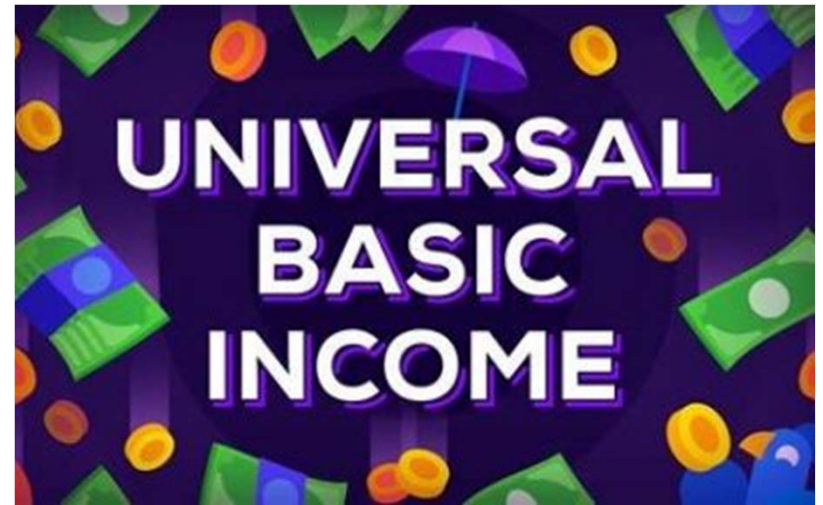
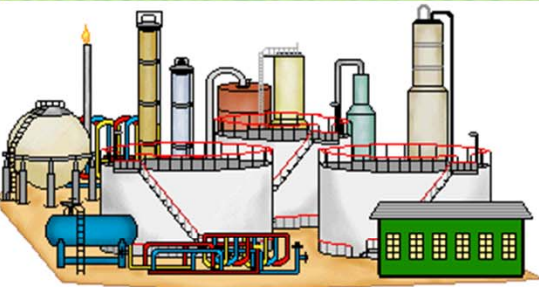


What's it to be?



Presentation by Bernard Thomson

Who gets to claim from Nature's bounty?
How much?
On what basis?



3 Principle Arguments

1. The Justice argument

- "By the sweat of your face you shall eat bread, till you return to the ground,..."

Genesis 3.19

- "If anyone is not willing to work, let him not eat. For we hear that some among you walk in idleness, not busy at work, but busybodies. Now such persons we command and encourage in the Lord Jesus Christ to do their work quietly and to earn their own living. "

2 Thessalonians 3:10-12

- "...and distribution was made unto every man according as he had need."

Acts 4:32–35

- “.. and be helpful each to the other in any common work, according to every man's ability, and as need shall require”

Guilford Covenant in 1639

- “From each according to his ability, to each according to his needs”

Slogan popularised by Karl Marx

- Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

- **UDHR - Article 25**

How does inflation work?

Who actually raises the prices?

3 Theories examined in the example of petrol prices (an SA favourite)

Theory 1: God does

Regular	449 $\frac{9}{10}$
Plus	484 $\frac{9}{10}$
Premium Diesel	529 $\frac{9}{10}$



Theory 2: The Invisible Hand does



And we have devised various theories to explain how the Hand know what changes to make.

$$P = f\{S, D\} \left(\frac{A + G}{100} a_n \right) + \sum_{n=1}^{\infty} a_n \left(\frac{WWCGAW}{f\{S\}} \right)$$

Theory 3: Anne (or Jim, or you or I) do



Theory 3 recognises human agency as ultimately responsible for making any and all changes to prices.

Why would Anne (or Jim, or you or I) put up prices?

1. We have fewer supplies for sale (our costs remain the same)
2. Our costs have gone up
3. We are expecting our costs to go up
4. Everyone else is doing it
5. We just want to be paid more (sometimes called greed)

PS: the increase in land prices, stocks or shares are not counted as inflation since they are investments.

3. Human dignity and social purpose

It is too difficult to think nobly when one thinks only of earning a living.

Jean-Jacques Rousseau

Work is the refuge of people who have nothing better to do.

Oscar Wilde

The goal of the future is full unemployment, so we can play..

Arthur C. Clarke

Two views

Income = Reward for economic contribution

Reward without effort undervalues work and leads to moral decay. (Reward is the primary motivation for work)

Income = Entitlement due to all citizens and their dependents

Universal entitlement recognises human worth without reference to economic contribution. (Working for the social good is its own reward)

In conclusion

Economics is both a theoretical and a practical science. As a practical science it seeks to inform action.

How would people's behaviour be affected by an unconditional income?

Would they become lazy?

Would they become more creative?

Would they become generous?

How would it affect you?

The only function of economic forecasting is to make astrology look respectable.

John Kenneth Galbraith

Work

Leisure



Justice

Dignity