

Basic income and the future of work

An internet dialogue

Philippe Van Parijs and the Futurework Network
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In May 1995, I was invited to make myself available for a week, as an invited guest, to the members of an interactive internet list that had been functioning for some time on the theme of the future of work. It turned out to be an exhilarating, but bewildering and exhausting experience.

Every day, I turned up in the morning to find a fast expanding set of questions that had been piling up overnight – mainly, I guessed, from the other side of the Atlantic. I tried to pay to each of them the attention it deserved and to provide a reply that went straight to the core of the issue raised. But before I reached the end of the set, I was already receiving responses to my earlier replies, and also, quite soon, further comments on these responses, or on some of my replies to some of these responses, etc. Some of these further comments meandered and digressed a great deal, sometimes carrying on older conversations among members of the list on laterally connected subjects. But most of them stuck to the central issues, building on the earlier exchange to raise new questions or make new points.

At the end of the week, I was greatly relieved to be able to switch off, as the accumulation of messages and my concern to phrase carefully my reply to each had forced me to put aside other things I had planned to do that week. But I remained stunned by the character of the medium and impressed by its potential: throughout the week, I had had the odd impression of conducting a seminar in a dark room with a very heterogeneous bunch of strangers, whose gender and country of residence I was even sometimes unable to guess. The resulting material, I felt, was worth putting in to a form that would be more usable to myself and perhaps also to others, than the chronological electronic recording of a week-long hectic criss-crossing of messages. It took me over three years, and the end of a sabbatical, to find the time I felt I could devote to the needed editing job. In order to increase coherence, I re-ordered the messages and subdivided a few of them in to self-contained parts. I also left out the most digressive ones. But apart from a few typing errors, I did not alter the messages themselves, which have therefore preserved the tone of an informal electronic conversation.

I tried to reach all contributors, but did not succeed in all cases, owing to changes in their e-mail addresses. As none of those I did reach objected to this more traditional way of making our exchange available, I am surmising that none of the others, if reached, would have objected. Hard copies of the re-composed dialogue can therefore be bought, at cost price from the Chaire Hoover d'éthique économique et sociale, 3 Place Montesquieu, 1348 Louvain-la-Neuve, davio@etes.ucl.ac.be., The text can also be downloaded from BIEN's web page (<http://www.econ.ucl.ac.be/etes/bien/bien.htm>).

FUTUREWORK

(Re-designing Work, Income Distribution and Education)
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OPENING

Sally Lerner and Arthur Cordell (lerner@waterserv1.uwaterloo.ca) to all (16/5)

Our first Futurework guest, Professor Philippe Van Parijs, will join us on Monday, May 22, 1995 to dialogue with Futurework subscribers for a week about the concept of BASIC INCOME, and related topics as they arise.

Philippe Van Parijs is a professor of economic and social ethics at the Faculty of Economic, Social and Political Sciences of the Université Catholique de Louvain in Belgium. He is a member of the Executive Committee of the Basic Income European Network (BIEN) and edited the 1992 book, *Arguing for Basic Income: Ethical foundations for a radical reform* (London & New York, Verso).

We think this is a very exciting experiment and are grateful to Philippe for spending the time with us. More information about his ideas and interests will follow in posts using the lead-in >FW guest<, so that you can begin thinking over what you would like to discuss with Philippe.

Sally Lerner (lerner@waterserv1.uwaterloo.ca) to all (16/5)

Professor Philippe Van Parijs, our first Futurework guest for a week beginning May 22, 1995, has played an important role in stimulating the discussion on basic income in Europe. He helped launch the French-language discussion on basic income by coordinating the first publication on the subject in French (a special issue of *La Revue Nouvelle*, Brussels, April 1985) and furthered the European debate by organizing the conference at which the Basic Income European Network was founded (Louvain-la-Neuve, Belgium, September 1986), editing its newsletter from 1988 to 1994, and now being its secretary. In part of his academic work, Philippe tried to provide a rigorous and compelling ethical case for a substantial basic income, above all in his book, *Real Freedom for All: what (if anything) can justify capitalism?*, which is being published precisely during the week of 22 May [Oxford: The Clarendon Press, 1995, republished as an Oxford University Press Paperback in 1997].

We asked Philippe to make a few statements about how he sees basic income in connection with the future of work. He offers the following:

1. *A basic income is an income unconditionally granted to all on an individual basis, without means test or work requirement. Depending on the variant considered, it can fall short of, coincide with or exceed basic needs, and it can be added to, replace altogether, or replace in part the existing transfers.*
2. *A basic income is not meant to keep or ease people out of the labour market, but on the contrary to give far more people access to paid employment than is currently the case in Europe, by removing or attenuating the unemployment trap. In this sense, basic income is not opposed, but conducive to "full employment".*
3. *A basic income is, however, also meant to make it easier for people to give up for a time a part or all of their waged labour in order to get more training or education or devote themselves to other unpaid activities. In this sense it constitutes a "soft" technique of working-time reduction (in contrast to the hard technique of reducing the statutory working week for all).*
4. *A basic income cannot unambiguously be expected to have a positive or negative effect on the wage level: it will make it possible to pay less for some intrinsically attractive jobs, but will make it necessary to pay more for some intrinsically*

unattractive jobs. In this sense, it is analogous to a general employment subsidy, but crucially differs from it in being given directly to the (potential) employee rather than to the employer, and hence creating quite a different power relation with powerful dynamic implications for what sort of work will become or remain viable.

I. MATTERS OF PRINCIPLE

1.1. BASIC INCOME AND THE UNDESERVING POOR

David Moody (davm@crl.com) to PVP (22/5)

In the USA, we continue to be in the grip of the centuries-old concept of the "undeserving poor". This attitude continues to be a barrier to adoption of even the welfare systems already acceptable to other industrialized nations, much less the acceptance of "basic income".

Are attitudes worrying about rewarding perceived sloth (or other perceptions which render sizeable elements of our society undeserving) not limited to the USA, or does our 'puritan' tendency set us apart?

PVP in reply to Moody (22/5)

Yes, the "puritan" tendency to discriminate against the "undeserving" poor is present in Europe too and an obstacle to the political feasibility of BI. The response must include two strategies:

(a) Bringing about a gestalt switch: funding BI does not amount to extorting part of the fruit of the hard workers' work, but to distributing equally among all the fee to be paid by those who take the greatest advantage of resources (natural, technological, organizational, etc) to which we are all equally entitled. (On this, see a long string of arguments from Thomas Paine's *Agrarian Justice* in 1796 to my *Real Freedom for All*, which itself incorporates an expanded version of my article "Why surfers should be fed", *Philosophy & Public Affairs* 1991.)

(b) Making the (modest) basic income proposal part of a policy package, another component of which would consist in really enforcing the conditions attached to additional benefits (e.g. to the involuntarily unemployed or the disabled): once access to paid work is made easier through the availability of an unconditional income base (which people keep when they work and which therefore enables them to accept a lower net wage or to take greater risk through self- or cooperative employment), such enforcement is more realistic, and also more acceptable.

To put it differently and more briefly: In response, we need to show (1) that BI is not a privilege but an implication of basic fairness in our economic world, and (2) that basic income will make it possible to restore a better fit between privileges and the conditions to which they are legitimately subjected.

1.2. BASIC INCOME AND THE COMMONS

Gail Stewart (forwarded by Bob Olsen, bob.olsen@westonia.com) to all (22/5)

The following may be of interest to FW list participants: The Franchise might be deemed to constitute the primary income of all participants, consisting of income from "the commons" that is created by the mere existence of the political entity of the nation. It could be conceived as based in what, in Canada, was formerly the "basic exemption" and is today called the "personal non-fundable tax credit," which has never been conceptually imbued with substantive community context.

Bob Olsen (Toronto, bob.olsen@westonia.com) on Gail Stewart (22/5)

Not being an academic, and not having read anything on the subject, I come at this from a different angle. I think that we need to question the basic assumption of our social/economic system; the assumption that those who have title to (ownership of) the nation's assets have a right to that wealth and the power to govern over the rest of us, that that wealth confers upon them. I am not suggesting nationalization of assets or any Marxist agenda. I am simply suggesting that we begin thinking in terms of the "income of commons". That, for me, is a new phrase for what I have been trying to say for a long time. Maybe, I should read more books. But now that I have a modicum, I don't have time to read print.

I personally feel that any discussion on this issue must begin by questioning the basic assumptions about who owns our wealth. Have we allowed ourselves to become serfs in a corporate/feudal society, in which the land that we farm, the assets that we commonly use to sustain our communities, is owned by an absentee Lord living in some distant place? Who owns Canada? Who paid for it? Who has title to it? Who governs it? Who reaps the rewards?

PVP in reply to Stewart and Olsen (22/5)

Yes, we should be thinking in terms of an "income from the commons". This is exactly the "gestalt switch" I had in mind my reply to Moody, providing one bears in mind that this is not only meant to cover the value of natural resources (or of the very unequally distributed opportunity to exploit and pollute them), but also the value of the tools, infrastructure, technology and organization accumulated through time (or of the rents associated with the jobs which enable people to reap the benefits of this accumulation).

Bob Olsen (Toronto, bob.olsen@westonia.com) to PVP (24/5)

I am not familiar with the expression.. "gestalt switch". I guess that that means questioning basic assumptions.

My point is that, those who hold title to most of the nation's assets are commonly assumed to have a right to hold title to those assets. And to use or dispense those assets as they wish and to demand services, such as road, rail and harbour services to facilitate the utilization of those assets.

Whereas, the commons are not assumed to have a right to education, health care, child care, care for seniors because "we" cannot afford it.

Is this the kind of thing meant in "gestalt switch"? I believe that public education must start by questioning assumptions.

PVP in reply to O lsen (26/5)

A "Gestaltswitch" (sorry for this barbaric expression that emigrated out of Köhler's so-called Gestalt psychology into more general use) is a sudden jump in the way you interpret and hence perceive a drawing, for example, or a phenomenon. Once you stop perceiving the tax on the high earners as forcibly taking from them part of the value they have created, and start perceiving it instead as making them predictably pay the fee they should pay for the extraordinary possibilities made available to them by our society and economy, you have undergone a Gestaltswitch.

1.3. SUSTAINABILITY AND PARTICIPATION

Rod Dobell (University of Victoria, rdobell@hsd.uvic.ca) in comment on Stewart 22.5.95

As always, Gail Stewart puts issues of great importance on the table. I hope that by tomorrow I will be able to make available through CSF (Communications for a Sustainable Future, FW @csf.colorado.edu) a substantially revised version of my paper from last summer, written for the National Forum on Family Security and available in draft form through CSF, which has several elements in common with the Canada Franchise notion Gail describes. Her message, as some may have noted, contains an interesting but thought-provoking (Freudian?) misprint—namely in her reference to the "personal non-fundable tax credit", which later is correctly identified as the non-refundable tax credit. If she had dropped the other prefix, and left us simply with a refundable tax credit, I guess we would have the basis for a basic income paid through an integrated tax system.

My old draft paper argued, as Gail does, for reframing the issue, moving away from a concern for institutions to support the maintenance of just rewards for those participating in the formal market economy, and toward a concern for the incomes of citizens participating in a democratic nation-state, as "shareholders" in the national commons. But I think more of a case can be made for a basic income, coupled with ecological tax reform, not only to assure "effective participation", but even for the more instrumental purpose of assuring a much better market more attuned to the development of sustainability.

In particular—and partly in response to Keith Hudson as well—it seems to me a basic income can be paid for in part through tax-transfer integration, and in part through proper ecological pricing generating rents to the citizen-owners of the resources and ecological systems on which market production activity rests. But I would be very interested to know anything more from our guest about what sorts of conclusions have been drawn about the adequacy of any "affordable" basic income in current circumstances as seen in the European debate. (My paper also now argues for more thorough-going integration, for example dropping the publicly-funded UI scheme, and using the resources to enrich the BI, while leaving it to the market to generate any necessary schemes

for assuring income continuity for those well-established in the formal labour market)

The big change from last summer's paper to this is dropping the work requirement altogether. Tony Atkinson, in his discussions of a "participation income" envisages, if I understand correctly, broadening eligibility to include those in training, seeking work, or available for work, but still insists on participation. In the Ontario election debate, we have just seen introduction of the wonderful oxymoronic expression "mandatory opportunity": those receiving income support who refuse to take work offered will have benefits cut. My old draft imagined extending the notion of social participation to embrace voluntary activity and other activity outside formal market institutions, but made reference to some tracking of "effective" social contribution. The present draft follows an argument which I owe to Bruce Kennedy and, I suppose, European authors proposing a basic income, in dispensing with any concept of work requirement altogether, and relying on free labour markets to tease out appropriate work effort. And maybe the communitarian pressures emphasized by Etzioni and Selbourne and all will help to assure appropriate participation. But are these enough to assure a sufficient response to the "incentives" problem? And indeed, does reliance on this sort of moral suasion at community level take us back to the really moralistic setting in which all activity must be community approved, and any deviation from strict convention is roundly condemned, ultimately leading to sanctions like effective withdrawal of benefits through community, rather than bureaucratic justice?

So these would be the two questions on which I would very much welcome any further thoughts from our guest: any current consensus on the adequacy of the "modest" basic income that might be supportable (as a percentage of average industrial earnings, for example); and any accepted responses to the problem of inadequate incentives to appropriate community contribution in face of an assured minimum income. And, come to think of it, any judgement on the problems of inequities generated by paying basic incomes to individuals rather than families? What about dependents?

This switch onto some mechanical issues shouldn't swing us too far from Gail Stewart's main point, however. The emphasis on the common interest of all in assuring the effective participation--backed by effective purchasing power--of all citizens is surely one that could change fundamentally the way the debate about the role of governments generally, and in social policy in particular, is cast.

Thanks to all for the interesting ideas so far.

PVP in reply to Dobell (23/5)

I agree on tax credits and the commons (see my earlier reply to Stewart & Olsen) and that indirect taxes, in particular (for the reasons you sketch) ecological taxes, must be brought into the picture (see below my reply to Olsen & Knop).

1. ADEQUACY AND AFFORDABILITY. The sort of proposal for a partial basic income that is being discussed in Europe oscillates between 10 and 20% of GNP per capita: affordable but clearly inadequate, as this is far below the

poverty line. I believe that one should be able to move pretty quickly towards 40% of GNP per capita, i.e. about the level of the guaranteed income for a single adult, but that it is nevertheless wise to focus (and get the computers going) on the more modest proposals. Let's do the basic plumbing first, and smoothly increase the flow later. Shall we ever reach "adequacy"? What is adequate for some in some place at some age in some circumstances need not be adequate for others in other places at different places in different circumstances. The objective, I believe, should not be an "adequate" basic income, but the highest sustainable one. How could one sensibly ask for more? (I develop this criterion in chapter 2 of my *Real Freedom for All*.)

2. WILLINGNESS-TO-WORK CONDITION. I am sympathetic to Tony Atkinson's "participation income" as a clever tactical move. (Note that the participation condition he mentions is actually broader than you make it-looking after young children or elderly relatives, working for a voluntary organization would also qualify you - and hence closer to your own proposal.) Once in place (at a modest level), people would realize it would be a Pareto improvement (some gain, no one loses) to scrap the conditionality: it costs more to pay the controllers than to pay benefits to the handful of true idlers their job consists in catching, while bothering uselessly countless honest contributors. My own tactical preference, however, consists in the combination of gestalt switch and more serious condition-enforcement for other benefits (see my Reply to Moody).

3. DEPENDENTS. One can think of integrating basic income and child-related allowances and tax provisions, and many have proposed it. My own view is that it is wiser at the first stage to keep things separate, so as not to arouse irrelevant objections connected to the differential treatment of children depending on their rank and age typically present in current child benefit systems.

Mike Gurstein (gurstein@un.org) to PVP (24/5)

The Guaranteed Income approach is, as was discussed several months ago on this list, very attractive from a social policy perspective. The problem with it is its "political" acceptability which is why it entered into then receded from the national agenda in Canada in the mid-seventies. The problem is that it is often presented as a substitute for welfare in environments where the political forces aren't looking for substitutes they are looking for correctives--hence the current political agendas in the US and Canada in these areas. My thought is that the GI should be seen as part of the core structure in developing frameworks of sustainable livelihoods which in turn are linked to environmental notions of sustainable environments. Linking GI (as justified by Gail Stewart's approach of dividends from a common patrimony) with livelihoods which contribute to longer term environmental sustainability and are themselves configured to be sustainable may be a way of repositioning GI and make it more politically palatable at least to some.

Coincident with this discussion, I'm just finishing a draft of a paper on related subjects as background to a new job I will be undertaking quite soon. If anyone is interested email me at my office address (gurstein@un.org) and I would be pleased to forward it to you in return for your comments.

The paper is entitled "Composite Incomes, Sustainable Livelihoods and the Notion of Sustainable Development" and draws from research I did in rural Canada several years ago as filtered through the recent discussions on this list among others.

PVP in reply to Gurstein (26/5)

Yes, I also believe that connecting basic income with the conditions of a sustainable economy would greatly contribute to its political feasibility. There are two main (logically independent but mutually consistent) ways of doing so: (a) conceive of BI as a strategy for approximating full employment (all those wishing to find a paid job can find one) without relying on a high rate of output growth (this is not just because the principled uncoupling of benefits from growth and contribution to growth effected by BI would turn some involuntary unemployment into voluntary unemployment, but also because it would constitute a soft employment-sharing technique (in contrast to the hard technique of reducing the maximum working week); (b) fund a major part of BI by taxing resource use and contribution to pollution (be it in a rough way): BI and eco-taxes are natural complements, as the use of eco-taxes to fund a BI helps make the former socially acceptable by overcompensating the modest users/polluters (who tend to be the poorer) and under-compensating the heavy ones (who tend to be richer).

1.4. BASIC INCOME, DOMESTIC WORK AND THE IDLE DUMB

Lisa D. Brush (University of Pittsburgh, LBRUSH@vms.cis.pitt.edu) to PVP (24/5)

I am very interested in the way PVP (and others) present the idea of a Basic Income as a share of the surplus linked to some type of "participation" that is not necessarily "productive" of said surplus. And I'm friendly to the idea, generally.

In fact, I like it especially because it seems to create an opportunity to value human activity other than waged labor as central to the organization of personal and social life. This is particularly important in a period where "joblessness" -- refusal *and* lack of opportunity to submit to the disciplines of wage slavery -- is viewed by relatively liberal thinkers as the curse of ghetto and nation alike. That is, I think we can (maybe) begin to rebut the misplaced emphasis on the work ethic (and perhaps the family ethic, too?) through something like a Basic Income.

But it seems we are swimming very much against the tide, especially in the United States, where waged work is considered the panacea for everything from personal fertility irresponsibility (for men and women alike) to drug abuse to deteriorating quality of life more generally.

The issue is not just the "undeserving poor" but the "idle dumb" (to coin a phrase) who are the butt of the neo-Malthusian politics of our time. The tide against which we are swimming, more specifically, is a strong tide of neo-Social Darwinism, which proclaims (either in its hitech versions or in its more

crass eugenic versions): "get with the program or die, but don't expect me [Joe or Jan tax-paying citizen] to subsidize either."

I realize this sounds very stark, but it is also I think the way through. That is, instead of the politics of resentment (which will torpedo any efforts to even get a Basic Income -- or a Negative Income Tax, or any program of social provision to ease whatever transition we seem to be making into the "post" era -- onto the proverbial agenda), we have to figure out some other way to mobilize people to exercise some collective democratic control over the conditions of our lives. Too abstract, I know, and not really a Question for our guest. Perhaps I might ask: Do proposals for BI address the issues concerning the crisis of social reproduction that clearly accompanies the changing means and relations of production? Can someone explain to a feminist (familiar for example with arguments for wages for housework) how the policy debate (if there really is one) about BI addresses the sexual division of labor and the bargain between women and the state re: raising little citizens? My sense is that some of the resistance to BI proposals (and to LETS or TIME DOLLARS or other proposals for valuing the "caring" work that has traditionally been assigned to women and other people with second-class citizen status) has to do with our collective failure to address some of these issues of gender, race, and the politics of resentment. Any comments -- from our guest, or from others lurking -- would be most appreciated.

Yours in struggle --

PVP in reply to Brush (24.5.95)

1. IN DEFENCE OF THE IDLE DUMB. My main tack, in this connection is again the dual strategy gestalt switch / serious enforcement of conditional benefits that supplement the BI. In addition, a point worth emphasizing on occasion is that the dumb who is voluntarily idle (and hence "undeserving") and the clever who is not (and hence "deserving") may have exactly the same attitude towards work and leisure. The difference need not stem from a basic motivational difference, but simply from the fact that the jobs the clever keenly accepts are not available to the dumb, while the lousy jobs the dumb refuses to consider would also be turned down by the clever. What fairness requires is that the option of the dumb should be expanded as much as possible by lifting the basic income to its maximal sustainable level. [I simplify here, by abstracting from the special entitlements of the "abnormally dumb": see chapter 3 ("Undominated Diversity") of my *Real Freedom for All*, O.U.P., 1995.]

2. BASIC INCOME VERSUS HOUSEWORK WAGE. They have in common that they give a minimum amount of financial autonomy to the people who chose to stay at home for a short or longer period, e.g. to look after young children. But they crucially differ from one another in three respects (this is strongly inspired by the Italian sociologist Chiara Saraceno, who argued along these lines in favour of BI at a Trade Union organized conference in Rome in 1988):

1. The housework wage creates (or deepens) the household trap: if you get a job, you don't only have to start paying for child care etc but are sanctioned by the loss of your benefit

2. A wage for housework paid for by the state turns you into a civil servant, whose work must be somehow controlled (how unfair it would be to give the

same wage to those who do a conscientious job – no dust for more than a week, no wet nappy for more than 10 minutes – and those who mess about!). A squad of household inspectors would be urgently required.

3. A wage for housework would contribute to freezing the division of gender roles: if you are paid for the housework (however poorly), why should your working partner be expected to do his share?

None of these fatal defects affects BI. On the other hand, precisely because of its being unconditional, BI cannot unambiguously be seen as a recognition of the value of housework. But then should the ideal be that every valuable thing we do should be socially recognized by a payment?

Eva Durant (Eva.Durant@mailhostmccac.uk) in response to PVP on Brush (24/5)

Just a small point; most people are not in the position to choose...not here in the UK. Which means, that BI will only make the difference if somehow achieved, if there are complementary updating of full-time nurseries/ schools. Which brings the question, I suppose you picture the length of working hours/week shortened...

PVP in reply to Durant (24/5)

Being in a position to choose is of course a matter of degree. The higher the basic income, the greater the choice, including the choice to accept, for example, a low-paid high-training-content job, and the choice to pay for publicly or privately provided child care. Even a modest basic income could contribute to the cost of child care, and so help women with a poor earning power out of the household trap, whereas by definition a housewife's wage could not. This is a decisive difference.

Martin Chadwick (Blue Mountains, Australia, bmlets@peg.apc.org) to PVP (25/5)

I'm very much appreciating your postings to the FW list and the ideas you are presenting are giving rise to much interesting discussion amongst my friends in Australia (Blue Mountains). One small semantic quibble - the use of the word 'dumb' has fallen out of favour in Australia and the US in its meaning of 'unintelligent'. This has been as a result of efforts from the deaf community, where the term 'deaf and dumb' used for many years for profound deafness had pejorative connotations. Unfortunately, this has meant the loss of a useful simple word in English vocabulary.

I hope you don't mind my nitpicking, but it may prevent criticism in future,

PVP in reply to Chadwick (26/5)

I apologize about my inappropriate use of the word "dumb". But since I am not only non-American-or-Australian but also not a native English speaker, and since moreover I was only taking over an expression used in the question put to me, I am sure you will easily forgive me. But how ever loose one can legitimately be when thinking together informally about an issue, I fully share your concern with the use of sensitive terms when it is a matter of promoting

an idea in public debate. One can kill a brilliant idea for a long time simply by packaging in a way that some may find very offensive.

1.5. BASIC INCOME AND THE IMPORTANCE OF WORK

Ran Ide, forwarded by Arthur Cordell (acordell@clark.dgim.doc.ca), to PVP (25/5)

I am passing along a comment on basic income from my colleague, Ran Ide, who has no Internet connection. He notes:

"BI is an option and, I agree, that it must be put forward when we come to solutions (to the question of the future of work.) My own prejudice relates to a belief that outside of the basic needs for food, clothing and shelter most people crave recognition, an experience of success and security. It is the last one, ie., security, that if it is not met often persuades otherwise rational individuals to put their trust in so-called 'strong' men at the expense of their freedom.

"The first two (recognition and experience of success) have been a part of the requirements for Plato's 'full and satisfying life' since the dawn of western civilization and I don't see how these can be adequately realized (with BI) in an age of leisure by the majority of people unless a completely new set of values are substituted."

Ran's view is that there is much work that needs to be done in society (environment, medical care, elderly, etc) and this may not be done with a BI. So, argues Ran, why not distribute income while getting much needed work done. And, more important, the two personal needs: the need for recognition and the need for a feeling of success can be met during the process of work.

PVP in reply to Ran Ide and Arthur Cordell (26/5)

Of the three cravings you mention - recognition, experience of success and security -, the third one is of course meant to be fulfilled by a BI far better than by work in present circumstances. But as far as the first two are concerned, BI by itself is rather powerless. However, the specific aim of BI (on the background of existing guaranteed minimum income scheme) is not to increase the comfort of the idlers. It is rather to secure access to meaningful work to all (instead of trapping them out of work as the current welfare system does or of trapping them in meaningless work as a workfare system of subsidized jobs would). Hence, BI is not at all inimical to the concern of those who believe in the importance of work for the sake of social recognition or the experience of success, even though it would also loosen the institutional hegemony of a pattern of existence geared to a full-time life-long career.

II. ISSUES OF FUNDING

2.1. BASIC INCOME AND MONETARY REFORM

Robert Rosenstein (rober@shadow.net) to PVP (22/5)

Have you or your organization (BIEN) given any consideration to the monetary aspects of basic income. It would seem that the present monetary

system, which is predicated on the existence of a finite amount of money, most of which is privately held, would not be adequate to put your plan into effect. It does not seem possible that the amount of money that would be required could be contained by taxation, which at the present time is hardly adequate to pay civil service employees, social and other desirable programs.

Also, at the present time, money's primary reason for being – as a medium of exchange and a tool for implementing projects – has been augmented by giving it the status of a commodity – a remarkable status considering its fiduciary origin! Money as a commodity would seem to be inimical to your plan unless it were adequately taxed (whether in use or not) and the amount that could be held privately were severely limited.

PVP in reply to Rosenstein (22/5)

Yes, some people within BIEN have given consideration to the connection between the introduction of a basic income and some deep monetary reform. As you are no doubt partly aware of, this has some deep historical roots, in particular in the Social Credit Movement of Major Douglas in the UK and Canada (Walter Van Trier, at Antwerp University, has just completed a splendidly researched thesis part of which deals with this movement, *Everyone a King!*, Katholieke Universiteit Leuven: Fakulteit Politieke en Sociale Wetenschappen, 1995) and in the Mouvement français pour l'Abondance founded in the 1930's by a former French minister Jacques Duboin and carried forward by his daughter Marie-Louise Duboin, a physicist at Paris University and BIEN member (address: La Grande Relève, BP 108, 78110 Le Vésinet, France, Marie-Louise.DUBOIN@ctp.ipsl.fr).

My own view is that there is a great need to reform the monetary system in order to dampen speculative movements, and also an urgent need to organize internationally in order to make a more effective taxation of capital income possible, but these are not necessary conditions for introducing a basic income at a modest level.

Robert Rosenstein (robertr@shadow.net) in reply to PVP (23/5)

Thank you for the reply to my question concerning the monetary system. Your replies to Keith Hudson and David Moody also included some of your thoughts on the monetary problem. I am not fully in agreement, and I will follow up on the subject later in the week.

Jbachim Knop (Collin County Community College, zsjknop@express.cccd.edu) in response to PVP on Rosenstein (22.5.95)

Professor Van Parijs answered Robert Rosenstein's question in an international context. In a domestic context, I did some research a few years ago on the effect of income distribution on the demand for money. If you use taxation for financing the basic income (which you must do in some way - printing more money will not change the output of the economy as far as goods and services are concerned), then the demand for money will actually decrease (predictably - maybe - this is an economist's perspective, *ceteris paribus*).

The reason is as follows: Robert Rosenstein already distinguished between the transaction demand for money (medium of exchange), and the precautionary

and speculative demand for money. The precautionary demand for money depends on people's income -- only people with a relatively high income can afford to hold large money balances.

If those people were taxed more, the income then distributed with the basic income, the basic income recipients would use the money as a medium of exchange (transaction money). Transaction money, as compared to precautionary money, has a higher velocity (velocity meaning that the money is turned over more often in the economy -- you get the money, spend it, somebody else gets the money, spends it again, etc.)

With taxation as a financing vehicle for the basic income I would expect the amount of money needed to decrease.

Bob Olsen (Toronto, bob.olsen@westonia.com) in reaction to Rosenstein (22/5)

It is my understanding that money is created. Apparently the Bank of Canada used to create the money in Canada, and now money creation in Canada has been privatized. The banks do it now. THAT'S why we are in debt! The Bank of Canada created a trainload of money during WW II. Do it again! I am not sure that we are limited to a finite amount of money. The Banks and the Bay St speculators would like us to believe that.

Jachim Knop (Collin County Community College, zsjknop@express.cccd.edu) in reaction to Olsen on Rosenstein (22/5)

Most money is created by the banking system in developed economies. The central bank only supplies the monetary base = currency in circulation and reserves deposited at the central bank.

The banks create most money by making loans - they have always worked this way, because that's how they make a profit. The central bank decides what percentage of deposits a private bank must keep in reserves (cash in their vault or deposit at central bank), called the REQUIRED RESERVE RATIO, the rest they can loan out.

If the required reserve ratio is set by the central bank at 10%, the bank can loan out \$90 of a \$100 deposit. If the \$90 is redeposited at the bank, they can loan out another \$81. And so on. This is called the money multiplier. The money multiplier is $1/\text{required reserve ratio}$. The money multiplier would be 10 in my example. So most money is created by the banking system, but the central bank has a lot of control over it by changing the required reserve ratio or changing the monetary base.

I don't agree that the banking system is the reason for us to be in debt (well, from a practical point of view it is, without banks there would be no debt, I guess). The problem is more in the distribution of income and in the income that accrues to previously accumulated wealth. Debt is not a one-sided affair -- for all the debtors there are also creditors. Take the US government debt -- it is owed by the US citizens, but it is also mostly owned by (a few) US citizens. So the interest payments on the US debt constitute a redistribution of income from the general tax-payer to the relatively wealthy. The only way I see to solve this is to get away from regressive taxes (sales tax, etc.) and to have a more

aggressive income tax (higher brackets, less excuses or deductions). But I'm open for other suggestions.

I hope I'm not too patronizing with this money and banking stuff. If so, let me know.

PVP in reply to Olsen and Knop (23/5),

I am hardly a specialist in either effective demand theory or in monetary economics, but in the light of what I have read, heard and (think I have) understood on these subjects I have acquired the conviction that it would be silly to propose financing a basic income to any significant extent by either money creation or deficit spending. Sustainability must be a central concern, and we must therefore refrain from boosting either permanent inflationary pressures or the weight of the public debt. Hence any plausible basic income proposal must take the form of a balanced package of changes in the structure and levels of benefits, taxes and social security contributions.

Rosenstein (robert@shadow.net) to PVP (25/5)

First of all a thank you for joining us. Much of the information you gave and some of the different perspectives that you are using in advocating and attempting to initiate the idea of a Basic Income were new (at least to me) and will give some of us much to think about.

What follows is a comment. A reply is not necessary.

As I mentioned in a previous post, I am mainly concerned with the monetary aspect. I am, for the moment, firmly convinced that our present monetary system, which is based on a limited amount of money in circulation, and on the collection of taxes and fees, will never be able - even in theory - to support a Basic or Guaranteed Annual Income scheme.

The basic reason is that the availability of funds to pay the incomes will always be limited by the amounts of taxes collected which will always be limited by the level of employment.... whose contribution will go up and down according to the level of wages.

All of the suggestions made during the week for the funding of even a modest Basic Income are variations on the theme of robbing Peter to pay Paul. Because of the extraordinary expenditures (paid for by taxation) of supporting the civil service, the military, and the many other programs, our present system will always be dependent on by what is often referred to as a Butter or Bombs situation.

Even if we were able to properly tax businesses, which is not very likely, we are still dealing with a Peter/Paul situation: a renaming and redirecting of the same basic funds.

Our monetary system is an invention that has been changed over the years for the convenience of those who control it. It is, for the majority of the people in the world, a failed system. If we are ever to achieve a world in which there is a minimum of suffering and a maximum of prosperity for everyone, not only will the monetary system have to change, but so will the rules as to its control, creation, and the distribution of its currency.

If I may use an analogy from your own remarks: you (BIEN) are very much in the same position as the patriotic citizen of Belgium who, while loyally

working to improve matters within his country, is also working to eventually switch allegiance and make a grander vision a reality. While you and BIEN, also have to work within your local systems, you must, at the same time, I believe, work to bring about fundamental changes in government and then in the economic and monetary systems. There are no historical reasons to suggest that any of our governments will naturally evolve to do what is necessary or be what we want them to be. To achieve your goals, you have to be political. You yourself observed, "there is a heavy didactic task ahead for academics, journalists, activists, etc. to make people ... aware that BI is not (just) the pet idea of a bunch of cranks, but a central element in the fight against poverty and unemployment.."

Agreed. Yours is not an academic exercise but a real-world struggle. It is not enough to just make the people 'aware'. You have to bring them into the struggle, and that means being political.

PVP in reply to Rosenstein (25/5)

1. I tend to agree that our world wide monetary institutions need careful and unconventional thought. But I fail to see the narrow connection some people have seen between BI and monetary reform. Taxes (whether on income or on consumption), I believe, provide the means by which a market-based society can channel some purchasing power to all (instead of leaving it to those who have something, in proportion to what they manage to sell). And although I can see the worrying limits imposed on national taxation by the transnational mobility of the tax base, I don't believe that money creation would be a viable alternative.

2. BI do not believe that the most effective form our political action could take is that of a single-issue party, some modern variant of a "social credit party". But I fully agree, of course that a BI will require resolute political action, and nothing in what I said, I hope, suggested that I did not.

2.2. BASIC INCOME AND TAXATION

Keith Hudson (Bath, England, k.hudson@auntie.bbcnc.org.uk) in reaction to Knop (23/5)

When you write:

> So the interest payments on the US debt constitute a redistribution of > income from the general tax-payer to the relatively wealthy. The only > way I see to solve this is to get away from regressive taxes (sales > tax, etc) and to have a more aggressive income tax (higher brackets, > less excuses or deductions).

I agree with the first part, but not the second. I don't think it's going to be politically possible for any government to achieve a fairer and more redistributive tax system in the coming years, if only because many governments in advanced countries have failed to do this in the past few decades, even though they would like to do so in principle. Because of this (as I've often written in this List), those who would stand to benefit from redistribution, knowing that they are unlikely ever to get it, are increasingly

disinclined to vote. Thus governments (of almost whatever political persuasion) are tending to reflect the views of the better-off rather than everybody. And this feature (as I've also often written on this List) is the death knell of the ultimate demise of governments as we know them today.

PVP in further reply to Knop (23/5)

I think one should have no fixation on a progressive income tax. With a basic income in place (and the more so, the higher the basic income), there is nothing reactionary about considering proportional income taxation (as in A.B.

Atkinson in his *Public Economics in Action. The Basic Income / Flat Tax Proposal*, OUP 1995) or indeed a regressive income tax (as in J Meade, *Liberty, Equality, Efficiency*, Macmillan, 1993). Let us not forget that the current tax/benefit schedules are extremely regressive in the lower brackets (with effective rates of 100% or more of benefit withdrawal as earnings rise from zero). It may well be the case that the highest sustainable basic income requires regressive income taxation, or quite conceivably indirect rather than direct taxation.

Keith Hudson (Bath, England, k.hudson@BBCNC.ORG.UK) to PVP (22/5)

It is said – comparing the English with the Continentals – that you are more logical, and perhaps more visionary, than us, whereas we are more pragmatic with our noses firmly glued to the sordid details of today and tomorrow rather than the future. So, to keep the form, I will ask a practical question.

How is a Basic Income going to be paid for? I believe that some form of Basic – and much more egalitarian – Income for All will be desirable if we are to create a decent and stable society in the decades to come. What bothers me is whether governments will be able to afford the costs – even of a partial scheme – because the trends appear to be moving strongly against the possibility.

Bob Olsen (Toronto, bob.olsen@westonia.com) in comment on Hudson (22/5)

The Canadian government, I am sure, can afford the cost.

The Canadian government has an operating surplus, I believe.

1. The money saved on current income support programs would be used in a new program.
2. Increased spending by individuals would lead to increased earnings and increased taxes.
3. The Canadian debt is caused by borrowing to pay interest to the banks, who create money to lend to the government so that the government can pay interest on the money it borrows from the banks. The Bank of Canada used to create the money needed by the government. Money creation, in Canada, has been privatized. Instead of the Bank of Canada, which is owned by the government, earning interest on the money it lends to the government, the private banks now "earn" interest on the money that they create for the government.

The money is there!

PVP in reply to Hudson and Olsen (22/5)

How is a (modest) BI going to be paid for? Through a combination of the following: reduction of all existing social transfers by the amount of the basic income; scrapping of most tax allowances; adjusting somewhat the rates of personal income tax and/or other forms of taxation (VAT, energy, CO₂, etc). As long as we are talking about a very modest BI of, say, £200 per month (which would not even replace the existing guaranteed income, let alone the whole social security system), the static impact on the distribution of net incomes and marginal tax rates could be kept very small. (For the UK, see Hermione Parker's *Instead of the Dole*, Routledge 1989, and A.B. Atkinson's *Public Economics in Action*, OUP 1995, for useful discussions.)

Keith Hudson (Bath, England, k.hudson@BBCNC.ORG.UK) to PVP (23/5)

I cannot help feeling that the idea of a Basic Income for all (using existing official money) is the politico-economic equivalent of the perpetual motion machine. I would dearly love to see actual figures to show the net effects on the personal incomes of those at work.

I was once approached by an engineer who claimed to have invented an altogether revolutionary type of gearbox and needed funds of which I had a certain amount at my disposal. As a chemist by training, I wasn't able to judge so I consulted expert engineers who told me that they were unable to see any fault with the drawings. They advised me, however, to ask the inventor to make a model. I did so—even offering to pay for the model if I could choose the model-maker—but I didn't hear from him again.

If the net effect of even a partial Basic Income for all were to decrease the take-home pay of the average working tax-payer (and, I suspect, that of the worker who doesn't yet reach tax threshold) then I'm afraid that this would be politically impossible to achieve. Most adults are prepared to make sacrifices for their nearest and dearest, and even perhaps for those who are part of their local community, but I cannot see them prepared to share more than trivial amounts (e.g. donations to charities) for the sake of distant and unknown people however worthy the cause.

I have never yet seen a comprehensive set of figures (a working model) to show the net effects of Basic Income on all incomes. I am anxious to have sight of such. Until I do so I must remain sceptical.

PVP in reply to Hudson (24/5)

You are in luck: your country is precisely the one in which the most serious attempt has been made to answer many variants of the question you raise. See the books by Parker and Atkinson referred to in point 1 of my first reply to you and recent issues of the Bulletin of the London-based Citizen's Income Study Centre (fax: 71-95557453; Fax: 71-9557534). Atkinson and his collaborators have developed a publicly available software that enables people to assess the distributive impact of their own favorite variant of tax and benefit reform. This is even better than choosing the model-maker: be it yourself.

Keith Hudson (Bath, England, k.hudson@BBCNC.ORG.UK) to PVP (25/5)

Thank you for your latest reply but I am afraid that the software you mention is of no use to me because appropriate national data would need to be

inputted, and I am not an economist with any ready access to them. I am sad that you have been unable to supply figures showing the effects of BI at various levels on the incomes of tax-payers and welfare recipients. Therefore, I must remain sceptical even though I am not unfriendly to the idea in principle.

PVP in reply to Hudson (26/5)

I have not used TAXMOD myself (and it would anyway need major adjustments to fit the tax and benefits system of continental countries), but it may well come with its own database. Less ambitiously, I strongly recommend your getting hold of Citizen's Income n°18 (July 1994), which contains a brief article by Hermione Parker and Holly Sutherland which answers exactly your questions with several tables and diagrams. I have given the phone and fax number of Citizen's Income in my previous message. Here is the full address: Citizen's Income Study Centre, St Philips Building, Sheffield Street, London W C2A 2EX. If and when we do so, do let me know whether looking at these figures has swept away or reinforced your scepticism.

Keith Hudson (Bath, England, k.hudson@BBCNC.ORG.UK) to PVP (26/5)

We'll see!

You may have noticed an FW posting of mine today (Monetary Matters). This is not intended to be a projection but, rather, an attempt to reduce the nature of tomorrow's economic activities to its basic essentials (bearing in mind automation on the one hand, and cheap communications on the other), and also to take into account something that economists never do - that there ARE free lunches in the global economy (and very lavish ones, too).

As an ex-scientist, I am always digging down for fundamental principles. To simplify, simplify, wherever possible. I have been struggling towards this theoretical position for several years. I am not saying that I'm there yet, but the picture (to me) is slowly becoming clearer.

Robert Rosenstein (robert@shadow.net) to PVP (24/5)

Finally, as it bears on my main interest, the monetary aspect of a basic or guaranteed income, would those funds be considered income and therefore taxed in the same manner wages are?

PVP in reply to Rosenstein (24/5)

Is Basic income taxable? Some people find it important that it should be (e.g. JM Ferry, *L'Allocation Universelle*, Paris, Cerf, 1995), but frankly this is unimportant as far as modest BI proposals are concerned, simply because any existing income tax system I know of include a tax-free amount for each household that exceeds the sum of their (modest) basic incomes. Hence, it seems far simpler (and more transparent) to me to declare that the basic income forms the basis of all income and is tax-free, while adjusting down ward accordingly all existing tax thresholds on earnings.

Lavinia Weissman (WorkEcology, lavinia@tnn.com) to PVP (23/5)

Have you heard of United States proposals for flat tax and consumption tax? How does basic income compare?

PVP in reply to Weissman (24/5)

1. BI AND CONSUMPTION TAX. You can have either with and without the other.

2. BI AND FLAT TAX. You cannot really have a proportional income tax along all the range (i.e. from zero up) without a BI. Hence the close association sometimes made between the two proposals as in Atkinson's recent book (see again *Public Economics in Action*, O.U.P., 1995).

III. ALTERNATIVE SCHEMES

3.1. BASIC INCOME AND NEGATIVE INCOME TAX

PVP in further reply to Stewart (22/5)

Yes, there is a connection between basic income and a "personal non-refundable tax credit". If you make the tax credit refundable (those whose income is not high enough to be entitled to the full amount of the tax credit get the difference as a positive transfer), you get a negative income tax. And if instead of netting the transfers (benefits and no income taxes for some, income taxes and no benefits for others) you give non-means-tested benefits to all (while taxing most), you move on from a negative income tax to a genuine basic income. This last move does not lead to an absurd back-and-fro. It introduces a transfer system that is administratively less expensive, while being more effective as regards both poverty and unemployment.

Bill Humphries (Madison, WI, whump@msn.fullfeed.com) to PVP (23/5)

Would you comment on the Negative Income Tax, a US experiment from the 70's, which sounds something like the Basic Income Grant?

PVP in reply to Humphries (23/5)

As mentioned before (Reply to Stewart), there is a close connection between BI and NIT. With a same level of income guarantee and a matching tax schedule, they can look equivalent on paper (same net benefits or taxes for each household), the only difference being that a BI system moves a lot more money back and fro. Nonetheless,

(a) the outcomes of the NIT experiments conducted in the US in the seventies are mostly irrelevant to the current BI proposals in Europe, because the latter operate on the background of a general guaranteed income scheme, which was precisely what the NIT schemes consisted in introducing (though with work disincentives less prohibitive than those created by the schemes that are currently in place in Europe).

(b) BI is to be preferred to NIT for reasons sketched in the following passage taken from chapter 2 of my *Real Freedom for All* (O.U.P., 1995):

"At first sight, both approaches [BI and NIT] may seem equivalent from a real-libertarian standpoint [i.e. given a conception of social justice as "maxim in real freedom"], since exactly the same distributions of post-tax-and-transfer income can in principle be achieved with a basic income scheme and a negative income tax. Or, if there

is a difference, it should be to the advantage of the latter, since what it does is simply to avoid the heavy back and fro that results from paying a basic income to those with a substantial income and then taxing it back, and this should make a negative income tax scheme cheaper to run. (The Appendix to this chapter depicts graphically the difference between the two types of schemes, and the difference between both and existing guaranteed income schemes.)

And yet, the absence of a means test gives basic income a decisive advantage in terms of *leximin* real freedom, for three distinct reasons. Firstly, it is obvious enough, given the time lag unavoidably involved in any income assessment for tax purposes, that a negative income tax scheme can only hope to compete with a basic income scheme in terms of *leximin* real freedom if it is supplemented by a system of advance payments that will at least give people the real freedom not to starve while waiting for the tax administration to calculate their entitlements. But sheer ignorance or confusion is bound to prevent some people from getting access to advance payments they could have claimed. The higher rate of take up that is therefore bound to be associated with a basic income scheme is a difference that matters supremely when prior importance is being given to the real freedom of the least really free.

Secondly, in the case of a negative income tax, the relevant feature of the budget set takes the form of a contingent promise of corrective transfers rather than of a sum of money on which one can fully bank simply because it is tangibly there. This fact is bound to hamper the confidence needed to actually make use of the options contained in the (abstractly identical) budget set. One aspect of this difference relates directly to an important dimension of the so-called unemployment trap to which social workers are usually far more sensitive than economists. What deters people in the poverty trap from looking for a job or taking one is arguably less that they would not have a higher income, or a significantly higher income, at work than out of work, but even more the liquidity gap and the uncertainty involved in renouncing a safe and regular benefit as a result of taking up a job which they may soon prove unable to keep or to bear.

Finally, in an era of computerized transfer payments and pay-as-you-earn tax collection, and assuming that there is no need for control on some other grounds (to check work-proneness or household situation, for example), the administrative costs involved in the advance payment scheme that must be coupled to a negative income tax system make the latter more expensive to run for any given level of income guarantee, and they therefore absorb resources that could otherwise be used to swell this level. Even on its own, this consideration would suffice, given present tax and transfer technologies, to justify the choice for the universal over the means-tested variant of an otherwise unconditional income.

3.2. BASIC INCOME AND LETS SCHEMES

Keith Hudson (Bath, England, k.hudson@BBCNC.ORG.UK) to Knop (23/5)

My main object in writing is to seek Joachim's views on the creation of money by ordinary individuals, particularly within communities in which all the individuals know one another well--and thus their "credit rating". In the earlier part of his posting, Joachim wrote (correctly in my view) that banks don't create net money because the loans have to be repaid. However, if I do a service for another for free (that is, not expecting official money in return) I

also expect that the recipient will also do a roughly equivalent service for me in due course if I need it. This strikes me as being the basis of all social cohesion--and indeed the basis for all friendships and even marriages. Of course, individuals don't spell out the terms of the "loan" and, in most cases, are not even conscious of the implied transaction. But if someone continually asks for the free services of another without giving anything in return, then that friendship inevitably dies (as do marriages). Now the LETS systems have taken this matter of social transactions a slight stage further by instituting local currencies which are, in effect, a system of loans based on labour (of various levels of skills). This requires a certain amount of book-keeping and administration as well as other favourable factors (availability of a sufficiency of skills) but, in principle, it appears to work. This being so, then I see no reason why two "currencies" should not exist side by side within a community. The community uses official money to buy goods and services that cannot be produced within the community, and labour-voucher money to buy goods and services that can be. I see a future in which a great many services which are becoming increasingly (and often prohibitively) expensive in terms of official money can, in the future, be mutually supplied within a community at no (official money) cost. This would necessitate accessibility to information (which existing service-providers often seek to keep secret), and to very cheap and effective skill-training systems (which existing educational systems often seek to keep expensive). Both of these, I suggest, will become available on the Internet in due course. I'm aware that this will not be satisfactory for many people who require instant solutions--and of what Keynes would have said to this ("... in the long run we are all dead."). Nevertheless, I see no hope by present institutional methods--either financial or political. It seems to me that two of the best possible things that Internet activists could possibly do in the coming years is to attempt to accelerate both developments--that is, easily accessible information and easily accessible skill-training.

PVP in reply to Hudson (23/5)

I have some sympathy for the promotion of LETS schemes, even though one should beware of their growing at the expense of uncalculating generosity as a subtle way for the petty spirit of the market to penetrate areas of social life it cannot reach with its heavy equipment. Depending on the social and legal framework, such schemes may well be fostered by the presence of a basic income. Indeed, they cover part of what basic income aims to make viable. But they are irrelevant to most of the objectives a basic income is meant to pursue. In particular, they do little to redistribute in a fairer way the benefits that arise from technical progress and the world division of labour.

The most comprehensive historical, empirical and theoretical contribution to the discussion of LETS schemes is to my knowledge Offe, Claus & Heinze, Rolf G. 1990. *Organisierte Eigenarbeit. Das Modell Kooperationsring*. Frankfurt & New York: Campus, 1990, 361p., ISBN 3-593-34121-2, DM 38.

Keith Hudson (Bath, England, k.hudson@BBCNC.ORG.UK) to PVP (23/5)

Your comment on LETS was most interesting and I might return to it by way of a comment in a later posting.

PVP in reply to Hudson (24/5)

I wasn't surprised by this topic being brought in. Many people in the European debate, including for example André Gorz and Claus Offe, make BI and LETS part of the policy package they favour.

3.3. BASIC INCOME, GUARANTEED WORK AND EITC

Philip Harvey (Russell Sage Foundation, New York, harvey@rsage.org) to PVP (24/5)

In the late 1960s a Gallup poll in the United States asked respondents a paired set of questions concerning their support or opposition to (1) a proposal to guarantee a certain level of income for all families and (2) a proposal to guarantee all families enough work to earn the same level income. The guaranteed income proposal was rejected 58% to 36%. The guaranteed work proposal was supported 78% to 18%. I suspect the same relative preferences exist today in the United States. I have three questions inspired by this data. First, do you think the same relative preferences for guarantees of work as opposed to guarantees of income exist in Europe? Second, do you know of anyone in Europe who is advocating a guarantee of work as an alternative to a guarantee of income such as your BI proposal would accomplish? Third, what is your view of guaranteed work proposals?

PVP in reply to Harvey (26/5)

1. BI AND PREFERENCES FOR GUARANTEED WORK. My guess is that the outcome of such surveys would not be significantly different now or in Europe. (Note that, under many phrasings of this question, many BI supporters, including myself, would express a preference for a guaranteed job over a guaranteed income.)

2. EUROPEAN ADVOCATES OF GUARANTEED WORK. I have not seen anyone proposing guaranteed work as a full substitute to the current patchwork of schemes that jointly provide guaranteed income, as everyone recognizes this would be a crazy proposal as regards a large proportion of people (1) over 65, (2) with some handicap, (3) with very young children, (4) just turned unemployed. But guaranteed work schemes have had and still have many supporters as far as the long-term unemployed are concerned. (In Belgium, for example, the introduction of such a guaranteed work scheme for the long-term unemployed is a central tenet of the (right-wing) liberal party's employment policy.) Indeed, many experiments in this direction have been and are still conducted in several countries.

3. MY VIEW ABOUT GUARANTEED WORK PROPOSALS. Much of the impulse for the BI discussion in Europe has precisely come from the disappointing overall results of such experiments (most recently in France, whose 1988 guaranteed minimum income was precisely meant as a scheme for guaranteed "insertion" rather than for a guaranteed income). Part of the disappointment came from the economic balance sheet making people work for their income turned out in many cases not to decrease (as expected) but

increase, even in the long run, the net cost of the scheme. (The exceptions came from schemes that did not really provide guaranteed employment to all, but only to comparatively privileged categories.) But most of the disappointment came from the social balance sheet when conceived as limited in time (from the individual's point of view, as the scheme itself may be permanent), the schemes led most of its beneficiaries back to square one at the end of the period, and when conceived as unlimited, they failed to provide people on these schemes with the social recognition or power a job was meant to give them, as the status of a "third work circuit" worker (as the scheme was called in my country) was hardly less stigmatized in the outside world than that of a long-term unemployed person (a charity job is not better for self-esteem and the esteem of others than a charity income), and was associated to an inferior position within the employing organization (even with equal qualifications and similar functions). Moreover, the job creation process was badly hampered by the concern that these jobs should not put any unfair competitive pressure on "real jobs" and damagingly biased as a result of political lobbies favouring the allocation of such jobs to friendly non-profit-making organizations. In the light of all this (and more for which I have no time here), I became convinced that this was not the way to go. And yet, I believe the two central ideas behind such proposals are valid and important: (1) the right to work is important for its own sake, not just because of the associated income; and (2) the right to work (with a decent income) can no longer be granted to all without massive subsidies. Basic income is precisely a strategy that aims to provide a right to an income for all that is not bought at the expense of the right to work, and it consists in distributing employment subsidies, though straight into the hands of the potential employees so that they (rather than the employer) can decide which jobs are worth the subsidy.

Now, all this may be difficult to follow by a taxpayer whose charity is being implored. But it should have some appeal for the representatives of a people trying to figure out the best way to pursue the common good. Has it become too much to ask of a democracy that the logic by which it should be governed by the latter logic rather than the former?

PVP in reply to a package subsequently sent by Harvey (9/6)

Thanks for your letter of 30 May and your article, which I read immediately with much interest. I asked for your book to be ordered for our library in case we don't have it already. I am persuaded by your political arguments in the US context (the "selling" aspect), and in a way what I am proposing myself as the full package is a combination of the two. What needs to be got rid of is the illusion that guaranteed employment, even at the same level of income, is bound to be cheaper than guaranteed income. But your cautious words about the full economic costs indicate sufficiently that you don't share this illusion. Do send more of your writings on related subjects. What is your view on EITC for example?

Philip Harvey (Russell Sage Foundation, New York, harvey@rsage.org) to PVP (14/6)

I certainly agree that offering guaranteed employment would cost more than guaranteed income but the social benefits also might be greater. It depends on the characteristics of the groups included in the offer. I therefore am not willing to say that guaranteed income is necessarily more efficient (defining efficiency broadly -- and in a way that is not readily susceptible to measurement -- as total social benefits divided by total social cost). My inclination is to adopt a preference rule based on political realities rather than an ultimate value calculation. Guaranteed income should be offered to persons whom society does not expect to "work" (children, the elderly, individuals with severe disabilities) and guaranteed jobs should be offered to persons whom society does expect to "work" (able-bodied individuals of working age). That wouldn't settle debates over who should be included in each category (single parents, for example), but those debates would lose much of their sting if the choice presented were between guaranteed income and guaranteed work (with appropriate work-related social services such as child care included in the offer) rather than between guaranteed income and nothing at all.

I also believe that if and when the public and policy makers accept the fact that market economies do not normally produce enough jobs for everyone who wants to work, the lower cost of guaranteed income schemes will generate a desirable tendency to expand notions of who is an appropriate candidate for guaranteed income support (parents with young children or other dependents requiring substantial personal care, workers with a substantial continuous work record who want a "sabbatical" leave to return to school or engage in other socially useful activities, persons with a proven commitment to volunteer social service work, etc).

I have mixed feelings about the EITC. As a wage subsidy paid to employees it has pronounced disadvantages compared to higher minimum wages. (1) It is only 50% refundable in worker paychecks. Eligible workers have to wait to the end of the tax year to get the rest -- and the actual number of persons who claim even this advance payment is very small because of a lack of knowledge about the benefit on the part of eligible individuals and employer resistance to administering it. This poses a hardship, because living expenses cannot be deferred. (2) The idea that the EITC will end up in the pockets of low wage workers rather than their employers also may be ill-founded.

There is nothing in U.S. law prohibiting an employer from discriminating against workers eligible for the EITC by offering them below market wages. If the market wage for a particular type of work is \$5 an hour, an employer could offer \$4.25 an hour to EITC eligible applicants and still promise them a post-EITC wage of over \$5 an hour. In other words, the benefit may function like a wage subsidy paid to employers despite the fact that it is paid to the employee directly. The assumption underlying the EITC is that there are plenty of jobs available to eligible persons, so no employer could get an eligible person to accept a below market wage offer, but if a job shortage exists, employers may be able to divert the EITC benefit to their own pockets. I haven't seen any evidence that this is happening yet, but I see no reason not to expect this kind of behavior.

Nevertheless, the EITC does provide substantial transfer benefits to persons who need them, and it is doubtful that the U.S. Congress would have enacted

any other transfer benefit of similar magnitude. So I'm happy to have it despite its flaws. Also, the benefit may function more as a form of supplemental unemployment insurance for low income workers than it does as a wage subsidy, and I find that feature of the program very attractive. A worker who loses a job paying wages above the EITC income ceiling on an annualized basis may nonetheless qualify for the benefit if her annual income (depressed by a spell of unemployment) falls below the ceiling. Once conservatives catch on to this feature of the benefit, they're likely to level the same kind of criticism at the EITC that they now direct at unemployment insurance (which has been permitted to erode in both coverage and value in the United States in the face of conservative claims that it encourages joblessness).

PVP in reply to Harvey (3/7)

Many thanks for your illuminating response about EITC which revealed many aspects of it I had overlooked.

IV. POLITICAL PROSPECTS

4.1. BASIC INCOME AND MARXISM

Palmer Eldritch (valis@earth.execpc.com) to PVP (23/95)

Hello, Professor.

In the charming patois of American Internetese I am called a 'lurker', that being a person who quietly looks in on lists, newsgroups and other cyber-collectivities without ever publicly posting to them, but sometimes responding privately to individual posters, as right now. I would like to add my own voice to a grateful chorus, in praise of your brave pioneering participation in this 'guest lecture' experiment. Later, perhaps after this week, I may send you some questions in the area of your advocacy; right now I will ask only a few questions that you can quickly dispose of.

- 1) Do you consider yourself a Marxist?
- 2) If not, are you nevertheless being publicly labeled as such on the basis of your BI advocacy? By whom or by what institution(s)?
- 3) Does Ernest Mandel have an e-mail address that is in the public domain?
- 4) I have just read, in the context of a newsgroup discussion, that France has had as many as 15 constitutions since 1789. This statement seems like a tendentious political falsehood to me, but I don't really know and have no appropriate reference work at hand. What do you say?

PVP in reply to Eldritch (24/5)

- 1) No.
- 2) I am perceived as some sort of Marxist by a number of people, and probably more so in the Anglo-American world than on the continent (where I am rather perceived as a somewhat unusual political philosopher in the Anglo-American tradition). But this is not because of my advocating basic income. It is rather because of my close intellectual and personal links to some of the leading "analytical Marxists" (such as G.A. Cohen at Oxford, John Roemer in California

or Erik Wright in Wisconsin). Yet, I would not describe myself as a Marxist, analytical or otherwise. Those interested in this may wish to have a look at my *Marxism Recycled* (Cambridge University Press, 1993), whose chapter 8, incidentally, is the much debated defence of BII co-authored under the title "A capitalist road to communism".

3) I doubt he has one.

4) 15 is correct, but I am not an encyclopaedia.

4.2. BASIC INCOME AND THE NATION-STATE

David Moody (davm@crl.com) to PVP (22/5)

Given the current economic situation, we seem not be alone among developed nations in our growing mistrust of immigration. Given the increasingly conservative attitudes toward immigration held by many developed nations, how can advocates of basic income avoid (or, if unavoidable, negate) this issue's becoming a barrier?

PVP in reply to Moody (22/5)

Yes, there is a deep tension between basic income – and more broadly any generous form of social solidarity – and significant levels of migration. This is due both directly to the selective migration of likely net beneficiaries (into the area concerned) and net contributors (out of it), and indirectly to the time it takes to build up the "us" among whom one spontaneously feels solidarity. The problem is not specific to basic income (it is shared, for example, by the guaranteed minimum income system we have in several European countries), but it needs to be taken seriously. My own view is that massive economically motivated migration is a very bad thing, and that the way forward to stem it is, step by step, to bring about systems of transnational interpersonal transfers.

Keith Hudson (Bath, England, k.hudson@BBCNC.ORG.UK) to PVP (22/5)

Over the last twenty years, in all OECD countries, industry and commerce have been paying a steadily smaller proportion of overall government taxation and, conversely, individual tax-payers have been paying a higher proportion. At the same time, welfare expenditures have been rising steeply for various well-known reasons and are clearly destined to rise much higher in the years to come if present commitments are abided by. Also, automation and rationalisation is steadily hollowing out full-time middle-skill, middle-income part of the job market, hitherto the central target of government personal taxation. In many countries, it is already politically impossible to raise personal taxation. Even the Labour government-in-waiting in this country is agreed on this.

At the same time, governments and politicians are losing their credibility as far as the public is concerned. Corruption of politicians seems endemic in all countries. In the case of most advanced industrial countries, the proportion of the electorate that actually goes to the polling booths is declining from election to election. Could it be that, as Alain Minc (*The New Middle Ages*) proposes, we are at the turning point of a new historical era. In this country, among a

growing number of serious commentators, the left-wing ex-Chancellor of the Exchequer Lord Healey believes this, as does the right-wing Oxford historian Norman Stone.

Could we now be faced with a sort of re-run of what occurred in the 1200's and 1300's in Western Europe, when bit by bit the supreme legal, military and financial power of the Pope gave way to a multitude of new secular authorities? And also a re-run of the change over of the last 200 years, when the regional authorities gave way to nation-states? Now, we seem to be seeing the nation-states losing power to the new non-territorial commercial authorities – the multinational corporations. Should we not be thinking how consumer power could be exercised against the growing financial assets of the multinational corporations in order to extract a basic income? After all, it is in their fundamental interest to have a wide consumer-base in the coming decades.

PVP in reply to Hudson (23/5)

1. I don't think basic income can be sold to multinationals on the ground that they need people to consume their products: if mass consumption is a problem, other forms of transfer will do just as well. The central argument for basic income relative to these other forms of guaranteed consumption power is that we do not want an increasingly dual society.

2. Although I think we should be careful with grand historical parallels, I agree that the subversion of national political power by transnational economic power (and constraints) is a major challenge, and not just for basic income. The response, I believe consists in somehow combining (and reconciling) a rehabilitation of patriotism and a continuous lifting of the scale of democratic decision-making. I spell this out in the last section, "Steering clear of Penguins Island", of my *Real Freedom for All*, OUP 1995, and develop it in a small book in French (*Sauver la solidarité*, Paris: Editions du Cerf, 1995).

Robert Rosenstein (robert@shadow.net) in response to PVP on Hudson (23/5)

In your reply to Keith Hudson you speak of a "rehabilitation of patriotism and a continuous lifting of the scale of democratic decision-making." Would you comment on this, please. It would seem that you are not happy with the idea of the EEC (European Economic Community) and its potential for becoming a political state in its own right. Also, do you foresee difficulties in designing Basic Income legislation because of even the tenuous political and economic ties that exist now.

PVP in reply to Robert Rosenstein (23/5)

1. PATRIOTISM CUM SCALE-LIFTING. To spell out what I meant (in my Reply to Hudson), here is the finale of the dialogue that precedes and sums up the last chapter of my *Real Freedom for All* (O.U.P., 1995):

D By emphasizing competitiveness the way you just did in order to vindicate your negative conclusion about socialism, are you not seriously undermining your own belief in the possibility of a high basic income in capitalist countries? It is not enough to argue that a transfer system with a basic income at its core would be better, in terms of

economic efficiency, than the welfare state as currently organized. What's under pressure now, for reasons you hinted at, is any sort of generous transfer system. Bearing sustainability in mind, shouldn't real-freedom-for-all recommend something like the dismantling of the welfare state rather than its replacement by something more ambitious?

F This risk is great if we don't simultaneously struggle to redesign our institutions in two directions. One is democratic scale-lifting: we must urgently, and in all sorts of ways, establish and strengthen supranational democratic institutions which determine the rules under which the transnational market operates - including as regards income distribution -, instead of being governed by them, as national democracies increasingly are. The other direction is solidaristic patriotism: we must also urgently, and in all sorts of ways, preserve and develop institutions that nurture strong feelings of allegiance towards generous distributive institutions at whatever level they exist, and thereby reduce the pressure against redistribution that stems from opportunistic behaviour by the holders of precious factors.

D Surely, there must be a tension between the cosmopolitanism of the first strategy and the patriotism of the second.

F To some extent there is, and we must therefore be all the more thoughtful when selecting the institutional means for the pursuit of either (§ 6.8). But we should not be too fussy. If we are to preserve and regain the leeway required to go forward, or even simply to prevent the worldwide collapse of welfare states, both strategies are essential. Careful thought and resolute action are urgently needed in this area. No time should be wasted.

D Get on with it then!

2. EUROPE. It should be clear in this light that I am a strong believer in the potential importance of the European Union for the sake of a higher sustainable basic income and hence greater justice. But there is a major trade off for generous redistributive policies between economic feasibility (enhanced by scale-lifting) and political feasibility (reduced by scale-lifting). Hence the importance of not banking exclusively on what will be done on a larger scale and of trying to retain or regain some leeway through an appropriate form of patriotism.

Robert Rosenstein (robert@shadow.net) in response to PVP (23/5)

Once again, thanks for your prompt reply to my last questions, and especially for the excerpt from your new book. My previous question was prompted by your use of the word "patriotism" which, I at least, immediately equated with "nationalism" in its narrowest sense. This, obviously, was not your intention. I appreciate the tension you describe between the necessity of a Common Market citizen retaining and reinforcing their loyalty to their country while at the same time looking forward to the potential advantages of the economic union.

4.3. POLITICAL FEASIBILITY

Bill Humphries (Madison, WI, whump@msn.fullfeed.com) to PVP (23/5)

Given the attitude towards 'the undeserving poor' mentioned previously in this discussion, what about expanded tax credits for health care, child care and education as an interim measure?

PVP in reply to Humphries (23/5)

As a result of participating in a conference on basic income schemes held in Madison in 1989, I became convinced that universal health provision, universal child benefits, basic pensions or free education of sufficient quality were indeed priorities in the US context, and a genuine basic income for adults a luxury the US economy could easily afford, but not the US polity. Europe's economic (not employment) situation is not very different, but its political situation is - for the time being.

Betty Mandell (bmandell@bridgew.edu) to PVP (25/5)

Your comment on care taking was particularly poignant to me today. I went to a workshop explaining the new Massachusetts welfare law. It was so depressing. They are limiting AFDC to two years out of five, and you can't apply again for three years. Everyone with a child over 3 months of age has to go into workfare for 20 hours a week. There is no additional money for children born after you are on AFDC. If your child is absent too much from school, you lose the grant for that child. If you don't have your children immunized, you lose your grant. If you don't name the father of the child, you lose your grant. If you are under 20, you get no money unless you live with a relative or in a "structured setting." And on and on. I'm so depressed. We are light years away from a Basic Income, as much as I enjoy theorizing about it.

PVP in reply to Mandell (26/5)

I understand your feeling depressed. At the same time, let us try to learn the lesson. By placing most emphasis on strengthening the entitlements to and enhancing the levels of benefits targeted to the unemployed or to single mothers, one has created a structure of incentives whose perverse effects can now dead easily be denounced by the right. Punishing people (by withdrawing their benefits) as soon as they (detectably) get out of their isolation or idleness is not, on reflection, a very viable way of running a society. Moreover, let us not despair. The workfare strategy you describe also has effects whose magnitude will slowly be realized: for the populations concerned, it can be expected to be far less expensive to give them an income than (1) to give them both an income and a job; and (2) to give them nothing and let them struggle for their lives and that of their children through crime and prostitution. Beyond the defensive fights, we must work out a case for an economically realistic alternative that can exploit the disastrous results that can be expected from right-wing policies while taking seriously the valid part of the argument that let to them. In the US too, I believe, BI is a central part of such an alternative.

Lavinia Weissman (The Consortium for Workforce Ecology, lavinia@tmn.com) to Mandell (26/5)

Betty, the County of Riverside, CA has discovered a successful model without legislation and change to the laws, simply by building their recipients into a

network of support, learning and self-esteem. Everyone is given the opportunity for literacy and learning and child care assistance. Larry Townsend, the developer and administrator of the County welfare system is building a practice that is becoming a learning center for other welfare systems in the county. I am currently writing an article about the experience and what I learned.

It does not solve the problem of job creation, but it does empower a work and learning ethic that is unusual and not based on the republican platform of punishment or the democratic platform of complacency.

Rich Roth (Georgetown, CT, rich@on-the-net.com) to PVP (23/5)

I'm very interested in your concept of BI and even more interested in how it develops in Europe - in the US, we have a major upheaval happening with the Republican take over of the Congress, and so the issues of how to win acceptance are even more critical than in the past. I'd like to bring up the approach supported by Buckminster Fuller (from memory), which basically justifies the BI not from a moral or fairness perspective but from the perspective of purely statistically contributions by individuals. The idea is that if the majority was guaranteed a BI level, a small number would use that to create contributions so significant that it would more than pay for the support of the rest. Can you comment on this? Both on the idea itself and how it might be used to better get support for the BI idea.

PVP in reply to Rich Roth (24/5)

I'm not sure what you or Fuller mean by some BI recipients making "contributions so significant that it would more than pay for the rest". The most reasonable non-trivial interpretation I can think of is that moving from a means-tested welfare scheme to an unconditional citizen's income would free many people from the unemployment trap and foster the initiatives of many others in such a way that even the additional taxation required by a generous BI would be more than paid for. [I develop this possibility more formally in "The second marriage of justice and efficiency", a 1990 article reprinted as the last chapter of *Arguing for Basic Income* (P. Van Parijs ed.), London & New York, Verso paperback, 1992.]

Rich Roth (Georgetown, CT, rich@on-the-net.com) in reply to PVP (28/5)

Yes - that's the point. I think it goes beyond that, in that technical or other innovations that would improve society and the standard living for all.

Mike Gurstein (gurstein@un.org) in response to PVP (26/5)

Thank you for your reply and your overall well reasoned and insightful discussion on BI/GAI (I am assuming there is no difference in your mind). You answered part of my comment but I would like to go back to the other part which is the political "sellability" of the BI notion.

Your reference some time ago to BI and Social Credit I'm sure resonated strongly with your Canadian readers since Social Credit espousing policies of responding to the Great Depression by "artificially" creating and distributing

credit through the banking system, also espoused strongly nativist (anti-immigrant, anti-semitic) positions in other spheres. The GAI notions in the 1970's in Canada and the US grew out of liberal/Liberal responses to persistent poverty in the midst of perceived (and assumed) continuous abundance.

In both instances the notion was fairly soon discredited not because of its intrinsic merits but because of the political company that it was keeping. My question is what do you see as being the current "politics" of BI in Europe and how would you see that evolving towards becoming part of the broader political and social agenda either of the EU or of the individual European states.

[Question received too late to allow for a specific reply, but some ingredients can be gathered from the replies below.]

4.4. BASIC INCOME AND POLITICAL PARTIES

Melanie Milanich (m.milanich@WEB.APC.ORG) to PVP (22/5)

The current election campaign for the Green Party of Ontario is advocating guaranteed income, job sharing and reduced work weeks to replace welfare and unemployment. One Ontario resident in seven is on social assistance costing the provincial government \$7 billion per year. An additional 700,000 are on unemployment insurance costing the federal government billions more. This system perpetuates low self-esteem, stigmatizes people as non-productive and discourages them from accepting part-time or poorly paid jobs. Although there is plenty of work to go around there are not enough traditional paid jobs. The Green Party proposes to replace the welfare system and unemployment insurance with a Guaranteed Income Supplement plan which would encourage recipients to seek employment. Incomes would be topped up to a target level without means-testing. The amount would increase according to the number of dependents or special needs. The Guaranteed income would provide financial compensation for traditionally unpaid and undervalued contributions to society, such as child care and homemaking (currently estimated to be worth \$285 billion) and would contribute to the support of artists, students, volunteers and small business startups.

PVP in reply to Milanich (23/5)

From your description, the Ontario Green Party's proposal seems to be some sort of negative income tax scheme, rather than a genuine basic income (a means test is required to determine whether the "target level" has been reached).

For a number of reasons some of which you mention, European green parties have also been interested in basic income from an early stage, especially in the UK, Holland, Finland, Ireland, Austria and Belgium. It is only more recently that other political parties have become interested, including in one case (that of Holland) at the governmental level.

Robert Rosenstein (robertr@shadow.net) to PVP (24/5)

I wonder, are you hoping to influence the various governments to consider the views of the Basic Income European Network only through academic channels, and perhaps some lobbying and literary propaganda; or have you considered emulating the Greens and forming political parties - not necessarily with grandiose ambitions, but rather because it will give your ideas greater exposure among the populace?

PVP in reply to Rosenstein (24/5)

I do not believe in single-issue parties, at least in the European context. And I also think there are many important problems which a basic income would do little or nothing to solve. So, I hope that minorities within many parties will start promoting the idea within them (it is remarkable to see how deeply divided people can be on this issue within the same party, both left and right), and am glad to see this happening, at very different paces in different countries and in different parties. The most remarkable process of this kind has been within the Dutch Labour Party. An active minority (including e.g. the Nobel laureate in economics Jan Tinbergen) carefully prepared the 1986 party conference where the issue was discussed, but lost to the extremely reluctant party top. Last year's electoral manifesto proposed a "no regret policy" of experimenting in the direction of a basic income. And the current Dutch prime minister and leader of the Labour Party (temporarily) settled a row on this issue among several of his ministers by insisting that basic income should be kept on the agenda of discussion for the through reform of the Dutch social security system scheduled for 1996. This is the sort of pattern I have in mind, with endless variants from party to party and from country to country. In many parties and many countries, however, we are still far from the lobbying stage: there is first a heavy didactic task ahead for academics, journalists, activists etc. to make people at all levels aware that BI is not (just) the pet idea of a bunch of cranks, but a central element in the fight against poverty and unemployment and in any serious thinking about the future of social security and the future of work.

CLOSING

PVP to all (26/5)

It was a fascinating and multi-dimensionally instructive experience to give this one-week interactive seminar to an invisible audience whose members gradually emerged from the dark as the week went on.

I hope I did not dodge any of the questions asked. I shall still have to ponder about many of them and hope by brief answers will prove of some use to some of you.

For more developed answers to the issues raised, I refer you once again to

- *Citizen's Income*, the excellent bulletin published twice a year by the British research group on BI (Citizen's Income Study Centre, St Philips Building, Sheffield Street, London W C2A 2EX);

- Tony Atkinson's *Public Economics at Work. The Basic Income / Flat Tax Proposal*, Oxford: Oxford University Press, 1995, 170p., which introduces to the various aspects of recent economic research that are relevant to the BI discussion;
- The collection I edited under the title *Arguing for Basic Income. Ethical Foundations for a Radical Reform*, London & New York: Verso, 1992, 248 p. (paperback), which includes contributions by Offe, Standing, Gorz, Barry, Jordan, etc);
- My book *Real Freedom for All. What (if Anything) can Justify Capitalism?*, Oxford University Press, xii+330p., which claims to provide a systematic ethical defense of basic income at the highest sustainable level.

The Basic Income European Network (BIEN) itself has a printed newsletter published three times a year. [Subscriptions from outside Europe are welcome and can be e-mailed to me. There is a fee of US \$30 (unwaged: US \$15) for 2 years.] But one of the teachings of this week for me has been that there would definitely be a point in BIEN going on e-mail. [This has happened since: see <http://www.econ.ucl.ac.be/etes/bien/bien.html>.]

It is now time for me to switch off from you. It is clear that we have many concerns in common, and also the conviction that not too conventional thinking is urgently needed if the "future of work" is not to be a nightmare for many. Thanks a lot for having me. It was a great pleasure to "meet" you.

Rod Dobell (University of Victoria, Canada, RD0BELL@HSD.uvic.ca) to PVP (26/5)

Just a note to thank you very much for your interesting and very informative comments for the future work list. I was particularly interested--although, I must confess, just a wee bit disappointed--to find that what I had thought were new connections I was making between basic income ideas and sustainability, ecological taxes and the like, were all present already in your comments and, I suppose, more fully developed in your books (for which I am now placing orders--takes a while for Oxford University Press to reach its mailings out here to the fringe of the old Empire).

In case you might be interested, I am attaching with this message a copy of the current draft of a paper from last summer; any criticism, comment or correction you might wish to suggest would be welcome. In something like its current version, the paper will be included in a forthcoming volume to be published by the National Forum on Family Security in Canada, but I hope to be able to continue some work toward more detailed simulations of possible schemes in the context of new federal-provincial financing arrangements in Canada. I look forward to keeping track of your continuing work in this area, and to following some of the activities of BIEN, of which I was formerly unaware.

So it has been very helpful for me to have had the benefits of your comments to this list, and I'm grateful for the references you have suggested as well.

Sally Lerner (University of Waterloo, Canada, lerner@watserv1.uwaterloo.ca) to PVP (28/5)

I had to away on Thursday through Saturday, so just caught up now, on Sunday. I've printed the whole week's exchange to read at leisure, but just from what I've read, it was a marvellous week for FWers, and Arthur and I thank you fervently and sincerely for your patience, effort, time and wisdom. We feel so fortunate that you accepted our invitation, and I hope to keep in closer touch with you, BIEN and Citizen's Income from now on. I'm off now for another few days away, but will be in touch next week.