

# **BIEN**

## **BASIC INCOME EARTH NETWORK**

### **NEWSFLASH 62 September 2010**

[www.basicincome.org](http://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, Simon Birnbaum, David Casassas, Claudia & Dirk Haarmann, Bleri Lleshi, Jim Mulvale, Eduardo Matarazzo Suplicy, Hamid Tabatabai, Philippe Van Parijs, Karl Widerquist, and Thérèse Davio.*

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## **1. BIEN' 13<sup>th</sup> Congress: A brief personal account by Philippe Van Parijs**

There are at least three reasons why holding a BIEN congress in Brazil made a lot of sense. Firstly, Brazil's cash transfer system is one of the most comprehensive in the so-called developing world and is sometimes presented as one of the closest real-life approximations to a genuine basic income. Secondly, Brazil adopted, in January 2004, a law that explicitly asserts as an objective the introduction of an unconditional and individual basic income for all its permanent residents. This is something no other country ever did. And thirdly, it is on the suggestion and insistence of Senator Eduardo Matarazzo Suplicy that BIEN was turned, in September 2004, from the Basic Income European Network into the Basic Income Earth Network. Eduardo Suplicy was the first senator for Lula's PT and has been representing the state of São Paulo in the Brazilian Senate for nearly 20 years

So, the choice of São Paulo for this 13<sup>th</sup> Congress was more than justified, and it proved excellent. Thanks to the hard and intelligent work of an energetic organizing team led by Lena Lavinias, Fabio Waltenberg and Celia Kerstenetsky, the congress was yet another fantastic occasion for sharing information, exchanging arguments, taking new initiatives and rekindling fraternal contacts. The organization was even so good that the congress was able to smoothly accommodate the plenary viewing of the Brazil-Holland World Cup football match and happily get back to full swing straight away despite Brazil's painful defeat.

The congress took place in the Faculty of Economics of the University of São Paulo on 1 and 2 July 2010 and was preceded by a Brazilian pre-congress day on 30 June. Over the three days, the meeting attracted over 500 participants from over 30 countries and hosted close to 200 presentations that can still be downloaded from the congress site ([www.bien2010brasil.com](http://www.bien2010brasil.com)). This meant many parallel sessions that allowed for some in-depth discussion, combined with a number of plenary sessions. The closing one, chaired by Senator Suplicy, provided an opportunity to look back and think ahead with four of those who founded BIEN in Louvain-la-Neuve in 1986 (Clause Offe, Guy Standing, Robert van der Veen, Philippe Van Parijs). On afternoon preceding the congress, BIEN's Executive Committee was received at length by President Lula, who explained how BIEN's objectives were already partly met by the programmes that exist in Brazil.

Indeed, several sessions of the congress, including a plenary addressed by the director of the programme, Lucia Modesto, were devoted to the achievements of the *Bolsa Familia* and to how the challenges it faces may pave the way to a basic citizen's income. Means-tested programmes such as the *Bolsa Familia* unavoidably generate a major problem of fair implementation in the context of a largely informal economy. As the programme matures, there will be more and more people who will rightly say: "this is unfair, my neighbour is earning more than me and is receiving a *Bolsa Familia* whereas I am not".

Brazilian scholars who study the operation of the scheme do observe that there are comparatively very few households removed from the programme because their assessed income exceeds the (low) threshold, and they acknowledge that many more would need to be removed if the means test were rigorously implemented. But it would be very harsh, expensive, conflict-ridden and unpopular to monitor closely families that are still very poor and punish them with the withdrawal of the *Bolsa Familia* as soon as their monthly earnings are suspected of exceeding the threshold of 140 reais per person (less than 80 dollars). So far, the risk of clientelism and straight corruption intrinsic in such a system has not eroded its popularity. The public discussion about the *Bolsa Familia* has been focusing mostly on a different issue, namely whether one should strengthen or weaken the condition of school attendance currently imposed on households with children in the appropriate range: 85% of the classes for children between 6 and 15, 75% for adolescents. But in case the legitimacy of

the whole scheme were to be threatened by the unsustainability of the means test, Senator Suplicy and other Brazilian basic income supporters are ready with a structural solution: just do what the 2004 law promises to do, i.e. get rid of hundreds of thousands cases of unfairness in one go by simply extending the benefit to all.

The congress was, as usual, an opportunity to hear about what is happening in very different places in the world. For example, it provided a nice opportunity to compare the local basic income experiments currently conducted in Namibia and in Brazil or soon to be started in India. After the end of the conference, two groups of participants even went to visit the two Brazilian experiments currently underway (in São Antonio do Piñal and Quatinga Velho). It is important to keep the order of magnitude of these experiments firmly in mind. In São Antonio do Piñal, for example, an attractive municipality located in a hilly part of São Paulo state and supporting itself largely from tourism, we visited the room in which the municipal council made an unprecedented decision. It decided to allocate 6% of all municipal revenues collected from local taxes (as opposed to state or federal grants) to the funding of a basic income for all inhabitants. However the total of these local taxes amount to 1.240.000 reals per year. 6% of this amount divided by the 7000 inhabitants gives each of them less than one real per month (about half a dollar). This is a neat symbolic gesture, that its initiators try to supplement in various ingenious ways, but so far it does not weigh much next to the colossal *bolsa familia* programme, which provides an average per-family monthly benefit of about 50 dollars (95 reals) to over 12.5 million Brazilian families.

This is to be compared with what many of us saw as the most surprising news of the whole congress. It came from Iran. In January 2010, the Iranian parliament approved by a narrow majority the so-called "targeted subsidy law", which combines two measures. Firstly, it scraps a large implicit subsidy to oil consumption by both Iranian households and firms. It does so by bringing the comparatively very low domestic price of oil in line with the international price. Secondly, it compensates the impact of the general price increase on the standard of living of the population by introducing a monthly uniform cash subsidy for over 70 million Iranian citizens to be paid to the heads of households. The amount is expected to reach initially about 20 dollars per person per month and to gradually rise to 60 dollars. The rich, who consume directly and indirectly more oil than average will not be fully compensated for the price increase, but the poor will automatically be more than compensated. The law, which is due to come into effect on September 21, is therefore expected both to foster a more efficient use of scarce natural resources and to reduce the level of social inequality. For more information, see the section "national debates" below (or Hamid Tabatabai, hamtab@gmail.com, "The 'Basic Income' Road to Reforming Iran's Subsidy System", slides downloadable from the website of the congress, updated paper forthcoming in *Basic Income Studies*). If this scheme is actually introduced and expanded as planned in Iran, it promises to be a very interesting initiative to study, and it may inspire other countries. Wherever one is seeking a "sustainable new deal" that combines ecological and social concerns, making resource consumption far more expensive and distributing the large revenues from the price increase equally to all is an obvious option to consider.

In many places, this is a far more realistic option than an Alaska-type permanent fund programme (discussed at the congress by two of its best specialists, Scott Goldsmith and Karl Widerquist). This programme distributes dividends to all Alaskan residents — in 2009, somewhat above 100 dollars per person and per month. As income per capita is about 13 times higher in Alaska than it is in Iran, this dividend obviously makes far less of a difference to the local income distribution than the Iranian scheme will, despite the latter being lower (per capita) in dollar equivalents. But the main difference is that the Alaska scheme is funded out of the interest collected from investments made worldwide with revenues generated by the

production of oil at some point in the past, whereas the Iranian scheme should be understood to be funded out of a tax on the current consumption of oil. The Alaska-type scheme is therefore restricted to resource-rich (sub-) countries that manage at some point to exercise sufficient political self-restraint to create and develop a substantial fund. The Iranian-type scheme, by contrast, is available to any country that wants to price the consumption of oil in an ecologically responsible way and to buffer the effect on people's standard of living in a socially responsible way. For this road to basic income to be a real option there is no need to first accumulate a large fund, nor indeed to be an oil-producing or resource-rich country. Yet, there are also disadvantages. In the long run, one can expect the return on the Alaskan fund to keep fluctuating quite wildly but not to converge to zero. Our consumption of oil, by contrast, will not continue forever.

This surprising Iranian story is only one of the many that were discovered and discussed at the São Paulo congress. It neatly illustrates the role a network such as BIEN can play to spread useful information, to make it intelligible, to broaden our imagination, to boost our confidence and to empower our struggle for greater justice all over the world.

*Philippe Van Parijs, Chair of BIEN's International Advisory Board*

## **2. EVENTS**

### ***PAST EVENTS***

\* **SAO PAULO (BR)**, 30 June & 1-2 July, 2010: 13<sup>th</sup> BIEN Congress

On July 2, 2010, at the end of its congress, BIEN held its biennial General Assembly (GA) meeting. It took the following decisions:

- The Korean Basic Income Network was recognized as the 17th national network of BIEN.
- Munich, Germany will host the next BIEN Congress, to be held at a date still to be determined between April and October 2012.
- BIEN's Executive Committee for 2010-12 will consist of Karl Widerquist and Ingrid Van Niekerk (co-chairs), David Casassas (secretary), Yannick Vanderborght (newsletter editor), Almaz Zelleke (treasurer & regional coordinator), Louise Haagh, James Mulvale and Pablo Yanes (regional coordinators) and Dorothee Schulte-Basta or another representative of the Netzwerk Grundeinkommen, in charge of organizing BIEN's next congress. Andrea Fumagalli has been coopted as a regional coordinator.
- Eduardo Suplicy, Guy Standing, and Claus Offe will be honorary co-presidents. Honorary co-presidents are former co-chairs, who have agreed to remain active in BIEN and been so approved by the GA.
- Philippe Van Parijs was reelected as chair of BIEN's International Advisory Board.

In the aftermath of the Congress, Eduardo Suplicy and Philippe Van Parijs published a article in one of Brazil's main daily newspapers, the *Folha de S. Paolo* ('Renda Básica para promover justiça e paz', *Folha de Sao Paolo*, 27 July 2010).

### ***FORTHCOMING EVENTS***

\* **NEW YORK, NY (US)**, 25 – 27, February 2011: The Tenth Annual North American Basic Income Conference: Models for Social Transformation

This conference will be held in conjunction with the Annual Meeting of the Eastern Economic Association (EEA). Attendees at the USBIG conference are welcome to attend any of the EEA's events. The North American Basic Income Conference was originally 'the U.S. Basic Income Guarantee Network Conference,' and was organized by the U.S. Basic Income Guarantee (USBIG) Network. It expanded in 2010 to become a joint event of the USBIG Network and the Basic Income / Allocation Universelle Canada (BI/AU Canada). Since then, it has been a North American Conference held on alternate years in the United States and Canada.

Scholars, activists, and others are invited to propose papers, and organize panel discussions on BIG or topics related to poverty and the distribution of property. All points of view are welcome. Proposals from any discipline are welcomed. Anyone interested in making a presentation or organizing a panel should submit a proposal to the chair of the organizing committee: Karl Widerquist: [Karl@Widerquist.com](mailto:Karl@Widerquist.com). For more information see the USBIG Website ([www.usbig.net](http://www.usbig.net)).

Deadline for proposals: October 31, 2010.

\* **DUBLIN (IE)**, 21 September 2010: Social Justice Ireland Conference

*Social Justice Ireland's* annual Social Policy Conference will address the issue of *The Future of the Welfare State*. The conference will be held in Dublin on Tuesday, September 21, 2010. There are many questions being raised about the future of the welfare state in the context of the current economic crisis. What exactly does it involve? Can it be afforded? Is it a progressive concept? What, if anything should it guarantee? What are the major challenges the welfare state faces in the years ahead? How do Ireland's politicians propose to address these challenges? These are just some of the questions this conference will address.

For further information: <http://www.socialjustice.ie/>

### **3. GLIMPSES OF NATIONAL DEBATES**

\* **CANADA: Top prize for basic income paper**

Since 1998, over 125 Canadian economists—working in universities, the labour movement, and activist research organizations—have joined forces in the Progressive Economics Forum (PEF). The official goal of PEF is to promote the development of a progressive economics community in Canada. It awards the “Galbraith Prize in Economics”, in honour of basic income supporter and Canadian-born economist John Kenneth Galbraith. Each year PEF also organizes a “Student Essay Contest”. The Graduate Winner of the 2010 contest is Richard Pereira (Athabasca University) for a paper entitled “Economic security in the twenty-first century – Guaranteed Annual Income: An ecological, democratic, justice and food security imperative”.

For further information: <http://www.progressive-economics.ca/2010/06/01/pef-student-essay-contest-2010-winners/>

Richard Pereira: [rpereira\\_cda@hotmail.com](mailto:rpereira_cda@hotmail.com)

**\* IRAN: On the verge of introducing the world's first national basic income**

Iran is on the verge of becoming the first country to introduce a basic income. This dramatic development is happening with little international attention and for reasons that have little to do with the international discussion of basic income.

Iran is trying to get rid of a horribly inefficient system of implicit fuel subsidies. As one of the world's largest oil producers, the Iranian government makes about US\$70 billion per year from the oil exports, but it loses an estimated \$100 billion dollars per year (30% of its GDP) by directing its state-owned enterprises to sell various products, mostly gasoline, far below their international price. Thus, Iran's system of subsidizing the consumption of fuel at home actually costs more than Iran makes exporting fuel abroad.

This system of subsidies is one of the main benefits Iranians receive from their government, and many Iranians have grown dependent on cheap fuel and other commodities. The government cannot get rid of the subsidies without providing something else for the people to cushion the blow. After several years of debate, basic income has emerged as the only realistic form of compensation for the withdrawal of subsidies.

Thus, basic income has arrived in Iran through the backdoor, sidestepping most of the issues usually discussed in the international debate. The money will come from eliminating obviously inefficient subsidies. The money should go to everyone, because everyone will suffer from the loss of the subsidies, and everyone has equal claim to own the state enterprises. The money can't be targeted because the government doesn't have the ability to collect the necessary information to ensure that targeting is accurate.

According to the new law, the government will use half of the increased revenue for other government services, and it will distribute the other half of the money directly to the people as a grant to all who apply. When fully phased in, that amount has the potential to provide a basic income of US\$60 per person per month (US\$720 per year) or more. This figure is still well below the poverty line, but it is a very significant amount. Iran has a per capita income of only \$3,500 per year, less than one-tenth of Alaska's per capita GDP of US\$42,000. Nearly 70 million people will be eligible for the Iranian basic Income, more than 100 times the number who receive the Alaska dividend. Considering also the enormous difference in the cost of living in the two places, it is clear that a \$720 basic income in Iran will be more significant than the existing US\$1000 to US\$2000 dividend in Alaska (United States).

There are drawbacks to the current plan. Although every citizen of Iran is entitled to the grant, the money will be paid to "heads of households," who are overwhelmingly male. Thus, some men may have the power to keep their wives, children, and other dependents from benefiting from the grant. Also, foreigners living in Iran (mostly Iraqi and Afghan refugees) will not receive the grant even though they will suffer as much as other residents from the loss of the subsidy.

The phase-in is scheduled to begin sometime between September 2010 and March 2011. There is no clear word on how long the phase-in will take. The law has been passed; more than 90% of Iranians have already applied for their grants, but the Iranian political system is chaotic, and there could yet be substantial changes. We can't be sure exactly what will happen until it happens. We can only wait and see.

- *From USBIG Newsletter, Summer 2010.* The main source for this summary is "The 'Basic Income' Road to Reforming Iran's Subsidy System," by Hamid Tabatabai, paper presented at the 13th International Congress of the Basic Income Earth Network (BIEN), June 30 – July 2,

2010. An updated version of this paper has been accepted for publication in *Basic Income Studies*. For more information, please contact Hamid Tabatabai at [hamtab@gmail.com](mailto:hamtab@gmail.com).

**\* IRELAND: A new political party supports BIG**

The *Irish Liberal Party* is a small, new political party in the Republic of Ireland. According to the party's website. "The party stands for the principles of individual freedom, respect for human rights, the rule of law, equality of opportunity, free and fair elections and multiparty-democracy, social justice, tolerance, free market economy, free trade, environmental sustainability and a strong sense of international solidarity." Also according to the party's website, "Our most important policies are our Social Justice policies of basic income for all and the introduction of the Land Valuation Tax." The website's elaboration of its basic income provision uses BIEN's definition of basic income and includes a link to the BIEN website.

- From USBIG

The party's website is: [www.irishliberalparty.org](http://www.irishliberalparty.org)

The party's endorsement of basic income is at the following page:

[http://irishliberalparty.org/page\\_1277298297057.html](http://irishliberalparty.org/page_1277298297057.html)

**\* NAMIBIA: Labour union's withdrawal from BIG Coalition sparks outpouring of defense for basic income**

The *National Union for Namibian Workers* (NUNW) announced in early July that it would withdraw from the Namibian Basic Income Grant Coalition. The Union's Secretary General said that NUNW did not see income distribution, as per the basic income model, as a viable way to address poverty in the country. Many editorials followed with renewed support for basic income. For example, the Windhoek Observer, a Namibian Weekly, devoted a recent editorial to the current basic income debate in Namibia. It compares Namibian President Pohamba's remarks that basic income would encourage laziness to the famous apocryphal saying of the French Queen Marie Antoinette, "Let them eat cake." According to Namibian basic income supporters, evidence from the recent basic income pilot project is consistent with the contrary hypothesis that in places with deep poverty, cash grants stimulate people to work more by relieving them from the immediate needs that often keep them from engaging in productive activity. – *From USBIG*

At the end of August, the Namibians were still debating the basic income issue. On August 20, 2010, the frontpage of the daily *The Namibian* called the basic income grant (BIG) a "hot potato" for the upcoming *National Union of Namibian Workers* congress. Opinion pieces and letters to the editor have come up with titles like, 'A small, but big aspect of BIG' and 'To BIG or not to BIG'. On August 6, 2010, the editorial of the state-owned newspaper *New Era* asked the government to find an "amicable solution" by consulting and exchanging views directly with the BIG Coalition. In addition, it has triggered an open debate on the poverty and unemployment crisis in the country, challenging existing public policies.

Links to recent articles about basic income in Namibia are below.

"NUNW withdraws from BIG Coalition," Richard Swartbooi, Namibian Broadcasting Company:

<http://www.nbc.com.na/article.php?id=2404>

“Let them Eat Cake,” Editorial, The Windhoek Observer:

<http://basisinkomen.nl/wp/buitenlands-nieuws/president-namibia-laait-ze-maar-cake-eten/>

“The NUNW and the Basic Income Grant,” Herbert Jauch, the Namibian:

<http://www.namibian.com.na/news/full-story/archive/2010/july/article/labour-in-crisis-the-nunw-and-the-basic-income-grant/>

“BIG: Time to separate fact from fiction,” by Lucy Edwards, May 28, 2010, New Era Online:

<http://www.newera.com.na/article.php?articleid=11177>

Response to Lucy Edwards : “BIG: Fact and fiction”, by Dr Rigmar Osterkamp, June 11, 2010, New Era Online :

<http://www.newera.com.na/article.php?articleid=11407>

“Namibia: Social justice and solidarity – think ‘BIG,’” Henning Melber, Pambazuka News, Issue 485, June 10, 2010:

<http://www.pambazuka.org/en/category/features/65081>

“Academic justifies BIG,” Irene !Hoaës, New Era Online, June 4, 2010

<http://www.newera.com.na/article.php?articleid=11293>

‘Find amicable solution to BIG’, Editorial, New Era, August 6, 2010

<http://www.newera.com.na/article.php?articleid=12348>

Furthermore, Deutsche Welle-TV has produced a short (about 5 minutes) documentary about the Namibian pilot project (Otjivero) in English and German. You can access the documentary at:

In English:

[http://www.dw-world.de/popups/popup\\_single\\_mediaplayer/0,,5659896\\_type\\_video\\_struct\\_4756\\_contentId\\_4471162,00.html](http://www.dw-world.de/popups/popup_single_mediaplayer/0,,5659896_type_video_struct_4756_contentId_4471162,00.html)

In German;

[http://www.dw-world.de/popups/popup\\_single\\_mediaplayer/0,,5659744\\_type\\_video\\_struct\\_4753\\_contentId\\_4453920,00.html](http://www.dw-world.de/popups/popup_single_mediaplayer/0,,5659744_type_video_struct_4753_contentId_4453920,00.html)

The video can be downloaded in mp4 format at :

In English:

[http://dw-world-od.streamfarm.net/Events/mp4/gld/2010\\_06\\_07\\_22\\_30\\_namibiabasicincomeforall\\_sd.mp4](http://dw-world-od.streamfarm.net/Events/mp4/gld/2010_06_07_22_30_namibiabasicincomeforall_sd.mp4)

In German:

[http://dw-world-od.streamfarm.net/Events/mp4/gld/2010\\_06\\_07\\_19\\_30\\_grundeinkommennamibia\\_sd.mp4](http://dw-world-od.streamfarm.net/Events/mp4/gld/2010_06_07_19_30_grundeinkommennamibia_sd.mp4)

### **\* MEXICO: Proposal for Federal District Constitution Calls for a Basic Income**

USBIG reports: The Federal District of Mexico, i.e. Mexico City, has been in a political transformation toward greater autonomy from the federal government and perhaps full statehood. The next step in this process might be the creation of a constitution for the city. On Tuesday, July 13th a broad group of civil and social organizations drafted a set of proposals for the statehood movement. It is called “Carta de la Ciudad de México por el Derecho a la Ciudad” (which translates approximately into, “Proposed Charter of Right for Mexico City”). This proposal might become the basis of a future constitution of the city. It was signed by hundreds of civic leaders including the head of the city government, Jefe de Gobierno. Among the many points in the proposal, one is “promoting the establishment of basic income.” Although the inclusion of basic income in this proposal is a long way from the



establishment of basic income in the city, its inclusion is extremely important for basic income movement in Mexico. This is the first time in Mexico that a proposal for basic income appears on a document of such relevance. According to Pablo Yanes, General Director of the Social Development Evaluation Council for Mexico City and president of the Mexican section of BIEN, “It is a good and important start for transforming basic income from an academic musing and public opinion issue into a programmatic and political demand.” For more information contact: Pablo Yanes [pyanes2007@gmail.com](mailto:pyanes2007@gmail.com)

#### **4. PUBLICATIONS**

<b>ENGLISH</b>
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**CITIZEN’S INCOME TRUST (2010)**, *The Citizen's Income Newsletter*, Issue 2, 2010.

This issue contains:

- Editorials on the 'Big Society' and on universal provision
- A research note on a possible Citizen's Income scheme's effects on labour market incentives
- Obituary: Charlotte Markson
- News and conference reports
- Book reviews
- A Viewpoint by Bill Jordan.

See <http://www.citizensincome.org/>

**The Economist (2010)**, ‘How to get children out of jobs and into school. The limits of Brazil’s much admired and emulated anti-poverty programme’, *The Economist*, Briefing, July 29th, 2010, available online at: <http://www.economist.com/node/16690887>

Brazil's Bolsa Família programme, a conditional cash-transfer scheme, has often been described as an important first step towards a citizen’s income for all Brazilians. In this in-depth article, *The Economist* acknowledges that “by common consent the conditional cash-transfer programme (CCT) has been a stunning success and is wildly popular. (...) Much of this acclamation is justified. Brazil has made huge strides in poverty reduction and the programme has played a big part”. But *The Economist* also points to two major issues: “The first is that, in urban areas, the introduction of the programme has left some people worse off. When Bolsa Família was expanded in 2003, it subsumed an array of other benefits, such as a programme against child malnutrition, subsidies for cooking fuel, stipends for youngsters between 15 and 16, and so on. Though hard to prove (national figures are not available), anecdotal evidence suggests that the family grant can be worth less than the former array of benefits. (...) Second, the programme seems to have had little success in reducing child labour in cities”. The author of this briefing concludes: “there has been a tendency to treat Bolsa Família as magic bullet—in Brazil and beyond. Once a country has a Bolsa Família-type programme, it thinks it has dealt with the problems of poverty. It has not.”

Paper available at <http://www.economist.com/node/16690887>

**HANLON, Joseph, BARRIENTOS, Armando & David HULME (2010)**, *Just Give Money to the Poor*, Kumarian Press, April 2010.

The title makes this book's connection to basic income obvious. According to the publisher: "Amid all the complicated economic theories about the causes and solutions to poverty, one idea is so basic it seems radical: *Just Give Money to the Poor*. Despite its skeptics, researchers have found again and again that cash transfers given to significant portions of the population transform the lives of recipients. Countries from Mexico to South Africa to Indonesia are giving money directly to the poor and discovering that they use it wisely – to send their children to school, to start a business and to feed their families. Directly challenging an aid industry that thrives on complexity and mystification, with highly paid consultants designing ever more complicated projects, *Just Give Money to the Poor* offers the elegant southern alternative – bypass governments and NGOs and let the poor decide how to use their money. Stressing that cash transfers are not charity or a safety net, the authors draw an outline of effective practices that work precisely because they are regular, guaranteed and fair. This book, the first to report on this quiet revolution in an accessible way, is essential reading for policymakers, students of international development and anyone yearning for an alternative to traditional poverty-alleviation methods."

Joseph Hanlon is a senior lecturer at the Open University in Milton Keynes. Armando Barrientos is a professor of poverty studies at the University of Manchester. David Hulme is a professor of development studies at the University of Manchester.

- From USBIG

Publisher's website for the book is at:

<http://www.kpbooks.com/Books/BookDetail.aspx?productID=234740>

Read an in-depth review of the book:

BURNS, Melinda, "The Poverty Solution: Cash," *Miller-McCune: Smart Journalism Real Solutions*, July 2, 2010.

<http://www.miller-mccune.com/business-economics/the-poverty-solution-cash-16977/>

**HEALY, Sean & REYNOLDS, Brigid (eds.) (2010)**, 'Building a Fairer Tax System! : The Working Poor and the Cost of Refundable Tax Credits', Dublin: Social Justice Ireland, Policy Research Series, July 2010, 74pp.

Making tax credits refundable would benefit 113,000 low-income individuals in an efficient and cost-effective manner according to a new study published by *Social Justice Ireland*. When children and other adults in the household are taken into account the total number of beneficiaries would be 240,000. The cost of making this change would be €140m which is in stark contrast to the estimate provided by the Department of Finance to the Oireachtas Committee on Social and Family Affairs which claimed the cost would be €3,000m (i.e. €3bn). According to the authors the proposal to make tax credits refundable would make Ireland's tax system fairer, address part of the working poor problem and improve the living standards of a substantial number of people in Ireland. It would also mean that Ireland had the structure to introduce a full basic income system if it wished to do so.

Mr David Begg, General Secretary of the Irish Congress of Trade Unions responded to the study at its launch. He welcomed it as an excellent study and proposed it should be adopted by the Government in its Budget to be announced in December 2010.

PDF available online: <http://www.socialjustice.ie/content/cost-making-tax-credits-refundable-would-be-less-5-department-finance%E2%80%99s-estimate>

**JENKINS, Hamish (2010)**, *Decent Work and Fair Globalization: A Guide to Policy Dialogue*, United Nations Non-Governmental Liaison Service, May 2010

This 95-page book examines alternative economic strategies at national and international levels to meet the imperatives of full and decent employment. One of the strategies discussed is the basic income guarantee (BIG). It discusses evidence provided by the ILO for the efficacy of BIG and it includes a report on the BIG pilot project in Namibia. The United Nations Non-Governmental Liaison Service (UN-NGLS) is an inter-agency program of the United Nations mandated to promote and develop constructive relations between the United Nations and civil society organizations. Hamish Jenkins is Program Officer of the Geneva office of the UN-NGLS.

- From USBIG

The entire book or chapters of the book or briefs of each chapter of the book can be found online at: <http://www.un-ngls.org/spip.php?page=decentwork>

**WRIGHT, Erik Olin (2010)**, *Envisioning Real Utopias*, London: Verso, May 2010.

Erik Olin Wright is a leading sociologist who has written about basic income for years. His new book, *Envisioning Real Utopias*, makes basic income a major part in Wright's strategy for an emancipated society. According to the publisher's website, "Erik Olin Wright's *Envisioning Real Utopias* is a comprehensive assault on the quietism of contemporary social theory. Building on a lifetime's work analyzing the class system in the developed world, as well as exploring the problem of the transition to a socialist alternative, Wright has now completed a systematic reconstruction of the core values and feasible goals for Left theorists and political actors."

- From USBIG

Erik Olin Wright is Vilas Distinguished Professor of Sociology at the University of Wisconsin. Information about the book can be found online at:

[http://www.versobooks.com/books/tuvwxyz/w-titles/wright\\_e\\_envisioning\\_real\\_utopias.shtml](http://www.versobooks.com/books/tuvwxyz/w-titles/wright_e_envisioning_real_utopias.shtml)

and

<http://www.ssc.wisc.edu/~wright/ERU.htm>

## ***FINNISH***

**NEVANLINNA, Tuomas (2010)**, 'Työn takana', Helsingin Sanomat, Thursday, July 29, 2010

The Finnish Greens have launched a public debate about a basic income. A proposal worth considering, finds philosopher and columnist Tuomas Nevanlinna in Finland's main daily Helsingin Sanomat: "It's been a long time since the other parties introduced something this complex and radical. Critics see the idea of a basic income as a project by anarchist lefties to have the state pay for laziness. But even with the basic income no one would be able to get by without doing extra work or receiving extra payments. The basic income society would therefore be a society based on work. So is this an argument for or against it? Would it mean that there will always be 'work no one wants to do', as the Social Democrats fear? Or would such jobs disappear if the job seekers had more room to manoeuvre? Is this the first step towards liberation from work or is it about making it easier to find a job? Or is it a compromise? Should those who, like me, support meaningful work and getting rid of exploitation be for or against a basic income? The real weak points in the different positions

would become apparent if the issue was discussed not just in pamphlets but also in parliament."

Nevanlinna's column:

[http://www.hs.fi/juttusarja/nevanlinna/artikkeli/Ty%C3%B6n+takana/1135258890506/?cmp=tm\\_etu\\_kolumni](http://www.hs.fi/juttusarja/nevanlinna/artikkeli/Ty%C3%B6n+takana/1135258890506/?cmp=tm_etu_kolumni)

English summary from : <http://mobile.eurotopics.net/m-en/ps/top/detail/ARTICLE73610>

## **JAPANESE**

**SAITO, Taku (2010)**, 'Basic Income and Abundant Societies: Realizing the Fact that Needs Are Variable', *Kyoto Shimbun* Morning Edition, May 21, 2010.

In this column published by the daily *Kyoto Shimbun*, Saito Taku (Research Assistant, Global COE Program Ars Vivendi) advocates basic income by referring to the notion of "needs": "In terms of "needs", Saito argues, "only a small part of goods or services that we "need" is supplied by markets, while most needs (such as household chores or care work) are managed within families. In order to adequately carry out such domestic work, individuals need to have sufficient time. Basic income distributes time by distributing income".

Original Japanese version: <http://www.arsvi.com/2010/20100521.htm>

English version: <http://www.arsvi.com/2010/20100521-e.htm>

### **5. NEW LINKS**

#### **\* Karl Widerquist on the Alaska Permanent Fund**

The latest issue (Summer 2010) of the USBIG Newsletter includes an in-depth analysis of Alaska's basic income scheme (the "Permanent Fund Dividend") by Karl Widerquist.

See <http://www.usbig.net/>

#### **\* New Left Project and basic income**

In the second part of a discussion of left-wing political philosophy, Edward Lewis and the political philosopher Stuart White discuss how to institutionalise the values of the left, focusing in particular on the idea of an unconditional basic income.

[http://www.newleftproject.org/index.php/site/article\\_comments/political\\_philosophy\\_and\\_the\\_left\\_part\\_2/](http://www.newleftproject.org/index.php/site/article_comments/political_philosophy_and_the_left_part_2/)

#### **\* Israel: in praise of negative income tax**

The Bank of Israel has recently supported the introduction of a so-called "negative income tax" in Israel, following the positive results of a pilot project. Israel's NIT, however, is closer to an Earned Income Tax Credit. This editorial of the *Jerusalem Post* refers to the original version of NIT by Milton Friedman:

<http://www.jpost.com/Opinion/Editorials/Article.aspx?ID=179826>

#### **\* BIN Italia launches basic income TV**

On May 16, 2010, the Italian basic income network (BIN Italia) launched its online television service.

<http://www.livestream.com/binitalia>.

### **6. ABOUT THE BASIC INCOME EARTH NETWORK**

### **Co-chairs:**

Ingrid VAN NIEKERK [ivanniekerk@epri.org.za](mailto:ivanniekerk@epri.org.za), Economic Policy Research Institute, Cape Town, South Africa

Karl WIDERQUIST [Karl@Widerquist.com](mailto:Karl@Widerquist.com), Georgetown University-Qatar

Further details about **BIEN's Executive Committee and International Board** as well as further information about the **Recognised National Networks** can be found on our website [www.basicincome.org](http://www.basicincome.org)

### **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](mailto: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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### **BIEN's Life Members:**

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.

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