

Citizen's Income *newsletter*

2009, issue 1

Contents

The Citizen's Income Trust seminar series	page 1
Editorials:	page 2
The Chancellor of the Exchequer's prebudget report	
Beatrice Webb's 1909 minority report	
The Government's welfare reform proposals	
News	page 3
Articles:	
Is a Citizen's Income Scheme the answer? by Anne Miller	Page 5
The Citizen's Income and Child Labour: Two Ships Passing at Night, by Ian Orton	page 6
Jeremy Waldron and the Basic Income Debate by Karl Widerquist	page 10
Conference reports:	page 11
Basic Income Earth Network, Dublin	
Child Poverty Action Group in Scotland, Glasgow	
Reviews:	page 13
Simon Birnbaum, <i>Just Distribution: Rawlsian Liberalism and the Politics of Basic Income</i>	
Erik Christensen, <i>The Heretical Political Discourse: a Discourse Analysis of the Danish Debate on Basic Income</i>	
Clare Bamba, ' "Sifting the wheat from the chaff": a two- dimensional discriminant analysis of welfare state regime theory'	
Patricia Evans, '(Not) taking account of precarious employment: workfare policies and lone mothers in Ontario and the UK'	
Thomas F. Crossley and Sung-Hee Jeon, 'Joint taxation and the labour supply of married women: Evidence from the Canadian tax reform of 1988'	
Short notices	

Call for Papers: Citizen's Income sessions at the Social Policy Association Conference, 29 June – 1 July, 2009, Edinburgh *page 16*

Citizen's Income Newsletter

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A Citizen's Income for All?

The Citizen's Income Trust's seminar series

The UK is today experiencing one of the worst economic crises of the post-War era. The current economic downturn is likely to affect the wellbeing and opportunities of British citizens for years to come, and will be especially painful for those vulnerable groups and individuals that were already struggling when the economy was booming. In addition, the crisis seriously impedes the capacity of the UK government to address these problems, and many citizens aren't convinced that they're going about it the right way. (Recent proposals for welfare activation in particular are a major cause of concern amongst policy analysts and advocates.) One policy instrument which the Government ought to consider as part of the solution to the crisis is a Citizen's Income, granted unconditionally as a right of citizenship, and this seminar series examines the prospects of instituting a Citizen's Income in the current economic climate.

Speakers

Tuesday 10 February, 2-4pm - University of Newport, Wales

Dr. Tony Fitzpatrick, University of Nottingham
'Citizen's Income and Paternalism'

Venue: School of Health and Social Sciences,
University of Wales, Newport (Lodge Road, Caerleon)
Info and RSVP: gideon.calder@newport.ac.uk

Wednesday 4 March, 1.15-3pm - University of York

Professor Bill Jordan, University of Plymouth
'Citizen's Income and the Crash: Credit, Debt and the
Citizen's Income'

Venue: Politics Department, Derwent College, Room
D013, University of York
Info and RSVP: lh11@york.ac.uk

Tuesday 10 March, 5-7 p.m. - University of Nottingham

Dr. Louise Haagh, University of York
'Citizen's Income, Varieties of Capitalism and
Occupational Freedom'

Venue: Room B62, Law & Social Sciences Building,
University of Nottingham
Info and RSVP: tony.fitzpatrick@nottingham.ac.uk

Please turn over for the fourth seminar →

A Citizen's Income is an unconditional, non-withdrawable income payable to each individual as a right of citizenship

Friday 20 March, 3-5pm - Queen's University Belfast

Dr. Stuart White, University of Oxford

‘Basic Income versus Basic Capital: Can We Resolve the Disagreement?’

Venue: Conference Room (20.103), School of Politics, International Studies and Philosophy, Queen's University Belfast

Info and RSVP: keith.breen@qub.ac.uk

This seminar series is organised by the Citizen's Income Trust, in collaboration with the Centre for Social Ethics, University of Newport, Wales; the Department of Politics, University of York; the International Centre for Public and Social Policy, University of Nottingham; and the School of Politics, International Studies and Philosophy, Queen's University Belfast.

For general information visit the series website at <http://www.citizensincome.org/seminars2009.shtml>, or email seminars2009@citizensincome.org. For information about specific seminars please contact the respective coordinators.

Biographies of Speakers

Tony Fitzpatrick is a Reader at the University of Nottingham. His recent publications include *New Theories of Welfare* (2005) and *Applied Ethics and Social Problems* (2008). He is the co-editor of the journal *Policy & Politics* and was the principal editor of the 3-volume *International Encyclopaedia of Social Policy* (2006).

Louise Haagh is Lecturer in Politics and Director of the Graduate School at the University of York. She is a world poverty, labour studies and social policy specialist working in the field of comparative labour market institutions, welfare regimes and the political economy of development. She is the author of *Citizenship, Labour Markets and Democratization* (2002) and co-editor of *Social Policy Reform and Market Governance in Latin America* (2002). Louise Haagh is associate editor of *Basic Income Studies* (www.bepress.com/bis) and a member of the executive committee of the Basic Income Earth Network (BIEN), an international network that fosters informed discussion about basic income.

Bill Jordan is Professor of Social Policy at Plymouth and Huddersfield Universities. He studied Politics, Philosophy and Economics at Oxford, and worked for 20 years in UK social services, as well as teaching social work and social policy. He is the author of 25 books, including most recently *Welfare and Well-being: Social Value in Public Policy* (2008) and *Social Policy for the 21st Century: New Perspectives, Big Issues* (2006), and has held visiting chairs in the Netherlands, Germany, Denmark, Czech and Slovak Republics and Hungary.

Stuart White is a Lecturer in the Department of Politics and International Relations, where he is also Director of the Public Policy Unit, and a tutor at Jesus College, Oxford University. His research focuses on egalitarianism in theory and practice, with a particular interest in theoretical traditions and policy ideas which are simultaneously anti-capitalist and anti-statist. He is the author of *The Civic Minimum* (2003) and *Equality* (2006).

Editorials

The Chancellor of the Exchequer's pre-budget report

The prebudget report published on the 24th November correctly recognises that to raise Child Benefit to £20 per week per child from January rather than from April will help the poorest families to weather the current economic difficulties.

Child Benefit contributes to poorer families' net incomes and it isn't withdrawn as other income rises. It is therefore the most useful of current benefits.

To extend this principle to the whole population by establishing a Citizen's Income would provide even more of a cushion for poorer families in these difficult times; and because a Citizen's Income wouldn't be withdrawn as other income rises it would encourage enterprise and skill enhancement both now and as the economy picks up again.

This is an ideal time to consider such a policy.

Beatrice Webb's 1909 minority report

2009 marks the centenary of Beatrice Webb's 1909 minority report on the Poor Law. Webb believed that society has an obligation to prevent poverty and not simply to alleviate it, and her preferred reform option was social insurance. What was important about this proposal was that it was radical, desirable, and feasible.

2009 isn't 1909, and the issues facing our tax and benefits system are different. Most of what is on the table as reform options simply tinker with a system which has remained essentially unchanged since 1948. Today's radical, desirable and feasible alternative is a Citizen's Income.

A widespread debate on this reform option would be a fitting memorial to Beatrice Webb and her report.

To quote a recent Fabian Society book, *Fairness not Favours*, by Sadiq Khan MP: 'Universal measures such as child benefit and the national minimum wage have been important in reducing poverty over the last

ten years and will continue to be. With high levels of take-up, they have greater efficacy than many targeted measures and disproportionately benefit the worse off in society. Furthermore, progressive universalism ensures that everyone in society feels they are gaining, rather than some always giving, and others always receiving' (p.32).

The Government's welfare reform proposals

There is much in the Government's welfare reform proposals, *No-one written off* (<http://www.dwp.gov.uk/welfare-reform/noonewritten-off/>), with which we wouldn't wish to disagree. We are particularly keen on the first paragraph of the Executive Summary:

Our economy depends more than ever before on our people – on them making a contribution, aspiring to reach their full potential and taking responsibility for their skills needs. This matters for the individuals themselves and their families too – people making the most of their talents promotes social mobility and independence. To help achieve this, we need a welfare system that enables people to become the authors of their own lives.

The report recognizes that the benefits system needs to be simplified, but doesn't ask whether a radically simpler system, based on a Citizen's Income, might contribute to the main aim of encouraging people to make a contribution, aspire to reach their full potential, and take responsibility for their skills needs.

As it stands the Government's approach is all stick and no carrot. If increased skills and work effort were to contribute a predictable increase in net income then there would be a significant incentive to learn new skills and seek higher paid employment; but the current system doesn't guarantee such a predictable increase. Currently all benefits except for Child Benefit are withdrawn as earned income rises, thus imposing not only a disincentive but also unpredictability in relation to net income. A Citizen's Income of any size would contribute towards the solution to this problem. If the Government is serious about reforming the welfare state then such a positive approach really ought to be tried.

As a first step towards studying the feasibility of a Citizen's Income the Government should study the scheme submitted as evidence to its *Benefits Simplification* enquiry last year; and as a first step towards studying the desirability of a Citizen's Income it should study the first news item in this edition of the

Newletter: on Namibia's Citizen's Income pilot project.

Alaska's got there already. It looks as if Namibia might be the first nation state to benefit from implementing a Citizen's Income.

News

Namibia is piloting a Basic Income Grant. Information on this project can be found at <http://www.bignam.org> 'In April 2005, a broad-based civil society coalition consisting of the Council of Churches, the umbrella body of the NGOs (NANGOF), the umbrella body of the AIDS organisations (NANASO), the Union Federation (NUNW), the Legal Assistance Centre (LAC) and the Labour Resource and Research Institute (LaRRI) formed a coalition to advocate the implementation of the BIG in Namibia. The Secretariat of the Coalition is hosted by the Desk for Social Development (ELCRN), which is responsible for the day-to-day running of the campaign. The BIG Coalition is now implementing the first ever pilot project of a BIG in Namibia.' See http://www.bignam.org/Publications/BIG_Assessment_report_08a.pdf for a progress report. Key findings include the following:

- The community itself responded to the introduction of the BIG by establishing their own 18-member committee to mobilize the community and advise residents on how they could improve their lives with the money. This suggests that the introduction of a BIG can effectively assist with community mobilisation and empowerment.
- Since the introduction of the BIG, child malnutrition in the settlement has dropped remarkably. Using a WHO measurement technique, the data shows that children's weight-for-age has improved significantly in just six months from 42% of underweight children to only 17%.
- Since the introduction of the BIG, the majority of people have been able to increase their work both for pay, profit or family gain as well as self-employment. This finding is contrary to critics' claims that the BIG would lead to laziness and dependency.
- Income has risen in the community since the introduction of the BIG by more than the amount of the grants. There is strong evidence that more people are now able to engage in more productive activities and that the BIG fosters local economic growth and development. Several small enterprises

started in Otjivero, making use of the BIG money being spent in the community.

- More than double the number of parents paid school fees and the parents prioritized the buying of school uniforms. More children are now attending school and the stronger financial situation has enabled the school to improve teaching materials for the pupils (eg. buying paper and toner). The school principal reported that drop-out rates at her school were 30-40% before the introduction of the BIG. By July 2008, these rates were reduced to a mere 5%.
- The BIG supports and strengthens Government's efforts to provide ARV treatment to people suffering from HIV/AIDS by accessing government services and enabling them to afford nutrition.
- The residents have been using the settlement's health clinic much more since the introduction of the BIG. Residents now pay the N\$4 payment for each visit and the income of the clinic has increased fivefold.
- The criticism that the grants are apparently leading to more alcoholism is not supported by evidence from the community. On the contrary, the introduction of the BIG has induced the community to set up a committee that is trying to curb alcoholism and that has worked with local shebeen owners not to sell alcohol on the day of the payout of the grants.
- The introduction of the Basic Income Grant has helped young women recipients to take charge of their economic affairs. Several cases document that young women have been freed from having to engage in transactional sex.
- Economic and poverty-related crime (illegal hunting, theft and trespassing) has fallen by over 20%.
- The BIG has helped to achieve progress towards all eight Millenium Development Goals.

As part of the Mirrlees review of the tax system, the **Institute for Fiscal Studies** has published *Means-Testing and Tax Rates on Earnings* by Mike Brewer, Emmanuel Saez and Andrew Shephard. The researchers conclude that 'the amount of gross income taken in tax and withdrawn benefits when people enter work at low earnings is too high: for most groups it is close to 100% before individuals are entitled to the working tax credit, and they remain high even with it' (p.2). As a solution they suggest a 'radical and

comprehensive plan for reforming the UK household tax and benefit system that attempts to deal not only with these work incentive issues, but also the administrative failings that we identify. Our plan replaces the existing piece-meal benefits for low-income families (income support, working and child tax credits, housing benefit and council tax benefit) with a single Integrated Family Support (IFS) programme which provides stronger and simpler incentives for work at the bottom, reduces compliance costs for families, and is means-tested by employers' withholding from earnings in the same way as National Insurance contributions' (p.3). To see the report go to http://www.ifs.org.uk/mirrleesreview/press_docs/rates.pdf

The **Joseph Rowntree Foundation** has published research based on listening to a wide variety of people speak about what they think minimum income standards should be in the UK. The key findings were that:

- A single person without children needs to spend £158 a week, and a couple with two children £370 a week, not including rent or mortgage.
- To afford this budget on top of rent on a modest council home, a single person would need to earn £13,400 a year before tax and a couple with two children £26,800.
- For families with no adult working, state benefits provide for less than half the minimum budget for single people and around two thirds for those with children.
- The standard is above the official poverty line of 60% median income for most household groups. This shows that almost everyone classified as being in poverty has an income too low to pay for a standard of living regarded as 'adequate' by the members of the public who took part in this research.

This research shows that people think a basic minimum income should provide for more than survival by including sufficient for basic opportunities and choices that allow proper participation in society. See

<http://www.jrf.org.uk/knowledge/findings/socialpolicy/2244.asp> for details.

Slivers-of-Time Working runs a website at www.slivers.com which enables people with small amounts of time to offer to make themselves available to local employers. This service is particularly relevant

to students, lone parents, and anyone who needs to work around other commitments; and is of considerable benefit to employers who occasionally need additional small amounts of labour at short notice.

The Joseph Rowntree Foundation has published research which identifies problems with the delivery of benefits. Conclusions include:

- The design of the system, failure to meet agreed service standards and administrative errors are all barriers to the receipt of benefits
- People want less complexity: 'a tax and benefits system that was simpler and less changeable'.
- Sanctions applied to Job Seekers Allowance recipients 'have a harsher impact on those without access to other resources and strong social networks'

See <http://www.jrf.org.uk/knowledge/findings/socialpolicy/2233.asp> for details.

Articles

Is a Citizen's Income Scheme the answer?

by Anne Miller

Clearly, a CI scheme is not the answer to the credit crunch, which is global, and in the UK has more to do with decisions of various Governments to de-regulate the banking sector and financial services, and with the growing Public Sector Borrowing Requirement over the last decade. The boom of the last 16 years or so has been financed by a house price bubble, and by both public and private debt. The UK has been spending above its means both publicly and privately, and some major adjustments will have to take place. However, could CI help to ameliorate the effects of a recession, or even worse, a depression?

CI schemes provide several advantages over the present contribution-based National Insurance and the means-tested Social Assistance and Tax Credit systems. Nearly half of the population currently receives some type of benefit. The current systems are hedged about by so many rigidities and constraints that it discourages beneficiaries from taking any risks. For instance, a beneficiary may be reluctant to take up some work, because if s/he were dismissed a few weeks later, s/he would still have to wait for the required period before being eligible again for benefits. Replacing the current system with a CI scheme would provide flexibility in the labour market for the

employees, (not just for employers). It puts the initiative back in the hands of the beneficiary, giving him/her the opportunity to take risks on his/her own behalf. Increased flexibility in the labour market would help the economy to pick up more quickly.

CI schemes also provide more incentives for beneficiaries to take even low-paid jobs. Means-tested systems have a built-in design fault, in that beneficiaries face benefit withdrawal rates in addition to paying personal income tax and National Insurance contributions, and in the UK the combined rates are often 68% and over. Thus, someone on the minimum wage of £5.73 per hour, would end up with a net wage of only £1.83 per hour – hardly an incentive. The Tax Credit systems provide an incentive for applicants to earn their first £5,000, in order to qualify, but very little incentive to earn the next £20,000. By contrast, with a CI scheme, everyone would pay the tax, but would not suffer a benefit withdrawal rate.

One of the important benefits of a CI scheme is that its redistributive aspects can help to regenerate the poorer regions of the UK, whether they are run down inner London estates or post industrial cities in the north.

Economic insecurity is one of the main stresses of life, for the rich as much as for poorer people. Most people are only two months income away from disaster, - losing their jobs, their homes and possibly their families. A CI scheme would give a greater degree of economic security to the population, who would know that, even with the modest levels of CI that are likely, they would be able to budget around those amounts as a minimum.

Finally, the reduced administration costs of CI schemes would enable the government to reduce its civil service budget, and those made redundant would, of course, receive their CI.

Major disasters require major rethinking. The world cannot go on as it has been. Disasters can also turn out to be times of great civil unrest and the overthrowing of the *status quo* for good or ill. They are times of opportunities as well as of problems. The present financial débacle and the looming depression may in fact present our best opportunity to address some of the major problems facing the world, such as its extremes of inequality, and the ecological disasters associated with global warming waiting round the corner. Maybe, the time for CI has come. Let us try to ensure that the reforms which are taken up are the ones that most of us would prefer.

The Citizen's Income and Child Labour: Two Ships Passing at Night*

by Ian Orton⁺

Abbreviations

CCT Conditional Cash Transfer(s)

CSG Child Support Grant (South Africa)

Introduction

A new dialogue is needed between those interested in eliminating child labour (the anti child labour lobby) and those advocating a Citizen's Income so that the agendas of both groups can feed off one another in a mutually beneficial manner and help to bring about their two, not unconnected, goals.

Conditional cash transfers [CCTs]¹ have demonstrated some promising, although not conclusive, evidence in being effective in reducing child labour even when not tied explicitly to this objective. This has been particularly true of the CCT programmes in Latin America, and thus explains why discourses centring on child labour have become increasingly interested in the logic of CCTs as a mechanism to address the phenomenon of child labour.

My aim is to encourage the anti child labour lobby and those practitioners who work in the area of child labour to consider a Citizen's Income as a policy that could help to eliminate child labour. Similarly, individuals working on a Citizen's Income ought to privilege the elimination of child labour as an important effect of a Citizen's Income, even if the Citizen's Income cash transfer is not designed to target child labour head-on. By doing this we might find more appropriate entry

* Disclaimer: This article is based on the draft of a more comprehensive paper being prepared by the author as a consultant to the International Programme on the Elimination of Child Labour of the International Labour Office. The responsibility for opinions expressed in this paper rests solely with the author and dissemination does not constitute an endorsement by the International Labour Office of the opinions expressed in it.

⁺ Ian Orton works as an external consultant for the International Labour Organisation in Geneva. He is currently assisting in the research of a compendium that aims to promote the creation of a basic social security floor for all in low and middle income countries.

¹ CCTs are a form of non-contributory, means-tested social assistance programmes that administer a certain amount of cash to poor households on a regular basis on the condition that the beneficiaries fulfil some obligation(s) aimed at human development, such as sending children to school or participating in health programmes (Tabatabai, 2006: 2-3). They are thus a means for stimulating behavioural changes that are more conducive to satisfying human development goals.

points for a Citizen's Income. By combining their efforts, perhaps the anti child labour lobby and advocates of a Citizen's Income might add value to one another and help to create a world more fit for the 218 million children who are toiling away at present (ILO, 2006: table 1.1, p.6).

1. An untapped opportunity

Up until now the dialogue between advocates of a Citizen's Income and those working to eliminate child labour has been rather limited and they both continue to pass each other by, like two ships at night. This represents a major missed opportunity. Put simply: it would be prudent strategically to move the logic of a Citizen's Income higher on the agenda of those agencies that have a commitment to ending child labour. In particular, this lobby needs to be aware that Citizen's Income is a proposal that is not just theoretical but manifests itself in various *almost* fully-fledged and applied forms around the globe, such as the Alaskan Permanent Fund, the Universal Citizens Pension in Mexico City, and the now legally enshrined Citizen's Basic Income in Brazil. Moreover, the prestigious historical pedigree of the proposal is also little known.

2. Why a Citizen's Income may help reduce child labour

While child labour is a complex and multidimensional phenomenon not reducible to exclusively economic explanations, poverty is often the main cause. A Citizen's Income can address household poverty and empower families to overcome the need and temptation to put their children into child labour as a way to boost income during times of economic difficulty or as a form of social insurance to offset and prepare for future economic hardship and insecurity.

CCTs have been effective in reducing child labour even when not tied explicitly to the objective of eliminating child labour. Mexico's *Oportunidades* programme,² which does not specifically target child labour, has reduced the probability of children undertaking labour by as much as 14 per cent for

² The *Oportunidades* programme is a large CCT programme that covers 5 million poor families in Mexico. It has been designed to provide incentives for poor families to invest in human capital, education, health and nutrition. In other words it makes a cash transfer conditional on behaviour that reinforces human capital development. Successful receipt of payment is dependent on parents ensuring their children make regular clinic visits and receive key vaccinations and that children maintain a certain level of school attendance.

children aged 8 to 17 (in Tabatabai, 2006: viii). There was substantial decline in child labour in Latin America during 2000-2004, by as much as two thirds, and this may be in part due to widespread adoption of CCTs in the region (IPEC, 2006: 7-8). In absolute terms, the number of children at work has fallen by 17 million children and now only 5 per cent of children are engaged in such work.

But the evidence that CCTs are effective in reducing child labour is not conclusive, and further research is needed. Other factors may account for the substantial decline, such as economic growth. The *Oportunidades* programme was not tied exclusively to the goal of combating child labour yet seems to have contributed to a reduction of child labour. Similarly, a Citizen's Income could play a role in reducing child labour because a reduction in child labour could be a significant spin-off of its general poverty-reducing properties.

3. Potential advantages of a Citizen's Income: The example of the South African Child Support Grant

The proponents of conditionality in CCT programmes, such as the World Bank, favour it on the grounds that it:

- raises the profile of the social services that are available for the poor;
- leads to greater and more effective investment in human capital;
- and makes such programmes more acceptable to politicians who are more likely to support something that places certain obligations on the beneficiaries.

However, these are to an extent mere suppositions and the expression of political preference. It is possible to argue that *universal* and *unconditional* cash transfers such as a Citizen's Income might have some key advantages over CCTs in terms of impact on child labour. These advantages can be seen in the experience of the Child Support Grant in South Africa [CSG]. The CSG was instituted in 1998 to address child poverty and it was originally a conditional grant. However, after the Taylor Commission of 2000 it was agreed that the grant would be more fit for purpose if it were not conditional on behaviour. Today it covers 7.5 million children. Income and assets are tested and the geographical area and type of household are also taken into consideration to identify eligible children in South Africa, so the CSG still does not fully conform to the

logic of a Citizen's Income because it is mean-tested; but the reasons for dropping the conditional behaviour aspects of the grant are quite important in terms of demonstrating how a Citizen's Income might reduce child labour. The advantages are *administrative* and *social advantages*, and these will be illustrated through specific reference to the South African CSG and more general examples.

Administrative advantages

1. There are *fewer administrative costs* with a Citizen's Income because there is no means-testing, targeting or reinforcement of conditionalities. (This is not true with the CSG). The savings in administrative costs leave more money available for the actual cash transfer.

2. There is *no need to worry about building exit strategies* into Citizen's Income programmes because in its fully-fledged form it is intended to be a life-long income rather than a transient CCT.

3. There are *fewer moral hazards* and there is *less potential for corruption or divisive discretion* associated with a Citizen's Income than with CCTs, something which was a big problem with the CSG. For example, in South Africa we saw what Standing calls the 'paternalist twitch' (Standing, 2002: 208). This refers to a basic default tendency within the human psyche, and expresses itself as a desire or need to impose conditionality and testing on welfare. According to Leatt and Budlender, in this instance, welfare officials asked that people provide more evidence than was necessary when applying for the CSG: evidence which was not sanctioned at the national level (see Leatt and Budlender, 2006). While these extra, illegal conditionalities were not of a tremendously disturbing nature, they did increase the number of hoops through which families were obliged to jump in order to satisfy the eligibility criteria. This meant that there were bottlenecks in the delivery systems and that take-up was low, especially in the poorest areas. A Citizen's Income would side-step paternalistic testing and would not engender the damaging outcomes listed above.

4. The Citizen's Income would *increase take-up by the most excluded*. The CSG in South Africa was originally conditional on behaviour and became far more effective in terms of take-up when conditions were removed. In fact, when the CSG was conditional, eligibility was so burdensome that as many as 90 per cent of eligible children failed to receive the grant. According to Samson *et al.*, after conditions had been dropped, take-up rose by 58 per cent (Samson *et al.*,

2006: 11). Similarly, Child Benefit in the UK has nearly 100 per cent take-up.

Social impact

1. A Citizen's Income would *increase household income* and allow families to decide how best to spend money according to their priorities so the need for their children to labour may diminish.
2. By *providing long-term guaranteed security which enables long-term planning*, a Citizen's Income may be better equipped to interrupt the social reproduction or inter-generational transfer of poverty which induces child labour.
3. *Less stigmatisation* would be attached to a Citizen's Income because every family with children would be entitled to it. It would therefore impose fewer psychological and social costs.
4. There would be *less possibility of generating perverse effects* such as a swollen realm of non-hazardous child labour or the greater concealment of hazardous child labour.

With regard to the last point, a Citizen's Income-type approach to the child labour problem may be better than CCTs in terms of the perverse effects generated. As Samson has argued in his debates with the World Bank, enforcing rigid conditions risks perverse outcomes. Conditionalities can 'punish the poorest, who face high costs to comply with requirements, particularly when high quality schools and health care are inaccessible' (Samson *et al.*, 2007: 101). To give one example with reference to child labour: one can envisage that a condition specifically requiring withdrawal of children from hazardous work could mean that children may merely be transferred from 'very bad' work to 'bad work' as a kind of natural and demographic readjustment response. There would be a downgrading of child risk transference and displacement, but still this would represent the exchanging of one evil for a lesser evil.

To conclude: there are some potential advantages in using a Citizen's Income as a measure to reduce child labour.

4. The benefits of utilising the elimination of Child Labour to advance a Citizen's Income

Linking a Citizen's Income with the anti child labour lobby could be a powerful move. The anti child labour lobby is a powerful and well-resourced sector that holds significant public and political influence (i.e., UN agencies and numerous NGOs). In addition, the proposal of a Citizen's Income for children would not

fall on unsympathetic ears in powerful institutions like the European Commission who have already suggested the relevance of a Citizen's Income for Europe's children (see Levy *et al.*, 2006).

This suggests that Citizen's Income advocates need to exploit the emotionally and morally loaded subject of child labour. This could elicit public sympathy and create support for more general universal and unconditional cash transfer programmes and it could also leave the Citizen's Income argument less open to attack. Child labour might therefore provide a good point of entry for a Citizen's Income and could permit the logic of a Citizen's Income to be grafted into the core of a society. Just as the Universal Citizen's Pension in Mexico City has been the catalyst for the Citizen's Income debate in Mexico, a Citizen's Income as a cash transfer for children could catalyse further shifts towards a Citizen's Income in other countries.

5. Promoting a Citizen's Income to the Anti Child Labour Lobby

How can we best promote a Citizen's Income to the anti child labour audience?

Providing evidence of impact on child labour

A Citizen's Income will encounter problems with the anti child labour lobby if it is not advanced in a way that satisfies demands for demonstrating outcomes in terms of its impact on child labour. Before this lobby would give its stamp of approval it would want to be able to evaluate and assess the impact of a Citizen's Income on child labour either as a real actually existing scheme or through simulations.

Need to pay heed to the affordability issue

A Citizen's Income to reduce child labour must not neglect to recognise the severe resource constraints that afflict some countries and regions. Equally, it is important that one does not concede too much ground on the affordability issue, since what is affordable is invariably a question of priorities in low income countries. The affordability question is a political question.

Connecting child labour with a Citizen's Income would contribute to mainstreaming child labour concerns

Connecting with the Citizen's Income debate could be advantageous to the anti child labour lobby and it would help with the mainstreaming of the child labour issue.

Child labour is a complex multidimensional issue

To curry favour with the anti child labour lobby, the Citizen's Income must be articulated as a proposal that recognises the complexity and multidimensionality of child labour. It needs to be presented as one policy instrument among several others.

Citizen's Income is likely to be more effective as a preventative than as a corrective measure

A Citizen's Income is more likely to be effective in reducing child labour as a preventative measure rather than a corrective one or for addressing the extreme forms of child labour. The long term prevention of child labour would be the Citizen's Income's major selling point.

The need to introduce a Citizen's Income along with other integrative and complementary measures linked with eliminating child labour

Since the receipt of a Citizen's Income would most likely have no direct conditions connected with child labour, it will have to be introduced with an indirect link in order to satisfy the anti child labour lobby. One way to link a Citizen's Income-type grant with the goal of reducing child labour might be to get families to sign onto the Citizen's Income scheme with an 'on paper' pledge stating that they will not involve their children in child labour. As impotent a measure as this might sound, simple awareness raising exercises such as this can be effective. Linking a Citizen's Income with universal and compulsory education would also be an important move in reducing child labour.

Recommendations and Conclusion

At present there is little understanding of the implications of a Citizen's Income for child labour, although what evidence exists suggests that a Citizen's Income-style grant could impact positively on child labour by removing poverty as one of the conditions that compel children to labour. Undoubtedly, more policy research is needed to inform and direct future action. The steps which could be taken by advocates of a Citizen's Income to develop the link between the Citizen's Income and child labour could include:

- Establishing dialogue with the anti child labour lobby
- Further research and discourse is needed on this topic (i.e., to demonstrate fiscal, political plausibility and extract lessons from case studies).
- Knowledge gaps ought to be plugged.

- Identifying which agencies might be willing to support and resource the exploration of the relationship between a Citizen's Income and child labour

The above is a tentative and cursory attempt to understand better how a Citizen's Income might impact on child labour. If those organisations that wish to end child labour see the value and virtue of a Citizen's Income, they could add depth to the justification behind the Citizen's Income proposal and their support would lend tremendous weight to the progressive implementation of the Citizen's Income proposal. This would give substance and meaning to Van Parijs's notion of the need for the swelling and spreading of the Citizen's Income proposal.

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Jeremy Waldron and the Basic Income Debate

by Karl Widerquist

A comment on:

Waldron, J. (1988). *The Right to Private Property*. Oxford: Clarendon Press.

Waldron, J. (1993). *Liberal Rights*. Cambridge: Cambridge University Press.

Waldron, J. (1999). *Law and Disagreement*. Oxford: Oxford University Press.

Jeremy Waldron is one of the foremost legal and political philosophers active today. He has devoted considerable attention to examining the suppositions of property rights advocates and his work shows a great deal of concern for disadvantaged people. He has not written on basic income, except for one short article in 1986 favoring a 'social minimum.' Even though he has not paid much attention to the basic income debate, participants in that debate should pay attention to him. Some of his arguments about property rights, homelessness, and political disagreement could be put together into an excellent argument for basic income.

In *The Right to Private Property* (1988) Waldron addresses the argument for private property and shows that either of the two main arguments proposed to justify private property rights fails unless it secures at least access to subsistence for all. This book is extremely long and dense; it is hard to do justice to it in a paragraph, but the gist of it is, "Under serious scrutiny, there is no right-based argument to be found which provides an adequate justification for a society in which some people have lots of property and many have next to none" (p. 5). Any property system that excludes people from property, therefore, owes them at least a right of subsistence.

Waldron's book, *Liberal Rights* (1993) contains a chapter entitled, "Homelessness and the Issue of Freedom," in which Waldron argues that the homeless are not only needy but unfree in the most liberal negative sense. Quite simply, "No one is free to perform an action unless there is somewhere he is free to perform it" (p. 310). The homeless face interference as they try to perform their most basic human functions such as sleeping, urinating, eating, and so on. They do not lack the ability to do these things; they face constant interference as they try to do them, because the laws say they have no place where they can do them legally. Without the right to sleep and eat, people have little ability to exercise rights to free speech and political participation.

In *Law and Disagreement* (1999) Waldron focuses on the process of lawmaking rather than on what laws should exist, but even this book contains arguments that are important to the basic income debate. Waldron confronts the problem of fundamental and persistent political disagreement:

[W]e not only disagree about the existence of God and the meaning of life; we disagree also about what count as fair terms of co-operation among people who disagree about the existence of God and the meaning of life. We disagree about what we owe to each other in the way of tolerance, forbearance, respect, cooperation, and mutual aid (p. 1).

He faults political philosophers, especially John Rawls, for philosophizing about policy while ignoring the question of how to live with disagreement, 'It is rare to find a philosopher attempting to come to terms with disagreement about justice within the framework of his own political theory.'

From this starting point one might expect Waldron to propose an alternative to Rawls's theory of justice, specifically incorporating the problem of fundamental political disagreement. Such a framework could be extremely valuable to the basic income debate, because Rawls used the idea of consensus to justify a socially cooperative project to which individuals were obliged to contribute. He famously labelled those who refuse to contribute to the social project as lazy "surfers" who consume more than their fair share of leisure and who therefore have to claim to public funds. If there is a consensus that the social project is just, refusal to participate can only be motivated by laziness. However, if there is no such consensus, refusal to participate is not laziness but political dissent—the rejection of the terms and goals of the social project. Persistent political disagreement takes away much of the appeal of Rawls's contributive obligation.

Waldron does not go down this road, and instead focuses on how political disagreement implies that the most important individual right is the right to equal political participation in a democratic system with a sovereign legislature that represents the diversity of political opinion in society. Waldron's argument about political disagreement could be used just as effectively to defend the refusal to participate as a form of political dissent. This reasoning could be especially strong combined with Waldron's earlier arguments about homelessness, freedom, and property. Wittingly or not, Waldron's arguments can be used to form a powerful case for basic income.

Conference reports

Dublin delights: BIEN 2008

The twelfth congress of the Basic Income Earth Network, 19th to 21st June 2008, at the Quinn Business School, University College, Dublin

Theme: Inequality and Development in a Globalised Economy: The Basic Income Option

In keeping with tradition, the first day of the congress was devoted to the situation of Basic Income in the host country. There were 232 names on the participants' list, and unsurprisingly, the largest contingent came from Ireland, many having come specifically to attend the first day. The number of people attending the main part of the conference was limited to 170, this being the size of the main lecture theatre, and there was a waiting list of hopefuls.

As usual, the conference was truly international, with nearly every continent being represented. In addition to representatives from many other European countries, including Portugal, Spain, France, UK, Switzerland, Italy, Belgium, Germany, Denmark, Norway, Sweden, Finland and Russia, delegates also came from Japan, Australia, Argentina, Brazil, Mexico, USA, Canada and South Africa. It was a time to meet old friends and acquaintances, and to make new ones.

The congress was very well organised by Brigid Reynolds and Seán Healy and their team from CORI Justice, and John Baker, Chair of BIEN Ireland. This led to a calm air of concentration on the basic income ideas by the participants throughout the conference. The sessions were held in the new, light and spacious Quinn Business School on the campus of University College, Dublin, about four miles from the city centre.

Thursday was Ireland's day. The programme consisted of seven papers, all of which were very good, well informed, thoughtful presentations by people who are at the peaks of their professions. The morning's four papers were subtitled 'A Business -, A Trade Union -, An Economist's -, and A Community & Voluntary Perspective', respectively. The afternoon continued the theme of the day 'Making Choices – Choosing Futures' with a consideration of an Appropriate Level of Minimum Income, The Case for a Universal State Pension in Ireland as in New Zealand, and lastly A Survey of the last three decades of BI in Ireland,. There was so much excellent reference material in these papers, that it was a relief to learn that they are available in book form, with the

same title as the theme of the day *Making Choices – Choosing Futures: Ireland at the Crossroads*.

The main part of the BIEN Congress took place on the Friday and Saturday with the theme, 'Inequality and Development in a Globalised Economy. – the Basic Income Option'. There were 5 sets of 5 parallel sessions over the two days, with 74 presentations, covering a wide range of subject matter. I shall not dwell on them here, because copies of the final version of all the papers can be perused on the conference website at www.basicincomeireland.com.

In addition there were four plenaries with 13 speakers. The opening plenary was addressed by Peter Townsend, Emeritus Professor of Bristol University and LSE, Carol Pateman of UCLA, who had just completed 2 years of secondment to Cardiff University, and Pablo Yanes, of the Social Development Secretariat of the Government of Mexico City, examining why a Basic Income must be a major part of the answer to the question of how to obtain equality and development.

The theme of the second plenary at the end of the first afternoon, was 'How can a BI system be operationalised and achieved (politically, institutionally and technically?)' Katja Kipping, a member of the German Parliament for the Left Party, gave a left-wing political perspective. Hugh D. Segal, a Senator in the Canadian Parliament for the Conservative Party, gave a right-wing perspective.

Charles M. A. Clark of St. John's University, New York addressed the Institutional and Technical Challenges. The advantages of long experience in the political arena became obvious, when Senator Segal immediately had us all in the palm of his hand, in stitches of laughter, relaxing us and making us feel good, while also assuring us of his commitment to the BI idea.

Mr John Gormley TD, Minister for Environment, Heritage and Local Government, hosted an Official Reception on the Friday evening at his offices at the Customs House, a beautiful Georgian building in the city centre.

At the third plenary on Saturday morning, three people who had experience of making a difference by introducing a universal benefit for certain sections of their societies, testified to the tremendous impact that this had had. Guy Standing formerly of the ILO, now of Bath and Monash Universities, described a private subscription Citizen's Income scheme with which he is involved in Namibia. It has contributed to

regenerating the local economy and it has helped to prevent poverty among children. He noted that grandparents spent much of their new pensions on their grandchildren. Rosani Cunha, National Secretary of Citizen's Income, Ministry of Social Development and Fight Against Hunger, Brazil, described how the Bolsa Familia, or Family Grant, had made a difference. Families, who previously could not afford to look after their children, reclaimed them from the streets and received the grant on condition that the children attended school and health clinics and underwent various health and nutrition programs. Thus the introduction of the Bolsa Familia addressed several problems at once. Finally, Dr Jean Swanson-Jacobs, Deputy Minister Social Development, Republic of South Africa, described similar beneficial effects of unconditional pensions in South Africa.

The closing plenary, on the theme 'Basic Income: The Way Forward' took the form of a roundtable with four short presentations followed by an open forum. The four speakers were Richard Caputo of Yeshiva University, New York, Lorna Gold, Programme Leader of Trocaire, Ireland, Philippe Van Parijs of the Catholic University of Louvain and Harvard, and Guy Standing. The closing session is always a time to review the past three days, to summarise progress and disappointment, a mixture of exhilaration and hope, exhaustion, and sadness at saying farewell again, until next time.

The General Assembly, which is the business meeting of the Basic Income Earth Network, took place at the Montrose Hotel on the evening of Saturday 21 June. The business covered a Financial Report, a report on the funding of BIEN's and USBIG's e-journal *Basic Income Studies*., and a report on BIEN's new website. A happy part of the proceedings was the recognition of four new national affiliated networks, in Canada, Italy, Japan and Mexico. The venue for the 13th BIEN Congress was confirmed as São Paulo, Brazil in June 2010. Guy Standing and Eduardo Suppicy stood down as co-chairs, (Guy after 22 years in office, since the first BIEN Congress in 1986), with appreciation of all that they have contributed. They were proposed as Honorary Co-presidents of BIEN for the next two years. Karl Widerquist and Ingrid Van Niekirk was elected as co-chairs. The rest of the committee was re-elected with the addition of Louise Haagh and Simon Birnbaum.

The hard work at the business meeting was followed by social time together in the bar afterwards. Those who stayed in Dublin for an extra day arranged to meet

up together in the city centre for lunch. And the storms of the midsummer solstice failed to dampen people's enjoyment. Truly a friendly occasion all round.

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Reynolds, Brigid and Seán Healy (Eds), 2008, *Making Choices – Choosing Futures: Ireland at a Crossroads*, Dublin: CORI Justice, €2.50.

The final versions of all of the papers are available on www.basicincomeireland.com

Anne Miller

Report of the annual conference of the Child Poverty Action Group in Scotland, 29th June 2008, Glasgow Caledonian University, Glasgow

This conference provided an opportunity for welfare rights and other advisors in Scotland to hear about the latest developments in benefits and tax credits. It was very well attended, and the atmosphere was warm and friendly as old friends renewed acquaintance. The theme of this year's conference was 'Welfare Rights 2008'. The current scene was laid out by John Dickie, Head of CPAG in Scotland. Nicola Sturgeon MSP, Deputy First minister & Cabinet Secretary for Health and Wellbeing, then outlined the Scottish Government's anti-poverty strategy, and the role of welfare rights work within that policy, and she spoke sympathetically about the aims of CPAG in Scotland.

Before and after lunch, there were sessions where delegates could attend two out of the six workshops on 'Employment and support allowance, (ESA)', 'Kinship carers: allowances, benefits and tax credits', 'Refugees rights – an update', 'Local housing allowance', 'Medical evidence and tribunals', and 'Right to reside'. These workshops were given by CPAG's Welfare Rights workers, a CPAG Solicitor, a Trustee, and the last one was presented by Commissioner Edward Jacobs of the Tribunals Service Social Security and Child Support Commissioners. The purpose of the workshops was to update delegates on changes in the legislation, how they will work in practice, to assess whether they really improve the situations of claimants, and, for instance, to work out the outcome when DWP and local government rules come into conflict. I was impressed by the detailed knowledge displayed by the leaders of the groups that I attended, and really thought that they each deserved a Ph.D for being able to sort out, commit to memory and communicate all the extremely complicated facts.

The last session was a panel debate and question time based on the theme ‘A Welfare State to End Child Poverty: what should it look like?’ The four panellists were Adrian Sinfield, Professor Emeritus of Social Policy, Edinburgh University, Kate Green, Chief Executive of CPAG, Peter Kelly, Director of The Poverty Alliance and me. Each of us put forward ideas for improving services to prevent child poverty. A CI scheme is likely to start by introducing a realistic Child Benefit, which reaches those parts of poverty that other schemes cannot reach. The foolhardiness of the Chancellor’s announcing a cut of 2% in income tax rate this summer, which could have been used to meet the government’s own targets to halve child poverty by 2010, did not pass unnoticed.

When I later commented to one CPAG employee that she would be out of a job if a CI scheme were adopted, she replied that that is already the aim of all CPAG workers: to make themselves redundant through having prevented child poverty.

Anne Miller.

Reviews

Simon Birnbaum, *Just Distribution: Rawlsian Liberalism and the Politics of Basic Income*, Stockholm Studies in Politics 122, Stockholm University, 2008: 978-91-7155-570-0

Simon Birnbaum is a newcomer to the basic income debate who has quickly worked his way into the basic income movement. He completed his doctorate in 2008 at Stockholm University, and has already been awarded fellowships at Oxford University and at the Catholic University of Louvain in Belgium under the supervision of Philippe Van Parijs. He has only been publishing since 2005, but he has already published six academic articles and chapters, five of which are on basic income.

Just Distribution is Birnbaum’s doctoral thesis. It is not an easy read. It is 240 pages of dense political philosophy that only people who intend to get deeply into the philosophical debate over basic income will want to read in full. It is aimed at people who have already read several of John Rawls’s major works and some of the more philosophical works on distributive justice in general and basic income in particular. However, many of the arguments in this book are of interest to a wider audience, and I will try to give readers of CIT Newsletter a brief introduction to them.

Birnbaum’s starting point is John Rawls’s *Theory of Justice*, one of the most influential works of political philosophy of the Twentieth Century. Rawls’s most famous proposition, “the difference principle,” stated that the distribution of benefits from the joint social project should take incentives into account, but decision makers should use incentives to maximize the benefit to the least advantaged individual. When do we stop giving more to high achievers? When doing so ceases to be in the interest of the least advantaged people. Such a principle sounds favourable to basic income, but Rawls balked when confronted with the question of whether the difference principle should benefit lazy “surfers” who enjoy the benefits of the social project without contributing. The least advantaged individual in Rawls’s theory is not necessarily the poorest person, but the poorest contributor to the social project, apparently ruling out basic income.

Birnbaum’s project is to admit that the surfer problem exists but also to argue that on balance an unconditional basic income would further the overall goals of a Rawlsian economy. The surfer problem is a strike against basic income, but it need not be decisive, if basic income has other benefits that further Rawlsian goals. Birnbaum discusses many such benefits. For example, many contributors would benefit from the assurance of unconditional support. People who contribute to the social project in ways other than paid labour will share more in the benefits that they help to create and will be better able to make their contribution if an unconditional basic income is available. Subjecting disadvantaged people to extensive supervision to make sure that they are eligible for conditional redistribution is harmful to the self-respect that Rawlsianism is supposed to accord to contributors. Basic income gives workers the power to refuse exploitive working conditions. Finally, there is a large amount of wealth in society that attaches to nonhuman resources, and that can therefore be distributed unconditionally without violating any principles of fairness to contributors.

The latter half of the book responds to criticisms based on reciprocity, responsibility, and feasibility. A regular basic income can be important to upholding the security and autonomy that individuals need in order to make well-informed choices as self-respecting, equal citizens, and it, therefore, helps maintain responsibility. Birnbaum concedes that a contributory ethos is necessary to maintain a Rawlsian society with or without basic income and that basic income might therefore lead to exploitation of those who hold the

necessary ethos by those who don't. However, there is also a tension between the effort to eliminate any such exploitation and the neutrality-based goals of a liberal society. Birnbaum concludes that, given the constraints of feasibility, there is a tentative case to be made for a mixed redistributive system with some redistribution coming in the form of conditional benefits and some coming in the form of unconditional basic income.

Karl Widerquist, University of Reading

Erik Christensen, *The Heretical Political Discourse: a Discourse Analysis of the Danish Debate on Basic Income*, Aalborg University Press, 2008, 164 pp, pbk, 87 7307 936 2, £28

This collection of mainly previously published articles and book chapters contains a single simple message: in Denmark there has been a battle between a social and political discourse about workfare and a social and political discourse about Citizen's Income, and the former has won the battle.

It really doesn't matter that there is a certain amount of repetition between the different chapters (- there always is in such collections): what the different chapters together achieve is a variety of viewpoints from which the Citizen's Income and workfare discourses can be explored and from which the relationships and conflicts between them can be understood.

Particularly interesting from a UK perspective is the occasional widespread nature of the Citizen's Income debate in Denmark. Whilst we have experienced here considerable understanding of a Citizen's Income's feasibility and desirability amongst academics, policy analysts and some parliamentarians and civil servants, the kind of public political debate which Denmark has experienced has eluded us. The Republic of Ireland comes closer to Denmark in this respect, which suggests that size of population might have something to do with it.

As well as the debate in Denmark being widespread socially and politically, it has also been widespread in terms of its relationships with ideologies and ideas. Christensen's chapters on the battles between the Citizen's Income and workfare discourses in the labour movement and the women's movement are particularly interesting.

So how can a social and political Citizen's Income discourse cease to be 'heretical' and become mainstream political and social debate? The author suggests that advocates should position themselves

between exclusion and inclusion, thus avoiding the marginalisation which advocates experience if they treat a Citizen's Income as an alternative to the current socio-economic system *and* the marginalisation experienced when a Citizen's Income is treated simply as a minor administrative reform. He recommends Mathieson's notion of 'the unfinished', i.e. relating to the current situation and attempting to move it on to something very different. Here the workfare discourse is currently firmly in charge, and only a careful 'unfinished' strategy will give the Citizen's Income discourse any leverage at all. Such a strategy is possible because a Citizen's Income relates both to practical problems with the present system and to substantial reforms of the current system, so avoiding both inclusion and exclusion is possible in principle.

The UK isn't Denmark, but many of the issues are the same, and particularly the dominance of the workfare discourse. This book contains some valuable lessons and it should be essential reading for anyone interested in promoting debate on a Citizen's Income.

Clare Bamba, ' "Sifting the wheat from the chaff": a two-dimensional discriminant analysis of welfare state regime theory', *Social Policy and Administration*, volume 41, no.1, February 2007, pp.1-28

There are two ways of categorising welfare states: 'How much?' and 'How?'. In this important article Bamba shows how each of the numerous classification systems which have been offered since the 1950s have weighted these two different facts. She decides that the more useful categorisations are those which take account of both factors.

The problem with this article is that the 'How?' question is narrowly constructed, and only amounts to a question as to how much is funded by the state and how much by employers. The important matter of the structure of the entitlement system is not addressed. Yes, employer-funded schemes are contribution-based whereas state-funded systems are generally a mixture of both contribution-based and means-tested systems, so it might look as if the question as to how much the state pays and how much employers pay might act as a proxy for benefits structure, but the way in which means-testing is done and the extent of means-testing are entirely ignored in Bamba's categorisation, and this can't be right. To add a third factor, 'extent of means-testing', and a fourth, 'marginal withdrawal rates', would provide a more useful way of

categorising the different approaches to categorisation of welfare states.

A fifth factor is, of course, the extent of universal benefits such as Child Benefit: possibly a more important factor than all of the others when it comes to evaluating a welfare-state's structure on poverty reduction and labour market effects.

Patricia Evans, '(Not) taking account of precarious employment: workfare policies and lone mothers in Ontario and the UK', *Social Policy and Administration*, volume 41, no.1, February 2007, pp.29-49

This study of workfare for lone mothers in Canada shows that the result of the policy is precarious low-quality employment which leads to lone mothers cycling in and out of employment and thus in and out of means-tested benefits and to little emphasis on education and training. The more general anti-poverty approach of the UK Government is commended, but the importance of Child Benefit in the British system is unfortunately not recognised in the article.

Thomas F. Crossley and Sung-Hee Jeon, 'Joint taxation and the labour supply of married women: Evidence from the Canadian tax reform of 1988', *Fiscal Studies*, vol.28, 2007, no.3, pp.343-365

A change to the taxation system in Canada in 1988 has enabled Crossley and Jeon to conduct a natural experiment to test the effect of changes in marginal tax rates on labour market participation.

The Canadian tax system treats husband and wife jointly. Before the change, the husband received a tax allowance for the dependent spouse which reduced as the spouse's earnings rose. This meant that for each additional dollar earned by the woman, tax was paid on an additional dollar of the husband's income at the husband's highest current rate. After the change, deduction of the additional dollar of the husband's income was at a flat rate of 17%: the lowest tax rate. This meant that a low-earning husband experienced no change, whereas a high-earning husband experienced a change of 12% in their marginal tax rate.

The researchers chose two samples of couples similar in all respects except that the husbands in one sample earned \$24,568 (standard deviation \$37) and the husbands in the other \$53,273 (standard deviation \$195).

A simulation of average tax rates showed that for the low earners the tax reform created almost no change in net incomes, whereas for the high earners the effective marginal tax rate on the woman's additional income was considerably reduced, and that the difference was greatest for women earning \$5,000. This suggested that the effect of the change on labour market participation was likely to show up most clearly in part-time employment rates.

The researchers found that labour market participation amongst wives of high-earning husbands increased by 10%, which they rightly suggest is both 'economically and statistically significant' (p.357); and, as they expected, they found that 'the principal effect of the reform was to increase incentives for part-time work' (p.357). Amongst the wives of low-earning husbands there was no significant change.

The conclusion which the researchers draw is that individualising the taxation system would increase labour supply amongst women. This is a valid conclusion to draw for systems in which the jointness of the system imposes high marginal tax rates on spouses of earning husbands. The researchers also rightly suggest that their research should be 'of interest ... where the unit of taxation is the individual, but where recent trends towards means-tested benefits and tax credits on family income have increased the 'jointness' of the system' (p.362) – as in the UK.

They might have drawn a further and more general conclusion: that lowering marginal tax rates increases labour market participation. This is an important result which should have been highlighted. The study of the effects of tax and benefits changes on labour market participation is still in its infancy, and this article contributes significantly to the field because it shows that increasing marginal tax rates by means-testing benefits or by withdrawing tax credits will *decrease* labour market participation, and that decreasing marginal tax rates by increasing universal benefits such as Child Benefit and by replacing means tested benefits and tax credits by universal benefits will *increase* labour market participation.

It is a pleasure to read an article which contributes such unambiguous results to a field with direct application to the reduction of poverty and the efficiency of the economy.

Short notices

The October 2007 issue of **Social Policy and Administration** contains several articles of interest to

readers of this *Newsletter*. Martin Seeleib-Kaiser and Timo Fleckenstein show how Germany's labour market policies have recently followed the UK into greater reliance on means-tested benefits, and suggest that this has happened because 'policy-makers ... did not have concrete blueprints for labour market reform' (p.444) available to them other than the UK model. Suzanne Moffatt and Paul Higgs show how non-uptake of means-tested benefits by elderly people exacerbates the gap between the richest and the poorest pensioners, and suggest that it is 'unlikely that, in the immediate future, many frail and vulnerable older people will be able to operate as successful consumers in the welfare market, since consumer citizenship for older people depends to a great extent on their resources and health' (p.462). Siobahn E. Laird explains how in sub-Saharan Africa management of the economy is not enough and that government involvement in welfare delivery is essential to social cohesion. Robert Maier, Willibrord de Graaf and Patricia Frericks offer a life-course perspective on pensions provision and ask for 'new pension systems that fit the present life course with all its variations and interdependencies' (p.501). Finally, Alina Gildiner takes Canada as an example of some of the effects of policy drift.

In the September 2007 edition of the newsletter of the **Geneva Association** (the International Association for the Study of Insurance Economics) the association reports on its 'Four Pillars' project. Income maintenance in old age now has four pillars: state pensions, occupational pensions, private pensions, and employment income; and an article in the newsletter recommends that, in order to promote part-time employment amongst 'silver workers', a flexible framework and a smooth transition into retirement are required, and also the ability to take part-time employment both before and after official retirement.

Call for Papers:

Citizen's Income sessions at the Social Policy Association Conference

29 June – 1 July, 2009

The University of Edinburgh, Edinburgh, Scotland

The Citizen's Income Trust is attempting to organize several sessions on Citizen's Income at the Social Policy Association's (SPA) 43rd annual Conference to be held at the University of Edinburgh's George Square buildings, 29 June – 1 July, 2009. The theme is 'Policy futures – learning from the past?' and the

conference will provide a great opportunity for presentations on all aspects of Citizens Income.

To participate in one of these CI sessions, please send a title, an abstract of 300-400 words, together with full contact information and affiliation, to Annie Miller at the CIT office, info@citizensincome.org by **Friday, 30 January 2009**. These papers will be grouped by topic and sent to the SPA for their approval. They will announce the final decisions by Friday 6 March. The deadline for full papers is Monday 15 June, for uploading onto the conference website.

All participants must register with the SPA. Online booking opens in mid-January 2009, via www.cfr.ac.uk/spa2009/spa_index.html. Registration before Friday 24 April 2009 will offer a discounted fee which, for non-members, is £260 for the full conference and a reduced fee of £140 for students, unwaged and retired people. The registration fee after 24 April but before Friday 29 May 2009 attracts the full fee, which is £315 for the full conference and £165 for the reduced fee. This fee includes coffees, teas and lunches, and a year's subscription to the SPA. Accommodation for Monday and Tuesday nights costs £50 per night per person, while the Conference Dinner on the Monday evening, and a Reception on the Tuesday evening together cost £55. The conference starts with lunch on Monday 29 June and ends with lunch on Wednesday, 1 July 2009.

The conference fee goes entirely to the SPA. The Citizen's Income Trust may be able to contribute towards this cost for some delegates who have little or no other institutional funding. To apply for funding, send an application, including the abstract and notification of acceptance of the paper, to the CIT Treasurer, Philip Vince, at info@citizensincome.org by Friday 27 March.

The SPA publishes a journal *Policy World*, and members also receive copies of the *Journal of Social Policy* (CUP) and *Social Policy and Society* (CUP) free as part of their subscription. For further information about the SPA, see www.social-policy.com. For further information about the 2008 and 2009 conferences, see www.socialpolicy.ed.ac.uk. If you would like to submit directly to the SPA, send your abstract and contact information to spa09@ed.ac.uk by Friday 13 February 2009.