

BIEN - Basic Income Earth Network

NEWSFLASH 56 March 2009

www.basicincome.org

The Basic Income Earth Network was founded in 1986 as the Basic Income European Network. It expanded its scope from Europe to the Earth in 2004. It serves as a link between individuals and groups committed to or interested in basic income, and fosters informed discussion on this topic throughout the world.

The present NewsFlash has been prepared with the help of *Paul Nollen, Reimund Acker, Simon Birnbaum, David Casassas, Sandro Gobetti, Dirk Jacobi, Andrés Lajous, James Mulvale, Guy Standing, Eduardo Matarazzo Suplicy, Philippe Van Parijs, Karl Widerquist, Toru Yamamori, and Thérèse Davio.*

This NewsFlash can be downloaded as a PDF document on our website www.basicincome.org

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1. EVENTS

PAST EVENTS

* **HIKONE (JP)**, 19 April 2008: *4th Annual Conference of the Japanese Association for Feminist Economics (JAFFE)*.

The Association for Feminist Economics held its 4th annual conference at Shiga University, and its general theme was “A Feminist Way Forward to Basic Income”. Toru Yamamori organized and Shunko Ishiro, Shuji Ozawa, Kumiko Ida and Tetsuki Tamura spoke. The proceedings will soon be published.

JAFFE’s website: <http://devgen.igs.ocha.ac.jp/jaffe/>

* **NEW YORK (US)**, 27 February – 1 March 2009: *The Eighth Congress of the U.S. Basic Income Guarantee Network*

The Eighth Congress of the *U.S. Basic Income Guarantee (USBIG) Network* was held in conjunction with the Annual Meeting of the *Eastern Economic Association (EEA)*. The USBIG Congress is part of this Annual Meeting. On February 27, 2009, the new President of the EEA, Paul Krugman (the 2008 Nobel Prize in Economics) gave a talk during the official luncheon of the *Eastern Economic Association*. During question time, Brazilian Senator Eduardo Suplicy, honorary co-Chair of BIEN, asked Krugman whether a basic income was an option to be considered in the US, following the example of the Alaska Permanent Fund Dividend. Krugman did not dismiss the idea, arguing that he had never been a great advocate of targeted programmes. But he stated that in the current US context a universal health care programme deserved priority over a basic income grant in cash.

At the end of the USBIG Congress, a letter to US President Barack Obama was drafted and signed by most participants. It includes an unambiguous plea in favour of a basic income: "We urge you to consider establishing a basic income for all Americans as the most effective way to stop the contraction of the economy and begin a new era of economic prosperity for all". The letter is available at <http://www.incomesecurityforall.org/>. A Brazilian version was published in the *Jornal do Brasil*, with an introduction by Senator Eduardo Matarazzo Suplicy. In this introduction, Suplicy also summarizes his exchange with Paul Krugman (*Jornal do Brasil*, March 2, 2009, <http://jbonline.terra.com.br>).

The programme and papers can be found at: <http://www.usbig.net/index.html>

* **BRUSSELS (BE)**, 5 March 2009: *European Young Socialists Meeting*

On March 5, 2009, Guy Standing, honorary co-president of BIEN, was invited to give an address on how basic income could help in the recovery from the financial crisis to a conference organized by the European Young Socialists in the European Parliament in Brussels. He urged the delegates to think beyond the conventional perspectives and argued that unconditional stabilization grants would be a step towards a more equal and free society, which they as emerging politicians should espouse.

* **RIO DE JANEIRO (BR)**, 16 March 2009: *Lecture by Eduardo Suplicy*.

On March 16, 2009, Senator Eduardo Suplicy gave the Inaugural Lecture on “The Transition of the Bolsa Escola Program towards the Citizen’s Basic Income” to the Students of the Economics Institute of the Federal University of Rio de Janeiro.

* **BATH (UK)**, 20 March 2009: *Economics Summit*

On March 20, Guy Standing, honorary co-president of BIEN, presented his ideas for stabilization grants at a day-long “Economics Summit” being organized by the Economics Department of the University of Bath. Among other speakers were Sir Samuel Brittan, Tim Harford and Patrick Minford.

* **ROME (IT)**, 20 March 2009: *Seminar on guaranteed income*

This seminar about the idea of a guaranteed income within the framework of a "new welfare system" was sponsored by BIN Italia (the Italian Section of BIEN). Several lawyers took part in the seminar, and the discussion was mainly focused on labour law issues.

For further information: http://www.bin-italia.org/informa.php?ID_NEWS=39
Pictures: <http://www.bin-italia.org/articledb/image-gallery/index.php?page=list-image&album=15>

* **ROME (IT)**, 25 March 2009: *New welfare and Guaranteed Income*

Members of Basic Income Network Italia (BIN Italia), along with several scholars, took part in a meeting on basic income which was convened at the initiative of the students' movement at the Università La Sapienza. The meeting was focused on labour market issues, the knowledge economy, and a guaranteed income.

For further information: http://www.bin-italia.org/informa.php?ID_NEWS=40

UPCOMING EVENTS

* **AHMEDABAD (IN)**, 13 April 2009: *Basic income and cash transfers*

In India, a day-long meeting to discuss basic income and cash transfers will be held in Ahmedabad on April 13. Guy Standing will make a presentation on how conditional cash transfers will lead to a basic income, and contributors to the Indian debate on cash transfers will be invited to respond. The meeting is being organized by SEWA (the Self-Employed Women’s Association of India) and the Gujarat Institute for Social Research.

* **FIRENZE (IT)**, 24 April 2009: *Rethinking welfare and the challenge of basic income*

The conference will start at 3 PM at the Polo delle scienze sociali in Florence. The meeting is sponsored by Università di Firenze dipartimento scienze economiche, Movimento Federalista Europeo Toscana, Associazione Universitaria cooperazione allo sviluppo. Featured speakers will include Dr. Giuseppe Bronzin, Andrea Fumagalli, Guy Standing, and Renato Libanora.

Further information: http://www.bin-italia.org/informa.php?ID_NEWS=42

* **HERZOGENRATH (DE)**, 16-17 May 2009: *Symposium on basic income*

Following the October 2008 Basic Income Conference (Berlin), German basic income supporters have organized a two-day symposium which will take place on May 16-17, 2009. It is intended to be more focused and scientifically oriented than the Berlin conference and will be open for invited participants only. Both the Berlin conference and the symposium are part of the "Basic Income on its Way to Europe" project, which is funded by the European Union.

Further information: acker@grundeinkommen.de

* **CALGARY (CA)**, 19-22 May 2009: *Guaranteed Income: A Path to Economic Security?*

BIEN Canada has been invited to do a workshop at the *Canadian Social Forum (CSF)* which will take place in Calgary, Alberta on 19 - 22 May 2009. The title of the session will be *Guaranteed Income: A Path to Economic Security?* It will outline current thinking around basic income models, and invite participants to explore issues of design, public support, and strategies for working towards income guarantees in the Canadian context.

BIEN Canada will also be meeting during the afternoon of Tuesday, 19 May in Calgary, just before the Social Forum begins. This will be the first face-to-face meeting of the network's members since the inaugural meeting in June 2008 at the BIEN Congress in Dublin.

More information on the CSF program and on how to register is available at:

<http://www.ccsd.ca/csf/2009>

For further information: Dr. Jim Mulvale, University of Regina:

jim.mulvale@uregina.ca phone 306.585.4237,

* **EDINBURGH (UK)**, June 29 – July 1, 2009: *Citizen Income Trust Sessions at Social Policy Association Conference*

The Citizen's Income Trust —BIEN's affiliate in the United Kingdom— organizes three sessions on basic income at the Social Policy Association's 43rd annual Conference at the University of Edinburgh June 29 – July 1, 2009. Nine papers arranged into three symposia have been accepted for presentation as parallel sessions at the SPA. Speakers include Jurgen De Wispelaere, Lindsay Stirton, Anne G Miller, Karl Widerquist, Joel F Handler, Bill Jordan, Guy Standing, Louise Haagh, Ailsa McKay, and Stuart White.

For more information contact: Annie Miller at the CIT office, info@citizensincome.org

For more information: www.citizensincome.org.

* **OTTAWA (CA)**, October 1-2, 2009: *Basic Income Colloquium*

BIEN Canada holds a Basic Income Colloquium in Ottawa on 1-2 October 2009. Featured speakers include Senator Hugh Segal (a proponent of guaranteed income in the Canadian Federal Parliament) and Jurgen De Wispelaere of Trinity College Dublin, who also is co-editor of *Basic Income Studies*.

For further information: Dr. Jim Mulvale, University of Regina:

jim.mulvale@uregina.ca phone 306.585.4237

2. GLIMPSES OF NATIONAL DEBATES

* BRAZIL: PILOT PROJECT TO BE LAUNCHED?

Encouraged by Senator Eduardo Suplicy, a local basic income pilot project is about to be launched in Brazil. Suplicy detailed the prospects for that experiment in a newspaper article published in Portuguese by the *Folha de S. Paulo*, one Brazil's main newspapers, in its March 27, 2009 issue. Here are a few excerpts:

"Last March 20, the climate resort Santo Antônio do Pinhal experienced an unforgettable night. Mayor José Augusto Guarnieri Pereira (PT) invited the councillors and representatives of all local economic sectors for a dialogue, at the Common Council, about the proposal of constituting a Citizen Fund that allows paying a Citizen's Basic Income to all of the approximately 7,000 inhabitants, turning the city into a pioneer example in Brazil. Santo Antônio do Pinhal is located about 180 km from São Paulo, 1,200 meters above the sea level, on the Serra da Mantiqueira, near Campos do Jordão. (...) In 2007, a couple of farmers, Marina and Francisco Nóbrega, took the mayor to my speech about the Citizen's Basic Income at the University of the Paraíba Valley, in São José dos Campos. At the end, I asked the students to suggest to the Mayor that the city implement a pioneer example of basic income. Everybody agreed. (...) A technical team, with the support of the Corporação Andina de Fomento (CAF), will help with the project elaboration. The São Paulo State Secretary of Assistance and Social Development, and the federal bank Caixa Econômica Federal were also present and willing to collaborate. (...) So, in the same way as the first proposals of the minimum income linked to education had started locally, leading to its spread out to all the cities, today it is possible to start a basic income through a city such as Santo Antônio do Pinhal. It needs only the determination of the Mayor, the Councillors and the community, mainly because the Citizen's Basic Income, according to the Federal Law 10.835/2004, is to be instituted gradually, under the criterion of the Executive Power."

Newspaper's website: <http://www.folha.uol.com.br/>

* ITALY: MINIMUM INCOME LAW VOTED IN LAZIO REGION

An important step has been made towards the implementation of a minimum income scheme in Italy, one of the few EU-countries without a true minimum income for the poor. On March 4, 2009, the council of the Lazio Region (Rome) voted for a law implementing a minimum income scheme ("reddito minimo") within the region. It states that individuals below a gross income of EUR8.000 per year are entitled to a EUR560 minimum income. This means-tested scheme, however, remains experimental. The Region has decided to spend no more than EUR40 millions in the next 3 years. The scheme includes a work requirement, but beneficiaries are allowed to decline a job offer when it does not fit their qualifications. The law was voted in under pressure of several trade unions, activists, and students.

In the meanwhile, the debate on the unconditional basic income remains intense in several parts of Italy. On March 9, 2009, a meeting was organized in Naples by several associations (students, NGO's, ...), in order to discuss the means to fight the camorra (mafia). The focus was on "new welfare to fight against the mafia". Members of BIN Italy talked about the necessity of a basic income as a means to empower individuals, and help them oppose blackmailing by the mafia. On March 28, 2009, more than 20.000 people marched in the streets of Rome against the "G14" (an extended G8) meeting. The demonstration included

workers, students, and activists advocating new rights, including the "guaranteed income for all". During the demonstration, a group of activists attacked a bank office, and wrote various slogans on the wall, such as: "reclaim the money for all", or "we want a guaranteed income".

For further details on the Lazio law: http://www.bin-italia.org/informa.php?ID_NEWS=31

On the Naples meeting: http://www.bin-italia.org/informa.php?ID_NEWS=28

On the Rome demonstration: <http://roma.indymedia.org/node/9026>

*** JAPAN: BASIC INCOME TO GAIN POLITICAL SUPPORT IN 2009?**

Thanks to the initiatives of the provisional Basic Income Japanese Network (BIJN, founded 2007), which had several academic meetings in Tokyo (January 2009) and Kyoto (July 2008 and March 2009), interest in basic income has been growing in Japan last year. Two new books entirely devoted to the idea were published in 2008 (see "Publications" section below). A few events are also worth mentioning.

On January 4, 2008, the newspaper *Tokyo Shimbun News* (<http://www.tokyo-np.co.jp/>) had an article in favour of basic income. Toru Yamamori explained the idea and feasibility of basic income and Masaru Kaneko commented that the current Japanese welfare system should be replaced by something else, though he isn't sure that basic income is the best alternative.

On January 15, 2008, NHK Radio (Japan Broadcasting Corporation, <http://www.nhk.or.jp/nhkworld/>) aired a short program that introduced the idea of Basic Income. Toru Yamamori spoke that the deaths caused by poverty in Japan should be taken seriously and basic income can be one of remedies. On June 1st and 13, 2008, the newspaper *Kyoto Shimbun News* (<http://www.kyoto-np.co.jp/>) had two articles in favour of basic income. Shuji Ozawa and Toru Yamamori contributed. Ozawa explained the current problems of social security and financial feasibility of BI, and Yamamori explained BI activism from Martin Luther King to anti-G8 movements. On December 26, 2008, Takafumi Horie (a famous IT entrepreneur) briefly referred BI on a popular TV program of TBS (Tokyo Broadcasting System).

Several events related to basic income also took place in early 2009. For instance, on 22 February 2009 one of the main figures of the Japanese basic income movement, Toru Yamamori, was invited to speak about Basic Income at the annual gathering of the disabled people's movement in Kyoto. The event was officially supported by the Kyoto city government and the Kyoto prefecture government. On March 1, 2009, Yamamori also gave a lecture on basic income at the meeting of the Feminist Labour Centre, in Osaka.

Finally, in February 2009 the New Party Nippon (http://www.love-nippon.com/12jyunbi_chu.htm) adopted Basic Income in its Manifest. The leader of this party, Yasuo Tanaka, argued for Basic Income via several media. He is a famous writer, ex-governor of Nagano prefecture, and is currently the only MP of this party. Furthermore, on April 3, 2009, more than 40 MPs of the Democratic Party of Japan (currently the largest opposition party) attended a study meeting on Basic Income. Toru Yamamori gave a presentation, and Shogo Takekawa and Taro Miyamoto are scheduled to speak at the next sessions to be organized in the near future (Party's website: <http://www.dpj.or.jp/english/>)

For further information: <http://www1.doshisha.ac.jp/~tyamamor/bijnenglish.html>

*** NAMIBIA: JESUS CHRIST AND THE BASIC INCOME GRANT**

In recent months, the *Namibian Economic Policy Research Unit* (NEPRU) had been at the centre of the debate on basic income in Namibia (see previous Newsflashes). A report of NEPRU was very critical of the pilot project launched by the Basic Income Grant (BIG coalition). The BIG coalition replied and criticized the evidence provided by NEPRU. As a result, NEPRU had to withdraw its statements on poverty and crime as not substantiated and not properly researched. Following that, one of the main critics of the project, Economist Rigmar Osterkamp, is no longer employed with NEPRU. Furthermore, there has been a strong critique of NEPRU's statements by Dr. Henning Melber, who was NEPRU Director from 1992 to 2000 and is now Executive Director of the *Dag Hammarskjöld Foundation* in Uppsala/Sweden. His article, entitled 'Power, Privileges and Poverty: BIG, Moral Economy and Solidarity', was published in *The Namibian* on Jan. 08, 2009.

In the meanwhile, basic income continues to make headlines in Namibia. Bishop Dr. Zephania Kameeta and Claudia Haarmann, together with the Dr Peter Katjavivi (Director General of the Namibian National Planning Commission), were invited to do a presentation on the basic income pilot project at an international symposium in Wuppertal (DE) on March 6th, 2009. Reports on the symposium were published in Namibia's two main newspapers. According to *The Namibian* (March 13, 2009), Katjavivi said that basic income programmes "forge a type of partnership that is novel and strong and could play an important role because their approach and focus are systematic and constructive". He added that BIG programmes have the potential to "mobilise local resources, technical know-how, and markets for economic growth and development", adding that a BIG approach is pro-poor, pro-agriculture and pro-rural.

At the same symposium, Bishop Dr. Zephania Kameeta of the Evangelical Lutheran Church compared the basic income grant to the Biblical story of Jesus feeding 5000 people: "Jesus did not make his feeding of the 5000 subject to the condition that the people fulfil any qualifications," said Kameeta, who is also a vice-president of the Lutheran World Federation. "His help and his love were and are unconditional. Such a Basic Income Grant frees people to take the initiative and accept responsibility."

Finally, according to *The Namibian* (March 18, 2009), Anna Beukes, Executive Director at Namibia NGO Forum (Nangof), argued that Government could neither expect to meet its developmental goals nor have the full participation of the public in meeting these objectives without first addressing the basic needs of its people. These, she said, could be addressed through the implementation of the BIG.

For Bishop Kameeta's statement, see: <http://www.eni.ch/featured/article.php?id=2807>
The Namibian website: <http://www.namibian.com.na/>

*** UNITED KINGDOM: POLITICAL PARTY ADVOCATES BASIC INCOME**

USBIG reports that a group of British teenagers have started a new political party called Social Liberalist Party (SLP). The party's website describes the party as follows: "The Social Liberalist Party is a liberal party. It's about freedom and social progress. We were set up because we want the fundamental reforms needed to make Britain a better country to live in." The party endorses land value taxation, open immigration, and a basic income. According to party leader Anton Howes, "The SLP sees the need to get rid of the dependence culture which has created a permanent underclass with no incentive to contribute back to society. As far as

we can tell, a form of basic income appears to be the only way this could ever be fully achieved. ... If ever there was a cause worth supporting, the destruction of the benefit and poverty trap through the use of a basic income is one.”

The SLP is online at: <http://www.VoteLiberalist.org>

*** UNITED STATES: ACTIVISTS ENDORSE BASIC INCOME**

According to USBIG, two activist groups have recently endorsed basic income in the United States. *After Downing Street* is a nonpartisan U.S. coalition of over 200 veterans groups, peace groups, and political activist groups that was originally founded in response to Bush administration policy in Iraq. *After Downing Street* has now endorsed the Basic Income Guarantee as part of its call for monetary reform. According to the website, “Income security, including a basic income guarantee and a national dividend, should be a primary responsibility of national governments in the economic sphere. A right to adequate purchasing power should be part of every national constitution.” Their monetary program and a petition to support it are on line at: <http://www.afterdowningstreet.org/crisis>

The *American Monetary Institute* campaigns for monetary reform in the United States. They have recently call for the “payment of a Citizens Dividend as a tax-free grant to all U.S. citizens residing in the U.S. in order to provide liquidity to the banking system,” and for “a thorough study of the effects of this Dividend observing its effects on production, prices, morale and other economic and fiscal factors.” Stephen Zarlenga is the director of the institute. It is online at: <http://www.monetary.org>

*** UNITED STATES: ALASKA PERMANENT FUND SUFFERS FROM FINANCIAL CRISIS**

According to USBIG (Winter 2009 Newsletter), the global bear market has hit the Alaska Permanent Fund (APF) hard. After the state calculated the biggest dividend in the APF’s history last summer, the fund lost 25% of its value in a matter of months, falling from a high of US\$40 billion to the current low of US\$28 billion. The fund is invested in a diversified portfolio of domestic and foreign stocks, bonds, real estate, and other assets, most of which have taken great losses during the financial crisis. The decline has already made the trustees consider keeping a larger portion funds in safer investments such as bonds.

The fund lost US\$8 billion during Governor Sarah Palin’s failed 9-week campaign for the Vice-Presidency. Her campaign can in no way have caused the drop in the fund, but Gregg Erickson, of the *Anchorage Daily News*, suggested that her preoccupation might have slowed the state’s reaction to the decline. The drop in the fund will have an effect on the Permanent Fund Dividend for years to come. Normally the dividend is calculated based on an average for the last five years of returns, but the Alaska Constitution forbids the state to spend down the principal of the fund. With no returns to draw on this year, the state apparently cannot make any payments without drawing down the principal. However, there is some question how the principal of the fund is defined. The state might need to redefine the APF’s principal to make any payment this year, and according to Mike Burns, the Permanent Fund Corporation’s top executive, the constitutionality of a change in the definition of “principal” could easily become the subject of a lawsuit.

The financial position of the APF is further complicated by the recent spike and then

enormous decline in oil prices. Most of the state's revenue (and all of the new additions to the principal of the APF) come from oil taxes. Oil, which reached a high of about US\$140 per barrel last summer, has recently traded below US\$40 a barrel. This greatly decreases both the prospects for future growth of the fund and the state's ability to supplement the dividend, as it did last year with a US\$1200 resource rebate.

However, one action taken over the last few months will lead to greater deposits into the fund in the future. The APF again started receiving 50% of state oil revenue after a law reducing payments to 25% of oil revenue expired on October 1, 2008. The Alaskan Constitution mandates that at least 25% of oil revenues must go into the APF. Between 1979 and 2003, the state deposited 50% of oil revenues into the fund. A law passed in 2003, dropped the deposit rate to 25%. Since, that law expired on October 1, the state has again been depositing 50% of oil revenues into the fund. If the current rules remain in effect, they will lead to larger dividends in the future than would occur if deposits remained at 25%. But these larger percentage contributions cannot make up for market losses or the decline in oil prices.

Despite the hard times, the APF remains extremely popular. Many Alaskan's biggest fear is that the government will use the current economic situation as an excuse to divert money from the fund. Commentators have argued that they would rather have a \$28 billion cushion in the bank than nothing at all. Even in the downturn the idea is being considered for export. A recent editorial by Lee Harding, of the *Saskatoon StarPhoenix*, made the case for a similar Permanent Fund in the province of Saskatchewan (CA).

Finally, in its Winter 2009 edition, the USBIG Newsletter published a short essay on the Alaska Permanent Fund Dividend (PFD) by Scott Goldsmith, Professor of Economics at the University of Alaska Anchorage (US). According to Goldsmith, the PFD "clearly tends to equalize the income distribution by raising it at the lower end". He also notes that "There is no evidence that the labour force participation rate has fallen because of the Dividend". In his essay, Goldsmith also echoes some of the critics of the dividend, who "argue that it is spent primarily on current consumption and that a larger share of it should be invested within the state". But he concludes that the PFD and, more generally, the Alaska Permanent Fund policy "has probably had a small stabilizing effect on the Alaska economy, and it is at least part of the reason for the relatively high level of economic equality in Alaska". "Its most certain effect", Goldsmith argues, is "a big improvement in the incomes of the poorest Alaskans". Read Goldsmith's essay at: <http://www.usbig.net/newsletters/51Winter2009.htm>

Several articles on the Fund's losses are online:

PrivateEquityRealEstate:

<http://www.privateequityrealestate.net/Article.aspx?article=33818&hashID=FDFF2D7D33897C18F706AB83E96443B60D991046>

Rhonda McBride for KTUU:

<http://www.ktuu.com/Global/story.asp?S=9725936>

Rebecca Palsha for KTUU:

<http://www.ktuu.com/Global/story.asp?S=9456145>

Lee Harding's editorial in the Saskatoon StarPhoenix:

<http://www.thestarphoenix.com/Establish+legacy+fund+with+royalties/1065764/story.htm>

Pat Forgey for the Juneau Empire:

http://www.juneauempire.com/stories/120508/loc_364003672.shtml

Gregg Erickson for the Anchorage Daily News:

<http://www.adn.com/opinion/story/606388.html>

Elizabeth Bluemink's interview Mike Burns, the Permanent Fund Corporation's top executive:

<http://www.adn.com/front/story/608365.html>

The states explanation for the increase in deposits to the fund:

<http://www.revenue.state.ak.us/Press%20Releases/08-012%2010-20-2008%20PFD%20-%20HB11%20Repeal.pdf>

3. PUBLICATIONS

***ENGLISH**

COHEN, Marjorie Griffin & PULKINGHAM, Jane (2009), *Public Policy for Women: The State, Income Security, and Labour Market Issues*, Toronto: University of Toronto Press.

This book, co-edited by Marjorie Griffin Cohen and Jane Pulkingham from Simon Fraser University, includes a chapter by Margot Young (Faculty of Law, Univ. of British Columbia) on "Guaranteed Annual Income: A Feminist Approach", and a chapter by Lee Lakeman (Vancouver Rape Relief and Women's Shelter) on "Abolishing Prostitution through Economic, Physical, and Political Security for Women."

For further information: <http://www.utppublishing.com/>

LEVY, Santiago (2008), *Good Intentions, Bad Outcomes*, Washington DC: Brookings Institution, 2008, ISBN 978-0-8157-5219-6, 357pp.

In this new book Santiago Levy, one of the designers of the programme "Oportunidades" in Mexico and current Vice-President of the Inter-American Development Bank, studies the relationship between social policy, informality and economic performance in Mexico. The main argument of the book is that the dichotomy between formal and informal labour, and the inefficiencies attached to it, is deepened by a fragmented social policy that gives traditional social security benefits to formal workers, and non-contributory benefits to informal workers.

His solution is simple, universalize social security benefits by removing the current contributory scheme and impose a generalized VAT of 15% legally linked to the financing a the universal social security system. This new system would include the following individual benefits: health insurance, life insurance, retirement pension, disability insurance, and an unconditional "direct income transfer" to offset the regressive effect of the VAT in the lowest income households. The proposal is not written as a basic income proposal; however, the "direct income transfer" as proposed would in fact work as very small basic income.

*** FRENCH**

MARSEILLE, Jacques (2009), *L'argent des Français*, Paris: Perrin, 394pp.

In this book, Jacques Marseille - an expert in social and economic history, and Professor at Paris-Sorbonne - deals with the history of income taxation in the French context. He also gives some insights into possible reforms of the French tax system. Marseille advocates the introduction of a EUR750 basic income for every French citizen (EUR375 for children under the age of 18), funded by a 20% flat tax and a "social" value-added tax of 25%. In his

scenario, the basic income scheme, or "universal grant", would replace most existing benefits, including the old-age benefits. Marseille debated his proposal with left-wing economist Thomas Piketty in the weekly *Le Point* (January 29, 2009).

Author's website, with some chapters available online: <http://www.jacquesmarseille.fr/>. Chapter 32 includes a description of the basic income scheme.

* JAPANESE

TAKEGAWA, Shogo (ed.) (2008), *Citizenship and Potentiality of Basic Income*, Horitsu-Bunkasha, Kyoto, ISBN: 978-4589031129, 256 pages.

This book is the third volume in a three volume series titled "Agenda and Challenges of New Social Policy", whose expected readers are mainly academic. The first part of the book consists of theoretical chapters, whose contributors are Shogo Takegawa, Reiko Goto, Miyo Akimoto, and Tetsuki Tamura. The second part consists of chapters that examine the relevance of basic income within the Japanese social security system, with contributions from Hideaki Kikuchi, Masato Shizume, Akemi Kita, Shuji Ozawa and Taro Miyamoto. This is the second publication that exclusively focuses on basic income written originally in Japanese, following the first book by Shuji Ozawa published 2002. Shogo Takegawa is a professor of sociology at the University of Tokyo.

Publisher's website: <http://www.hou-bun.co.jp/>

YAMAMORI, Toru (2008), *Introduction to Basic Income*, Tokyo: Kobunsha, ISBN: 978-4334034924, 296 pages

This book is published in a popular form called "shinsho", similar to series such as "Penguin books" in Britain, aimed at diffusing the idea of basic income to a wide range of people, mainly general readers from politicians to welfare claimants, but also intellectuals and academics who are skeptical of the idea. Chapter 1 explains how the Japanese welfare state that formally adopted the principles found in the Beveridge report has failed to remedy not only relative poverty but also absolute poverty. Chapters 2 and 3 delves into the history of Single mothers' welfare feminism, its demands for basic income, and into the relevance of the idea to Japanese disability movements. The intermezzo of the book sheds light on philosophical speculation from Bertrand Russell to Philippe Van Parijs. Chapter 4 depicts the history of the idea and chapter 5 examines various arguments by economists. Chapter 6 overviews current arguments and actions from BIEN to precarious workers' activism, and shows possible steps toward basic income in Japan. This is the third publication that exclusively focuses on basic income written originally in Japanese, and the first publication for general readers. Toru Yamamori is an associate professor of social policy at Doshisha University.

Publisher's website:

<http://www.kobunsha.com/shelf/book/isbn/9784334034924>

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4. NEW LINKS

* BASIC INCOME AND THE FINANCIAL CRISIS

Under the title "The Financial Crisis and the Real Economy: Beyond the Keynesian Fix", Matt Vidal (Lecturer in Work and Organizations at King's College London), argues that the Keynesian stimuli currently under discussion as a way to fix the financial crisis may stave off another great depression, but cannot even begin to fix the fundamental problems in the real economy. "What is necessary", Vidal argues, "is massive redistribution of the economic surplus to the working poor – whose ranks are growing fast in this crisis – so that they can contribute to economic growth without going into personal debt. A sustained program of public investment and public employment helps, but the level of economic imbalance in the society will require much more, including dramatically expanded welfare through such programs as basic income grants, financed by the taxation of the rich rather than ever more public debt".

Article at: <http://mrzine.monthlyreview.org/vidal170209.html>

Author's adress: matt.vidal@kcl.ac.uk>.

*** CITIZEN'S INCOME NEWSLETTER**

The *Citizen's Income Newsletter*, issue 2 for 2009, is now available. It includes an article by Lindsay Stirton (University of Manchester), and Jurgen De Wispelaere (Trinity College Dublin) in which they critically examine the claim that the introduction of a basic income would generate significant administrative savings.

<http://www.citizensincome.org/resources/newsletter%20issue%20%202009.shtml>

*** FRENCH REFERENDUM ON BASIC INCOME**

Activists defend the idea of organizing a referendum on the "citizen's income".

See: <http://revenu-citoyen.wifeo.com/>

*** A UNIVERSAL DIVIDEND IN FRANCE**

A short article in which French economist Yoland Bresson argues in favour of a 'Universal Dividend': <http://www.thematiquefrs.org/experts/expertdu1.pdf>

*** ONLINE OPINION BY JOHN TOMLINSON**

A new article by John Tomlinson in ON LINE *opinion*, Australia's e-journal of social and political debate. Tomlinson discusses basic income and job guarantees, and argues that "putting in place a basic income is the first step in building the social solidarity necessary to have everyone working together".

<http://www.onlineopinion.com.au/view.asp?article=8583>

5. ABOUT THE BASIC INCOME EARTH NETWORK

Co-chairs:

Ingrid VAN NIEKERK ivanniekerk@epri.org.za, Economic Policy Research Institute, Cape Town, South Africa

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Further details about BIEN's Executive Committee and International Board can be found on our website www.basicincome.org, as well as further information about the Recognised National Networks.

MEMBERSHIP

All life members of the Basic Income European Network, many of whom were non-Europeans, have automatically become life members of the Basic Income Earth Network.
To join them, just send your name and address (postal and electronic) to David Casassas david.casassas@uab.cat, Secretary of BIEN, and transfer EUR 100 to BIEN's account 001 2204356 10 at FORTIS BANK (IBAN: BE41 0012 2043 5610), 10 Rond-Point Schuman, B-1040 Brussels, Belgium. An acknowledgement will be sent upon receipt.

BIEN Life-members can become "**B(I)ENEFACTORS**" by giving another 100 Euros or more to the Network. The funds collected will facilitate the participation of promising BI advocates coming from developing countries or from disadvantaged groups.

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Items for inclusion or review in future NewsFlashes are to be sent to Yannick Vanderborght, Newsletter Editor, UCL, Chaire Hoover, 3 Place Montesquieu, 1348 Louvain-la-Neuve, Belgium, yannick.vanderborght@uclouvain.be

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