

BASIC INCOME 24
Newsletter of the Basic Income European Network
Spring 1996

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This issue of Basic Income was prepared with the help of Christian Arnsperger, Annick Dabeye, Isabelle Degreef, Alexander de Roo, Walter Van Trier, Lieselotte Wohlgenannt and all those who spontaneously sent relevant material.

The reviews it contains are not protected by any copyright. They can be reproduced and translated at will. But if you use them, please mention the existence and coordinates of BIEN and the exact references of the events or publications concerned.

Please send to BIEN's secretary a copy of any relevant item you come across, with full references and, if possible, author's address and brief summary.

Many thanks!

BIEN ON THE WORLD WIDE WEB

BIEN now has a web site, which you can easily access using Netscape. Its address is:
<http://www.espo.ucl.ac.be/ETES/BIEN/bien.html>.

It contains some general information about basic income and BIEN, the latest issue of the newsletter and, above all, a bulky set of documents entitled "BASIC INCOME IN EUROPE. AN ANNOTATED SURVEY OF EVENTS AND PUBLICATIONS SINCE 1986", with the following contents:

1. BIEN CONFERENCES

FIRST BIEN CONFERENCE: LOUVAIN-LA-NEUVE, SEPTEMBER 1986
SECOND BIEN CONFERENCE: ANTWERP, SEPTEMBER 1988
THIRD BIEN CONFERENCE: FLORENCE, SEPTEMBER 1990
FOURTH BIEN CONFERENCE: PARIS, SEPTEMBER 1992
FIFTH BIEN CONFERENCE: LONDON, SEPTEMBER 1994
SIXTH BIEN CONFERENCE: VIENNA, SEPTEMBER 1996

2. HISTORICAL NOTES

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THE FIRST UNCONDITIONAL BASIC INCOME SCHEME (1920)
THE TRUE ORIGINS OF "BASIC INCOME" (1953)
THE ALASKA DIVIDEND DISTRIBUTION PROGRAM (1977 sqq)
IN MEMORIAM : BRANDON RHYS-WILLIAMS [1929-1990]
IN MEMORIAM : PROFESSOR JAN TINBERGEN [1903-1994]

3. OTHER EVENTS

EUROPEAN UNION
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FINLAND
FRANCE
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IRELAND
ITALY
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UNITED KINGDOM
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5. ACADEMIC THESES

BIEN'S 6TH CONGRESS (VIENNA, 12-14 September 1996)

Thanks to a very efficient collaboration with the European Center for Social Welfare Research and Policy (Bernd Marin, Edith Scherr) and the Katholische Sozialakademie Oesterreichs (Lieselotte Wohlgenannt, Michael Tepser), the preparation of our 6th Vienna Congress is progressing according to schedule. Financial support has been granted by the following organizations:

ABN AMRO Bank Austria
Akademie der Wissenschaften
Bundesministerium fuer Arbeit und Soziales Wien
City of Vienna
Renner Institut Wien
United Nations Office at Vienna
Wirtschaftskammer Oesterreich
Projektgruppe Sozialpolitik Oesterreichische Hochschulernnenschaft

If you have not already done so, ask Edith Scherr for a registration form (European Centre, Berggasse 17, A-1090 Wien, tel.: 43-1-319450521; fax: 43-1-319450519, E-mail: Scherr@euro.centre.org). All practical details and a detailed provisional programme will be sent to you. The deadline for registration is 15 July. Cheap accommodation is available, but in limited supply. It is therefore essential to register as early as you can.

There may be a few more slots for workshop presentations. If interested, please send an abstract urgently to Philippe Van Parijs (Chaire Hoover, 3 Place Montesquieu, 1348 Louvain-la-Neuve, Fax: 32-10-473952, E-mail: vanparijs@espo.ucl.ac.be).

We look forward to seeing you in Vienna at what promises to be a very instructive and exciting event, not least because the Austrian debate has just been given an unexpected boost by a radical liberal proposal (see below).

BIEN'S 6TH CONGRESS: SCHEDULE

Thursday, 12 September 1996

9:00 a.m. onwards Registration of Participants, UNOV-VIC, Checkpoint 1

10:00 — 10:30 a.m. UNOV, C-Building

Addresses of Welcome by

Dr. Guy STANDING, Co-chairman of BIEN, and

Dr. Alois RIEDLSPERGER, Director of the Katholische Sozialakademie Oesterreichs.

Introduction by Prof. Bernd MARIN, Director of the European Centre for Social Welfare Policy and Research.

10:30 — 12:45 PLENARY SESSION: UNOV, C-Building: PAINE AND BEYOND

- PAINE REVISITED: "Agrarian Justice" (1796) and its aftermath, by Bernard VINCENT, professor at the University of Orleans (France), author of *Thomas Paine ou la religion de la liberté* (1987), editor of *Thomas Paine ou la république sans frontières* (1993).

- PAINE REALIZED: The Origins and Working of Alaska's Dividend Scheme, by Byron I. MALLOTT, executive director of the Alaska Permanent Fund Corporation or his representative.

- PAINE EXTENDED: Distributing our Technological Inheritance, by Gar ALPEROWITZ, Chairman of the National Centre for Economic and Security Alternatives (Washington, DC).

12:45 — 2:15 p.m. L u n c h Break— UNOV CAFETERIA, F-Building

2:15 — 3:45 COUNTRY SURVEY

3:45 — 4:00 C o f f e e B r e a k

4:00 — 5:30 Parallel Workshops

Workshop 1: Principled justifications of basic income

Workshop 2: What partial basic income? Microsimulations

Workshop 3: Basic income beyond borders?

8:00 p.m. Cocktail Reception — CITY HALL

Friday, 13 September 1996

9:00 — 10:45 a.m. PLENARY SESSION: UNOV, C-Building

BASIC INCOME VERSUS SUBSIDIZED EMPLOYMENT

Rick VAN DER PLOEG, professor of political economy at the University of Amsterdam, member of the Dutch Parliament.

Guy STANDING, director of labour market research at the International Labour Organization (Geneva).
Georg VOBRUBA, professor of social policy at the University of Leipzig, author of *Jenseits der sozialen Fragen* (1991).

10:45 — 11:00 C o f f e e B r e a k

11:00 — 12:45

Workshop 1: Paine and Beyond: Basic income and ecotaxes

Workshop 2: What partial basic income? (continued)

Workshop 3: Basic income versus employment subsidies

12:45 — 2:15 p.m. L u n c h B r e a k — UNOV CAFETERIA, F-Building

2:15 — 3:45 Parallel workshops

Workshop 1: Basic income and/or various forms of working time reductions

Workshop 2: Issues of political feasibility

Workshop 3: To be determined

3:45 — 4:00 p.m. C o f f e e B r e a k

4:00 — 5:30 PLENARY SESSION: UNOV, C-Building

VISIONS OF BASIC INCOME

- James Meade's Path to the Social Dividend, by Walter VAN TRIER, senior research fellow at the University of Antwerp (Belgium), author of *Everyone a King!* (1995).

- Kurt ROTHSCCHILD, professor emeritus of political economy at the University of Linz.

- Claus OFFE, professor of political science at Humboldt University (Berlin), author of *Disorganized Capitalism* (1985), co-author of *Arbeit 2000* (1994).

- Philippe VAN PARIJS, professor of economic and social ethics at the Catholic University of Louvain, author of *Real Freedom for All* (1995).

7:00 p.m. BUSINESS MEETING (BIEN's General Assembly):

Katholische Sozialakademie Oesterreichs

Saturday, 14 September ÖSTERREICHTAG, Alte Burse / Akademie der Wissenschaften

(German only, no translation)

PANEL DISCUSSION

10:00 — 2:30 p.m. Grundsicherungen und Grundeinkommen: Begründungen und Einwaende
Reactions by Political Parties and Interest Organizations

2.30 p.m. onwards H e u r i g e r (social event for all Congress participants),
courtyard of Akademie der Wissenschaften/ Alte Burse

BIEN'S 6TH CONGRESS: GENERAL ASSEMBLY MEETING

As usual, the Congress will provide the occasion for BIEN's General Assembly meeting (on the Friday night, at the Katholische Sozialakademie). The agenda will include: (1) Next conference, (2) Newsletter, (3) Financial situation, (4) National Networks, (5) Election of the Executive Committee.

If you want further items to be added and/or if you would be prepared to join the Executive Committee (chair, newsletter editor, treasurer, research coordinator, secretary), please drop a note to Ph. Van Parijs in advance of the conference. CANDIDATES FOR THE JOB OF NEWSLETTER EDITOR ARE PARTICULARLY WELCOME. Don't be shy: if you are reliable and willing to make some of your time available to assist the development of our network, your offer will be greatly appreciated.

OTHER EVENTS

REPENSER (RADICALEMENT ?) LA SOLIDARITE

Louvain-la-Neuve (Belgium), 19-21 December 1996

An international conference that will mark the fifth anniversary of the creation of the Hoover Chair in Economic and Social Ethics. It will focus on various innovative proposals for restructuring European welfare states (including in their territorial dimension) and the normative issues such proposals raise.

Paper proposals (in French, English or Dutch) for the parallel workshops should be sent to Ph. Van Parijs by 15 September 1996 (E-mail: vanparijs@espo.ucl.ac.be)

For further information, please contact Annick Dabeye, Université catholique de Louvain, Chaire Hoover, 3 Place Montesquieu, B-1348 Louvain-la-Neuve, Fax: 32-10-473952, E-mail: dabeye@espo.ucl.ac.be.

OBITUARY: JAMES MEADE

When Professor James Meade died on 22nd December 1995, basic income lost one of its most eminent, consistent and unexpected advocates.

James Meade turned from classics to economics in the early 1930's under the influence of a beloved aunt, a follower of Major Douglas's Social Credit Movement, and with the urgent need to contribute to the fight against unemployment and poverty in the midst of plenty. Meade went on to become one of the outstanding economists of his generation. As a professor at the London School of Economics and at Cambridge, he contributed in many ways both to economic theory and to economic policy, and was awarded the Nobel Prize in Economics in 1977 for his work on international trade theory.

Throughout his work, Meade gave a prominent place to the objective of full employment. But from his early "Outline of an Economic Policy for a Labour Government" (1935) to his final "Full Employment Regained?" (1995) through the famous report of the Meade Committee on the structure and reform of direct taxation, written for the Institute of Fiscal Studies (1978), his commitment to this objective was combined with the advocacy of a basic income. In his view, a decent full employment policy asked for a package of fundamental institutional reforms, including the introduction of a universal and unconditional income.

Not only was James Meade highly respected for his technical contributions. He was so even more because his economics was the expression of a deeply held ethical view. In an interview published some years ago, the philosopher Isaiah Berlin nicely expressed the moral trust people felt they could have in him: "I always felt that if there was a crisis - a revolution in which I might not be quite clear about what I should do - if I followed him I should avoid perpetrating anything squalid or contemptible and would be, if not politically secure, certainly morally safe." In the future debate about basic income and full employment, a guide of James Meade's intellectual and moral stature will remain a constant source of inspiration.

A GLIMPSE OF THE AUSTRIAN DEBATE

At this year's labour day celebrations (1 May), Heide Schmid, chairwoman of Austria's Liberal Party (Liberales Forum), proposed the introduction of a full basic income (Buergergeld) of 10.000 Austrian Schillings (about DM 1400) per month for adults (half that amount for children). This corresponds roughly to the current level of the minimum wage and to over 50% of average disposable income. As a counterpart, all existing forms of social insurance and welfare would be abolished.

Ms Schmid's statement was picked up by practically all Austrian papers and magazines, and there were discussions in weeklies, some interviews on radio and television, some of them going back to earlier proposals and publications by the Katholische Sozialakademie Oesterreichs, which is co-hosting this year's BIEN Congress. Though remote from immediate feasibility, Ms Schmid's proposal has stirred the Austrian discussion on basic income to an unprecedented degree.

The Liberale Forum separated several years ago from Joerg Haider's increasingly right-wing Freiheitliche Partei. At the latest general election (November 1995), it obtained about 8% of the vote, and 10 seats in the Austrian Parliament. Austria's Green party (6% of the votes, 9 seats) has a basic income as a long-term objective and an unconditional basic pension for all as an immediate proposal. Its leadership dismissed Schmid's statement as "liberale Luftblasen" (Karl Oellinger & Alexander Van der Bellen, in profil [Vienna] 20, 13 May 1996).

A GLIMPSE OF THE BRITISH DEBATE

Once again, *The Economist* briefly alludes to basic income proposals ("The Welfare State: Thinking the Unthinkable", 27 April 1996, 44-46). It starts off by referring to a recent article (in the *Oxford Review of Economic Policy*) in which Steven Webb (University of Bath) documented the depth of the poverty trap generated by benefit withdrawal. "A commission sponsored by the Liberal Democrats and chaired by Lord Dahrendorf proposed an alternative: scrap means-testing and instead pay every adult a tax-free citizen's income. It is an idea that has been around for years but has lately gathered new, and surprisingly wide, support". Yet, *The Economist* adds, "means testing, it seems, is here to stay. Any practicable citizen's income (i.e., one which is small) would need to be heavily supplemented with means-tested benefits: this is the only way to reconcile effectiveness in reducing poverty with fiscal affordability".

A GLIMPSE OF THE DUTCH DEBATE

- Just before Christmas 1994, the Economic Minister Wijers (from the progressive-liberal party D66) and the Finance Minister Zalm (from the conservative-liberal party) both came out in favour of a basic income scheme. This was the renewed start of a discussion about basic income in Holland. Leading members of the social democratic and Christian democratic parties turned the idea down, but Prime Minister Kok said he did not exclude a basic income in Holland in the future.
- In a comment on these developments, the biggest newspaper in Holland, the Right-wing *De Telegraaf*, said that it would be unavoidable to discuss a basic income during the 1996 national discussion on the future of the Welfare State in Holland. The so-called purple coalition of Left- and Right-wing Liberals together with the Socialist party has decided to put reform of the social security system in the refrigerator until 1996. Then far-reaching reforms would be necessary.
- In its platform for the 1994 election, the green party *Groenlinks* had proposed a "partial basic income" of Dfl 280 per month. In November 1995, its Executive Committee decided to propose a "foot income" of Dfl 500 per month, to be financed mainly out of the suppression of the current tax exemption and heavier ecological taxation.
- In a statement made public in December 1995 (*De Volkskrant*, 8.12.1995), the principal Dutch Trade Union Federation *FNV* proposed the introduction of a basic benefit ("basisuitkering"). In the form of a refundable tax credit, this fully individualized basic benefit would be extended from the involuntarily unemployed to all workers. Its level would go up in steps from Dfl 200 now to Dfl 900 in 2010. It would differ from a basic income ("basisinkomen") in its being restricted to people who are either at work or available for paid work.
- On the basis of a detailed proposal concocted by Paul de Beer (*Sociaal en Cultureel Planbureau*) and Loek Groot (University of Utrecht), the Green-Left group is trying to persuade the City Council of the city of Dordrecht to conduct a real-life experiment with a basic income scheme. The experiment would compare the labour market behaviour of a control group staying within the present system and a group of workers and claimants who would accept to join a basic income scheme giving them the same net income but permitting them to freely combine their basic income with any amount of paid and unpaid activities. (An 8-page long document "Een basisinkomenexperiment in Dordrecht" [January 1996] is available from Loek Groot, *Faculteit der sociale wetenschappen, Heidelberglaan 1, NL 3584 CS Utrecht*.)
- From a recent survey among 600 Dutch economists (*De Volkskrant*, 11 May 1996), one can learn — among many less relevant things — that basic income supporter Jan Tinbergen is still, by far, the most respected among them, but also that Rick van der Ploeg, a basic income opponent and keynote speaker at BIEN's next Congress, is the most respected in the younger generation. The survey also asked whether "the government must reform the social security system along the lines of a basic income". About 20% agreed, over 20% "agreed to some extent" and nearly 40% disagreed (the others did not reply). Those who agreed to at least some extent approach 50% among supporters of the Labour Party and the two liberal parties (VVD and D'66). They reach 60% among Greens, but fall well below 40% among Christian Democrats — the only group in which opponents outnumber supporters.

A GLIMPSE OF THE IRISH DEBATE

In response to the Copenhagen Summit on Social Development, the Government set up an interdepartmental policy committee and invited submissions to the development of a national anti-poverty strategy. About 250 submissions were received, including basic income proposals by Maire Mullarney (Green member of the South Dublin City Council) and by Brigid Reynolds (Conference of Religious of Ireland). In addition, the published "Summary of Discussions" contains many favourable references to basic income.

SOFTWARE

DEN BROEDER, Guido, DE BEER, Paul & GROOT, Loek, FRISBI 1.0, software available on a floppy produced by Magnana Mu Publishing & Research (Rotterdam).

FRISBI is a simulation model designed to study the effects of the replacement of current unemployment benefits by a (low/medium/high) basic income on the labour market and on the distribution of net income. It was presented at The Dutch Basic Income Network's Conference in Noordwijk (23-24 February 1996) and at a research seminar in Antwerp (22 May 1996). In its present version, it contains a highly stylized description of the Dutch population and economy. There are a number of parameters for which users can choose one of three values (typically high, low, medium): they include average age, average education level, openness of the economy, elasticity of labour supply, size of the social security system. FRISBI enables users to easily check the impact of such choices on the labour market (e.g. gender- and skill-specific rates of unemployment) and on the distribution of net income (e.g. between benefits, net wages and profits). It thereby provides a promising tool for bridging the gap between scientific research and policy concerns. One of its main limitations, in its present version, is that it does not incorporate any effect changes may have on the aggregate level of output (total value added is assumed to be constant, whatever the respective shares of profits, wages and benefits).

(First author's address: Magnana Mu, Igor Stravinskisingel 50, NL – 3069 MA ROTTERDAM, tel.: 31-10-455.95.38)

PUBLICATIONS

DUTCH

DE WOLFF, Diana, "De vondst van het voetinkomen", in Groenlinks Magazine, March 1996, 13 & 20.

For its June 1996 Congress, the Dutch "Green-Left" Party's top is proposing a "foot income" (i.e. an unconditional but partial basic income) of Dfl 600 (about 2/3 of the current minimum income for a single person) as an alternative to a full basic income, which it finds economically problematic, and to the "basic allowance" to workers and job seekers recently proposed by the Trade Union Confederation FNV (in its note *Tijd voor Nieuwe Zekerheid*), which it finds too employment-centred. In a comment published in the same issue, Alexander de Roo (assistant to the Green Group in the European Parliament and BIEN treasurer) criticizes this compromise proposal and argues that the Green Left should go for a basic income of Dfl 1000 financed by the abolition of all tax allowances and a flat income tax of 50% gradually lowered as eco-taxation takes over.

LUYTEN, Dirk, "Teloorgang van een garantieformule. Pleidooi voor een onvoorwaardelijk bestaansminimum", in *De Gids of maatschappelijk gebied* 87 (2), 1996, 3-18.

In the light of a close study of the working of Belgium's present social assistance system, a young sociologist pleads for an unconditional income guarantee (possibly in the means-tested form of a basic income). Its level, however, should be lower than the current minimum income guarantee (conditional upon availability for work), and any additional benefits should remain conditional in this sense.

(Author's address: KuLeuven, Departement Sociologie, 2 Van Evenstraat, B-3000 Leuven.)

NELISSEN, Jan & POLK, Steffen, "Basisinkomen: effecten op de arbeidsparticipatie en de inkomensverdeling", *Tijdschrift voor Politieke Economie* 18 (4), 64-82.

The article presents some results of a long-term microsimulation of the distributive effects of a basic income pitched at 50% of the minimum wage with supplements or deductions (to match current benefit levels) for one-adult households and people under 23, respectively. The simulation model (NEDYMAS) incorporates labour supply responses for various categories of workers (estimated on the basis of 1985 Dutch data) and makes different assumptions about the pattern of labour demand. The model predicts an increase in labour force participation for men and a decrease for women if the supply of part-time jobs is kept unchanged. If more part-time jobs are available, this difference shrinks but does not vanish. The model also predicts an increase in the inequality of earnings coupled with a decrease in lifetime income inequality.

(Authors' address: Katholieke Universiteit Brabant, Vakgroep Sociale Zekerheidswetenschap, P.O. Box 90153, NL – 5000 LE TILBURG)

QUINTELIER, Guy, "Reëel communisme of basisinkomen? Tegen het utopisch denken van Philippe Van Parijs", in *Vlaams Marxistisch Tijdschrift* (Brussels) 29 (4), december 1995, 137-176.

A lengthy, thorough and fierce Marxist critique of Van Parijs's "misguided attempt" to shake up the theoretical foundations of the European left (in *Marxism Recycled*, Cambridge 1993, and *Real Freedom for All*, Oxford 1995) and to place the utopia of an unconditional basic income at the core of its project.

(Author's address: c/o IMAVO, Stalingradlaan 18-20, B-1000 Brussel.)

VAN PARIJS, Philippe, "Een basisinkomen voor iedereen : wat moet dat kosten ?", in *OCMW Visies* (OVMW, Noordberm 39, B-3550 Heusden-Zolder, Belgium) 10 (4), December 1995, 11-15.

Published in a magazine edited by the heads of Flanders' social welfare offices, this is a critical discussion of the tricky notion of "cost" (budgetary, administrative, to households, economic) of a guaranteed minimum income scheme, in the light of microsimulations recently conducted for Belgium.

VARKEVISSER, Allan (ed.), *In de basis voorzien. Kanttekeningen bij en stellingen voor het debat over het basisinkomen*, Stichting Wetenschappelijk Bureau D66, SWB Debat, March 1996, 54p.

The research centre of the left-liberal party D66, one of the parties in the current governmental coalition, published a very substantial dossier on basic income, with contributions by active members of D66 (such as Jos Janssen and Allan Varkevisser) as well as academics (such as Joop Roebroek, Robert Jan van der Veen, Marc Davidson, etc.).

(Editor's address: c/o Stichting Wetenschappelijk Bureau D66 (Postbus 660, NL-2501 CR Den Haag, E-mail: lsd66@d66.nl,

VROOMAN, J.C. & DE KEMP, A.A.M., "Andere zekerheden: ministelsel, basisinkomen en participatiemodel onderzocht", *Openbare Uitgaven* 2, 1995, 74-85.

A discussion of three proposals for a thorough reform of the Dutch social security system: (1) the so-called "mini-system" proposed by the liberal party (a uniform benefit at 60% of the minimum wage for the involuntarily unemployed and disabled who have worked at least 5 years, a household-linked guaranteed income for the others at a level lower than now), (2) a version of the so-called "partial basic income" inspired by the 1985 proposal of the Scientific Council for Government policy and the current proposals of the green party (an unconditional citizen's income in the form of a refundable tax credit at about half the current level of the guaranteed income for a single person, combined with increased universal child benefits, temporary top-ups for those made redundant and make-up payments up to the current guaranteed income for anyone below this level) and (3) a "workfare model" (benefits gradually replaced, as the duration of a person's unemployment increases, by a subsidy for (part-time) employment at the minimum wage). The authors report on a 1993 opinion survey that showed 59% in favour of workfare, 41% in favour of the mini-system and only 19% in favour of a partial basic income. (How precisely the alternative schemes were specified in the questions is not revealed.) More interestingly, they report on microsimulations of the distributive effects (abstracting from behavioural responses and administrative costs) of specific budget-neutral variants of the three schemes. Of the three, the partial basic income is the most redistributive: from the rich to the poor, from childless households to households with children, but also from the disabled and the pensioners to the employed and unemployed workers. The authors conclude that it is probably still too early for any of these radical proposals. But when tinkering with the present system will have shown its limits, the most promising proposal, they believe, is the workfare model. Why? Because it is in tune with the work ethos, can count on popular support and would not disturb the distribution of incomes.

(First author's address: Sociaal en Cultureel Planbureau, J.C. van Markenlaan 3 — Postbus 37, NL – 2280 AA RIJSWIJK, Pays-Bas)

ENGLISH

An Alaskan's Guide to the Permanent Fund, Juneau: Alaska Permanent Fund Corporation (PO Box 25500, Juneau, Alaska 99802-5500, USA), September 1995, 22p.

An annual publication that informs Alaskan citizens about their Permanent Fund, that has been growing, since its creation in 1977, out of oil revenues and investment of its assets in over 1000 companies and over 30 countries. With a market value of over 15 billion US dollars, this fund is now bigger than Harvard University's endowment, the Rockefeller Foundation or the largest US pension fund. Since 1982, it has been paying "each Alaska resident who makes application and qualifies, no matter how young or old, rich or poor" an equal dividend the size of which depends on the Fund's performance in the previous five years. In 1995, this amounted to a record level (apart from the initial payment in 1982) of 990 dollars. According to the document, "the dividend program is a finely-crafted piece of public policy which was specifically intended to create a broad and powerful constituency to protect the Fund, encourage its growth, and distribute a significant portion of Fund income for the benefit of the current generation of Alaskans. And it has worked... Dollar for dollar, the dividend program has been shown to produce a more positive macroeconomic impact than any other type of government expenditure. Dividends help create thousands of in-state jobs each year with great efficiency and unparalleled equal treatment for all Alaska residents, and dividends add significantly to the annual disposable incomes of Alaska's families." Too good to be true?

(Address: Byron I. Mallott, Executive Director, address above.)

BULMER, Martin & REES, Anthony M. (ed.) *Citizenship Today. The Contemporary Relevance of T.H. Marshall*, London: University College London Press, 1996, xx + 306 p.

The volume collects twelve lectures given in honour of the sociologist T.H. Marshall at the University of Southampton between 1983 and 1995. Marshall's analysis of the welfare state as the result of the progressive extension of civil rights via political rights to social rights (in 'Citizenship and Social Class', 1950) is at the heart of all contributions. Four of these are of particular interest to the debate about basic income. James Meade's 'Full employment, new technologies and the distribution of income' and Ronald Dore's 'Citizenship and employment in an age of high technology' both discuss the need for an unconditional income. Ralf Dahrendorf's 'Citizenship and social class' discusses the notion of rights and obligations and stresses that it "is fundamentally mistaken" to think that "what is wrong with the welfare state is the neglect of obligations in favour of entitlements". Finally, Patricia Hewitt's 'Social Justice in a global economy?' shows why someone close to New Labour (and closely involved in the writing of the report of the Borrie Commission on Social Justice) can still reject basic income on grounds very similar to those critically examined by Dahrendorf, Dore and Meade.

CITIZEN'S INCOME BULLETIN n°21, February 1996, Citizen's Income Study Centre (St Philips Building, Sheffield Street, London WC2A 2EX), £3, 32p.

In addition to a large number of brief reviews, reports and viewpoints, this issue contains discussion (by Hermione Parker and Holly Sutherland) of the distributive impact of the introduction (in the UK) of a very low basic income (£70 per month) coupled with a minimum hourly wage of £4 , a presentation (by Jay Ginn) of the case for the introduction (in the UK again) of a basic (non-means-tested) pension of the Danish or Dutch type , a report (by Bruno Gilain and Philippe Van Parijs) on the simulation of the distributive impact of a low basic income (BEF 8000 or about £160 per month) in Belgium and an obituary (by Tony Atkinson) of one of the most prominent supporters of basic income, James Meade. The editorial also mentions that the Labour Party leader Tony Blair had instructed his new social security spokesman Chris Smith to "think the unthinkable" and search for a modernised social security system, including the possibility of a Citizen's Income. But "while Chris Smith was still ploughing his way through the Citizen's Income literature, up pops Gordon Brown [Labour's Treasury spokesman] with a formal commitment that a future Labour Government will cut the starting rate of income tax to 15% or even 10%. With this commitment Brown has virtually ruled out Citizen's income..."

DE JAGER, Nicole E.M. / GRAAFLAND, Johan J. / GELAUFF, George M.M., A Negative Income Tax in a Mini-Welfare State. A Simulation Exercise with MIMIC, *Journal of Policy Modeling* 18 (2), 1996, 223-31. A shortened and revised published version of a discussion paper reviewed earlier (BI 20) which investigates the macroeconomic impact of the introduction of an individual and

unconditional basic income at 50% of the minimum wage for all non-student adult residents. State-organized disability and unemployment benefits are abolished, while the net income of pensioners is kept unchanged and personal income taxation becomes proportional (flat rate of 53%). One striking predicted effect is a strong reduction in the rate of unemployment, especially among the low-skilled, owing to a greater willingness to accept jobs (on the part of those previously enjoying high disability allowances) and a significant fall in the labour supply (especially from two-earner households). Further effects include a significant fall in aggregate private sector output and a decrease in the income of the (decreasing number of) jobless single people.

(Second author's address: Centraal Planbureau, van Stolkweg 14, NL-2585 JR Den Haag)

DESAI, Meghnad. Review article on A.B. Atkinson, *Public Economics in Action. The Basic Income / Flat Tax Proposal* and Ph. Van Parijs, *Real Freedom for All. What (if Anything) Can Justify Capitalism?* (both Oxford University Press 1995), *Journal of Social Policy* 25, January 1996, 131-133.

"A small but significant movement has come up in Europe mainly — the Basic Income European Network — with the suggestion that income entitlements should be universal and unconditional". The two books under review take up this proposal "from two different but complementary perspectives". One, written by "an expert on taxation and public economics", is "indispensable for any one interested in this question". The other, written by "a passionate utopian philosopher", "is a feast as it traverses economics and philosophy and public choice". But both "set up the arguments for basic income in a somewhat rarefied fashion. [...] It is from HERE that we have to start if we are to reach the goal of basic income."

(Author's address: The House of Lords, Westminster, London.)

DUCHROW, Ulrich. *Alternatives to Global Capitalism: Drawn from biblical history, designed for political action*, Oxford: Jon Carpenter Publishing (PO Box 129, Oxford OX1 4PH), [1995], £ 11.99, ISBN 90-6224-976-0.

A theological plea against a system that boosts injustice and destroys the planet. Along with H. Daly & J. Cobb (*For the Common Good*, 1989) and W. Kessler (*Aufbruch zu neuen Ufern*, 1990) the author believes that the alternative must include "a guaranteed basic income ('basic wage for all') in order to overcome poverty, unemployment and economic dependence".

(Author's address: Hegenichstrasse 22, D-69124 Heidelberg, Fax: 49-6221-781183.)

LEVINE, Andrew. "Fairness to Idleness: Is there a Right Not to Work?", *Economics and Philosophy* (Cambridge) 11 (2), 1995, 255-74.

A liberal-egalitarian approach to the just distribution of resources must make room for both reciprocity (the avoidance of free riding) and neutrality (equal concern for people's essential interests, however much income or leisure they require). As scarcity decreases, the first principle must give way to the second. Hence, in societies rich enough to entertain liberal egalitarian aspirations, justice supports the provision of a right not to work, for example through an unconditional basic income. "Intuitions that suggest contrary positions are largely residues of historically superseded real world conditions".

(Author's address: University of Wisconsin, Department of Philosophy, 5185 Helen C. White Hall, 600 North Park Street, Madison, Wisconsin 53706.)

MANZA, Jeff. "Review of Philippe Van Parijs (ed.), *Arguing for basic income*", in *Theory and Society* (Saint Louis, USA) 24 (6), December 1995, 881-889.

After sympathetically but critically reviewing the various ethical justifications advanced by the contributors to the book and deploring the lack of attention paid to issues of gender justice, Berkeley sociologist Jeff Manza argues that proponents of basic income today face two paradoxes. First, although "airy philosophical discussions" are necessary to challenge conventional academic thinking, they do not foster much of a social movement. Second, "basic income is only likely to be adopted under one of two sets of socio-economic conditions: an economic downturn severe enough that a majority of citizens become willing to try something different; or a long period of sustained economic growth in which a majority of citizens become so comfortable that they are willing to share a significant portion of societal wealth". Neither scenario, Manza suggests, is likely.

(Author's address: Pennsylvania State University, Department of Sociology, USA.)

ATKINSON, Anthony, DORE, Ronald, ROBERTSON, James & VAN PARIJS, Philippe, "Debate: Citizen's Income", in *The Political Quarterly* (Oxford) 67 (1), January-March 1996, 54-60.

A useful set of four short pieces that argue for basic income from four different angles. According to James Robertson ("Towards a New Social Compact: Citizen's Income and Radical Tax Reform"), "the time is passing when the great majority of citizens ... could depend on employers to provide them with adequate income in exchange for work, and on the state for special benefit payments to see them through exceptional periods of unemployment". What is needed is the replacement of income tax by a taxation of the use of natural and other sources of wealth" and the replacement of means-tested benefits by a citizen's income. According to Ronald Dore ("A Feasible Jerusalem?"), the massive unemployment of the low-skilled derives from a mismatch between the qualities today's jobs require and the qualities people possess by virtue of their genetic equipment and early education. It is therefore "a mistake to assume that raising qualification is going to solve the problem of chronic unemployment." What would get to the root of the problem is the advent of a "new society" in which work would no longer be the only means of gaining a feeling of being first-class citizens. Dore mentions a number of ideational, economic and political conditions for the possibility of this "new society". This provides one perspective from which proposals for the gradual implementation of an unconditional basic income can be assessed. But the most urgent step towards the "new society" may rather consist in putting some flesh on the vague talk about community by instituting compulsory national service, for instance. According to Philippe Van Parijs ("Basic Income and the Two Dilemmas of the Welfare State"), basic income does not only provide a way of fighting at the same time growing exploitation (through the lowering of workers' incomes) and persistent exclusion (through high unemployment of the low-skilled). It also provides a way of facing the growing economic infeasibility of a generous national welfare state while getting around the political infeasibility of a generous transnational welfare state. Finally, Anthony B. Atkinson ("The Case for a Participation Income") starts with a forceful argument against means-testing in order to advocate a basic income at a monthly level of £75 (minimally) to £150 (maximally) that would complement a (duly taxed) social insurance system and be subjected to a condition of participation in paid or unpaid activity. Why this condition? Not for any deep ethical reason, but because Atkinson "believe[s] that such a scheme offers the only realistic way in which governments may be persuaded that citizen's income offers a better route forward than the dead end of means-tested assistance".

(Editor's address: Prof. David Marquand, University of Sheffield, Political Economy Research Centre, Elmfield Lodge, 132 Northumberland Road, UK – Sheffield S10 2TY, Email: D.marquand@sheffield.ac.uk)

MEADE, James E. *Full Employment Regained? An Agathotopian Dream*. University of Cambridge, Department of Applied Economics, Occasional Papers 61, Cambridge: Cambridge University Press, 1995, 94p., ISBN 0 521 55697 X (paperback). In this short book published before his death last December, James Meade provides a succinct overview of the package of measures needed to durably achieve full employment without inflation. They include the systematic taxation of all forms of pollution and discriminating labour-capital partnerships with comparatively low, unequal and fluctuating pay. "Another radical change that should be considered as an offset to the distributional difficulties of a full-employment policy is the payment to every citizen of a tax-free social benefit to be referred to as a Citizen's income ...". As in earlier writings, Meade indicates that the otherwise hideous cost of such a Citizen's income at an adequate level could be enormously reduced through the abolition of all tax allowances and many existing social benefits, and also through the introduction of a surcharge on the first slice of other income (say, double the standard rate of tax up to a level of other income that is twice the level of basic income, as illustrated in a helpful appendix). He also restates his interest in "Topsy Turvy Nationalization", i.e. the gradual building up of publicly owned assets to be invested in private enterprises, but the link with the funding of a basic income is no longer presented as essential. "It has become more unfashionable for an economist to advocate a particular vision of the social good, as Meade does in this little book [...]. It would be too bad if this [forthright and undeceptive approach] were to disappear", writes Robert Solow in his foreword. "Economics and the world would lose something immensely valuable." Members of BIEN, no doubt, could not agree more — and will make sure the loss of their eminent

fellow member will not mean the loss of the approach he so forcefully and lucidly practiced, up to his last book.

(Author's daughter's address: c/o Ed Dommen, UNCTAD-CNUCED, Palais des Nations, CH – 1211 Genève 10, Email: Edward.Dommen@unctad.org.)

MISHAN, Ezra J. & CORRY, Dan. "Debate: Technology and Unemployment", in *The Political Quarterly* 67 (2), April-June 1996, 151-162.

A chilling analysis leads economist Mishan (author of the 1967 best-seller "The Costs of Economic Growth") to the conclusion that there are hard times ahead for the working populations in the world's more prosperous countries. In the final paragraph of his response, Dan Corry (editor of the Labour Party linked magazine "The New Economy") comments that "it would certainly be no bad thing if the fears that Mishan has gave rise to a great deal of thought going into the concept of basic income, a system that avoids means testing, gives people an income as right, and would — in the end — ensure that if anyone chose to do an 'undesirable' job they would get paid reasonably for it."

(Second author's address: Institute for Public Policy Research, 30–32 Southampton Street, UK – London WC2E 7RA.)

PARKER, Hermione. *Taxes, Benefits and Family Life: The Seven Deadly Traps*, London: Institute of Economic Affairs (2 Lord North Street, London SW1P 3LB), Research Monograph 50, 1995, paperback, 149 p., ISBN 0-255 36370-2.

Already reviewed in the previous issue. Now available for £8 (inclusive of postage and packing) from Citizen's Income Study Centre, St Philips Building, Sheffield Street, UK – London WC2A 2EX.

ROBERTS, Keith V. *A Working Britain: A Design for a Market Economy*, The Michelmersh Press (Old Michelmersh Farm, Church Road, Michelmersh Farm, Church Road, Michelmersh, Romsey, Hampshire S051 0NR, 1995, 129p., £5 (paperback).

A new edition of a book first published in 1985, shortly before his death, by Keith Roberts, a prominent theoretical physicist and computer specialist who played an important role in the launching of the British debate on basic income. If one wants to "combine the compassion of the welfare state with the efficiency of the free market" in the high-technology world we are in, basic income is indispensable.

(Author's brother's address: Tony Roberts, Old Michelmersh Farm, as above.)

SMOLENSKY, Eugene, REILLY, Siobhan & EVENHOUSE, Eirik. "Should Public Assistance Be Targeted?", *Journal of Post Keynesian Economics* 18 (1), Fall 1995, 3-28.

This paper, originally written as a report for the World Bank on the background of the US experience but with Latin American and East European applications in mind, offers a cautious plea for a modest demogrant or "credit income tax" characterized by three features: (1) strictly individual, (2) paid to all at the same level, irrespective of income and (3) associated with a constant marginal rate of taxation. The basic presumption comes from the optimal tax literature which shows that, under a wide variety of behavioural parameters, economic efficiency (as specified by some social welfare function) requires the tax schedule to be of this type, and economic efficiency so conceived is definitely more relevant than the criterion of target efficiency associated with a narrow fiscal perspective (what proportion of the total budget reaches the poor. The presumption is strengthened when the administrative cost is taken into account: "On the welfare side, many fewer social workers would be needed. On the tax side, most individuals would no longer need to file tax returns (assuming withholding at source)". Whether the stigma argument also strengthens the case for a universal benefit, the authors are less sure because of some uncertainty about whether stigma attaches to those perceived as unable to work (in which case a universal system would minimize it) or to those suspected of being unwilling to work (in which case a well-targeted system would). On the whole, however, "a credit income tax is probably more efficient than a system that relies more heavily on means testing [high withdrawal rate as income goes up], but it may or may not be more efficient than targeting by categories [such as the old, families with children, farmers, tenants, etc.]." Higher benefits (and higher withdrawal rates) for the old or the disabled, for example, would improve the situation of a large number of potentially poor people without having significant effects on incentives to work. The argument for categorical targetting is particularly strong when the government

has a limited capacity to tax (tax avoidance and evasion are easy) and where therefore target efficiency gains in relevance. In their "bottom line for the policy analyst", the authors' first advice is: "Seek to put in place some minimum benefit program with a low cash demogrant and a low benefit reduction rate". And the last one: "In choosing among targeting methods, remember that targeting itself will likely create moral hazard and hence economic inefficiencies that may offset any fiscal advantages."

(First author's address: University of California, Graduate School of Public Policy, Berkeley, Cal., USA.)

VAN PARIJS, Philippe. "Free Riding versus Rent Sharing. Should even David Gauthier Support an Unconditional Basic Income?", in *Ethics, Rationality and Economic Behaviour* (F. Farina, F. Hahn & S. Vanucci eds.), Oxford: Oxford University Press, 1996, 159-81.

Is it not obvious that enjoying an unconditional basic income while choosing not to work amounts to taking a free ride at the expense of those who do work ? This article attempts to rebuke this objection by spelling out the full logical consequences of the use made of the notion of factor rent by the Canadian quasi-libertarian philosopher David Gauthier, an author most unlikely, at first sight, to favour anything like a basic income.

(Author's address: Chaire Hoover, 3 Place Montesquieu, B-1348 Louvain-la-Neuve, vanparijs@espo.ucl.ac.be.)

FRENCH

AIRE, Lettre de Liaison n°11, hiver 1996, 12p.

This issue of the (now neatly presented) newsletter of the French network includes a short piece by Yoland Bresson about basic income (partly funded by a low-interest loan) and the Maastricht criteria, reviews of recent books by de Foucauld and Perret, and a vibrant homage to James Meade by Pierre Lavagne.

(AIRE's Secretariat: Mme Ch. Bernard, 33 Av. des Fauvettes, F – 91440 Bures s/ Yvette.)

BRUTSCH, François. "L'allocation universelle, un bouleversement radical", in *Domaine Public. Hebdomadaire Romand* (JAA, CH-1002 Lausanne, Switzerland) n° 1240, 11.1.96, pp. 4-5.

A brief and didactic presentation of the case for and against basic income, the history of the idea and a rough calculation for Switzerland.

(Author's address: Rue Lamartine 32, CH – 1203 Genève, Email: fbrutsch@infomaniak.ch)

CAILLE, Alain (ed.), *Vers un revenu minimum inconditionnel ?*, special issue of *La Revue du MAUSS* semestrielle 7 (1), 1996, Paris: La Découverte (Obis, rue Abel-Hovelacque, F-75013 Paris) & MAUSS (3 Avenue du Maine, F-75015 Paris), ISBN 2-7071-2567-9, 392p., 195 FF.

Published with the support of the French Planning Bureau (Commissariat au Plan), this is the most substantial volume on basic income ever published in French. It opens with the first French publication of Paine's "Agrarian justice" since the revolutionary period and contains a well-informed account of the current welfare debate in the US (by Mark Anspach), some costing exercises for France and Belgium, and above all a lively and bulky set of contributions by most of the main contributors to the recent French debate on the idea of an unconditional basic income (Aznar, Bresson, Caille, Castel, Euzeby, Ferry, Insel, Laville, Meda, Van Parijs, etc.). The approach to basic income favoured by MAUSS (Mouvement anti-utilitariste dans les sciences sociales) rests on the theoretical foundation of the "gift paradigm" (inspired by the French anthropologist Marcel Mauss). It leads to great emphasis being put on the conditions under which a gift — such as an unconditional benefit — can be either something that enables people to live by expressing trust and affirming a social linkage or instead something that kills people by expressing contempt and affirming an unbridgeable distance. It also leads them to advocate a benefit system that would involve no direct reciprocity (it is not restricted to those showing willingness to work or engage in training) but would remain means-tested (with some limited potential for combining benefit and work).

(Editor's address: 3 Avenue du Maine, F-75015 Paris)

CAILLE, Alain, "Vers un nouveau contrat social?", in Jean-Pierre Le Goff & Alain Caillé, *Le Tournant de décembre*, Paris: La Découverte, 1996, 89 FF, 168p, pp. 83-150, ISBN 2-7071-2557-1.

In his contribution to this comment on the massive public service strike that took place in France in December 1995, Alain Caillé expands on the appeal published at his initiative in *Le Monde* of 28 June 1995 (see BI 21-23) and signed, among others, by Andre Gorz, Yoland Bresson, Chantal Euzéby, Jean-Louis Laville and Bernard Perret. Working-time reduction, the development of a "third sector" (non-state, non-capitalist) and the introduction of an unconditional income must go hand in hand. As far as the third component is concerned, the way forward consists in making the current RMI (at FF 2500 or half the minimum wage) unlimited in time, no longer subject to an "insertion contract" and combinable with earnings taxed at 30% up to FF 1250 per month, and at 50% beyond). (Author's address: 3 Avenue du Maine, F-75015 Paris.)

CAILLE, Alain, LAVILLE, Jean-Louis & al., "Repenser la lutte contre le chômage", in *Le Debat* (Paris), 89, mars-avril 1996, 79-118.

To tackle the persistent crisis of the wage-based society, French socio-economists Caillé and Laville ("Pour ne pas entrer à reculons dans le XXI^e siècle") defend a strategy that articulates lifetime working time reduction, the promotion of a third sector of economic activities ("l'économie solidaire") and the transformation of the French guaranteed minimum income (RMI) into an income entitlement that would remain means-tested but would no longer be subjected to an "insertion contract" and could be combined with income from work. Their critics warn them against chucking out too quickly the desirability and possibility of conferring everyone the status of a waged worker (Robert Castel, "Pour entrer dans le XXI^e siècle sans brader le XX^e"), against deepening the split between productive taxpayers and unproductive creditors (Jean-Luc Gréau, "Une société de créanciers") and against dismissing too easily the benefits of a workfare strategy (Denis Olivennes, "Le 'désenchantement' du travail"). In their response ("Pour lever les inquiétudes"), Caillé and Laville stress the drawbacks of the US model which the last two commentators seem to advocate, emphasize the productivity of non-market activities and regret that the specifics of their guaranteed income proposal have hardly been touched upon in the discussion. (First author's address: 3 Avenue du Maine, F-75015 Paris.)

DE FOUCAULD, Jean-Baptiste & Denis PIVETEAU, *Une société en quête de sens*, Paris: Odile Jacob, 1995.

Co-authored by the former director of the French Planning Board, this book explores various ways out of the employment crisis. It discards the case for basic income as being at the same time too pessimistic — one must not give up the right to work — and too optimistic — one must beware of running down a capital slowly accumulated over the generations.

DERENNE, Christophe & DEUTSCH, Laurent (eds), *La Segmentation sociale. Enjeux et perspectives*, Paris: Economica (49 rue Héricart, F-75015 Paris), 1995, 224p., 125 FF, ISBN 2-7178-2972.

This collective volume mostly written by a group young economists and sociologists at Louvain University reflects on various aspects of the apparently never-ending "crisis" in which we seem stuck. Two contributions ("L'emploi, objectif prioritaire ?" by Bernard Delvaux and David de la Croix and "L'exclusion: sens, utopies et action collective" by Christian Arnsperger and Muriel Ruol) discuss basic income as an interesting way of spreading out the benefits attached to employment and of challenging the latter's primacy, but question its ability to provide the social recognition the unemployed are often craving for.

(Editors' address: c/o ADEL, 3 Place Montesquieu, B-1348 Louvain-la-Neuve)

HERMESSE, Jean & LEONARD, Christian, "Le contrat du siècle sera social", in *Cahiers pour Demain* (rue Le Titien 4, 1040 Bruxelles) n°39, janvier 1996, 9-15.

According to economists Hermesse, National Secretary of the Christian Mutualities (Belgium's largest organization of any type), and Leonard, deep alterations of the place of work in our societies must make us dare to innovate: "We are thinking, for example, of basic income, which would deserve to be seriously discussed at the political level. If growth can

no longer guarantee a job to everyone, one will have to accept that employment should no longer be the only means of access to an income and to social recognition."
(Authors' address: ANMC, rue de la Loi 121, 1040 Bruxelles, Belgium.)

LAVILLE, Jean-Louis. "La crise de la condition salariale. Emploi, activité et nouvelle question sociale", *Esprit* (Paris) 12, décembre 1995, 32-54.

France's employment policies are still designed on the assumption that unemployment is a conjunctural, not a structural phenomenon. Among those who have understood that it is not, some advocate training, but fail to see that doubling the proportion of secondary school graduates has gone hand in hand with growing youth unemployment. Others, such as philosopher Jean-Marc Ferry, advocate the introduction of an unconditional basic income as a way of freeing people for autonomous activities. They overlook the fact that two thirds of the time freed in the last 30 years has gone into TV watching. Laville's own solution consists in a development of the "solidary economy" that associates paid and voluntary, permanent and temporary work in the production of services for the community. This development can be fostered through the "activation of benefits", without this needing to degenerate into workfare.

(Author's address: Crida-LSCI)

MEDA, Dominique. *Le travail. Une valeur en voie de disparition*, Paris: Aubier (ALTO), 1995, 362p.

A well-researched historical-philosophical book that challenges the glorification and centrality of paid work in our civilization. This challenge leads the author to question the monopolistic role of work in controlling access to wealth and social advantages. However, she rejects the idea of an unconditional basic income, "that does not only turn its beneficiaries into assistees, but also labels them as socially ill-adapted and risks providing a pretext for the development of a so-called competitive sector". She prefers a scheme that would distribute part of society's wealth in the form of free public services (child and health care, etc.).

(Author's address: Ministère du travail, de l'emploi et de la formation professionnelle, DARES, Place de Fontenay 1, F-75007 Paris.)

PALSTERMAN, Paul. "Allocation universelle: Du paradis perdu à Dehaene II", *La Revue Nouvelle* (Boulevard Général Jacques 126, 1000 Bruxelles) 1-2, January-February 1996, 100-107.

Trade-unionist Palsterman was truly charmed by the idea of a generous unconditional income when it was first defended in French in a memorable issue of *La Revue Nouvelle* (April 1985). Now more than ten years wiser, he has learned to appreciate the virtues of our complex, messy, tedious social security systems. He has also started suspecting that the freedom-lovers' dream of a generous basic income may turn into the opposite of freedom, as a strong state would be required to check both the inflow of greedy claimants and the outflow (or going-into-hiding) of the badly needed tax base. Nonetheless, something close to a modest basic income would provide the indispensable complement to the notion of a radical reduction in working time. Such a reduction will only be possible if part of its cost to each worker concerned is collectively borne in the form of an income supplement both to the full-time worker who reduces her/his working time and to the unemployed who accepts a part-time job. A modest basic income would perform this function (while at the same time turning the tax credit to the wage-earning spouse into an own income for the unwaged one). But why give it to the rich ?

(Author's address: Avenue de l'Araucaria 104, B – 1020 Bruxelles)

SOULET, Marc-Henry & VAN PARIJS, Philippe. *Debat sur l'allocation universelle*, *Revue suisse des sciences sociales* 2 (1), 1996, pp. 103-137.

This is the written version of an exchange that took place in Locarno in October 1995 at the closing session of a meeting of the Swiss Social Policy Association. It consists of a lecture by Ph. Van Parijs ("De la trappe au socle: L'allocation universelle contre le chômage", also published in *Revue française des Affaires Sociales*, see below), a critical comment by M.H. Soulet, professor of social work at the University of Fribourg ("Le rêve de l'allocation universelle"), and a brief response by Van Parijs ("L'allocation universelle: Qui exclut-elle? Comment intègre-t-elle?")

(First author's address: Université de Fribourg, Chaire de travail social, Route des Bonnesfontaines 11, CH – 1700 Fribourg.)

TOINT, Jacques. *Un Monde d'hommes libres*, Bruxelles: Presses Interuniversitaires Européennes (42 rue Tenbosch, 1050 Bruxelles), Collection "La Cité européenne n°7, 190p., 1996, ISBN 90-5201-524-4.

Written by a retired engineer who taught town planning at the University of Louvain, this book is strongly influenced by Alexandre Marc's "federalist" doctrine. Its economic chapter gives a central place to a full basic income ("allocation universelle") paid to every citizen at a uniform level, but onto an account that can only be used for the purchase of necessities. It would be financed out of a tax on the value added of businesses and go hand in hand with a substantial civic service (possibly spread over a period of 20 years) which every citizen would have to perform.

(Author's address: Rue du Try 7, B – 5021 Bonnine.)

VAN PARIJS, Philippe. "L'allocation universelle contre le chômage: De la trappe au socle", *Revue française des affaires sociales* (Ministère des affaires sociales et de l'emploi, Place de Fontenoy 1, F – 75007 Paris) 50 (1), janvier-mars 1996, 111-125. [Reprinted in the magazine of the unemployed *Partage* (Rue des Entrepôts 44, F-93400 Saint-Ouen) 105, juin-juillet 1996, 7-10.]

Those who discover the unemployment trap generated by our current welfare state usually start off by proposing that benefits should be combinable with earnings, be it at a low level and for a short time. Having realized that these limitations must be scrapped, the search for a coherent system takes them next to the idea of a negative income tax. But the unemployment trap is not just a matter of income differential between work and non-work. It also stems from the uncertainty involved in relinquishing one's benefits in order to take on a job. Once this is fully realized, a basic income paid ex ante to all starts looking like a better idea than a negative income tax. But this is not the end of the (intellectual) road. In order to avoid any sudden disruption in the distribution of net incomes, a gradualist approach is unavoidable. The way forward, therefore, consists in introducing, at the basis of all other incomes, a low basic income that reduces the depth of the trap without abolishing it altogether.

(Author's address: Chaire Hoover, 3 Place Montesquieu, 1348 LLN, vanparijs@espo.ucl.ac.be.)

WOLFELSPERGER, Alain. 1996. "Un manifeste post-socialiste", in *Analyses de la SEDEIS* (Paris) 109, 1-4.

In this thorough and thoughtful review, the French liberal economist Wolfelsperger describes Van Parijs's *Real Freedom for All* (Oxford, 1995) as a "post-socialist manifesto", a contribution to the radical rethinking of the means called for by the pursuit of the ideals of the Left. He doubts, however, that the defence of the surfers' right to an income against reciprocity-based prejudices can be successful. "Do these beliefs not belong to the cultural foundations of capitalism, whose efficiency is required to give a concrete shape to his proposal? If it turned out that the very conception of a basic income and its funding were incompatible with these foundations, Van Parijs's ideal society may well be plagued by an unrepairable internal contradiction".

ZOLL, Rainer, "Un nouveau modèle de partage du travail", *Revue Nouvelle* (Bruxelles) 10, octobre 1995, 70-81.

Inspired by André Gorz (1989), Christian Lalive d'Epinay (1992), Antje Vollmer and Hildegard Hamm-Brücher (1993) and others, this is a plea for a new social contract that would incorporate the right to citizen's income as a counterpart for two to three years of (preferably voluntary) civic service in the (largely decentralized) social, cultural or environmental sector, and thereby replace our increasingly dual societies by a society made up of people with dual lives. The proposal rests on three main premises: (1) neither growth nor working time reduction policies will restore general access to paid work; (2) Caring work (from nursing to psychotherapy) is not suitable for the standard wage relationship because it is not "quantifiable" (what is achieved in 5 minutes is sometimes worth more than what is achieved in months); and (3) the scheme must preserve a form of reciprocity between individuals and society.

(Author's address: Universitaet Bremen, Fachbereich Soziologie.)

GERMAN

MITSCHKE, Joachim. "Jenseits der Armenfürsorge", *Die Zeit* 50, 8 December 1995, 30-31. Professor Mitschke has been advocating a citizen's income (Bürgergeld) in the shape of a negative income tax since 1985. He is now a member of the commission set up by the German Federal Finance Ministry to study the integration of taxes and benefits. In this article for the prominent weekly *Die Zeit*, he sketches his proposal and the case for it. The personal-income-tax-financed basic income would replace existing social assistance, child benefit, study and training grants and housing benefit schemes, but not publicly organized social insurance (in contrast with CDU's Kurt Biedenkopf's proposal). The guaranteed minimum income it secures would be fixed at the official subsistence level (DM 1250 per month for a single person). The clawback rate would be 50 %, and hence the break even point (the income level above which people start paying a positive tax) would be pitched at double the level of the income guarantee (DM 2500 for a single person). Mitschke's argument is partly that such a scheme would be simpler and hence administratively cheaper than the current patchwork of assistance programmes. It is above all that, as a result of automation and globalization, a growing number of adults are no longer profitably employable under current arrangements. Temporary subsidies and training schemes won't solve the problem. What is needed is a scheme that permanently tops up low wages while protecting both the workers' incentives (they earn more if they work more) and the employers' incentives (they get less work if they pay less). Simulations show a high cost, but only because they incorporate introducing a tax exemption at the level of the official subsistence for all taxpayers — a measure that must be taken anyway in accordance with a recent decision of the German Supreme Court. On the same page as Mitschke's article features a report on recent reforms in the UK ("Neuer Name, weniger Geld"): the transformation of the unemployment benefit into a shorter "job seeker's allowance" and the further development of "family credit" into a negative income tax system.

(Author's address: J.W. Goethe Universität Frankfurt, Fachbereich Wirtschaftswissenschaften, Mertonstrasse 17, Postfach 111932, D-60054 Frankfurt am Main.)

MITSCHKE, Joachim. "Integration von Steuer und Sozialleistungssystem - Chancen und Hürden", in *Steuer und Wirtschaft* 2, 1994, 153-162.

A somewhat more technical article along the same lines as the previous item.

(Author's address: see above.)

OFFE, Claus. "Vollbeschäftigung? Zur Kritik einer falsch gestellten Frage", *Gewerkschaftliche Monatshefte* 45 (12), 1994, 796-806.

The end of full employment must be taken as a fact of life. Our aim must be to construct an institutional framework that makes this tolerable, and basic income must be part of it. The central problem is "that the proportion of the population that creates economic value is shrinking", without the family or the welfare state being able to provide adequate income and social participation to the growing rest. This calls for a claim to a subsistence income as a right of all citizens. Might a citizen's income not depress work incentives? It can be topped up by further income. Might the majority of taxpayers not vote to lower it to a miserable level? It can be indexed in a legally well protected way. Is it not a very inadequate way of compensating people for their exclusion? This is the most difficult question. The reactivation of the sphere of non-job activity is part of the answer.

(Author's address: Humboldt-Universität, Philosophische Fakultät III, Unter den Linden 6, D - 10099 Berlin, Email: coffe@rz.hu-Berlin.de)

OFFE, Claus. "Schock, Fehlkonstrukt oder Droge. Über drei Lesarten der Sozialstaatskrise", in *Jahrbuch Arbeit und Technik* 1995 (W. Fricke ed.), Bonn: Dietz, 1995, 31-41.

In this article, BIEN's founding co-chairman distinguishes three types of analysis of the crisis of the welfare state: as the outcome of an external shock (whether demographic, economic or sociological), as the outcome of a construction defect (partly related to its being employment-centered), or as the outcome of an endogenously generated process (through the craving for security and moral hazard stemming from the operation of the social security system). A shift to a citizen-based basic security is cautiously suggested as part of a plausible response.

(Author's address: see above)

PFISTER, Regula. "Neue Wege in der Finanzpolitik", in Schweizer Monatshefte 74 (11), [1994], 17-19.

For various reasons (including the present political system's vulnerability to lobbying), Dr Pfister — an economist and chairperson of the Finance Commission of the Zurich Canton Council — believes that the Swiss public finance system needs a radical reform. One aspect of it would be the introduction of an unconditional basic income of FS 500 per month and per person (of whatever age), which would be supplemented by old age pensions and by benefits for the sick and the unemployed.

(Author's address: Finanzkommission, Kantonsrat, Zürich, Switzerland.)

MITTERHUBER, Marga & RIEBOLD, Harald, Soziale Grundsicherung, Dokumentation des Sozialpolitischen Forum 1994, Munich: Arbeitsgemeinschaft sozialpolitischer Arbeitskreise (Adlzreiterstrasse 23, D-80337 Muenchen), 1995, 80p.

Proceedings of a two-day conference about "basic social insurance" held in Munich in December 1995 at the initiative of protestant and catholic student organizations. Amidst various contributions and debates, it contains a useful survey (by Dieter Koschek) of German proposals of some sort of basic benefit system, including the negative income tax schemes proposed or discussed within the FDP and the CDU or by Fritz Scharpf. The "social dividend" variant is dismissed as "totally unrealistic", owing to its cost.

(Coordinator's address: Dieter Koschek, Dorfstrasse 25, D-88142 Wasserburg/ Bodensee.)

SCHADE, Guenther, Ein besseres und einfacheres Steuer- und Sozialsystem, GWS Druck (Dr Marchstrasse 75, D-8013 Haar), 1994, 100p, DM 10.

A privately published booklet proposing a tax and benefit reform in Germany that would incorporate the introduction of a basic income (Grundeinkommen) of DM 500 per adult (less for children).

(Author's address: Fasanenweg 20, D-85540 Haar, Germany)

HEBREW

GAL, John, [Basic income], in Mifne (Yad Yaari, D.N. Menashe 37850, Israel), 1995, 12-19.

Published in the theoretical journal published by the Kibbutz movements, the paper seeks to present an overview of the idea of Basic Income to Hebrew-language readers unfamiliar with the idea. The relevance of Basic Income to the social policy debate in Israel is portrayed on the background of high poverty levels and relatively high unemployment rates. Different approaches to income maintenance are discussed and Basic Income is described as one of the approaches and perhaps the direction in which the welfare state will develop in the future in its efforts to deal with the twin problems of unemployment and poverty. According to the author, it is important to debate the idea of Basic Income in Israel, in order to re-introduce the issue of universality into the public discourse after years of domination by supporters of New Right social policies.

(Author's address: School of Social Work, the Hebrew University, Jerusalem, E-mail: msjgsw@pluto.mscc.huji.ac.il)

PORTUGUESE

SUPLICY, Eduardo Matarazzo. "Agathotopia: liberdade, igualdade e eficiência", Revista de Economia Política 15 (2), abril-junho 1995, 93-100.

After a very brief overview of the history of guaranteed minimum income schemes from Juan Luis Vives (1526) to James Meade (1993), the most prominent Brazilian advocate of a guaranteed minimum income gives a detailed account of schemes that are currently being experimented in various Brazilian states (usually targeted at poor families) and reminds the readers that today's president, Fernando Henrique Cardoso, called Senator Suplicy's own more radical proposal at the federal level "a realistic utopia with the feet on the ground" and voted in favour of it on behalf of his party in 1991.

(Author's address: Senado Federal, Edifício Principal Terreo, Praça dos Três Poderes, Brasília DF CEP 70160-900, Brazil.)

SUPLICY, Eduardo. "Programa de garantia de renda minima", Brasilia: Senado Federal, Dezembro 1995, 28p.

A new, expanded and revised version of Senator Suplicy's proposal for a modest guaranteed minimum income in the form of a transfer whose level would first rise and then smoothly shrink as earnings increase (on the model of the US Earned Income Tax Credit scheme, with the important difference that even those with no earnings at all would be entitled to some transfer). The pamphlet includes a substantial presentation of the international discussion, including BIEN's activities.

(Author's address: Senado Federal, Edificio Principal Terreo, Praça dos Três Poderes, Brasilia DF CEP 70160-900, Brazil.)

SPANISH

MARTINEZ ALVAREZ, J. Antonio. "El impuesto negativo sobre la renta", paper presented at the 2nd Symposium on Equality, Fundación Argentaria, June 1995, 17p.

A discussion of the negative income tax until the early 1970's. Its sceptical conclusion about the scheme's relevance to Spain rests on the observation that a negative income tax system requires a reliable bureaucracy.

(Author's address: UNED, Universidad Nacional de Educación a Distancia, Depto de Economía e Historia Económica, C/ Senda del Rey s/n, E – 28040 Madrid.)

PRACTICAL INFORMATION

IF YOU WISH TO KNOW MORE ABOUT BASIC INCOME OR BIEN,

- look up the BIEN page on World Wide Web at the following site:
<http://www.espo.ucl.ac.be/ETES/BIEN/bien.html>. This will give you access to a succinct presentation of basic income and the Basic Income European Network, to the list of names and addresses of its executive committee, to the latest issue of the newsletter, and above all to an integrated version of the contents of all previous issues of the newsletter;
- make sure you are on the mailing list of the newsletter by sending the message "subscribe bien" to majordomo@iddz1ux.iddz.ucl.ac.be; or
- if this does not suffice, write to BIEN's secretary (Ph. Van Parijs, Chaire Hoover, 3 Place Montesquieu, B-1348 Louvain-la-Neuve, Fax: 32-10-473952, E-mail: vanparijs@espo.ucl.ac.be), with your full name and address.

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