuses of the system, or types of interaction that cannot be justified to others. In order to determine the counterfactual scenario, we need to determine the aim and goal of the system. Then, we need to distinguish which types of interactions are in line with this goal, and which are misuses. Finally, we can determine the counterfactual scenario as a situation in which the latter interactions were prohibited.

The counterfactual scenario happens in the absence of systemic vulnerability. In other words, when the rules identify and prohibit those types of interactions that are misuses of the system, and hence, when all

the interactions are justified according to the aim of the system. If we had a system of rules that allowed us to distinguish between justified and non-justified forms of interaction we would have an equilibrium at a level of taxes that first, offers everyone a UBI; second, allows for people who are under a threat of domination and transactional exploitation to rely on UBI and avoid these situations; third, ruled out unjustified forms of interaction, such as the Netflix free-riding case. In other words, this is a system in which UBI fulfils its purpose without allowing free-riding. This equilibrium is likely to be a dynamic one, since the number of people at risk may vary over time. For example, someone who decides to leave her job because of exploitative conditions may at some point find a suitable job. Similarly, conditions may change for someone who at some point had a good job, but that later was under threat of domination or exploitation. We can define this counterfactual scenario as follows,

Counterfactual Scenario: Prices in the scenario in which the systemic vulnerability was not present. In other words, prices in a scenario, in which the rules and regulations prohibited unjustified forms of interaction.

Cases of free-riders are exploitative since the free rider obtains additional profit at the potential expense of others. In the counterfactual scenario, the rules would identify this case as an unjustified form of interaction, and would deny the free-rider the possibility to profit from the system, think of a conditional UBI. The benefits that the free-rider obtains happen at the potential expense of contributors, since her actions may lead to a deviation of prices (of taxes) from the counterfactual scenario. Unlike transactional cases of exploitation, which usually happen in a single transaction, the case of UBI happens as a process. In this case, there is a system to which working people contribute to, through taxes, this contribution goes to a common fund, which is then distributed to every citizen. The connection between contributors and recipients happens through prices of taxes. Because UBI is a fixed price, a price that will enable citizens to live a life free from economic insecurity, a connection through changes in prices happens through taxes. The less people are in the paid workforce, less people contribute to the fund, and hence, the higher the contribution each one has to pay through taxes in order to achieve the same fixed UBI. In other words, the profit of the free-rider happens at the potential expense of contributors who have to pay higher taxes than the ones they would have had to pay in the absence of free-riding activities.

In this section I offered a concept of parasitic exploitation, cording to which exploitation happens when agents misuse a system to obtain

additional profit at the expense of others. I also offered a framework of parasitic exploitation for the case of UBI, which consists of three conditions: built-in mechanisms, structural vulnerability and non-proportionality. In the next section I will suggest that parasitic cases of exploitation in the case of UBI are likely to be weak cases.

3. UBI AS A WEAK CASE OF PARASITIC EXPLOITATION

In the last section I suggested that some cases of free riding – such as the case of someone who quits her job to watch Netflix – can be considered cases of parasitic exploitation. In this section I suggest that in cases of parasitic exploitation in UBI are likely to be weak for three reasons. First, significant deviation of prices from the counterfactual scenario requires collective action. Second, this is likely to be a weak case of poor exploiting rich. Third, positive externalities of UBI mitigate the harm of potential parasitic exploitation.

a) Significant non-proportionality requires collective action

The degree of exploitation depends on the degree of harm, the more harmful a situation, the more exploitative it is. In the case of UBI, a significant degree of harm, and of non-proportionality, requires collective action. Consider the following case. A large country, with very responsible citizens, decides to implement UBI. However, in this country there is one lazy person. In this case the interaction happens as a process, as opposed to a single transaction, hence, when one person obtains additional profit the increase of taxes needed to cover for this profit is distributed among all the contributors. Because in this case there is a large number of contributors and one single free-rider, the additional profit from which the free-rider profits gets diluted among all the contributors, who instead of paying a non-exploitative price of taxes X now have to pay a very small increase of $0,000001$. Consider now the case of a lazy country, in which a considerably large number of individuals – say the majority – free-ride. In this case, because there is a considerably large number of free-riders, they are able to modify the price of taxes in a relevant way for contributors. In these cases, the degree of exploitation will vary depending on the degree of non-proportionality of the price of taxes: the more taxes deviate from the equilibrium offered by the counterfactual scenario the more exploited contributors are. In other words, the degree of exploitation depends on whether agents act in combination with others or not.

While there have been few experiences of UBI, there is no evidence to suggest that the implementation of UBI would lead to a sufficiently large number of unjustified free-riders, as to considerably modify prices of taxes affecting contributors in a strong way. In the cases of Alaska and Mexico the experiment of basic income did not have significant effects in long-term labour participation and supply.¹⁰ In cases such as Namibia and Iran, the implementation of basic income led to an increase of employment overall, in the former case, and in the service sector, in the latter case, since it increased the possibility of entrepreneurships, small businesses and self-employment, or expansion of current businesses¹¹.

Some cases of studies show a considerable reduction in labour after the implementation of UBI. However, attention should be paid to what these studies measure. I have suggested that what we need to distinguish according to the counterfactual scenario are justified from non-justified forms of interaction, as opposed to a general reduction of labour force before and after the implementation of some form of UBI. For example, in the case of the United States and Canada, an overall analysis of the data suggests a decrease of labour force in these countries, but when disaggregated between groups, the data showed that these reductions came from two groups: the youth and women, especially single mothers (Widerquist, 2005; Widerquist, 2018: chap 6). These reductions were offset in the case of the youth by higher school attendance, and for women by an increase in household production, reduced domestic abuse and higher divorce rates, which suggests that UBI offered women relief from financial dependence on husbands (Widerquist 2018: chap 6; DFID, 2011). In other words, these were justifiable reasons for interaction, since school attendance and education are necessary conditions for individuals to interact as free and equal citizens in a democratic, and reduced dependence on husbands is also a necessary condition to avoid domination. This study concluded that few, if any workers, dropped out from the labour force for unjustified reasons, or as “knee-jerk reactions” to the implementation of UBI (Widerquist 2018: 49).

While the empirical evidence is inconclusive about the number of people who are likely to free-ride, we can at least say that it is not clear that people would free-ride in sufficiently large number as to bring significant changes in the tax levels paid by contributors.

¹⁰ For the case of Alaska and Mexico respectively, see Berman, 2018; and Skoufias and di Maro, 2006.

¹¹ For the case of Namibia and Iran respectively see Haarmann and Haarmann, 2019: 8; and Salehi-Isfahani and Dehzoeei, 2017.

From this we can conclude that parasitic exploitation in the case of UBI is likely to be weak.

b) Background conditions

I have already suggested that a situation will be more or less exploitative depending on the degree of non-proportionality. Another element that can make a situation more or less exploitative are background conditions, since an exploitative situation will affect people differently depending on these background conditions (Arneson, 2016: 17-8). For example, a situation in which a poor person exploits a rich one will be less exploitative than the opposite scenario, since the poor is likely to be more affected by exploitation than the rich (Arneson, 2016: 17-8).

In the case of UBI, even if we have a sufficiently large number of free-riders, there are reasons to think that most of these cases will be weak cases of exploitation in which poor exploits rich. The main reason is that the opportunity cost for not working is higher for rich than for poor. Because rich people earn higher wages, they lose more than poor people by opting out of the labour force. In this case, since low income workers are the ones who are more likely to benefit from UBI, this weak case of exploitation in which poor could exploit rich is preferable to stronger cases of transactional exploitation, which happen in the absence of UBI, in which those who have power are in a position to exploit low income workers (Widerquist, 1999: 399).

c) Indirect consequences or externalities

In cases of parasitic exploitation, it is relevant to consider the effects of externalities on the exploited party, since how this party is affected overall by the parasitic action will also be relevant when considering the degree of exploitation. Remember that as opposed to transactional cases of exploitation, in which the exploited party is usually better off in the presence and interacting with the exploiter party, in cases of parasitic exploitation, exploitation happens by harming the exploited party, hence, the more harmed this party is the more exploitative the situation is. We may have cases of parasitic exploitation, in which the exploited party obtains a worse off deal compared to the counterfactual scenario, but because of positive externalities generated by the interaction, this party is better off *overall* compared to this scenario. If this happens, then the situation would be less exploitative than one in which the exploited party obtains a worse deal with no, or with negative, externalities.

In the case of UBI, there are several mechanisms through which the exploited party could be made better off overall compared to the counterfactual scenario. One possible mechanism is through wages. When people opt out of the workforce, a reduction in labour supply would lead to an increase in wages to those willing to work (Widerquist, 1999: 395). Other mechanisms include a reduction in crime and delinquent behaviours, reduction in drug problems, and an increase in social cohesion and self-determination that have resulted from experiments of UBI (Haarmann and Haarmann, 2019; Costello et al, 2010). Similarly, experiments of UBI suggest a possible savings in hospital costs and public services, since UBI led to a reduction in hospitalization rates for accidents and mental health issues and also has effects in reducing some types of psychiatric disorders (Forget, 2011; and Costello et al 2003). All these mechanisms mitigate the degree of exploitation. In the case that these benefits exceed the additional costs for the exploited party.

From this section I conclude that parasitic exploitation in the case of UBI is likely to be weak. In the next section I focus on the issue of regulation.

4. UBI AND REGULATION

I have previously defined the idea of non-proportionality of exploitation as one that compares the current scenario with a scenario in which regulation prohibits unjustified forms of interaction. One possible regulatory strategy in the case of UBI is to make it conditional, and offer it only to those who have legitimate reasons for receiving it, hence, detecting and deterring free-riders. However, in the case of UBI I think there is a stronger case against this regulation, even if the absence of this regulation would open the opportunity for free-riders to engage in parasitic exploitation, for three main reasons.

First, regulating UBI would undermine the capacity of the system to achieve its main purpose. UBI can achieve its purpose precisely because it is unconditional and because it is an option that is always there. For example, if I am dominated or exploited at my current job, it will take me a long time to find another job and because I depend on this income I cannot leave my current job. If UBI discriminated between different forms of interactions, we would need an application process for this income. Because it would take a long time to obtain the income, then it would not fulfil its purpose, since in this case I could not just exit my job. Instead, I would need to apply for UBI which takes time and effort.

This would mean the people concerned would live under conditions of domination and exploitation for as long as the application process takes.

Second, because there are feasibility difficulties in discriminating between legitimate and non-legitimate reasons for interacting, regulation could lead to stronger cases of exploitation or to overall more injustice than a UBI without regulation. It is not clear how we could distinguish between someone who quits her job because she wants to free-ride, as opposed to someone who quits her job for justified reasons, or someone who would have been out of the workforce even in the absence of UBI. This feasibility problem could lead to situations in which someone who is entitled to UBI is not offered this income, which would lead to stronger cases of exploitation and would raise additional problems of justice.

Because cases of parasitic exploitation in the case of UBI are likely to take a weak form, they can be outweighed by other considerations. UBI prevents stronger types of transactional exploitation and oppressive behaviour, in which people are drawn to these situations due to their desperate situation. Because UBI allows people to have an exit option, they are less vulnerable to exploitation and abuse by more powerful employers. As argued by Stuart White, the idea that UBI helps to prevent greater injustices than the ones it creates is a powerful objection to the exploitation argument (White, 2006). Similarly, White observes that UBI can lead to increased overall reciprocity. Even if those who free-ride violate reciprocity, since they fail to contribute to society with their fair share of work, the implementation of UBI would lead to an overall more reciprocal society, since it would offer work incentives to low-paid, would recognize nonmarket work, would lead to increased domestic reciprocity and would increase employment opportunities for more meaningful jobs.

Third, a conditional basic income could lead to other problems such as an erosion of social cohesion and could create an undemocratic and disrespectful rhetoric against the least advantaged. Having an unconditional UBI would avoid problems such as the “demonization of the poor”, or the idea that those who live from social welfare are undeserving and live at the expense of others, which ultimately undermines equal standing of the vulnerable and social cohesion (Bidadanure, 2019: 491; McKinnon 2003; Pateman, 2004, Birnbaum, 2012). Having an unconditional basic income would allow us to move away from these ideas, and would protect self-respect, since it is not only the disadvantaged who would receive this income, but all citizens.

From this section I conclude that even if UBI may give rise to parasitic cases of exploitation, not regulating the system can be justified

on the grounds that an unregulated system would prevent stronger types of exploitation and domination.

CONCLUSION

In this paper I offered a different concept of parasitic exploitation from those in the literature. I suggested that parasitic exploitation happens when an agent misuses a system to obtain additional profit at the expense of others. I argued that some cases that have been considered as parasitical – such as the case of the dominated wife or exploited worker who leave their job to avoid this situation - are not cases of parasitic exploitation. Other cases are likely to be weak cases of parasitic exploitation, such as cases in which poor exploits rich, when free-riders act in isolation, and when positive externalities mitigate the harms of parasitic exploitation. Finally, I suggested that the absence of regulation in the case of UBI is preferable to regulation.

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