

BASIC INCOME 25  
Newsletter of the Basic Income European Network

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#### THIS ISSUE OF BASIC INCOME

was prepared with the help of Christian Arnsperger, Annick Dabeye, Guido Erreygers, Didier Jacobs, Walter Van Trier and all those who spontaneously sent relevant material.

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Please send BIEN's secretary a copy of any relevant publication (by yourself or by others) you come across, with full references and, if possible, author's address and brief summary.

Many thanks!

#### BIEN'S EXECUTIVE COMMITTEE

The following Executive Committee was (re)elected for two years in Vienna on 13 September 1996:

- Co-chairmen:

Edwin MORLEY-FLETCHER, CNEL, Via F. Siacci 9, 00197 Roma, Italy. Tel: 39-6-807.9901, Fax: 39-6-84439406

Guy STANDING, International Labour Office, CH-1211 Geneva, Switzerland. Tel: 41-22-7996433, Fax: 41-22-997657,

E-mail: 100263.534@compuserve.com

- On behalf of the Conference Organizers:

Robert VAN DER VEEN, Universiteit van Amsterdam, Vakgroep Politicologie FSW, Oudezijds Achterburgwal 237, NL-1012 DL Amsterdam. Tel: 31-20-5254783, Fax 31-20-5252086

E-mail: vanderveen@pscw.uva.nl

- Research Coordinator:

Ilona OSTNER (with Stefan LESSENICH), Georg-August Universität, Institut für Sozialpolitik, Platz der Göttinger Sieben 3, D-37073 Göttingen, Germany, Tel 49-551-397243,

Fax: 49-551-397834,

E-mail: iostner@gwdg.de

- Treasurer:

Alexander DE ROO,

Greens in the European Parliament, Rue Béliard 97-113, B-1047 Brussels, Belgium, Tel: 32-2-2843052, Fax: 32-2-2307837,

E-mail: aderoo@gw.europarl.org

- Deputy Secretary:

Walter VAN TRIER, UFSIA, 21 Bosduifstraat, B-2018 Antwerpen, Belgium, Tel: (32)(3) 2204182, Fax: 2204420,

E-mail: dse.vantrier.w@alpha.ufsia.ac.be

- Secretary:

Philippe VAN PARIJS, Université Catholique de Louvain, Chaire Hoover d'éthique économique et sociale, 3 Place Montesquieu, B-1348 Louvain-la-Neuve, Belgium, Tel. 32-10-473951, Fax: 32-10-473952,

E-mail: vanparijs@espo.ucl.ac.be.

BIEN'S 6th CONGRESS  
Vienna, 12-14 September 1996

**SPLENDID ORGANIZATION.** For the first time, BIEN's Congress took place in a non-academic building: Vienna's United Nations Centre provided a comfortable and well-equipped setting for a splendidly organized conference, attended by 165 people from 25 countries. The conference itself was followed on the Saturday by a public forum in Vienna's old centre which drew over 200 people and was itself followed by a lovely traditional Austrian party. From start to finish — and long before the conference started —, the devoted and efficient teams of the Katholische Akademie Oesterreichs and the European Centre for Social Welfare Research and Policy provided first-rate service. BIEN is extremely grateful to Lieselotte Wohlgenannt, Alois Riedlsperger and Michael Tepser, as well as to Edith Scherr and Bernd Marin and the staffs of their respective institutions, for having made this conference not only possible but exceedingly smooth and pleasant.

**STRIKING FEATURES.** Much was said during the four plenary sessions, the nine workshops and the four-hour Austrian panel. Perhaps the most moving moment was the address by the daughter of our recently deceased member, the Nobel laureate James Meade. Perhaps the most amusing moment was the (unexpected) projection of a video kindly sent by the Alaska Permanent fund (most Alaskans do seem to appreciate receiving once a year a \$1000 basic income!). Perhaps the most ambivalent moment was the country survey: no obvious breakthrough ahead to a genuine basic income, but so much more to say about each country than there was when we first met in 1986. The confirmed active presence of members from outside Europe (US, Canada, Argentina, Brazil, New Zealand, Israel) was a further striking feature, and particularly instructive were the sympathetic, thoughtful and cautious interventions of two articulate economists turned politicians (Alexander van der Bellen, professor at the University of Vienna and Green member of the Austrian Parliament, and Rick van der Ploeg, professor at the University of Amsterdam and Labour member of the Dutch Parliament).

**AUSTRIAN DAY.** The final panel (in German, on the Saturday) was quite remarkable in bringing together prominent representatives from all main Austrian parties (except the far right one), including the Ministers of Social Affairs and of Women's Affairs. At the same time it revealed a significant awareness of basic income and its relevance and helped to broaden it. Perhaps worth pondering about: during this panel, a participant from the floor mentioned that he had been living from a generous basic income (a monthly average of 20.000 Schillings or about DM 3.000 in interest payments) ever since his father died when he was 18. He worked for a total of 6 months, and is now spending his time reading literature and occasionally doing some political activity (as a — so far unsuccessful — candidate for the green party). Nothing wrong with unearned income except that not everyone has it? A written account (39 p., in German, by Clemens Ragl) of the whole Austrian day has been produced by the Katholische Sozialakademie (Schottenring 35D, A-1010 WIEN, Fax 43-1-3106828, E-mail: ksoe@ping.at).

**BUSINESS MEETING.** The General Assembly took place on the Friday night in the particularly cosy atmosphere of the Katholische Sozialakademie (with Gulasch soup and drinks kindly provided) and made a number of (easy) decisions about the next Congress (Amsterdam, September 1998), the Executive Committee (essentially unchanged, see above), the newsletter, an interactive forum, the research network and publication projects. Full minutes are available on BIEN's web site, and specific items will be brought to your attention through the newsletter as they become relevant.

## CONFERENCE PAPERS.

Written versions of the following papers are available. If you want a copy of any of them, please get in touch directly with the author. (Whenever available, e-mail addresses are mentioned.)

Alperowitz, Gar, Distributing Our Technological Inheritance. (garalper@igc.apc.org)

Andersson, Jan-Otto, Why a Citizen's Income should be combined with a Citizen's Wage. (janderss@abo.fi)

Bradbury, Farel, How to fund a real Basic Income with less taxes. The resource economics proposition. (100130.1677@compuserve.com)

Cattacin, Sandro, La politique de lutte contre l'exclusion du marché de l'emploi dans une Europe en transformation. (cattacin@ibm.unige.ch)

Chapman, David, Reform of the Tax and Benefit System to Reduce Unemployment.

Clark, Charles, Basic Income and Full Employment. (yccleco@sjmusic.stjohns.edu)

Deutsch, Edwin, Housing Benefits and citizen's Income Support.

Dommen-Meade, Bridget, Tribute to James Meade. (Edward.Dommen@unctad.org)

Duboin, Marie-Louise, The Civic contract to manage basic income with large working time reduction. (Marie-Louise.Duboin@cetp.ipsl.fr)

Fitzpatrick, Tony, Stakeholding, James Meade and the Basic Income.

Flo, Gary, Tom Paine was right, Basic Income must come from ground rent. (mmotive@mcn.org)

Gal, John, Leshem, Elazar, The Absorption Package in Israel - A Case Study of the Adoption of a Temporary Basic Income. (J.Gal@lse.ac.uk)

Goldsmith, Michael, Universal Basic Income and the Future of Citizenship.

Groot, L.F.M., A model of conditional and unconditional social security. (L.Groot@fsw.ruu.nl)

Groot, L.F.M., The poverty trap and the transition from conditional to unconditional social security. An alternative route to a basic income. (L.Groot@fsw.ruu.nl)

Herland, Michel, Everybody made self-sufficient, Elementary macroeconomics of the basic income economy.

Kitzmüller, Erich, Wer kann den Weg öffnen zum Grundeinkommen? Verbündete, Widerstände - und was dahinter steht.

Knight, Tim, Partial Basic Income as an Alternative Proposition.

Loftager, Jorn, Universality versus Selectivity in Social Transfers and the Prospect of Citizens' Income. (loftager@ps.aau.dk)

Lo Vuolo, Ruben M., Barbeito, Alberto C., Why begin with a Basic Income for young people in Latin America? (rlovuolo@mail.retina.ar)

Martínez, Francisco José, Citizen's Income and Social Justice. El Ingreso Basico como derecho Ciudadano y la Justicia.

Needham, Robert L, The contributions of free time to the fulfillment of human needs: A possible justification of Basic Income. (robert.needham@oriel.oxford.ac.uk)

Peeters, H.M.M., The economic sustainability of a Basic Income.

Pioch, Roswitha, Basic income: Social policy after full employment. (pioch@sozio.uni-leipzig.de)

Rankin, Keith, Constructing a Social Wage and a Social Dividend from New Zealand's tax-benefit system. (k.rankin@auckland.ac.nz)

Rankin, Keith, The Factor Distribution of Income: a New Perspective on a Matter of Classical Importance. (k.rankin@auckland.ac.nz)

Rankin, Keith, The Social Wage as a Definitive Component of Political Parties' Philosophies. (k.rankin@auckland.ac.nz)

Rizzi, Dino & Rossi, Nicola, Basic Income and Flat Tax: The Case of Italy

Rothschild, Kurt W., Basic Income and the Economists.

Schade, Gunter, Ein Grundeinkommen als Arbeitskraft-Stillegungsprämie.

Stadler, Sabine, Basic income in Austria and in the neighbouring Eastern European reform states.

Sturn, Richard & Dujmovits, Rudi, Do all good things go together again? On avoiding pitfalls on the capitalist way to communism. (richard.sturn@kfunigraz.ac.at)

Suplicy, Eduardo M. & Buarque, Christovam, A Guaranteed Minimum Income to eradicate poverty and help poor children go to school instead of being forced to work. The Brazilian debate and experience. (esuplicy@senator.senado.gov.br)

Tomlinson, John, Income Guarantees, Social Justice and Environmental Sustainability.

Torisky Jr., Eugene V., Social Capital: Why It's Not the Centerpiece of a Better Argument for Basic Income. (etorisk@bgnnet.bgsu.edu)  
Van Parijs, Philippe, Basic Income and the Two Dilemmas of the Welfare State. (vanparijs@espo.ucl.ac.be)  
van der Ploeg, Rick, Pros and cons of Basic Income  
van der Veen, Robert J., Basic Income, the Social Minimum and Leximin Opportunities. (vanderveen@pscw.uva.nl)  
van der Veen, Robert J., Basic income in the Netherlands 1994-1996. (vanderveen@pscw.uva.nl)  
Vincent, Bernard, Agrarian justice: a prophecy for our times.  
Watts, Rob, Basic Income, Employment and Citizenship: Considerations on Pixley.  
Watts, Rob, Citizenship and Basic Income in an Age of Precarious Employment.  
White, Stuart, Reciprocity Arguments for Basic Income. (stuart.white@nuffield.ox.ac.uk)

#### BIEN's 7th CONGRESS

Amsterdam, 10-12 September 1998

Our next Congress is scheduled to take place on 10-12 September 1998 in Amsterdam. It will be organized under the auspices of the Dutch basic income network (Vereniging Basisinkomen). Amsterdam had already been the runner up to London and Vienna, and had been regarded from the very beginning of BIEN as a most suitable place to hold our Congress. The Netherlands were the first country in which some sort of public debate on basic income was launched (with Professor Kuiper in the mid-seventies), the first country in which a Trade Union unambiguously endorsed it (the Voedingsbond FNV, as from the early eighties), the first country in which an officially appointed Commission recommended it (the WRR, in 1985), and the first country in which some members of the government declared publicly while in office that basic income should be taken seriously (Ministers Weijers and Zalm, in December 1994). As each of these events triggered an outcry, there is hardly a guarantee that a basic income will be in place by the time we meet in Amsterdam. But it is certain that there will be plenty of people around who will know what we are talking about and why.

Coordinator: Emiel Schafer, Vereniging Basisinkomen, Herman Heijermansweg, 20, NL-1077 WL Amsterdam, Tel: 31-20-5731803, Fax: 31-20-6713541. E-mail: basic.income@pi.net;  
Representative to BIEN's Executive Committee: Robert van der Veen, Universiteit van Amsterdam, Vakgroep Politicologie FSW, Oudezijds Achterburgwal 237, NL-1012 DL Amsterdam, Netherlands, E-mail: vanderveen@pscw.uva.nl.

#### BIEN'S RESEARCH NETWORK

- European Science Foundation

The Executive Committee is delighted to report that BIEN's application to the European Science Foundation was successful. A grant of 170.000 FF will fund an up-to-date comparative survey of the components of a citizen's income that are already present in Western Europe's current transfer systems. The research will be coordinated from Göttingen by Prof. Ilona Ostner (iostner@gwdg.de) and Dr. Stefan Lessenich (slessen@gwdg.de). Please contact them for any further information and inform them about any recent existing material on the subject, so as to avoid unnecessary duplication. (Address: Georg-August-Universität, Institut für Sozialpolitik, Platz der Göttinger Sieben 3, D – 37073 Göttingen)

- Targeted Socio-Economic Research (European Commission)

After having looked carefully into the matter, Ilona Ostner and Stefan Lessenich are proposing not to apply for funding within the framework of the EU's TSER programme, as such funding would only marginally benefit BIEN itself as a network (e.g in assisting in the financing of its congresses). This does not prevent a limited number of BIEN-linked research centres with a specific common project from trying their luck independently.

- Inter-University Attraction Poles (Belgium)

Belgium's federal authorities have decided to fund a major inter-university research project on the "new social question", directed by Prof. Bea Cantillon (Centrum voor sociaal Beleid, UFSIA, 13 Prinsstraat, B-2000 Antwerpen). One component of the project, located at the University of Louvain (Chaire Hoover and IRES) and endowed with a grant of 12.500.000 BF (over 2.000.000 FF) over the 1997-2001 period, is specifically devoted to basic income

(exploration of the administrative and economic implications of alternative scenarios and of the political conditions for their realization). Part of the task of the researchers to be hired within this framework will be to provide a welcome help with the running of BIEN's secretariat and newsletter.

## OTHER EVENTS

### CITIZEN'S INCOME AND THE CATHOLIC BISHOPS' CONFERENCE

Trade Union Congress Headquarters, London, March 1996

A one-day seminar organized by the Citizen's Income Research Group at the invitation of the Catholic Bishops' Conference of England and Wales for the World of Work. Some 40 people attended, including 13 bishops. The meeting was opened by John Monks (General Secretary of the TUC). Presentations were made by Evelyn McEwen, Philip Vince, Jay Ginn, Malcolm Torry, Ken Mayhew and Richard Clements.

(For further information: Richard Clements, St Philips Building, Sheffield Street, London WC2A 2EX, E-mail: citizens-income@lse.ac.uk.)

### VERS UN REVENU INCONDITIONNEL ?

University of Paris I-Panthéon, 20 September 1996.

A lively dialogue between prima facie proponents of basic income (Alain Caillé, Jean-Marc Ferry, Ahmet Insel, Philippe Van Parijs) and prima facie opponents (Jean-Baptiste de Foucauld, Bernard Eme, Jean-Louis Laville, Pierre Rosanvallon). With the further participation of Philippe d'Iribarne, Jean-Pierre Dupuy, Claude Gamel, Marc Heim, Claude Lefort, and others.

For further information : Prof. Alain Caillé, 3 Avenue du Maine, F-75015 Paris.

### L'ALLOCATION UNIVERSELLE: UTOPIE OU NECESSITE

Laval University, Quebec City, Canada, 4-5 October 1996

A two-day workshop on basic income organized by François Blais and Gilles Breton (both professors at Laval University's politics department), with the participation of several of the main protagonists of Quebec's debate on income security issues. Participants included Pierre Fortin and Vivian Labrie (members of the two divergent sides in the Province's recent Income Security Commission), Louis Lévêque (head of the personal income tax section at Ottawa's federal Finance Ministry), Claudette Carbonneau (vice-president of Quebec's Trade Union Confederation CSN), Christopher McCall (sociologist at the Université de Montréal) and Philippe Van Parijs (University of Louvain).

For further information: Prof. François Blais, Université Laval, Faculté des Sciences Sociales, Cité Universitaire, Québec P.Q. G1K 7P4, Canada, E-mail: Francois.Blais@pol.ulaval.ca)

## A RENDA MINIMA

Pontifical University of Sao Paulo, Brazil, 17-18 October 1996

A two-day conference on the experience with and debate on guaranteed minimum schemes in Europe and Brazil. Keynote speeches by Robert Castel (Paris), Sonia Draibe (Campinas), Eduardo Suplicy (Sao Paulo), Philippe Van Parijs (Louvain).

For further information: Prof. Aldaiza Sposati, Camara Municipal de São Paulo, Viaduto Jacareí 100, 5° andar, sala 513, SAO PAULO, Brazil, Fax: 55-11-871-1416, E-mail: aldaiza@uninet.com.br)

## REPENSER (RADICALEMENT ?) LA SOLIDARITE

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

Organized to mark the fifth anniversary of the creation of the Hoover Chair in Economic and Social Ethics, this conference, attended by over 450 people, aimed to discuss innovative proposals for restructuring European welfare states (including in their territorial dimension) and the underlying normative principles. Plenary sessions, each based on a position paper available in advance, were devoted to:

1. solidarity with the young
2. solidarity with the old
3. solidarity with the sick
4. solidarity among the active population
5. solidarity among regions and nations.

Honorary degrees were awarded to the British economist (and BIEN member) Anthony Atkinson and to the French demographer (and advocate of the poor) Albert Jacquard. Other foreign speakers included Alain Caillé, Jean-Louis Laville, André Masson, Riccardo Petrella, Pierre Rosanvallon, François Stasse. Prominent Belgian politicians took part in the concluding panel.

The position paper on sub-theme 4, co-authored by Erik Schokkaert (Leuven), Bruno Van der Linden (Louvain, IRES) and Philippe Van Parijs (Louvain, Chaire Hoover), includes a plea for a low but unconditional basic income financed by general taxation on a broader base and combined with the maintenance of conditional welfare benefits and a minimum wage at correspondingly reduced levels, and with supplementary unemployment benefits returned to their insurance function.

The set of position papers (in French) is available for BF 500 from 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.

## LOOKING BACKWARD

### THE ORIGINS OF BASIC INCOME: FROM COLE BACK TO MILL AND FOURIER

In the same year as Dutch economist Jan Tinbergen used the expression "basic income" in his *Economic Policy: principles and design* (Amsterdam: North Holland, 1953), the British economist G.D.H. Cole used it in his *History of Socialist Thought* (p. 310): "Mill did, however, regard as much nearer practicability those forms of socialism which, at a sacrifice of idealism, accepted a moderate degree of economic inequality. On this score he praised the Fourieristes, or rather that form of Fourierism which assigned in the first place a basic income to all and then distributed the balance of the product in shares to capital, talent or responsibility, and work actually done."

The relevant passage of J.S. Mill is the sympathetic discussion of Fourierism which he added to the second edition of the *Principles of Political Economy* (1st ed. 1848, 2nd ed. 1849, New York: Augustus Kelley, 1987, pp. 212-214, Book II, chapter 1, §4 ). This discussion unambiguously ascribes to the Fourieristes the proposal of a non-means-tested basic income: "The most skilfully combined, and with the greatest foresight of objections, of all the forms of Socialism, is that commonly known as Fourierism. This System does not contemplate the abolition of private property, nor even of inheritance; on the contrary, it avowedly takes into consideration, as elements in the distribution of the produce, capital as well as labour. [...] In the distribution, a certain minimum is first assigned for the subsistence of every member of the community, whether capable or not of labour. The remainder of the produce is shared in certain proportions, to be determined beforehand, among the three elements, Labour, Capital, and Talent."

This is uncontroversially a basic income in today's sense — unlike Thomas Paine's proposal, which was rather a basic endowment. But can we follow the thread further in history? It seems not. Charles Fourier's most explicit text (in *La Fausse Industrie*, 1836) is as clear about the presence of a means test as he is about the absence of a work test: it is an unconditional entitlement for the poor by way of compensation for the the loss of a direct access to natural resources. The leader of the Fourierist school, Victor Considérant (*Exposition abrégée du système Phalanstérien de Fourier*, Paris, 1845) makes a step in the direction of a real basic income when emphasizing that, when work will have been made attractive thanks to the Phalansterian system, "one will be able to forward a minimum income to the poor members of the community with the certainty that they will have earned more than the expenditure by the end of the year". It is only in Mill's formulation quoted above, however, that the Fourierist proposal is fully transformed from poor support to basic income.

[Search conducted by Guido Erreygers (dse.erreygers.g@alpha.ufsia.ac.be) and Walter Van Trier (dse.vantrier.w@alpha.ufsia.ac.be), University of Antwerp, SESO, Prinsstraat 13, 2000 Antwerpen.]

#### PAUL GOODMAN'S BASIC INCOME IN KIND

Long before gaining fame with *Growing Up Absurd* (1960) and becoming one of the gurus of the 1960's student revolt and a major intellectual reference for gays, radical-greens and libertarians alike, Paul Goodman (1911-1972) wrote, jointly with his brother Percival, a challenging book which contains, among many other things, an original basic income proposal (Paul & Percival Goodman, *Communitas: Means of Livelihood and Ways of Life*, Chicago: Chicago University Press, 1947; New York: Random House, 1960). The income would take the form of a free in-kind provision of subsistence goods (food, uniform clothing, group accommodation outside metropolitan areas, medical service, transportation) which people are free to take . It would be coupled with a universal civic service: "a man would serve in the national economy for six or seven years of his life, spaced out as convenient — with a certain choice as to the years in which to serve", but also with the possibility of buying discounts: "the first period, say 18 to 20, must be served in person; but later periods, when people have settled into private affairs, could be served by paid substitutes". Would such a plan not be coercive? Less "than the situation most people are used to. For the great mass of wage earners, it fixes a limit to the necessities that ... they are subject to; and for the wealthy enterpriser, who would buy substitutes, it is no more coercive than any other tax."

[Reference provided by Professor Bernard Vincent, author of a doctoral thesis on Goodman, keynote speaker (on Paine) at BIEN's 1996 Congress and professor of American civilization, Université d'Orléans, Faculté des Lettres, Rue Tours Orléans, F-45072 Orléans Cedex 2.]

#### A GLIMPSE OF THE DEBATE IN QUEBEC

On the federal level, Canada can be described as moving away from basic income. Universal child benefits (in the form of refundable tax credits) used to exist, and so did a significant non-contributory basic pension. But under Mulroney's conservative government, concerns with the budget and the tax burden led to the tax credit being phased out as income increases (over 50% of the children do not get the full amount, and about 30% get nothing at all) and the basic pension to be eroded by inflation (it is adjusted upwards only if inflation exceeds 3%).

This does not prevent some Canadians from being aware of the short- and long-term drawbacks of selectivity and arguing for a reversal of this trend and a move towards a non-means-tested basic income. Thus, in Québec, the Centrale des syndicats nationaux (the second largest and the most progressive Trade Union Confederation) approved in June 1987 a detailed proposal prepared by Ruth Rose (Professor at UQAM) and François Aubry (economist working for the CSN, e-mail: faubry@accent.net). The proposal involved transforming the Province's current means-tested guaranteed minimum income into a negative income tax system with a rate of benefit withdrawal that preserves work incentives at the bottom of the income scale. However, it was made just as new plans for income support were coming from the government's side and was quickly forgotten.

In the Summer of 1996, however, a commission set up by Quebec's Minister of Employment and Solidarity (the "comité externe de réforme de la sécurité de revenu") came up with two reports, one by three of its members led by its co-chairman Camil Bouchard, professor of



psychology at the Université de Montréal ("Chacun sa part", March 1996, 236 p.) and one by two of its members including the other co-chairman Pierre Fortin (professor of economics at the UQAM ("Pour un régime équitable axé sur l'emploi", March 1996, 138 p.). Both reports agreed on generalizing child benefits into a truly universal system (thus raising a problem of integration with the federal system). Beyond this, the Bouchard report proposed a negative income tax system with an income guarantee at the level of the Province's current minimum income system and an effective tax rate not exceeding 50% for the poorer families. The Fortin report, instead, preferred to spend the amount of the the tax expenditure involved in the Bouchard scheme on training and insertion policies for the least privileged among the growing numbers of unemployed. Pierre Fortin (also President of the Canadian Economic Association) believes that Canada's present high rate of unemployment (which was no higher than in the US as late as 1990) is essentially conjunctural and hence should be handled by macroeconomic policies. Priority should therefore be given to preparing the least employable for the next job-creating expansion of the Canadian economy, rather than to providing permanent subsidies for low-productivity jobs (as a negative income tax would). In this context, interest in basic income was revived by a two-day conference organized in October 1996 at Laval University, with participants from both sides (see above). A comprehensive presentation of basic income (by Antoine Robitaille) appeared on the front page of the supplement to *Le Devoir* (Québec's main daily paper) on 30 December 1996. A collective introductory book for a French-Canadian audience is being planned.

For further information, contact Prof. François Blais, Université Laval, Faculté des Sciences Sociales, Cité Universitaire, Québec P.Q. G1K 7P4, Canada, E-mail: Francois.Blais@pol.ulaval.ca)

#### THE BRAZILIAN DEBATE

BIEN was stunned when, at its 1994 London Congress, Brazilian Senator Eduardo Suplicy explained how the federal Senate approved in December 1991, with an overwhelming majority, a form of negative income tax. Since then, the debate has further progressed. The social-democratic leader (and renowned sociologist) Fernando-Henrique Cardoso, who voted in favour of Suplicy's proposal, was elected President of Brazil at the end of 1994 and has since confirmed his desire to move in that direction. A (low and means-tested) guaranteed minimum income for the over-70 and the handicapped is in place since January 1996. More importantly, proposals for a guaranteed minimum income for families are being made and tried in many municipalities or States, governed either by Suplicy's Workers Party (such as Ribeirao-Preto or Brasilia) or by Cardoso's social-democratic party PSDB (such as Campinas).

In the Federal District of Brasilia, for example, Governor (and economics professor) Cristovam Buarque (from PT) has introduced, under the name of "school grants" a system by which any family with a monthly income of less than 60 \$ per capita gets a benefit of \$ 120 (i.e. the minimum wage) on condition that it sends its children to public schools. This programme, which currently benefits 20.000 families in a metropolitan area of about 3 million inhabitants and is therefore the largest experiment so far, is supported by all parties. Governor Buarque sees as the main difficulties: the discriminatory but in his view unavoidable residency requirement (5 years) in order to discourage a selective migration that would kill the programme; the risk of the means test (often tricky in an informal economy) degenerating into clientelistic selection; and the risk of the school attendance test (less than 10% of absenteeism) being loosely applied by teachers out of concern for the families. Buarque also points out that unemployment has risen, while finding house cleaners has become more difficult, since the programme was introduced. So far, however, the public debate in Brasilia reveals no awareness of poverty traps and dependency problems.

In a meeting with President F.H. Cardoso, his Minister of Labour and some of his top advisers on 22 October 1996, Eduardo Suplicy and Philippe Van Parijs emphasized the importance of designing income support from the start in a way that addresses this problem, for example by phasing out the benefits gradually as incomes increase (as in Senator Suplicy's proposal now under discussion in the House of Representatives) and by integrating the aid to poor families, the existing (very small) child benefits to all waged workers and the tax deduction for dependents into a federally organized universal system of child benefits. In the hot debate between universalism and selectivity in the fields of health care and education, the President indicated that Brazil had always tried to go for universalism, and should stick to it, while recognizing the difficulty of efficiently getting

good-quality services to all in a country like Brazil. Himself and the other participants also showed awareness of the work incentive problems raised by a close focus on the poor and the risk of following the same disastrous path as the North-American Aid to Families with Dependent Children. He showed particular interest in a "participation income" of the type advocated in Europe by Anthony Atkinson and indicated that he would keep following the local experiments and the lessons drawn from them, and might support a federal sharing of the costs in municipalities of less than 60.000 inhabitants — as proposed by the majority leader in the Congress, Senator Arruda, also present at the meeting — with the additional purpose of curbing the costly immigration into large cities.

Brazilians will not wake up tomorrow morning with a citizen's income in their socks. But even in the short term, the idea of a basic income can play a crucial role in the Brazilian debate by helping to shape programmes and formulate arguments so as to address an otherwise fatal objection: what Brazil is now trying to do is precisely what has been shown to fail in the United States. Brazil is a particularly interesting case because of the lively debate and imaginative experiments generated largely as a result of Senator Suplicy's obstinate advocacy, but the lessons hold for many other countries in similar economic situations.

For further information: Senador Eduardo Suplicy, Senado Federal, Edificio Principal, Gabinete 4, BRASILIA, D.F., Cep 70.165.900, E-mail: esuplicy@senador.senado.gov.br.

#### VIDEO MATERIAL

ALASKANS SPEAK OUT ABOUT THEIR PERMANENT FUND DIVIDENDS, 1995, 11 min.:

An impressive — and sometimes quite amusing — presentation of the Alaskan dividend scheme (now about \$1000 per year), including statistics and interviews about how Alaskans feel about the scheme and what they use the money for.

(Alaska Permanent Fund Corporation, P.O. Box 25500, JUNEAU, Alaska 99802-5500, tel. +1-907-4652047, E-mail: bmallott@ptialaska.net.)

A UN INCOME FOR ALL PEOPLE: A nicely produced presentation (with English subtitles) of Pieter Kooistra's proposal of a worldwide basic income of \$250 per year sponsored by the United Nations, including a striking expression of support by Nobel laureate Jan Tinbergen. (Stichting UNO Inkomen voor alle mensen, Waalbandijk 8, 4064 CB Varik, Netherlands, tel. +31-344-651953, fax: +31-344-652536.)

## PUBLICATIONS

### DUTCH

GILAIN, Bruno & VAN PARIJS, Philippe. "Het basisinkomen: een korte termijnsceario en zijn impact op de inkomensverdeling", Belgisch Tijdschrift voor Sociale Zekerheid (Zwarte Lievevrouwstraat 3c, B-1000 Brussel), 1ste semester 1996, 3-80.

Dutch-language version of a detailed micro-simulation of the distributive impact of three variants of a budget-neutral modest basic income for Belgium (see French publications below).

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

NIEUWSBRIEF BASISINKOMEN 16 & 17 (Vereniging Basisinkomen, Herman Heijermansweg 20, 1077 WL Amsterdam, E-mail: basic.income@pi.net), August & October 1996, 24 & 16p.

After some months of sleep, here is again the newsletter of the Dutch network. Most of issue n°16 is taken up by the presentation of the experiment designed by Paul de Beer (Sociaal en Cultureel Planbureau) and Loek Groot (University of Utrecht) on behalf of the Green-Left group of the Dordrecht City Council. 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. (Further information: from Loek Groot, Faculteit der sociale wetenschappen, Heidelberglaan 1, NL 3584 CS Utrecht, E-mail: L.Groot@fsw.ruu.nl). The editorial of issue n°17 briefly returns to this experiment, and also to the proposal of a "foot income" by the Green-Left party. It is followed by short articles by Rob Steinbuch and Paul Metz and the review of a recent thesis.

ULATOWSKA, Lisinska. Het jaar 2000 - Kruispunt van de mensheid. Nieuwe wegen door een werelddbasisinkomen voor alle mannen, vrouwen en kinderen, Kampen: Kok Agora, 1995, 180p., ISBN 90-391-0673-8.

A sequel to *Het ideale eigenbelang* (Kampen: Kok Agora, 1993) by the Dutch artist Pieter Kooistra, this book further discusses the advantages and practicalities of a United Nations Basic Income Scheme of US\$ 250 per year, in relation to other proposals for a worldwide Marshall plan (e.g. by Al Gore and by Lutz Wicke and Jochen Hucke). Dr Ulatowska works in New York as the representative to the UN of the World Citizens Assembly.

(Author's address: c/o Stichting UNO Inkomen voor alle mensen, Waalbandijk 8, 4064 CB Varik, Netherlands.)

VAN PARIJS, Philippe. Solidariteit voor de XXIe eeuw, Leuven & Apeldoorn: Garant, 1996, 140p., BF 520, ISBN 90-5350-529-6.

A collection of essays which incorporates the bulk of the author's two small books on solidarity recently published in French (*Sauver la solidarité*, Cerf 1995, and *Refonder la solidarité*, Cerf, 1996) and his interventions in the debate on the possible regionalization of Belgium's social security system. The first essay is a Dutch version of the author's opening address at BIEN's 1992 Congress. It contrasts the type of ethical foundations which is required to justify an unconditional basic income with those called for by the social insurance and social assistance aspects of the welfare state.

(Author's address: vanparijs@espo.ucl.ac.be.)

VAN TRIER, Walter. "Iedereen Koning ? Bedenkingen bij een 'baanbrekend' werkgelegenheidsbeleid en de mogelijke invoering van een basisinkomen", in 30 Jaar UFSIA, Antwerpen, 1996, 29p.

A general presentation of basic income in the context of the Belgian debate about strategies against unemployment.

(Author's address: 21 Bosduifstraat, B-2018 Antwerpen, E-mail: dse.vantrier.w@alpha.ufsia.ac.be.)

VAN TRIER, Walter. "Wat heet basisinkomen?", in *Vlaanderen Morgen* (Meir 24, 2000 Antwerpen) 3, 1996, 5-20.

A clarification of the most common misunderstandings about basic income and a rebuttal of some of the most powerful objections to it, published in the journal of the Flemish nationalist movement.

(Author's address: 21 Bosduifstraat, B-2018 Antwerpen,  
E-mail: dse.vantrier.w@alpha.ufsia.ac.be.)

## ENGLISH

ALPEROWITZ, Gar. "Beyond Socialism and Capitalism", in *Paradigms Lost* (Chester Hartman & Pedro Vilanova eds), London: Pluto Press, 1992, 186-205.

As a promising approach to the problem of liberty in the next century, radical economist Gar Alperowitz mentions "the direct provision of a substantial share of income to individuals, as a matter of right". This demand is not based on some notion of social justice, but on "the fundamental requirement of sufficient independence to make liberty and democracy meaningful". Its realization, however, may seem remote from the immediate political agenda. But never mind: "powerful political activity requires committed energy. Committed energy requires both ideals and values — and a very clear sense of direction. [...] Which is why it is so important to grapple now not only with the immediate problems of a society in pain, but also with the most difficult questions of a positive long-term future. The combination of a coherent vision and a clear conception of a process which might over time lead to it is required, ultimately, to ignite the human energy, power and commitment needed if a new society is to be built in the new century." A motto for BIEN's action?

(Author's address: National Centre for Economic & Security Alternatives, 1000 Connecticut Avenue NW, Suite 9, WASHINGTON, DC 20036, USA, E-mail: garalper@igc.apc.org.)

ANDERSSON, Jan Otto. "Fundamental Values for the Third Left", *New Left Review* (London), April 1996, 120-126.

An outline of the theoretical foundations of a progressive project for our times, with basic income as an essential ingredient.

(Author's address: Åbo Akademi University, Department of Economics, Fänriksgatan 3B, SF – 20500 TURKU, E-mail: janderss@abo.fi.)

ARNESON, Richard, FLEURBAEY, Marc, MELNYK, Andrew, SELZNICK, Philip, A Symposium on Philippe Van Parijs' Real Freedom for All (O.U.P., 1995), in *PEGS Bulletin* (Political Economy of the Good Society, University of Maryland, Dept of Government & Politics, COLLEGE PARK, MD 20742, USA, E-mail: V-CMORGAN@bss2.umd.edu), 1996, pp. 38-51.

A dense set of critiques of Van Parijs's attempt to provide a principled ethical justification for an unconditional basic income, with contributions by communitarian social theorist Philip Selznick (Berkeley), libertarian philosopher Andrew Melnyk (Virginia), left-liberal philosopher Richard Arneson (San Diego) and social choice theorist Marc Fleurbaey (Cergy-Pontoise).

ATKINSON, Anthony B. "The Distribution of Income: Evidence, Theories and Policy", in *De Economist* 144, 1996, 1-21.

In this 9th Tinbergen Lecture delivered in Amsterdam in September 1995, Tony Atkinson used some of the late Nobel Laureate Jan Tinbergen's insights to analyse recent trends in the distribution of incomes, before turning to one particular policy proposal, first labeled "basic income" by Tinbergen himself (in a 1956 textbook). Four variations of this proposal are worth pondering about. First, "basic income should be seen as complementing, not replacing, social insurance". Secondly, "in order to secure political support, it may be necessary to compromise on the unconditionality of the payment", by imposing a condition of participation, understood broadly enough to encompass "approved forms of education or training, and caring for young, elderly, or disabled dependents". Thirdly, the basic income should be accompanied by a "basic inheritance", a capital sum received on reaching adulthood and usable for certain purposes such as financing higher education (the interest on outstanding capital would increase the basic income). Finally, basic income "has particular salience in the European Union, where it can, I believe, provide a secure

foundation for a Europe-wide minimum income", beginning with a basic income for children pitched at a level related to the general income level of each country.  
(Author's address: The Warden, Nuffield College, OXFORD OX1 1NF)

ATKINSON, Anthony B. "James Meade's Vision: Full Employment and Social Justice", in *National Institute Economic Review* (London), July 1996, 90-96.

This homage to the late James Meade focuses on basic income as a central component of his "Agathotopian" vision. As a full substitute for the UK's present income support, a basic income would require a tax rate on all other income in the order of 50%. One might think of four ways of cheapening the bill. Meade himself suggests a withdrawal surcharge (a higher rate of taxation on the lowest income layers), but this would make tax collection at source more difficult and work against the sharing of paid work among the members of a household. Secondly, one might count on a positive labour supply effect resulting from the suppression of the unemployment trap, but for full-time workers the attraction of part-time work is also increased, so that the net effect is uncertain. Thirdly, making the basic income conditional upon some sort of participation (not necessarily paid work) would make it more attractive to a post-Thatcher electorate, but would not make it much cheaper, as few people would be excluded. Finally, there is Meade's proposal of paying the basic income as a dividend on publicly owned capital, but this requires that the present generation be taxed in order to accumulate the public assets from which later generations will draw dividends — not an uncontroversially fair (nor easier) thing to do. The conclusion is that we may as well be clear about it: "Without political support for redistributive taxation, James Meade's vision cannot be attained."

(Author's address: The Warden, Nuffield College, OXFORD OX1 1NF)

BARRY, Brian. "Real Freedom and Basic Income", *Journal of Political Philosophy* 5 (3), 1996, 242-276.

In this extensive critical review of Philippe Van Parijs's *Real Freedom for All* (O.U.P. 1995), the prominent British political philosopher Brian Barry contrasts pragmatic justifications of basic income, such as the one he defends himself on the basis of his assessment of the consequences a basic income would have, and principled justifications such as Van Parijs's, which assume that "the case for basic income can be derived directly from the concept of social justice". What is wrong with Van Parijs's principled justification? Many things, including the absence of a prior characterization of justice, an "absurdly stingy" criterion of compensation for special needs, a "highly obnoxious" criterion of compensation for low earning power, and above all a reliance on a concept of real freedom that is "too arbitrary to be of any ethical value". Barry's own ideal is something like "the Swedish Economic Model in its heyday", but the latter's institutional and cultural preconditions are so demanding that, even in Sweden, it may now be out of reach. "If basic income is second best to an unattainable alternative, that makes it the best feasible option. The real choice for most countries (maybe all, if we are pessimistic) is between basic income and alternatives (more or less oppressive and mean-spirited variants of the post-war welfare state) that are definitely worse".

(Author's address: London School of Economics, Department of Government, Houghton St. Aldwych, London WC2 2AE, UK.)

BLOCK, Fred & MANZA, Jeff. "Ending Welfare As We Know It: The Case for a Negative Income Tax", *Politics and Society*, 1996.

A plea for a Negative Income Tax of \$6000 per year and per adult (in 1990 US dollars), coupled with a generous rank-regressive child benefit (between \$2500 and \$1500 per year), with a rate of benefit withdrawal 50 % (up to twice these amounts in earnings) and a marginal rate of 33% beyond the break-even point. Funding would come from the abolition of a number of existing programmes (AFDC, food stamps, etc) and tax deductions, and from additional taxation of about 1.7 % of GDP (about 80 billion) in the form, for example, of higher corporate taxation, VAT or a tax on financial transactions. The scheme would bring all US households to a minimum of nearly 90% of the poverty level. It would also have the welcome effect of tightening the lower end of the labor market by giving greater leverage to low wage workers — unlike the current "workfare" proposals of both the Clinton Administration and the Republican Congress, which "will simply flood the low wage, low skill end of the labor market with even more jobseekers". It would further correspond far

better to the needs of a post-industrial labor market in which a single long-term employment career has become the exception and would provide a favourable context for community revitalization projects. Last but not least in the present ideological climate, it "is consistent with the idea that people who work hard should get more than those who are lazy". (Authors' addresses: flblock@peseta.ucdavis.edu and manza@pop.psu.edu).

BLOCK, Fred. *The Vampire State and Other Myths and Fallacies about the US economy*, New York: The New Press, 1996, 306p.

No, the government is not a vampire sucking the lifeblood from the economy. Sociologist Fred Block (author of *Postindustrial Possibilities*, 1990) argues that the role of the State is more essential than ever, under contemporary conditions, as it needs to create the conditions for an adaptive society by reforming the international and domestic financial system, democratizing the corporation, and — last but not least — introducing an extensive income guarantee. "While it is impossible to return to the Jeffersonian ideal of widespread ownership of productive property, a well-designed negative income tax could weaken the threat of state coercion through the guarantee to everyone of a survival level of income." Among other advantages, a NIT would be "a powerful tool to help society adapt continuously to changes in the employment structure" and would enable more people to choose a combination of voluntary poverty and full-time political work.

(Author's address: University of California, Department of Sociology, DAVIS, CA 95616, E-mail: flblock@peseta.ucdavis.edu.)

AECEP, *European Call for a Plural Citizenship and a Plural Economy*, Paris, (Association "Appel européen pour une citoyenneté et une économie plurielles", 21 Boulevard de Grenelle, F-75015 Paris, Fax: 33-1-45783402), E-mail: aecep@globenet.org), July 1996, 4p.

An English version of a call for working time reduction, the promotion of the non-profit sector and an unconditional minimum income (as opposed to "the various mandatory work schemes now proliferating, which can only take us right back to the 19th century, turning society's outcasts into scapegoats") published in *Le Monde* on 28 June 1995. This initiative is coordinated by Alain Caillé (chairman), Jean-Louis Laville, Roger Sue, Daniel Céfaï and Patrick Viveret and has already attracted the support of André Gorz, Guy Aznar, Jean-Marc Ferry, Ahmet Insel, Alain Lipietz, Maurice Pagat, René Passet, Bernard Perret, Jacques Robin and many others. It is now expanding beyond France. Those who wish to get the full text of the call and/or support it are warmly invited to contact the AECEP (address and e-mail above) or Alain Caillé (3 Avenue du Maine, F-75015 Paris).

CITIZEN'S INCOME BULLETIN n°22, July 1996, Citizen's Income Study Centre (St Philips Building, Sheffield Street, London WC2A 2EX, E-mail: citizens-income@lse.ac.uk), £3, 32p.

This latest issue of the indispensable journal of the Citizen's Income Research Group starts off with a critique of Philippe Van Parijs's book-length argument for basic income (OUP 1995) by LSE philosopher Brian Barry ("Real Freedom for All will for many years be an essential reference in our discussion of a number of technical issues", but "those who are attracted by the idea of a Citizen's Income would be well advised to exercise caution in relying on the case for it made in the book"). Among other things, it further contains two useful short introductions to basic income (by Richard Clements "for beginners", by Hermione Parker and Susan Raven "for intermediates"), a discussion on family policy and citizen's income with the sympathetic Labour MP Clive Soley, reports on the basic income debate abroad from Holland to Argentina, and many short notes on relevant recent books and papers.

GOUGH, Ian. "Justifying a Basic Income ?", in *Imprints. A Journal of Analytical Socialism* (9 Woodland Road, Bristol BS8 1TB, e-mail: c.bertram@bristol.ac.uk) Vol.1 n°1, June 1996, pp. 72-88.

In this first issue of a promising new journal that aims to foster rigorous progressive thinking, social policy professor Ian Gough devotes a thorough review article to Philippe Van Parijs's *Real Freedom for All*. Evaluating the contribution of socio-economic arrangements to ethical goals is feasible and important. But it is likely to be multidimensional and messy. It will have to involve, for example, objective needs and duties, rather than just real freedom. Moreover, "the solutions will rarely conform to one policy instrument, whether that be deregulated markets or basic income". Whether one

adopts a needs-based or a real-libertarian approach, it is therefore worth comparing basic income, for example, to Australia's selective welfare system, which provides all its citizens with entitlement to a comprehensive set of benefits, or to "a combination of conditional benefits, job subsidies, training and capital grants", especially bearing in mind that "in the light of the horrendous cost of basic income, the reality of a generous basic income would be a welfare state impoverished in all other respects".

(Author's address: University of Bath, School of Social Sciences, Bath BA2 7AY, UK, E-mail: i.r.gough@bath.ac.uk)

GROOT, Loek, "The Poverty Trap and the Transition from Conditional to Unconditional Social Security. The Alternative Route to a Basic Income", Universiteit Utrecht: Vakgroep Sociale Economie, 1996, 15p.

The author proposes an alternative route for the transition from conditional to unconditional social security, more gradual than the direct change to a partial basic income. He thinks that a direct implementation of a partial basic income is in deep conflict with basic principles on which present social security is built. This alternative scheme consists of three steps. In the first one, the withdrawal rate is reduced in order to lower the poverty trap. In the case of the current conditional social security, this rate is fixed at 100 %. The decrease of the withdrawal rate is such that the net income of the recipients never exceeds the net income of a minimum wage earner. The second step consists in lowering the gross minimum wage with the intention of making a lot of jobs profitable and viable. This reduction takes the form of an increase of the tax allowance up to the level of the net minimum wage in such a way that the gross minimum wage becomes equal to the net minimum wage. Third, in order to reduce even more the gross minimum wage, a partial basic income replaces the tax allowance. It is only at this third stage that the position of the people without earning and benefit is modified.

(Author's address: Universiteit Utrecht, Vakgroep Sociale Economie, Heidelberglaan 1, NL – 3584 CS UTRECHT, E-mail: L.Groot@fsw.ruu.nl)

HANDLER, Joel F. "Work, Poverty and the Future of the Welfare State. Questions about Social Europe by an American Observer, Paper presented at the Law and Society Association, Glasgow, Scotland, July 10-13, 1996, 104p.

According to University of California lawyer Joel Handler (author, among many other books, of *The Poverty of Welfare Reform*, Yale University Press, 1995), there is not much room for optimism about the American welfare state: "the growing inequality and poverty among the working and non-working poor, the deterioration of the inner-cities, and the incredibly conservative consensus on welfare and redistribution issues, are truly staggering". "Is this the future of Europe? Policymakers there think that the way to go is to emulate the U.S. economy. If that's true, then it will be a sad day for the social welfare state." To counter this, the Left must rally and "develop a theory of political economy that is credible and that will serve as the ideological underpinning of renewed social movements and political action". One of the most encouraging existing components of this riposte Handler sees in the "strong, active group working on Basic Income" (Standing, Jordan, Offe, Van Parijs), to whose work he devotes several pages.

(Author's address: UCLA Law School, 405 Hilgard Avenue, LOS ANGELES, CA 90024-1476, E-mail: handler@law.ucla.edu)

HAVEMAN, Robert, "Reducing Poverty while Increasing Employment: A Primer on Alternative Strategies, and a Blueprint", OECD Economic Studies, n°26, 1996, pp. 7-42.

This paper explores six strategies aimed at reducing both poverty and the unemployment of low-skilled workers: the credit income tax (CIT), the negative income tax (NIT), the basic income (BI), the earned income tax credit (EITC), the wage subsidy (WS) and the employer-based marginal employment subsidy (MES). According to Haveman, no single strategy is capable of meeting both goals simultaneously, owing to the "Iron Law" of income support programmes: an income guarantee providing all citizens with an "adequate" standard of living financed by a personal income tax requires a structure of marginal tax rates with substantial work disincentives. While CIT, NIT and BI would effectively provide a minimum income to all, they are unlikely to induce a sizeable increase in the demand for low-skilled workers. Conversely, EITC, WS and MES increase the incentive to work and increase the demand for low-skilled workers but they do not provide a minimum income to all. The

author therefore proposes a combination of policies, with tentative estimates of their budgetary impact, while recognizing that the trade off between poverty trap reduction and sufficient income support cannot be completely avoided. The policy package Haveman favours in this paper (as in his book *Starting Even*, Simon & Schuster, 1988) includes (1) a credit income tax programme, which would give each family an income guarantee at one half or two thirds of the poverty line in the form of a negative income tax smoothly integrated with the positive income tax, (2) scaled back categorical programmes for the retired, the disabled and the unemployed, and (3) a two-pronged employment subsidy programme targeted at the low skilled both on the employers' side (as a marginal employment subsidy) and on the workers' side (as a wage rate subsidy).

(Address: The Director, La Follette Institute of Public Affairs, University of Wisconsin, 109 Observatory Hill, Madison, Wisconsin 53706, USA.)

OFFE, Claus, *Modernity and the State*, Cambridge: Polity Press, 1996.

This book of essays by renowned German political scientist (and BIEN founding co-chairman) Claus Offe contains one piece (jointly written with BIEN executive committee member Ilona Ostner and Hamburg social lawyer Ulrich Mückenberger) in which he argues for a basic income in the form of a negative income tax as a response to trends in labour markets and family structures ("A Basic Income Guaranteed by the State: A Need of the Moment in Social Policy"). Initially published in German (1987), this essay was not previously available in English.

(Author's address: Humboldt-Universität, Philosophische Fakultät III, Unter den Linden 6, D – 10099 BERLIN, E-mail: coffe@sowi.hu-berlin.de.)

PURDY, David. *Jobs, Work and Citizens' Income. Four Strategies and a New Regime*, paper prepared at the European University Institute, European Forum on Gender and the Use of Time, 1995, 65 p.

A defence of citizen's income as a response to mass unemployment, in critical contrast to growth, shorter working hours and job subsidies.

(Author's address: University of Manchester, Department of social policy, Manchester M13 9PL, UK, e-mail: msrasdp@fs1.ec.man.ac.uk)

SCHUTZ, Robert R. *The \$30,000 Solution. A guaranteed annual income for every American*, Santa Barbara: Fithian Press (PO Box 1525, Santa Barbara, CA 93102, USA), 1996, 160p., \$12.95, ISBN &-56474-150-8.

A lively plea for an unconditional basic income of \$30.000 for every adult American, financed out of the full taxation of unearned income (profits, interests, inheritance) and the introduction of a maximum limit on earned income. Children (up to 18) would be entitled to half his amount for the first child of each woman, one quarter of this amount for the second one, and nothing for subsequent ones. The underlying principle is that "no one has any more right to unearned income than anyone else", or that "unearned income is a gift from the universe and from other people. Such gifts should be divided equally among all of us." The impact of the proposed program on the incentive to work, save and invest is discussed and found manageable. The author has been CEO of the American Society for Eastern Arts, editor of the *Friends Bulletin* and lecturer in economics at Berkeley. He is currently the editor of *EarthLight Magazine*. Those who are interested in his proposal are warmly invited to write to America Tomorrow Publishers (PO Box 2343, Santa Rosa, CA 95405): "You will instantly become a member of a loose organization designed to install a fair income in your state, these United States, and the world."

(Author's address: 684 Benicia Drive #70, Santa Rosa, CA 95409, USA.)

WACQUANT, Loic J.D. "The Rise of Advanced Marginality: Notes on its Nature and Implications", *Acta Sociologica. Journal of the Scandinavian Sociological Association* 39, 1996, 121-139.

In this synthetic paper, Loic Wacquant, a young French sociologist who collaborated closely with both Pierre Bourdieu (Collège de France) and William Julius Wilson (University of Chicago), describes the key features of the resurgence of extreme poverty and destitution, ethnoracial divisions and public violence in North-American and European cities. His analysis, he argues, supports the need for "a revolution in public policy" that would involve severing the link between work and subsistence via the institution of a citizen's wage: "Rich



capitalist societies have the means to do this; it only remains for them to develop the political intelligence and will". Unrealistic? "Before the French Revolution, the idea of overturning the monarchy was properly unthinkable... And yet 1789 came, and came by storm. The institutionalization of a citizenship right to subsistence and well-being outside the tutelage of the market might well be the Bastille of the new millenium."  
(Author's address: University of California, Department of Sociology, Berkeley, Ca 94720, USA.)

## FRENCH

AIRE, *Lettre de liaison* 12 & 13, été et automne 1996, 14p. & 13p., FF 200 per year.

The 12th issue of the French basic income network (Association pour l'Instauration d'un Revenu d'Existence) entirely consists in an account of the debate it organized on 12 June 1996 in Paris with the participation of Alain Deleu (Christian Trade Union Confederation), Didier Livio (Young Businessmen Association) and Yoland Bresson (professeur of economics and chairman of AIRE). The 13th issue contains a comprehensive account (by Philippe Riché) of BIEN's 1996 Congress, presented as the best so far. This account is followed by book reviews, reactions to AIRE's latest activity and a short plea (by Pierre Lavagne) for basic income as a way of solving Corsica's problems.

(Address of AIRE's secretariat: Mme Ch. Bernard, 33 avenue des Fauvettes, F-91440 Bures-sur-Yvette.)

BOISSONNAT, Jean (ed). *Le Travail dans vingt ans*. Paris: Odile Jacob, 1995, 305p.

A report about the future of work on behalf of the French Planning Bureau. Beyond the diagnosis, one main proposal: the creation of an "activity contract" between an individual and a firm or group of firms which would facilitate the transition between jobs and between jobs and further training. The one-page discussion of basic income (attributed to Paine, Keith Roberts, Bresson and Van Parijs) is both encouraging — it indicates that official reports on this subject can no longer ignore basic income — and disappointing — basic income is dismissed on grounds that show how deeply confused the authors still are ("the targeting of some populations will stigmatise them and lock them up", "the level is either too low to live on or a disincentive to work", "the suppression of all other benefits jeopardizes the very principle of social protection", etc.)

Address: Commissariat général du Plan, 18 rue de Martignac, F-75007 Paris; fax: 1+33-1-47052930)

CENTRE DES JEUNES DIRIGEANTS D'ENTREPRISE, *L'Entreprise au XXIe siècle*, Paris: Flammarion, 1996, 158p., 80 FF, ISBN 2-08-210028-6.

The French association of young business leaders believes in the social responsibility of private enterprises. In this book, it sketches its vision of a desirable society. It includes a basic income (or "existence income") paid unconditionally to each citizen and financed out of taxes that should be levied on pensions and speculative incomes no less than on earnings, and should also be extended to capital and information flows.

EME, Bernard & LAVILLE, Jean-Louis. *L'intégration sociale entre conditionnalité et inconditionnalité*, *Revue des affaires sociales* 50 (3), 1996, 40p.

A comprehensive critical discussion of the theoretical defences of an unconditional basic income (by Bresson, Ferry and Van Parijs) and of the French experience with the RMI, followed by a plea for turning the right to an income into a right to the taking of initiatives, which can only be achieved through an active involvement of local communities.

(Authors' address: CRIDA, 76 rue Pouchet, F-75849 Paris.)

GILAIN, Bruno & VAN PARIJS, Philippe. "L'allocation universelle: un scénario de court terme et de son impact distributif", *Revue belge de sécurité sociale* (rue de la Vierge noire 3c, 1000 Bruxelles), 1er semestre 1996, 5-80.

A detailed micro-simulation of the distributive impact of three variants of a budget-neutral and modest basic income for Belgium, BF 8000 for all adults, with adjustments of other benefit levels and rates of taxation.

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

GOUJON, Daniel. Mutations technologiques, économie distributive et revenu minimum, Paris: L'Harmattan, 1995, 276p., ISBN 2-7384-3678-1.

Based on a doctoral dissertation, this book consists of three parts: a sketch of the history of guaranteed income schemes from Speenhamland (1795) onwards, a more developed survey of alternative theoretical approaches to the foundations of minimum income schemes (Friedman, Rawls, Van Parijs, Bresson, Gorz, Aznar, Illich) and, on this background, a thorough assessment of the French "revenu minimum d'insertion" (RMI). If the reference remains full-time waged work, the RMI is in great risk of degenerating into sheer poor relief. But providing this goes hand in hand with other changes, e.g. in the sphere of education, it can also serve as a step towards a society in which a citizen's income (allocation universelle, revenu d'existence) facilitates both a better sharing of unemployment and a better use of free time.

(Author's address: Université de St. Etienne, I.U.T. Roanne, Boulevard de Paris, F-42300 Roanne)

QUIRION, Philippe. "Les justifications en faveur de l'allocation universelle: une présentation critique", in Revue française d'économie (5 rue de Constantinople, F-75008 Paris) 11 (2), printemps 1996, 45-64.

From a dispassionate critical review of the main arguments in favour of basic income (labour market deregulation, fight against unemployment, right to a share of resources, transformation of social relationships) the author emerges with a sceptic attitude that makes him lean towards the other "low-pressure utopia", working time reduction. "Because it builds on a century-old tradition, work sharing can be supported by a broad social movement. Basic income, on the other hand, runs the risk of remaining for a very long time a beautiful utopia."

VAN DER LINDEN, Bruno, "L'allocation universelle et l'allègement du coût du travail peu qualifié peuvent-ils apporter une réponse au chômage des moins qualifiés ?", Wallonie (Conseil économique et social de la région wallonne) n° 44, 1996, 17-22.

A useful and sympathetic presentation of the main advantages and shortcomings of two ways of trying to help low-skilled people back into jobs: a significant reduction in the cost of the worst-paid workers through the lowering or scrapping of their social security contributions, and the introduction of a partial basic income coupled with an adjustment of the minimum wage. Among the distinctive features of the basic income strategy, the most attractive is that it is not stuck within the framework of waged labour but "broadens the range of viable economic activities. It is therefore more in tune with the heterogeneity of viewpoints as to the nature of desirable work and its place in a valuable life"

(Author's address: IRES, 3 Place Montesquieu, 1348 LLN, Belgium, E-mail: vanderlinden@ires.ucl.ac.be.)

VAN PARIJS, Philippe. Refonder la solidarité, Paris: Cerf (29 Boulevard Latour-Maubourg, Paris), 1996, 116p., 59 FF, ISBN 2-204-05529-8.

A small collection of three essays on the ethical foundations of the welfare state. The first one (a revised version of a keynote address at BIEN's Paris conference, later published in Futuribles) contrasts a (basic-income-oriented) "Painean" model with a (social-insurance-oriented) "Bismarckian" model and a (social-assistance-oriented) "Beveridgean" model. The other two are concerned with solidarity in health care ("Réapprendre à mourir") and inter-generational solidarity ("Du patrimoine naturel aux régimes de retraite"), respectively.

(Author's address: vanparijs@espo.ucl.ac.be.)

## GERMAN

KALTENBORN, Bruno, 1995: Modelle der Grundsicherung: Ein systematischer Vergleich. Baden-Baden: Nomos Verlagsgesellschaft, 142 p., DM 45, ISBN 3-7890-3960-8.

How can stronger work incentives be reconciled by higher minimum income levels? By changing the way in which earned income is taken into account. This is a systematic

presentation of the main (political and academic) proposals for the reform of income support in Germany.

KRAUSE-JUNK, Gerold. "Probleme einer Integration von Einkommensbesteuerung und steuerfinanzierten Sozialleistungen. Anmerkungen zum Gutachten der Experten-Kommission", in *Wirtschaftsdienst* 7, 1996, 345-349.

This dense and instructive piece explains why the German Finance Ministry's scientific Council (chaired by the author) rejected the proposal (made by Prof. Joachim Mitschke and others) of a negative income tax (Bürgergeld) as a substitute for the existing means-tested social assistance and hence a way of integrating taxes and benefits. Firstly, the income tax and social assistance systems use different notions of incomes: the income relevant to social assistance includes a person's personal assets and his/her claims on relatives, for example, whereas the income tax disregards the latter. This makes harmonization quite tricky, but this is no decisive objection, as the Commission recognizes that convergence between the two definitions of income is desirable. Secondly, some benefits (such as parental or educational allowances) are subject to a particular performance and hence cannot be absorbed into a single transfer scheme in the way social assistance can. Thirdly and more importantly, the lower marginal rate of tax and benefit withdrawal on the lower incomes (which largely motivates the proposal) necessarily implies a higher marginal tax rate (about 70%) on low and middle earnings. The category affected by this rise includes many of those people who need strong incentives, especially at the beginning of their career, to acquire an economically crucial amount of training. The higher rate they would face is therefore likely to be more damaging than the even higher effective rates that currently exist lower down, in an income range from which people will be keen to escape anyway, especially if social assistance is not too "citizen-friendly". Fourthly and most crucially, as wages would no longer need to cover subsistence, neither employers nor Unions will be under the same pressure to keep jobs productive, and Germany will become a low-productivity country, with a combination of low wages and citizen's income that will be particularly attractive for poorly skilled immigrants from Southern (and soon Eastern) Europe. Finally, there is not that much to be gained (given the needed decentralization of many aspects of social work) and much to be feared from bringing taxes and tax-funded transfers under a single mammoth administration. In addition to some marginal harmonization, the way forward rather consists in providing training and integration subsidies for the long-term unemployed.

(Author's address: Universität Hamburg, Institut für Ausländisches und Internationales Finanz- und Steuerwesen, Hamburg, Germany.)

MITSCHE, Joachim, "Bürgergeld", in *Volkswirtschaftliche Korrespondenz der Adolf-Weber-Stiftung* (Pienzenauerstrasse 99, 81925 München) 34 (8), 1995, 4p.

Professor Mitschke has been a keen advocate of a citizen's income in the form of a negative income tax for 25 years. He is the co-author (with Wolfram Engels and Bernd Starkloff) of the first significant German publication to the debate (*Staatsbürgersteuer. Vorschlag zur Reform der direkten Steuern und persönlichen Subventionen durch ein integriertes Personalsteuer- und Subventionssystem*, Wiesbaden: Karl Bräuer-Institut, 1973, 106p.) and the author of an impressively systematic book in which he works out in detail what the integration of income tax and social transfer systems would mean in the Federal Republic (*Steuer- und Transferordnung aus einem Guss. Entwurf einer Neugestaltung der direkten Steuern und Sozialtransfers in der Bundesrepublik Deutschland*, Baden-Baden: Nomos, 1985, 274p.). In this short article, he sums up his argument: "The concept of citizen's income describes a reliable, administratively simple and nondiscriminatory way of supplementing low wages so as to guarantee subsistence. It facilitates the creation of part-time jobs, which one tenth of the work force wants."

(Author's address: JW Goethe Universität, Fachbereich Wirtschaftswissenschaften, Mertonstrasse 17, Postfach 11 19 32, D-60054 Frankfurt-am-Main.

POGGE, Thomas W. "Eine globale Rohstoffdividende", in *Analyse & Kritik. Zeitschrift für Sozialwissenschaften* 17, 1995, 183-208.

An ethically sophisticated plea for a world tax on the use of natural resources whose proceeds (1% of world GNP) are to be distributed to the poorer countries as a positive function of their population and a negative function of their GNP per capita. Not quite a world basic income, because states (or other organizations) are the recipients and because of

the means test involved. But the fundamental ethical argument would apply even better to a world basic income — if it were feasible.

(Author's address: Columbia University, Department of Philosophy, NEW YORK, NY 10027, USA, tp6@columbia.edu.)

SCHARPF, Fritz W. "Nicht Arbeitslosigkeit, sondern Beschäftigung fördern. Einkommenshilfen fuer niedrige Erwerbseinkommen", in Friedrich Ebert Stiftung (ed.), *Den Zweiten Arbeitsmarkt foerdern*. Tagung der FES vom 11.11.1993, Bonn, Mai 1994, 7-27; and "Subventionierte Niedriglohn-Beschäftigung statt bezahlter Arbeitslosigkeit?", in *Zeitschrift für Sozialreform* 41 (2) 65-82.

The influential social-democratic political scientist Fritz Scharpf seems to have heeded the critique made of his earlier defence of negative income tax by people like Walter Hanesch (*Aus Politik und Zeitgeschichte*, July 1995, reviewed earlier in this newsletter) and is now retreating to proposing employment subsidies of a more standard sort.

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

SCHMIDT, Heide, "McJobs sind nicht alles", in *profil* (Vienna) 19, 6 Mai 1996, 51-53.

In this interview, the chairperson of the Austrian "Liberales Forum (8% of the vote, 10 seats in the Austrian Parliament) explains why her party dared to propose — admittedly as something to explore rather than as a firm proposal — the introduction of a full unconditional basic income (Grundsicherung or Buergergeld) of 10.000 Austrian Schillings (about DM 1400) per month for adults (half that amount for children) in the form of a negative income tax. The aim is not to create employment — this is not the politicians' job —, but rather to create a framework in which more people can do so. Why would people still bother to work? "One will not believe that society will suddenly lean back and say: I don't need more than the basic income. This amounts to overlooking human needs. And for the few who do want to lean back, there is no objection to their doing so, especially as it is already happening now." Is this not something that smacks of Marxism (the "realm of freedom") more than of liberalism (US-type deregulation)? She thinks not, because each person's right to income security is a human, and hence a liberal demand.

(Contact address: Dr Volker Kier, Member of the Federal Parliament for the Liberales Forum, Gymnasiumstrasse 20, A-1180 WIEN.)

VAN DER BELLEN, Alexander & Erich KITZMULLER, "Grundeinkommen: die Debatte", in *Die neue Furche* (Vienna) 37/12, September 1996, 2-3.

On the occasion of BIEN's Vienna Congress, Austria's catholic monthly publishes an interesting debate between Erich Kitzmüller (a social scientist working for various institutions of further education), who present the basic case for basic income as a "way out of the impasse"? and Alexander van der Bellen (a professor of economics at the University of Vienna and member of the federal Parliament for the Green Party), who defends a sympathetic but critical position. Van der Bellen has two main reservations. First, whereas a basic income for the old is unobjectionable (its impact on saving and work incentives earlier in life are likely to be negligible), a basic income for the young is problematic because of a short-sightedness that may make them forego training and work experience which they will later regret not to have acquired. Secondly, although the integration of tax and benefits through the substitution of a basic income for tax allowances (as proposed in Austria by Lieselotte Wohlgenannt) has many attractions, its appeal weakens when one realizes that in Austria capital income is hardly taxed. The proposal would therefore mean that people who already live mainly from unearned income would have their net income further increased: Hardly a dictate of justice!

(Kitzmüller's address: Hohenbergstraße 5, A – 8061 ST. RADEGUND; van der Bellen's address: Grüner Klub im Parlament, A – 1017 WIEN.)

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