

BASIC INCOME

Newsletter of the Basic Income European Network

N°18 January 1994

As the preparation of our 5th Congress is gaining momentum, the European debate on basic income is more active than ever. The idea is now taken seriously by major political parties in Britain and the Netherlands. It is slowly making its way to the top institutions of the European Union. In Finland, Belgium and France, a genuine public debate is gradually emerging, as awareness of the case for basic income is spreading.

For the first time, a major EC policy document

approved by the European Summit mentions basic income. Relevant passages of the Commission's White Paper on employment are quoted on page 3.

One of Delors's predecessors, former European Commission Chairman Sicco Mansholt has been advocating basic income for 20 years: His own party seems to have heard him at last. A recent interview is quoted on page 11.

The British Chancellor orders an inquiry into the feasibility of basic income schemes. See page 7.

Once again, the European Parliament

expresses its interest in a minimum income guarantee that looks increasingly like a genuine basic income. See details on page 3.

In the Financial Times, BIEN co-chairman Guy Standing and former EC Commissioner Lord Dahrendorf join forces to advocate basic income. See pages 7 and 8.

James Meade's latest book is dedicated to BIEN co-chairman Edwin Morley-Fletcher. It is reviewed on page 8.

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4. Send us cartoons or other illustrations that touch on some aspect of basic income, while being intelligible beyond your country.

HOW YOU CAN HELP

1. Keep us informed. Send promptly to the editor any news, announcements, books, pamphlets, working papers, etc. that may interest other people in the network. *Deadline for next issue: 15 April 1994.*

2. Circulate the Newsletter. BIEN members can ask for back issues and additional copies, which will be sent free of charge.

3. Recruit new members by persuading more people to return the form on page 12.

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This issue of
Basic Income

was prepared with the help of Jan-Otto Andersson, Walter van Trier, Georg Vobruba and all those who spontaneously sent relevant material.
Many thanks!

EVENTS

**EUROPEAN PARLIAMENT
RESOLUTION ON SOCIAL EXCLUSION
BRUSSELS, 28 OCTOBER 1993**

In a resolution proposed by members of several parties, the European Parliament “welcomed the efforts of the Community to initiate measures to combat poverty and social exclusion”, while stressing that the fight against exclusion required “above all a general change in the economic, social and cultural models.” It urged that, “on the occasion of the modification of the Treaty foreseen for 1996, certain basic citizens’ rights should be incorporated, such as a basic income (...)”, and it called on the Commission “to study the possibility of minimum income systems and negative income tax systems, which will enable the unemployed to combine paid and part-time work and their minimum income or negative income tax credit.” Some of the arguments for basic income have obviously made their way into the thoughts and words of some Euro-MP’s. And there is more than a trace of this resolution in the Commission’s White Paper, as reported below.

**EUROPEAN SUMMIT
WHITE PAPER ON GROWTH,
COMPETITIVENESS AND EMPLOYMENT
BRUSSELS, 10–11 DECEMBER 1993**

At the Brussels Summit of 10–11 December 1993, the twelve government leaders of the EC officially adopted the Delors White Paper on *Growth, Competitiveness and Employment*. This document mentions basic income twice, in the form of a negative income tax. Concerning the question of labour cost reduction, the report says that in some countries, “the possibility of replacing existing forms of income guarantee payments with a system of negative tax deserves close attention” (page 15). Later on, the problem

of the “working poor” is raised, and the report states that “if the spirit of the European social model is to be kept, compensatory measures will have to be taken (e.g., negative income taxes for the lowest income groups) with significant budgetary costs” (page 48). This looks like an encouraging step in the direction of basic income. The White Paper is labelled COM(93) 700 final, and can be obtained in the official information offices of the European Union throughout Europe.

**BASIC INCOME EUROPEAN NETWORK
FIFTH INTERNATIONAL CONFERENCE
LONDON, 8–10 SEPTEMBER 1994**

Citizens Income Study Centre will be hosting the fifth biennial congress of BIEN at Goldsmiths College, London, from September 8 (commencing at noon) to September 10 (ending at 1.30 pm). The congress will hear contributions from leading academic and political figures, examine detailed methods of how various forms of basic income could be implemented, and gather evidence on the impact of this new type of system on unemployment and poverty. A more detailed programme and a registration form will be included in the May Newsletter. The cost for attendance, accommodation and meals for the two days is £ 125 (or £ 100 without accommodation). For further details, please write to The Administrator, Citizens Income Study Centre, St Phillips Building, Sheffield Street, UK–London WC2A 2EX. Fax: (071) 955.75.34.

PUBLICATIONS

DUTCH

DE BEER, Paul. *Het verdiende inkomen*, Houten/ Zaventem: Bohn Stafleu Van Loghum & Amsterdam: Wiardi Beckman Stichting, 1993, 337p. Dfl 49.50.

Paul de Beer, a young economist who worked for many years for the Dutch Labour Party think tank (Wiardi Beckman Stichting) is also the editor of the newsletter of the Dutch basic income network and one of the most authoritative participants in the Dutch debate on the subject. This is the book version of the long report (see *BI 17*: 5) in which he tries to work out the foundations of social-democratic incomes policy suited to today's world. Its first part analyzes the distribution of income in the Netherlands. Its second part spells out an ideal of maximal equal freedom of choice for all. And its third part presents and defends a policy which combines an unconditional basic income with more flexible wages, the privatization of more-than-minimal social security and progressive taxation.

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DE BEUS, Jos. *Economische gelijkheid en het goede leven*, Amsterdam/ Antwerpen: Contact, 1993, ISBN 90-254-0258-5, 206p.

In this new book on "economic equality and the good life" which he wrote while on sabbatical leave at Harvard, Dutch economist and political philosopher Jos de Beus (also co-author of the latest Labour Party manifesto, see *BI 17*: 5) discusses recent developments in Anglo-American moral and political philosophy (Rawls, Sen, Dworkin, Nussbaum, Nagel, etc.) and uses them to illuminate the present debate about his country's economic and social future. The core of the current crisis of the welfare State, he argues, is captured in the following question: "Is it really just that those who could perform paid work do not, whether because there is no job for them (why should they look for one if there is none?) or because they voluntarily use this opportunity to withdraw from the labour process (why should one accept work if one thereby loses all sorts of rights and transfers?)?" Faced with this crisis, the alternative is between a conception of procedural equality, which favours a minimal social security system

offering no one more than basic guarantees (on the American pattern), and a conception of resource equality, which favours an activating social policy with more than minimal allowances and strong obligation to accept training and employment (on the Swedish pattern). But on both sides, there are serious symptoms of unease. De Beus's prediction is that the Dutch welfare State will steer a middle course between the American "federal market model" and the Swedish "communitarian State model". Might this involve a basic income as an essential component? De Beus inconclusively discusses the libertarian defence of basic income about halfway through his book as an "explosive" instance of the tension between the rights flowing from a concern with (real) economic freedom and the duties that flow from citizenship. But the very way in which he describes the essence of the current crisis suggests—and a recent interview (*NRC Handelsblad*, 6.9.93) confirms—that he cannot but be receptive to the case for including a (low) unconditional income in any meaningful version of the middle course.

(Author's address: University of Amsterdam, Department of Economics, Jodenbreestraat 23, NL-1011 NH Amsterdam.)

DE VliegHERE, Wilfried. "Herverdeling van werk of basisinkomen?", *EcoGroen* (Brussels) n°8, October 1993, pp. 19-25.

Wilfried De VliegHERE is a member of Belgium's federal Parliament for the Flemish green party. As he explains in this article, he used to believe that a general reduction in working time provided a solution to the problem of unemployment. But he reluctantly came to the conclusion that it would not work, basically because it would highly uncomfortable and costly shortages for some skills and in some areas long before it made a significant impact on the unemployment of the less skilled in the worst-hit areas. Hence, general working time reduction is a demand that will do the Greens no good once they get a chance to put it into practice. The Greens' task is to provide a real solution, one that gets to the root of the problem: an unconditional basic income, as proposed (fairly timidly) since 1985 by both Belgian green parties. What De VliegHERE proposes, more

precisely, is a monthly basic income of BEF 12.000 (about 300 ECU), BEF 8.000 (200 ECU) for children, combined with the maintenance of supplementary social security payments for pensioners, the involuntarily unemployed, etc. The basic income would be administered in the form of a negative income tax, so that most waged workers would receive it as part of their pay package, while those with a very low income (or none at all) from other sources would claim it from the local social security office. Finding work would be made easier for those people through the creation of "enterprises with a social purpose", with subsidized capital, some form of worker participation and activities concentrated in the welfare sector in order to reduce undeclared work, all those getting a full basic income could be required to work, if at all, in such enterprises. "This is no utopia," De Vlieghere concludes, but a middle way between the twin failed utopias of Marxism and neo-liberalism. (Author's address: Jan Loginstraat 12, B-1730 Zellik.)

VAN TRIER, Walter. "Volledige werkgelegenheid, het dilemma van de vakbeweging en het basisinkomen", in *Een prijswaardige economie. Een ethische visie* (K. Boey, T. Vandeveld & J. Van Gerwen, eds.), Antwerp: UFSIA & HPB Spaarbank, 1993, ISBN 9053120092, pp. 341-368.

In his contribution to this impressive volume on ethics and economics published to celebrate the 75th of an Antwerp-based bank, BIEN Secretary Walter van Trier argues that while motivated by the recognition that full employment (volledige tewerkstelling) is forever out of reach, basic income is an essential means for reaching full employment (volledige werkgelegenheid) in an acceptable way. Full-time life-long paid work for all the able-bodied is crucially different from the real possibility to do paid work for all those who wish to at any particular time. And whereas basic income is incompatible with the former, it is required by any policy that aims to achieve the latter without generating ever greater insecurity and inequality.

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ENGLISH

ATKINSON, Anthony, ed. *Alternatives to capitalism. The economics of partnership*, Basingstoke & London: Macmillan and New York: St Martin's Press, 1993, ISBN 0-333-57311-0, 290p.

These proceedings of a conference of the International Economic Association held in England in the honour of Nobel laureate James Meade focus mainly on one of the components of Meade's "Agathotopia" (see *BI* 6: 7), the idea of capital-labour partnerships, i.e., of enterprises jointly managed by their employees and the providers of their risk capital. The volume starts with a previously published piece by Meade on "Can we learn a 'Third Way' from the Agathotopians?" (also included in his *Liberty, Equality and Efficiency*, Macmillan, 1993, reviewed below). In his comment on Meade's paper, editor A.B. Atkinson focuses on another, complementary component of Meade's "Agathotopia", an unconditional basic income. (It is complementary because, as French economist Edmond Malinvaud recalls in his own comment, the income security provided by a basic income is what makes the greater risk that partnership involves for workers tolerable for the latter.) "The central problem with a basic income scheme," Atkinson recalls, "is that of financing." Meade advocates the replacement of the income tax by a consumption tax (with savings deducted from the tax base). But there are political limits to the rate of taxation of

consumption as well as of income. Suppose the highest acceptable average rate is 50 percent. If (tax-exempt) savings are 10 percent of total income and the taxation needed for other purposes than the basic income is 20 percent, the highest possible level of basic income would then be 25 percent of average income, i.e., far less than usually envisaged. This is where the Agathotopian idea of State ownership (without State management) of half of society's capital may provide a solution. If capital income is 30 percent of total income and the State gets half of it, while the remaining 85 percent are subjected to the 50 percent consumption tax, basic income would reach a somewhat more comfortable 33 percent of average income. But how can a (non-socialist) society get there? Obviously by having the government collect, year after year, more revenues than it needs for all its expenditures—as the UK has done for example, when it turned its large public debt in the late 40's into a net worth of the public sector of 100 percent of GDP in the late 70's. The problem is that this means ever tighter constraints on the basic income achievable now for the sake of making a more generous basic income feasible later. Is this fair to the present generation? And what guarantee is there that future politicians will use the dividend on accumulated public wealth to fund a basic income? Atkinson's questions suggest that there may well be no alternative, after all, to

each generation making do with what it is itself politically capable of redistributing.
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BLOCK, Fred & MANZA, Jeff. "Can the U.S. afford a basic income grant?", paper presented at the Conference on Political Economy and Social Theory, University of California at Davis, June 1993, 32p.

With the election of Democrat Bill Clinton as president and the intensification of debates around universal health care, there may be a chance to put basic income back on the agenda. For this to be possible, the two authors (both sociologists at the University of California, the former at Davis and the latter at Berkeley) argue, the proponents of basic income have to answer the two main objections that a universal grant would be unaffordable and that it would be unpopular. The first part of the paper presents an estimate of the cost of a basic income of \$5000 per year per citizen (\$2500 for children). The scheme would involve lower administrative costs than existing programmes, and a steep tax on the grants received by high-income citizens could lower costs still further. All in all, the cost of the basic income would be \$91 billion. This amount could be financed, the authors argue, be it only by "just reversing the Reagan era tax reductions." Such a reversal would "not have a major impact on an economy as large as that of the United States," and the conclusion is that "if the political will existed, the society could certainly afford to implement a Basic Income Guarantee of the size proposed here." In the second part of the paper, the authors attempt to show that basic income would be less unpopular than is usually claimed by invoking a "labour market argument" and a "welfare reform argument." The former argument rests on the assertion that "the Basic Income Grant is a market-oriented strategy for achieving a better mix between employer flexibility and employee security," thus making it possible to "rebalance" the ailing labor market. According to the latter argument, "a system of Basic Income Grants also represents a solution to one of the most intractable dilemmas of U.S. politics, the reform of the welfare system," because it would avoid the need for expensive training programmes and highly monitored compulsory public works, while also preventing people from falling into the poverty trap and from having to work on an exploitative black market. For all these reasons, the authors emphasize, basic income "is worth a second look by American social scientists and political activists. (...) This is an idea whose time has come again."

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BORRIE, Gordon. "Refreshing Beveridge", in *The Guardian* (Manchester), 8 November 1993.

Sir Gordon Borrie QC is chairman of the Commission on Social Justice set up at the initiative of John Smith, leader of the British Labour Party, in order to rethink the future of the welfare State. In this article, he first briefly reviews the economic and social trends that have undermined the viability of the present structure of benefits. "The favourite right-wing answer is to scrap universal benefits, encourage private insurance for those who can afford it and provide means-tested benefits for those who can't." But reliance on means tests, he points out, leads to low take-up, poverty traps and disincentives to take employment or to save. "Some on the left also advocate scrapping national insurance but say it should be replaced by a citizens income, financed through the tax system and paid as of right to all citizens. (...) So far, however, citizens income has foundered on the twin difficulties of winning political support for a benefit unrelated to contributions or employment, and the high marginal tax rates that would have to be levied to finance the new benefit." Hence, this would be "a draconian option which would put us out of step with most of the rest of Europe." On the other hand, what Borrie does put forward is "a participation income for unpaid carers and perhaps people active in voluntary work", as well as non-means-tested, non-contributory benefits paid out of taxation and designed to cover particular situations such as unemployment, illness, maternity, retirement and being a single parent. Who is left out? Only non-caring, non-volunteering housewives (if there are any), students (unless they get grants) and the employed. If Borrie remembers that the unemployment trap was a central part of his point of departure, perhaps he will find a simple and low citizens' income worth another good look. This is what a couple of letters (by Henry Law and Tony Fitzpatrick) published shortly after by *The Guardian* strongly advised him to do.

(Author's address: c/o Commission on Social Justice, Institute for Public Policy Research, 30-32 Southhampton Street, UK-London WC2E 7RA.)

CHOTE, Robert. "Courageous road to a basic income", *Independent on Sunday* (40 City Road, London EC1Y 2DB), 19.12.1993, p.6.

Apparently impressed by the steady growth of the proportion of the population on means-

tested benefits (nearly 10 percent, more than ever since the creation of the UK's modern welfare State in 1948), Kenneth Clarke, Britain's Chancellor (i.e., finance minister), has ordered the Treasury to assess the feasibility of basic income schemes. After providing this information, the article clearly summarizes the unemployment-trap argument in favour of basic income. "The Conservatives have long nurtured the perverse belief that the poor work harder if they are given less money, while the rich work harder if they are given more." But recent work (A.B. Atkinson & G.V. Mogensen, *Welfare and Work Incentives*, Oxford University Press, 1993) has shown that higher marginal tax rates had little impact on the labour supply of well-off full-time workers, while high rates of benefit withdrawal at the low end of the income scale had a significant impact on work incentives, in particular for married women. A pure basic income scheme, however, "will have to remain a textbook curiosity", if only because of the high cost of taking the individual rather than the household as the relevant unit while guaranteeing an adequate income even to single people with no other income. The Chancellor could nonetheless "move a long way towards a Basic Income system by extending [means-tested] Family Credit to everyone [also the childless] or paying the cash value of tax allowances to those who currently earn too little to gain from them. But both these options, like pure Basic Income schemes, would need higher tax rates to pay for them."

(Address: see above.)

DAHRENDORF, Ralph. "A citizen's income would cut red tape", in *Financial Times*, 14.1.1994.

In this article, which is part of a series of contributions on the future of the welfare State, former director of the LSE and EC Commissioner Lord Ralph Dahrendorf presents a defence of citizen's income mainly from the point of view of labour market flexibility: such a system, he argues, would allow wages to drop (thus creating new jobs) without giving birth to a class of "working poor", that is, people in jobs but not earning enough to sustain themselves and their families. "I find the distinction between deserving and undeserving poor distasteful. But even those with fewer moral qualms would probably agree that there is something wrong about hard-working people not earning enough to live on. Why do we not start the implementation of the citizen's income idea with this category?" How would one make sure that the *level* of the income does not become "a political football"? Whereas most European countries would be able to set up independent

agencies, Dahrendorf argues, the British tradition of parliamentary sovereignty would make it necessary to impose restrictions via the legislation. "In any case," he concludes, "there is room for lateral thinking in future budgets which address themselves to the longer term rather than just the next year, or even the next election."

(Author's address: The Warden, St Anthony's College, UK-Oxford.)

JOUEN, Marjorie, VAN DER HALLEN, Peter & DRÈZE, Benoît, eds. *Enterprise, work and society*, Bruxelles: Fondation Roi Baudouin, The Millenium Conferences 1993, 286p.

A quadrilingual reader (English, French, Dutch, German) on labour market policy, the cost of labour, working time, education and training, human resources, job creation in the service sector, and work and income. The final section devoted to this last theme entirely consists of articles on basic income (by Wohlgenannt and Büchele, Euzéby, Van Trier and Van Parijs).

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MEADE, James. *Liberty, equality and efficiency*, London: Macmillan, 1993, 256p., ISBN 0-333-58530-5.

Cambridge economist and Nobel laureate James Meade has been arguing for basic income since at least 1935. This book, dedicated to BIEN co-chairman Edwin Morley-Fletcher, constitutes a most useful collection of texts which are not yet, or no longer, easily available. In the introduction, Meade makes clear that the binding element in the papers of the volume is the search "for economic policies and institutions designed to cope with the inevitable clash between three basic economic objectives: ... Liberty, ... Equality, ... and Efficiency." He concludes his introduction with the complaint that not enough of his professional colleagues engage in this kind of enterprise. They may well not accept Agathotopia—an imaginary island where social arrangements, though not perfect, are as good as one can hope them ever to become in this wicked world—as the best possible model, Meade says. "But whatever its precise structure, a model of an Agathotopian kind is needed during the process of gradual change as a means of judging whether each small change represents a movement towards or a movement away from an ultimate goal and as laying the ideological foundation on which a new political consensus might be built." The remainder of the book is a forceful argument by one of the most prominent economists of this century to the effect that a basic income is an

important ingredient in such a model. The first part consists of only one chapter, the reprint of a small but influential book originally published in 1964, *Efficiency, Equality and the Ownership of Property*. It foreshadows very clearly Meade's Agathotopian fantasy and, notwithstanding the fact that it was written thirty years ago, contains a very "actual" argument for uncoupling work and income because of the devastating effects on wage levels of trying to get full employment in a situation of "technological unemployment". The second part of the book contains four papers, one of them unpublished, resulting from the author's recent intellectual wanderings on Agathotopia. Its institutional set-up, including a social dividend and a system of labour-capital partnership, was described in a small booklet published by the David Hume Institute (see *BI* 17: 8) and reprinted here. Also included are an even less well-known sequel, in which Meade questions the Agathotopian experience for clues as to how Europeans should conceive of their unification ("National Diversity versus Continental Uniformity") and an article summarizing the Agathotopian wisdom, first published in the *Royal Bank of Scotland Review*. The only hitherto unpublished essay contained in the book is somewhat more technical and considers the way the Agathotopians treat the environment as a common national asset. Meade explains that writing the paper was prompted by considering whether he should join SPES—the Society for the Promotion of Economic Slowth—a society Meade's wife founded in 1955 and of which she still is the only member. (Author's address: 40 High Street, Little Shelford, UK-Cambridge CB2 5ES.)

(Interviewee's address: Guy Standing, ILO, Mozsár utca 14, H-1066 Budapest, Hungary.)

TYLER, Christian. "When work is a perk",
Financial Times (London), 14.11.1993.

In this sympathetic article based on an interview with ILO economist Guy Standing ("chairman of a little-known body called BIEN"), basic income is presented as "an answer to the failure of full employment strategies (communist as well as capitalist) and a counter to the growing popularity of welfare." What form would it take? "For non-earners, it could be an automatic payment or a life-time credit acquired at birth and drawn down when needed. For earners, it could take the form of a tax credit." How high would it be? "We're hoping that, gradually, you move in the direction of providing an income where people could, if necessary, survive without earnings for a period. But we're not so naive as to think that is a realistic possibility in the near future." Is it not fabulously expensive? "The Dutch have costed it and found they could provide a reasonable level of basic income with only a small rise in the average tax rate."

FINNISH

SOININVAARA, Osmo. *Hahmotelma perustulomallista (An outline of a basic income model)*, Helsinki: Ministry of Social and Health Affairs, 1994, 35p.

In this study ordered by the Ministry of Social Affairs, former green MP Osmo Soininvaara claims that there is a strong tendency in Finland for differences in marginal productivities of workers to increase, so that there must be either more and more unemployment or ever greater wage disparities. His solution is a basic income scheme that would allow increased wage differentials without creating more income inequalities. The authors suggests a (partial) basic income of FIM 1700 a month for a single adult, and 1200 for a second (or third) adult

living at the same address. All other incomes would be taxed at a flat rate of 53 percent. On top of the basic income he proposes a supplementary, needs-based benefit, which would encompass all kinds of social benefits and would decrease with earnings. According to the author, this system would not cost more, it would increase work incentives, and it would target the supplementary benefits more effectively. He suggests that once the basic income has been introduced, the tax burden could be shifted from incomes to consumption and ecological taxes.

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FRENCH

EUZÉBY, Chantal. "Pour un revenu minimum d'existence", in *Le Monde*, 5.10.1993, p. 37.

In this short article, which follows upon two longer pieces published in *Futuribles* (see BI 17: 10) and in the *Revue du MAUSS* (2^e semestre 1993), French economist and social security expert Chantal Euzéby argues in favour of uncoupling social protection and work. "More and more is being produced with less and less labour", and a minimum existence income, she argues, would greatly improve labour market flexibility. This existence income would be preferable to the current Revenu Minimum d'Insertion (RMI) because it would be unconditional. "We have to stop considering waged employment as the sole factor of social integration if the right to work is violated. Those who have to live on transfers because they are stuck in unemployment or precarious jobs should not be made to feel guilty. We have to acknowledge the value of activities performed outside the market." The existence income, Euzéby insists, must be accompanied by a priority given to intra-EC trade (in order to avoid "unfair competition and social dumping") and by "a true work sharing policy". These measures should allow Europe "to escape excessive rationalization of production and an income distribution system based too unilaterally on productive contribution".

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PEUGEOT, Valérie (ed.). *Développement, coopération, activité*, Paris: Europe 99 (21, boulevard de Grenelle, F-75015 Paris), 1993, 29p.

In this contribution to the EC White Paper on *Growth, Competitiveness and Employment* (see this

issue, page 3), the French association Europe 99 (which gathers such people as Jacques Robin, René Passet, Guy Aznar, Patrick Viveret, etc.) criticizes the prevailing view that unemployment is to be fought by means of increased competitiveness, and develops its own strategy. This combines a general reduction of working time to 32 hours (without *income* loss) and the introduction of a citizen's income. The main obstacle to this strategy, they argue, lies in employment-oriented cultural attitudes.

(Editor's address: c/o Europe 99, as above.)

RACINE, Raymond, ed. *L'Europe au-delà du chômage*, Genève: Centre de la Culture & Bruxelles: Presses Universitaires Européennes (distributed by PARSIFAL, avenue G. Truffaut 42, B-4020 Liège), Collection Travail et Société n° 12, 1992, ISBN 90-5201-025-1, 236p., 20 ECU.

Prefaced by Michel Hansenne, Director General of the International Labour Organisation, this collective volume gathers the results of the discussions conducted over a number of years at Geneva's Centre Européen de la Culture by a small international group of European scholars inspired by the (French) personalist tradition and initially set up by one of the founding fathers of European federalism, the late Denis de Rougemont. The purpose of the group was to analyze the nature of contemporary unemployment and explore various scenarios for dealing or putting up with it. Basic income forms the core of the 6th and last scenario the group subjects to its critical scrutiny. Christian Lalive d'Épinay (professor at Geneva University) gives a clear and substantial overview of some variants of the proposal and

some of the arguments in its favour. He likes the idea that basic income reflects the common ownership of society's assets, but would prefer basic income to be part of a contract between each individual and society, whereby the former would commit her/himself to a certain amount of useful activity over his/her lifetime. Jean-Pierre Jallade (director of the European Institute for Education and Social Policy in Paris) is more negative and finds basic income hard to reconcile with personalism because it would give freedom without specifying any responsibilities. Jacques Delcourt (professor at Louvain University) is worrying mostly about the belief in social spontaneity that underlies "this ambitious and enticing proposal." Wouter van Ginneken (International Labour Organisation) finds many virtues in the latter, but also "one major defect: it is currently unpayable." However, unconditional child benefits and student grants, which exist in several countries, are significant steps in this direction. According to Roger Sue (professor at the University of Paris-Sorbonne), more radically, "if one admits that a growing part of

produced wealth stems from the accumulated capital that has made automation possible, then it makes sense to entitle each citizen to a share in this wealth, in the form of a life-long basic income that evolves as a function of the economy's general performance," while still letting labour give access to a sizeable part of total income. In his conclusion, the editor notes that all the contributors "have, in discussion, admitted that society will have to loosen the connection between work and income, almost certainly to the point of advocating basic income." One must of course remain cautious, and the idea of an unconditional right to income is "a revolutionary demand which our minds are not ready to endorse." But it constitutes a *Realutopie* which should guide social progress. Had Denis de Rougemont's health enabled him to stay in the group, Raymond Racine notes in the last footnote of the book, "he would certainly have opted for moving from the 5th to the 6th scenario", i.e., from a means-tested guaranteed income to a genuine basic income. (Address: c/o PARSIFAL, as above.)

GERMAN

HÜTHER, Michael. "Zum aktuellen Integrationsbedarf in der deutschen Steuer- und Sozialpolitik", *Jahrbuch für Sozialwissenschaft*, Band 42, Heft 2, 1991, pp. 179-196.

In this article, the old idea of a negative income tax is discussed with regard to the present German situation. Will the integration of the German tax and transfer system be an adequate or even a necessary solution to all the existing problems, and will integration be a good concept for the unified Germany? The author briefly outlines and discusses the major problems in present-day German tax and social policy. He then identifies the need for integration and analyzes the difficulties created by German unification. He concludes that the integration of the tax and transfer system is a good and desirable strategy for German policy-makers.

(Author's address: SVR, Statistisches Bundesamt, D-65180 Wiesbaden.)

SCHARPF, Fritz. "Von der Finanzierung der Arbeitslosigkeit zur Subventionierung niedriger Erwerbseinkommen", *Gewerkschaftliche Monatshefte*, n°7, 1993, pp. 433-443.

All traditional full employment policies have failed. It is impossible to provide jobs for all in the export-oriented, highly competitive sector of

the German economy. The influential German social scientist Fritz Scharpf therefore argues in favour of a negative income tax in order to enable people to accept lower-paid jobs (especially within the service sector) without becoming working poor, and in order to avoid the poverty trap.

(Author's address: Max-Planck-Institut für Gesellschaftsforschung, Lothringer Straße 78, D-50677 Köln.)

NEWS FROM THE NATIONAL NETWORKS

ASSOCIATION POUR L'INTRODUCTION D'UN REVENU D'EXISTENCE

The French basic income association AIRE has published two more issues of its newsletter. They contain the proceedings of the debate that took place in Paris on 7 October 1993 on "existence income and full activity" and the announcement of its next meeting on 4 February on the theme "Existence income: responding to objections".

For details about the venue, contact Mlle H. Boussata, Faculté de Sciences Économiques, 58 avenue Didier, F-94210 La Varenne, phone: (1) 49.76.80.98, fax: 48.85.29.93.

CITIZENS INCOME

Citizens Income Bulletin n°19 is being published at the end of January. It contains up-to-date information on how the debate about citizen's income is proceeding in the United Kingdom. It is available for £ 3.00 (post free) from: Citizens Income Study Centre, St Philips Building, Sheffield Street, UK-London WC2A 2EX.

VERENIGING BASISINKOMEN

The latest two issues of the newsletter of the Dutch network (*Nieuwsbrief Basisinkomen*, n°7 and 8, September and December 1993) provide, as usual, a lively picture of a lively debate. As a result of a new rise in unemployment and of growing concern with the working of the existing minimum income system, countless newspaper and magazine articles and many radio and TV programmes have been discussing the idea—so much so that the newsletter has had to become increasingly selective. One piece in the December issue surveys the party programmes for this year's general elections. The Green Left Party (which some years ago absorbed the strongly pro-basic-income radical

party) now only stands for a negative income tax. The Christian-democratic Party (CdA) does not mention basic income but proposes a full individualization of the existing social assistance system (with a lowering of the current level for single people). Supplements would be available, but with the burden of proof on the claimant's side. Most noteworthy, however, is the first appearance of basic income in the programme of the other ruling party, the Labour Party (see *BI 17*: 5), without a firm commitment but with an unprecedented openness for experiments. The press spoke of a "left programme with a libertarian leaning" (*NCR Handelsblad*, 6.9.93). One prominent member of the programme commission emphatically stated in the press that basic income was about "the most essential problem that social democracy will have to look into in the future" (Marcel van Dam in *De Volkskrant*, 9.10.93), while another pointed out that what was at stake, even with a partial basic income (that would preserve work incentives), was the abolition of the duty to work—after that of the duty to vote and the duty to serve in the army (Paul Kalma in *De Volkskrant*, 10.10.93). A few months earlier, Labour Party member and former chairman of the European Commission Sicco Mansholt (now 84 years old) had confided to a journalist (*NCR Handelsblad*, 3.6.93): "When I look at this whole business of social assistance, disability allowances, unemployment benefits, then I say: nonsense, clear up this mess. We need a minisystem with a basic income and beyond this everyone must simply get additional insurance. It is already twenty years that I am pleading for this basic income in the Labour Party, but except for the Food Workers' Union no one wants to move." Perhaps the authors of the latest Labour Party manifesto heard the old man's words, enough at any rate to include something that would cheer him up. (Address: Werkplaats Basisinkomen, Herman Heijmeransweg 20, NL-1077 Amsterdam.)

WHAT IS BIEN?

The Basic Income European Network was founded in September 1986 to serve as a link between individuals and groups committed to, or interested in, basic income, i.e. an income unconditionally granted to all on an individual basis, without means test or work requirement, and to foster informed discussion on this topic throughout Europe.

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