



ELSEVIER

The Journal of Socio-Economics 34 (2005) 27–38

The Journal of
**Socio-
Economics**

www.elsevier.com/locate/econbase

Universal basic income as a preferential social dividend a proposal for the Colombian case

Diego Hernández*

The Universidad Nacional de Colombia. Ciudad Universitaria Oficina 316 edificio 453, Bogotá, Colombia

Abstract

This paper proposes creating a Citizen's Universal Fund (CUF) (Fondo Universal Ciudadano, FUC), an enterprise having social patrimony, to which each Colombian would be associated through acquiring a share promising to pay her a perpetual income (after holding the share for 20 years), which we shall call the Preferential Social Dividend (PSD), (Dividendo Social Preferencial, DSP). The proposal is motivated by two objectives: the search for an effective solution to the problem of poverty and achieving real freedom for Colombians within the framework of a globalised economy, where people examine the markets in the search for greater well-being.

© 2004 Elsevier Inc. All rights reserved.

Keywords: Incomes policy; Welfare and poverty; Public policy

1. Introduction

This article consists of six sections. The theoretical elements on which the universal basic income proposal as a PSD is based are presented in the first section. The second section consists of an exposition of what the CUF would be, whilst the third section discusses its operation and financing. The fourth section is devoted to explaining the system's capital cost and financial risk coverage; the fifth section presents conclusions concerning the proposal. The sixth section presents the bibliography to which reference is made throughout the text.

* Corresponding autor. Tel.: +571 316 5000; fax. 571 316 5361.
E-mail address: dfhernandezl@unal.edu.co.

1.1. Theoretical foundation for constructing an enterprise with social patrimony

The number of outstanding and/or preferential shares must be determined when setting up a new enterprise. It is common practice for a company's founding partners to acquire some of the business's shares at their nominal or face value; the remaining shares are sold at prevailing market price to those investors who consider that such shares will produce a good return. This will be measured in the cash flow generated by this stock in the future, be it by the exchange or product of dividends distributed by the business at the end of each accounting or fiscal period.

This system allows businesses to collect sufficient capital to finance their projects; from this they create wealth in terms of added value generated by the good administration of these resources.¹

An investor evaluates the future cash flow of those projects where he has his investments according to his rate of opportunity, allowing him to establish his wealth in present values and take decisions regarding these investments, given their expected profitability and alternative projects.

This interesting system (which has allowed the modern development of financial theory concerning the capital market, and which has created the novel concept of financial risk coverage, has led to developed countries protecting their investment and generating greater wealth and well-being through exchange) must become the basis for the design of a system of benefits for human capital and the generation of social wealth.

The contemporary theoretical social framework is based on the concepts of freedom and justice proposed by Amartya Sen, John Rawls and Philippe Van Parijs, particularly the latter in his thesis of real freedom for all.

Amartya Sen, in his discussion about development and freedom, has distinguished the concepts of capabilities, functionings and commodities. Functionings refers to the different conditions of life (the different dimensions of being and having) which can or cannot be achieved, whilst capabilities refers to our ability to achieve certain conditions of life. A fulfilment is an achievement, whilst a capability is the ability to achieve. Functionings are, in a certain sense, more bound up with conditions of life, as they are different aspects of living conditions. Capabilities, by contrast, are notions of freedom in the positive sense of the term: those real opportunities, which one has respecting life, which can be taken (Sen, 1987).

The freedom to achieve different types of life is reflected in a person's set of capabilities. A person's capability depends on a variety of factors, including personal characteristics and social factors. A complete measurement of freedom must, of course, go behind the capabilities of personal life and pay attention to a person's other objectives (for example, social goals which are not directly related to one's own life), but human capabilities constitute an important part of individual freedom.

The concept of freedom is not a concept that is exempt from problems. For example, Sen says that if we do not have the courage to choose a particular way of life, even though

¹ Usually new start-up enterprises also use debt finance to begin its operations, however, the analysis in this paper only examines the equity finance perspective.

we could live in such a way if we did choose it, it could be expressed as if we did not have the freedom to live in this way with the corresponding capability.

Such a concept of freedom (as proposed by Sen regarding capabilities) makes us think about the necessary conditions or means for people to be able to develop and achieve their ends. One of the means (according to economic theory) contributing most effectively towards this purpose is income.

The capabilities–income connexion is outlined by Sen when he says that the identification of some minimum acceptable levels of certain basic capabilities could provide a possible focus for poverty and this strategy’s relationship with the more traditional focus of income. However, Sen states that the use of a focus concerning capabilities is not only confined to basic capabilities.

The conversion of income into basic “capabilities” could vary considerably between individuals and societies, in such a way that the ability to achieve an acceptable minimum of levels of “capabilities” could go hand in hand with the variation of minimum adequate income.

Income is not desirable in itself; any notion of poverty related to income must refer directly or indirectly to some basic ends promoted by income.

This reinforces the idea that the relationship between income and capabilities varies between communities and people from the same community. The minimum level of adequate income to satisfy the minimum acceptable level of capabilities could be variable depending on personal and social characteristics.²

Sen says that a minimum number of capabilities can be achieved by the level of income (given other personal and social characteristics on which capabilities depend). It should be possible (for specific social and personal characteristics) to identify the minimum adequate income for achieving a minimum level of capability. When this correspondence can be defined, there will be no difference between whether poverty is defined in terms of problems in basic capabilities or in terms of inadequate income.

An important conclusion to be drawn from Sen’s proposals for purposes of theoretically justifying efforts to achieve universal basic income is that the characterization of social inequality as being failure in basic capabilities can be seen more traditionally as being inadequate income. The PSD proposed here is aimed at the population achieving, maintaining, promoting and improving its minimum level of capabilities.

On the other hand and within his concept of “Justice as Impartiality”, Rawls (1971) establishes two principles regarding the concept of justice. Through these two principles, Rawls (just like Sen and Van Parijs) gives transcendence to the concept of freedom: (a) everyone has an equal right to the broadest set of fundamental freedoms, which are compatible with the set of freedoms for all and (b) social and economic inequalities must fulfil two conditions: they must (1) provide the greatest benefit for society’s least privileged members and (2) be associated with functions and positions open to all, in conditions of equitable equality of opportunity.

The PSD proposed here (respecting equitable equality of opportunity) allows citizens to have equal benefit for all, which (from Rawls’ perspective of justice) will fulfil the

² Sen defends that for people with disabilities of one form or another, a great deal income would be necessary if these people were to become functioning members of society.

principles of impartiality and work towards the benefit of the least favoured for whom income is fundamental for their subsistence.

Van Parijs (1995) defines real freedom as that incorporating three components: safety, self-ownership and opportunity, calling a society really free in which there is:

- (a) some well enforced structure of rights (security);
- (b) this structure is such that each person owns herself (self-ownership); and
- (c) this structure is such that each person has the greatest possible opportunity to do whatever she might want to do (leximin opportunity).

Van Parijs also links this concept of real freedom to his proposal for sustainable basic income when stating that if real freedom is a matter related to means, not exclusively to rights, then people's income acquire a great deal of importance.

Van Parijs does state, however, that the real freedom concerning him does not just refer to the freedom to buy or consume; it is the freedom to live as one wants to live. Van Parijs thus says that the importance of guaranteeing this power to buy independently from the work done by this person or from his disposition towards work emerges from this.

In the context of "real freedom" definition together to the concept of PSD used here, we can say that to achieve real freedom, universal access to sustainable basic income must be procured for the whole population, leading to this being achieved through this proposal.

Van Parijs thus provides the foundations for understanding universal basic income as an indispensable good leading to this real freedom for people themselves to live how they want to live.

Linking these theories (financial and social) enriches and broadens debate concerning the proposal dealt with here and will be the theme for the following section: Citizens' Universal Fund (CUF).

2. Citizens' Universal Fund (CUF)

CUF, in the hands of the Colombian State, will be the entity in charge of collecting, administrating and protecting Colombians' investments, which will consist of acquiring shares valued at US\$ 10,000 (ten thousand American dollars), which will be capitalised at a 5% risk-free effective annual rate of interest or at the annual rate of inflation³ (whichever may be the greater). CUF will be committed to pay a PSD in perpetuity, after 20 years' capitalisation, at the greater rate of interest represented by 4% annual interest or 75% of the inflation index averaged over 30 years. After 50 years of holding the title or 50 years of age if the title was acquired at birth, the PSD will increase (until the person dies) by the greatest value reached between 5 and 100% of the inflation index. After 20 and up to 50 years of receiving 4% PSD or 75% of the inflation index averaged over 30 years, the beneficiary will also become the creditor of a 1% annual interest rate on the capital accrued to date or 25% of the prevailing inflation index averaged over 30 years (whichever may be the greater), to be liquidated on the balance, but this value will be capitalised for increasing her wealth.

³ In the context of this paper the mentioned interest rates are in nominal terms.

The capital paid and accumulated will always stay in the CUF so as to increase the benefits and wealth of its stakeholders and to finance the inclusion of new members of the society who cannot acquire their share due to living in poverty.

The amount required by the Fund in pesos valued at year 2004 purchasing rate is 420,000 millions American dollars for a population estimated for 2024 at 42 million inhabitants older than 20 years of age. This money invested at a 5% annual rate of interest (supposing the maximum rate of capitalisation) will generate 2.65 times this wealth by the end of 20 years for each dollar invested today. This will allow annual PSD payments for the 1st year of 0.106 dollars annually for each dollar invested today, i.e. 10.6% annually, with respect to the share's face value, a figure, which will continue to increase up to 19.1% in the 80th year, thanks to the capitalisation of 1% of the interest. The capital accumulated balance at the end of 80 years will be 4.82 times each dollar invested today.

Widerquist (2002) mentions that this system will become self-sustainable after 100 years in his proposal, "Citizens Capital Accounts". This is obviously a long-term project, which will generate great economic and social wealth for all Colombians from the year 2024 onwards.

Surplus profitability over 5% (or the annual inflation index) generated by the CUF (received thanks to careful and honest administration) as well as seasonal situations of good economic moments reflected by stable, healthy macroeconomic indicators must be destined to administration of the CUF and risk coverage for those moments when economic cycles do not favour the economy (e.g., recessions and political or economic crises). Surpluses will be equally distributed among all its members and be added to the balance of the capital, without such surplus being paid out to its members.

Such surplus (whose balance will be maintained by differentiating the balance accumulated by capitalisation) will act as protection or provision for the CUF (and generally for its shareholders) mainly during moments of economic crisis or recession when it may be distributed amongst its partners (by law, according to the principle of solidarity established by the National Constitution). If this does not happen, the yield generated by such capital surplus will be distributed amongst its associates by extraordinary procedure.

Table 1 shows the results of this first approximation. The first box corresponds to a 20-year projection of US\$ 1 at today's purchasing power according to a 5% annual capitalisation rate. The first column in the lower box represents the years. The second column indicates the accumulated annual capital after the 20th year, supposing 1% capitalisation on the balance. The third column shows the PSD, which an associate will receive for each American dollar invested today. The fourth column is the balance and the last column is the annual value divided into monthly instalments.

Up to this point the proposal has included a statutory or obligatory capitalisation; however, citizens will have real freedom to make additional capitalisation to their own benefit. This could mean stopping accumulating PSD according to a life plan and withdrawing the same at the end of 5, 10 or 15 years, times when money may be needed for a holiday plan, buying a house or children going to University. Widerquist (2002) says that income produced by a "Stakeholder Account" complements an individual's wage/salary, and that this can be accumulated by a citizen for those times when the scarcity of work or when a person wishes to take a sabbatical to rest or increase his/her human capital takes on a new understanding.

Table 1

Future value of a one capitalised dollar for one person

Preferential social dividend		Population		Initial capital
Present value	1.00	1		1.0
Periods	20			
Interest rate (%)	5			
Capitalisation (%)	1			
Future value	2.653			
Inflation (%)	0			
Period	Capital (US\$)	American dollars (US\$)		
		PSD	Balance	Monthly instalment
20			2.653	
21	0.027	0.106	2.680	0.106
22	0.027	0.107	2.707	0.009
23	0.027	0.108	2.734	0.009
24	0.027	0.109	2.761	0.009
–	–	–	–	–
75	0.045	0.182	4.586	0.015
76	0.046	0.183	4.632	0.015
77	0.046	0.185	4.678	0.015
78	0.047	0.187	4.725	0.016
79	0.047	0.189	4.773	0.016
80	0.048	0.191	4.820	0.016

Behind this proposal is the larger concept of real freedom proposed by Van Parijs, which is why this system must be unconditional and must be for all citizens in our country with no distinction of class, religion, political conviction, etc. It must also include convicted people or those who may be legally deprived of their freedom, since this income can be destined for them to guarantee their families' support while they are being or about to be detained.

In the future, according to the country's macroeconomic conditions and perhaps with extra effort from the whole of society, citizens less than 20 years old or immigrants may be able to be associated, if this does not risk the system's financial viability. The way that the Fund will be operated and financed is presented in the following section.

3. The Fund's operation and financing

There will be a population of 42 million Colombians over 20 by the year 2024, according to the population growth rate estimated by CEPAL in 2000. There should be US\$ 420,000 millions⁴ invested in the Fund today (2004) to enable financing this population in perpetuity, because capitalisation of US\$ 1.1 billions will have to be reached by 2024. This investment will generate income for all Colombians equivalent to US\$ 45,000 millions at 2024 pur-

⁴ The sum is equivalent to US\$ 10,000 by person. This figure is given as a first approximation as an example.

Table 2
Future value of 10,000 capitalised dollar for one person

Preferential social dividend		Population		Initial capital	
Present Value	10,000	1		10,000	
Periods	20				
Interest rate (%)	5				
Capitalisation (%)	1				
Future value	26,533				
Inflation (%)	0				
Period	Capital (US\$)	American dollars (US\$)			
		Interest	Capital + interest	Balance	Monthly instalment
20				26,533	
21	265	1061	1327	26,798	88
22	268	1072	1340	27,066	89
23	271	1083	1353	27,337	90
24	273	1093	1367	27,610	91
–	–	–	–	–	–
76	459	1835	2293	46,322	153
77	463	1853	2316	46,785	154
78	468	1871	2339	47,253	156
79	473	1890	23623	47,725	158
80	477	1909	2386	48,202	159

chasing rate, enabling each Colombian over years of age to receive an annual PSD⁵ of US\$ 1327 for the 1st year, of which US\$ 265 will be capitalised and each person will receive US\$ 1061 divided into equivalent monthly instalments. A person living to the age of 80 will get US\$ 2386 at this time.

The figures mentioned above are shown in Table 2 (Table 1 has similar columns, having the same significance, except that the figures represent the equivalent to be a inverted today US\$ 1).

The system will operate then with the Colombian government issuing 42 million shares in 2004, which will be acquired by Colombians at a nominal value of US\$ 10,000 each.

The first source of financing this proposal will fall on all Colombians (as well as future generations) who, motivated by its many benefits, will have the incentive to make this investment. In turn, this will entrust the state as the sole interlocutor guaranteeing the population's social needs. The CUF (through loans financed by Multilateral Organisms) will be able to directly authorise loans for financing the acquiring of a share or through credits from other credit entities making payments directly to CUF; they will be entrusted with collecting the value lent.

The second source of resources will come from companies, which through personnel policies will become motivated to invest part of their utilities for the benefit of

⁵ As annual capitalisation will be at the greater rate of an effective 5% annual rate and the rate of inflation income for 2024 represents the purchasing power of this year's pesos and those of following years.

their employees. Tax stimuli may also be created for donations from companies to people who are not directly joined with them. Widerquist proposes a tax on capital inheritance.

Employed people may benefit from loans at favourable rates of interest to finance the acquisition of the share.

The third source of resources must come from Multilateral Organisms to cover the deficit accruing from those people in situations of poverty who cannot cover this investment and must become associated, together with their families, through national and international solidarity or social investment resources from the national budget.

The government, in common agreement with society, must establish extraordinary economic efforts for its citizens or immigrants to become associated to this project so as to widen the coverage to people less than 20-years-old and foreign citizens who have taken up residence in Colombia.

As the government will invest these resources for paying minimum, risk-free income which must at least compensate for inflation, the capital will be placed in a portfolio, which will include not just risk-free assets but also moderate risk investments such as long-term bonds from other countries or multinational businesses. It is thus necessary to design product risk evaluation systems concerning volatility in rates of interest as well as in macroeconomic variables such as inflation, growth and unemployment.

In this sense, it is necessary to estimate the minimum capital cost, which must be yielded by the investments which the government must make through a portfolio and measure the risk involved in the average duration, bearing in mind those cash flows which must be accumulated during the first 20 years and paid in 2024 and thereafter. The proposal for this purpose is presented in the following section.

4. Capital cost and risk coverage

CUF will administrate citizen's resources through low-risk investments such as US treasury or Colombian government bonds, constituting in turn a source of liquidity for the economy.⁶

The capital cost demanded or required for these investments will be the minimum 5% interest rate return or the prevailing inflation index (whichever is the greater) with which the patrimony collected during the first 20 years will be capitalised.

There are, however, theoretical alternatives for measuring the capital cost, which can be determined by the Capital Assets' Pricing Model (CAPM), a model for valuing assets at market prices (Sharp, 1964). This model allows minimum required capital profitability to be determined according to a risk-free return plus the differential between market profitability (measured as investment in a diversified portfolio) and the risk-free return, weighted in turn against beta indicating non-diversified risk, which is 1.0 for the present case.

⁶ This CUF will have important macroeconomic consequences in variables such as rate of national saving, foreign exchange rate, unemployment rate, growth domestic product (GDP), interest rate, etc., which is the object of another paper.

It is expected that the value of β_m will be the same as that of the totally diversified portfolio. This is taken to mean 1.0, since the CUF must invest its capital in a portfolio fulfilling the same characteristics as those of the stocks on which the S&P500 is calculated, as this is considered to be the reference for market profitability in economic terms. A portfolio of 500 stocks compensating for each one of these stock's marginal risk by their inherent characteristics must thus be put together.

Given this particularity for β_m , then the CUF's minimum required profitability for its investments (according to this alternative for measuring capital cost) will be R_m ,⁷ the profitability of a totally diversified portfolio formed by the shares on which the S&P 500 index is calculated.

$$R_e = R_f + (R_m - R_f) \times \beta_m \quad (1)$$

where R_e is the minimum required return, R_f the risk-free return, R_m the totally diversified portfolio's return and β_m the market beta, which for these purposes is 1.0. It measures non-diversifiable risk and is calculated in the following way:

$$\beta_m = \frac{\text{COV}_{m,j}}{\sigma_m^2} \quad (2)$$

where $\text{COV}_{m,j}$ is the covariance between the return of asset risk and the return of the market; and the term σ_m^2 the variance of the market (diversified portfolio).

Portfolio risk (caused by the volatility of those values expected in market interest rates returns) must be measured according to the financial criteria of debt mechanism duration, mainly representing a measurement of the sensitivity of cash flow net present value at the discount rate used (r). It is also a measurement of average term given by cash flows from payment of coupons and principal.

$$\text{DUR} = \frac{\sum [(C_t \times t) / (1 + r)^t]}{P} \quad (3)$$

where $t = 1, 2, \dots, n$, DUR is the duration, C_t the cash flow to be received during period t , P the investment's present value, r the rate of discount or opportunity and n the period of the investment's maturity.

If the Fund has a 5% reinvestment discount or opportunity rate (the same as the yield from the bonds), this will have duration equivalent to 13.085 weighted averaged years to cover these investments' future cash flows. Table 3 shows the results of calculating such duration with a 5% discount rate.

Table 3 has two boxes. Column 1 in the lower box represents the periods in years; column 2 corresponds to the investment's projected cash flow yield, supposing a 5% annual coupon. Column 3 multiplies the cash flow in column 2 by the number of periods to weight them according to the share price today of US\$ 10,000. The last column is the present value of Cash Flows multiplied by the periods.

⁷ The need to sum this minimum expected yield, the Country risk depending on what the CUF does or projects towards its portfolio investments must also be analysed.

Table 3

Duration of funds invested at CUF

Preferential social dividend duration			
Present value			10,000
Periods			20
Interest rate (%)			5.00
Capitalisation (%)			1.00
Future value			26,533
Discount rate (%)			5
Duration			13.085

Periods	Cash flow	$FC \times n$	VP FC
0	-10,000		-10,000
1	500	500	476
2	500	1000	907
3	500	1500	1296
4	500	2000	1645
5	500	2500	1959
–	–	–	–
17	500	8500	3709
18	500	9000	3740
19	500	9500	3759
20	500	10,000	79,147

5. Conclusions

Being able to combine social economic theory with financial theory is without doubt a great advance in the search for effective solutions in the struggle against problems of inequality and poverty currently confronting countries.

This could not have been achieved without Professor Philippe Van Parijs' intellectual capability and vision in proposing the idea of universal basic income in 1986. This idea has been learnedly spread by the Basic Income European Network (BIEN) and (as stated at the beginning of this article) continued by other academics such as Professor Karl Widerquist currently at Oxford University in England.

The proposal, more than being just an idea about the redistribution of income, converges on thoughts regarding the distribution of wealth as discussed by Widerquist. The latter combines the search for a more egalitarian and just society through eliminating problems of poverty due to lack of income (enabling individuals to achieve an acceptable minimum of capabilities, according to Sen) and the real freedom proposed by Van Parijs so that citizens can live, as they would wish to live.

This is a self-sustainable system demanding the cooperation and solidarity of all Colombians as well as that of the international community for the benefit of all. It will stimulate the creation of new alternatives for financing the development of those countries having less wealth. It combines concepts of business, society, investment and financing, as well as social policy, for the benefit of all citizens.

The impact on the distribution of wealth and equality of opportunity will be a better social indicator of this proposal.

The proposal will form important externalities around the system, which it implements as businesses and the financial system will move around the signals which this fund emits each time a CUF is created. It will be an excellent system of stabilising macroeconomics for the country, as it will generate a PSD for each Colombian in conditions of equality.

Perhaps the most important conclusion is that it will enable all citizens to achieve real freedom, since they will be able to fulfil their own life plans in terms of living as they would like to live, since they will have access to social patrimony providing and guaranteeing minimum income for life.

However, there are limitations to this type of proposal, the one having the greatest impact at present is that of not being able to be immediately implemented, as it requires a minimum investment and capitalisation time of 20 years and will initially only be offered to citizens older than 20. Initial economic efforts are considerable but novel-financing schemes can be proposed for the first 20 years.

The benefits will also include foreign citizens and should be a complement (not a supplement) to other social programmes and policies in education and health currently needed in Colombia. This idea can only be applied as a financing scheme in the future for universal systems in education and health since it will acquire a lot of credibility and confidence.

The system can generate and distribute 2.65 times as much wealth at the end of the next 20 years and 4.82 times in 80 years time for each dollar invested today. It can also generate much more wealth if it produces positive externalities in the culture and habit of saving and investment in Colombians.

Politically, the proposal must be transacted through and congress so that it can be institutionally implemented. Modifications and restrictions improving or limiting those benefits proposed here would then emerge during such process.

Investors can contribute to or increase the CUF by diversifying their portfolio with investments in these shares, which due to their nature become the risk free investment for Colombian case. Each Colombian will be limited to having at least one outstanding ordinary share in this society, but may increase his/her portfolio by acquiring more preferential shares. One free exchange must be established for the latter; there cannot be more for the ordinary ones, since they are non-transferable, as they constitute the CUF's *raison d'être*.

If this system were to be implemented in all countries, it would be difficult to eliminate economic differences or of wealth between citizens from different countries, since each member's initial contribution in their respective societies are different. This means that rich, developed countries will have a financially more solid CUF, allowing them to pay greater PSD to their citizens.

This proposal should lead to concepts and principles of citizenship, solidarity, universality and social justice inscribed in Colombia's political constitution being rescued.

The present author's task will be to deepen this proposal, studying and determining the figures closest to a real situation, as well as levels of risk and alternatives for measuring the capital cost.

Financial risk and CUF operation studies must also be done to establish which coverage mechanisms will enable the investor to have confidence in the system. It must generate attractive profitability for its members with a moderate level of risk, which must also become part of such additional studies.

Even though calculations presented here have been made with a required 5% interest rate and capital cost and/or minimum profitability, it is still necessary to evaluate alternatives for measuring the capital cost, as proposed in this document. CAPM methodology could be used as its expected R_e result should be the same as R_m , given that β_m will be equal to R_m (i.e., 1.0).

Acknowledgments

The author wants to thank to COLCIENCIAS and the Universidad Nacional de Colombia for the collective support given during its doctorate studies. I would also like to thank Professors Philippe Van Parijs and Karl Widerquist who have used their publications and networks to spread the basic income proposal, widening my knowledge concerning the theme of social economics, enabling such alternative social policy to be discussed in countries like Colombia. I have received much useful comment and helpful suggestions from Professors Consuelo Corredor, Jorge Iván Bula and Jorge Iván González in the Universidad Nacional de Colombia.

References

- Rawls, J., 1971. *A Theory of Justice*. Harvard University Press.
- Sharp, WF., 1964. Capital Assets Prices: a theory of market equilibrium under conditions of Risk. *Journal of Finance* 19, 425–442.
- Sen, A., 1987. *The Standard of Living*. Cambridge University Press.
- Van Parijs, P., 1995. *Real Freedom for all? What (if anything) can justify Capitalism?*. Oxford University Press.
- Widerquist K, *The Stakeholder Account System. A proposal for a hybrid of Basic Income and Stakeholder Grants for Britain and the United States*. USBIG Network Discussion Paper No. 36, July 2002.