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Editorial

Introduction to the special issue on the basic income guarantee

The basic income guarantee (BIG) is the government's unconditional promise that no one's income will fall to zero. Most of its advocates portray BIG as a way to simplify the welfare system and to make it more effective. BIG would protect everyone from destitution without the overhead costs, humiliation, and many of the disincentive effects of the current conditional welfare system. It does so by ensuring everyone a small amount of money in a crisis, while being structured so that recipients are always better off earning more privately.

The U.S. Basic Income Guarantee Network was founded in New York in 1999 to promote further discussion of BIG as a policy alternative, and since 2002, it has organised yearly congresses. The USBIG Conferences are highly interdisciplinary, featuring presentations by scholars in many academic disciplines and by nonacademic activists and authors. Most of the papers in this issue come from the Second USBIG conference, which was held in conjunction with the Eastern Economic Association's Annual Conference in New York on February 21–23, 2003. All of the papers were subject to an anonymous peer review by referees chosen by me under the supervision of the editorial staff of the *Journal of Socio-Economics*.

Three papers examine ethical issues of BIG. Almaz Zelleke, an independent political scientist in Brooklyn, NY, examines one of the most basic arguments against BIG—that redistribution should be tied to a work obligation. She argues that the defence of work requirements implies a belief in the basic fairness of the system in which they are imposed. The inability of a welfare capitalist economy to deliver that fairness over succeeding generations undermines that basic fairness, diminishing the case for work requirements.

Joel Handler, the Richard C. Maxwell, Professor of Law and Professor of Public Policy at UCLA, examines the failings of the recent move from defining welfare eligibility in terms of the status of recipients to terms in which recipients earn eligibility by fulfilling contractual obligations to participate. The administrative failure of this new ideology provides an additional justification for basic income, which would give workers the ability to negotiate work contracts as equals rather than subordinates.

Michael Lewis, a sociologist at the SUNY School of Social Welfare at Stony Brook, enters the debate between basic income and “basic capital,” which pays a large one-time

34 grant rather than a regular income. He argues that although basic capital provides more
35 options, some common (and irrational) behaviour patterns imply that a substantial number
36 of people would use their basic capital in ways they would later regret. Basic income can
37 function as protection against this regret.

38 Diego Hernandez, an economist at the Universidad Nacional de Colombia, makes a
39 concrete proposal for BIG in Colombia in the form of a “preferential social dividend.” This
40 system creates a basic income out of an investment fund in which each citizen holds a share.
41 The paper both explains the policy and examines its financing.

42 Three papers examine issues of BIG’s economic efficiency. James Bryan, an economist
43 at Manhattanville College, finds that the efficiency loss associated with BIG is small relative
44 to the size of its revenue requirements and that most of the inefficiency results from the
45 behaviour of taxpayers rather than recipients.

46 Steve Pressman, an economist at Monmouth University, examines the issue of the
47 efficiency–equity tradeoff more broadly by comparing data for 17 countries and finding
48 no correlation between the amount of redistribution and the level of economic efficiency.

49 My article is a critical review of the literature on the Negative Income Tax experiments of
50 the 1970s, finding that the studies were unable to examine some critical variables such as the
51 demand response to a decline in labour supply. Therefore, the experiments overestimated
52 the cost of the program and its effect on work hours while underestimating its impact on
53 the incomes of the poor.

54 These articles provide a contribution to the debate on the basic income guarantee that is
55 going on in the literature in the fields of political science, philosophy, sociology, economics,
56 and public policy.

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