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Abstracts

Aníbal Almeida, **Indecidibilidade, Intransitividade e Impasse na "Teoria da Decisão" (Indecidibility, Intransitivity and Impasse in Decision Theory)**

Resuming a project of a formal treatment and critique of "decision theory" left to ripen for about four years ("created 08-19-94; 12:55"; resumed from 09-11 to 09-28-98), the author previously exterminates or eliminates (i. e., he puts out of the limits of the logical space of his work) Robinson Crusoe, either alone or accompanied by his faithful Friday, as any other couple of decisors, as being unable to constitute an adequate basis for a model of decision theory because they do not allow for "simple majority" as a decision rule. He then proceeds with his own series of decision models with three alternatives and any number of decisors, pointing out the fatal emergence of "indecidibilities" as its inherent limitation as a picture of a "direct democracy". He then concludes that every model of such a kind simply ignores the conspicuous presence of government and market-powered firms between citizens and «sovereign consumers» and ultimate strategic decisions effectively taken in our modern, highly complex societies, even in those which are considered to be true "representative democracies".

Keywords:

Names: Cicero; Aristotle; Bernard Mandeville; Daniel Defoe; Alexis de Tocqueville; Winston Churchill; George Orwell; Rogério Ehrhardt Soares; António R. Damásio. Karl Marx; Paul A. Samuelson; John von Neumann; Isaac Morgenstern; Kenneth J. Arrow; I. M. D. Little; Amartya Sen; Ursula Hicks; Anthony Downs; Charles Tiebout; James M. Buchanan

Ideas: welfare economics; political theory; positive economics; normative economics; public choice; decision theory; game theory; theory of clubs; market power; direct democracy; representative democracy

Alfredo José de Sousa, **Controlo Externo das Finanças Públicas: O Tribunal de Contas (External Control of Public Finance: The Court of Auditors)**

In the text, the author details the meaning of the verb "to control" when speaking of external control and its aspects, as well as the Supreme Audit Institutions which all over the world carry it out: the Courts of Auditors and the Auditor Generals (Comptroller Generals). He then traces the historical route of the Court of Auditors from the "Casa dos Contos" (13th Century) until today. He also speaks of INTOSAI and the Recommendations of the IX INCOSAI, held in Lima and known as the Lima Declaration on basic audit guidelines. The author then closes with a reference to the external control carried out by the Court of Auditors in compliance with Law 86/89 of September (Law 86/89 of 8 September was revoked by Law 98/97 of 26 August: The Law on Organisation and Procedure of the Court of Auditors).

Keywords: external control; public finance; Court of Auditors; auditor general; INTOSAI; the Lima Declaration

Carlos Pimenta, **Heterodoxias e o Conceito de Procura (Heterodoxies and the Concept of Demand)**

Recognised the existence from an economic knowledge spontaneously accept by the international scientific community, heterodox ways and models must be presented. After a short reference to the possible heterodox ways (interdisciplinarity, Theory of Chaos use, reconstruction of the rationality, linking alternated paradigms, rebuild the elementary concepts and theoretical plurality) we applied those ideas building a general model of the demand by the elementary concepts' criticism. To finish we make a balance with the build model's convenience and inconvenience.

Keywords: demand; complexity; rationality; heterodoxy; methodology

Álvaro Cunhal, **No 150º Aniversário do Manifesto Comunista (On the 150th Anniversary of the Communist Manifesto)**

The Communist Manifesto has, as its central theme, the theoretical explanation of the explorative and oppressive nature of the capitalistic system, of the laws of its development, of its inherent contradictions, and of the arrival of the historical period that will revolutionarily overcome it by a society where there is no place for exploration of man by man. The communist movement launched, with the October Revolution of 1917 and its historical realisations and repercussions, and inspired in the whole world, throughout the twentieth century, great victories in the fight for the liberation of peoples. With the end of the USSR and the other great defeats of communism, capitalism has launched a global offensive, considered to be unstoppable, viewing world domination as the one system, without any alternatives. It proclaims the end of ideology and just one type of thinking. It has been, meanwhile, unable to solve the problems of humanity. Chewed by contradictions, it will inevitably face a new flux of worker fights, of peoples, of oppressed nations – forces which bear their own ideology, whose fundamental bases are pointed out by the Communist Manifesto. The future of humanity is in socialism and not in capitalism.

Keywords: capitalism; socialism; marxism

José Xavier de Basto, **As Perspectivas Actuais de Revisão da Tributação do Rendimento e da Tributação do Património em Portugal (Income and Wealth Taxation in Portugal — Current Perspectives)**

Ten years after the major tax reform of the eighties, the Portuguese tax system attracts much criticism, mainly on equity grounds, due to a perceived unfair distribution of the tax burden between the income groups.

The object of this paper is to explore some lines of revision of the current system, in what concerns income and wealth taxation, in order to correct the system's main defects.

The shortcomings of the Portuguese tax system are also present in most tax systems of industrialised countries, since they are the product of the globalisation of the economy, but some policy measures could improve its performances, in spite of the Author being sceptic on the possibility of eradicating the current equity distortions that are universally recognised in contemporary tax systems.

In what regards the personal income tax (IRS), the problems of the widespread use of definitive withholding taxes on income from capital, as well as the taxation of capital gains and the alternative of taxing presumptive income from autonomous labour, and individual profits from commercial, industrial and agricultural activities, are analysed.

Concerning the corporation income tax (IRC), the Author discusses the high concentration of the tax yield in a small group of corporations and explores the merits of a minimum tax to reduce the importance of this anomaly.

On wealth taxation, the Author concludes that, from the three taxes currently existent (local tax on transfer of immovable property, gift and inheritance tax and local property tax), only gift and inheritance tax constitutes a consistent piece of the tax system, according to the principles of ability to pay. The local tax on transfer of immovable property (sisa) does not fulfil a logical role according to the above mentioned ability-to-pay-principle, its abolition being imminent. The local property tax (contribuição autárquica), on the other hand, is a very dubious device of the tax reform of the eighties.

The Author refers the current project of adoption of a single tax on wealth and reveals his scepticism on its fundamentals, although only the knowledge of the technical details, which is not yet available, could set up a more definitive judgement.

Keywords: Portugal; tax reform; income taxation; wealth taxation

Aníbal Almeida, **Do "Oscilador de Samuelson" ao Espectáculo da "Propulsão" (From "Samuelson's oscillator" to the "Propulsion" show)**

On the sixtieth anniversary of the, indeed, "brilliant article" of Paul A. Samuelson, *Interactions between the multiplier and the principle of acceleration* (1939), and in consequence of a friendly "provocation" by Professor Manuel Jacinto Nunes, the author aims to establish a balance on the scientific survival of the well known Samuelsonian "interaction mechanism" as a metaphor or "parable" for the cyclical evolution which characterizes the "capitalistic mode of production". Beginning with the correction of some minor numerical misprints and mistakes that appear in the original (§ 1), and proceeding with the recapitulation of the theoretical background of "(Hansen /) Samuelson's model" (§ 2), the author dedicates § 3 (the last paragraph of Part 1) to the task of "turning the deductive crank" (Samuelson's words) in order to obtain the solutions for some critical species of that model.

Keywords:

Names: J. M. Clark; E. D. Domar; R. Frisch; R. M. Goodwin; A. H. Hansen; R. F. Harrod; W. W. Heller; J. R. Hicks; M. Jacinto Nunes; M. Kalecki; J. M. Keynes; L. R. Klein; K. Marx; S. Menshikov; L. L. Pasinetti; P. A. Samuelson; D. H. Robertson; J. J. Teixeira Ribeiro; J. Tinbergen

Ideas: multiplier; accelerator; "interaction"; business cycle theory; stabilization policy; "pump-priming"; "leverage effect"; "propulsive effect" (of public spending); "propulsive policy"

Carlos Pinto Correia, **A Teoria da Escolha Pública: Sentido, Limites e Implicações**
(**The Theory of Public Choice: Purpose, Limits and Consequences**)

The paper deals with some theoretical questions raised by the economic approach to political decisions known as *Public Choice*. In the first part, *public choice* is distinguished from other social choice approaches, and its origins are discussed. The application of the neo-classical theory of consumer behaviour to political and economic decisions is explained as an example of Kuhn's shift of paradigms. The main elements of the new paradigm are discussed and its links with the utilitarian tradition are stressed.

Keywords: public choice; origins; economic decision-making; analysis; models; political decision-making; application; characteristics; individualism; subjectivism

Maria Amélia Sineiro de Andrade, **O Sistema Europeu de Bancos Centrais (SEBC) — Algumas Considerações — (The European System of Central Banks — Some Considerations —)**

In this last part of our dissertation we continue to reflect on the problem of governing the unified monetary space in construction (and urgent due to the choice of a sole European currency which also influenced the conception of the institution responsible for its emission and management). In truth, a stable and credible monetary system requires a monetary authority that simultaneously independent and responsible, not permitting or implying its permeability to any pressures.

The equilibrium established is, rather, delicate and can, reveal itself to be fragile — an independence such as this is practicable or are we before another myth?

It was in this sense that in chapter IV of part II of our dissertation, parting from a concept of functional independence (that considers all of the objectives to be pursued and the functions to be exercised) that we considered the degree of liberty of operational action reserved to the ESCB, trying to sort out some "grey areas", that can constitute true threats to its independence, considered necessary to assure price stability. In this perspective, we analysed its competence to conduct single monetary policy and in the emission of a European currency, its banking functions, its intervention within the scope of external relations, as well as the prohibition of financing budget deficits.

In chapter V we tried to approach diverse questions that the adoption of the principle of the progressive realisation of the EMU and the institution of a "Monetary Union at various speeds" comports: is the transition period really indispensable? What is its preferable duration? How does one justify such polemical convergence criteria as conditions to pass to the 3rd phase of EMU (and the adoption of a single currency)? Is this differentiated monetary integration or "of variable geometry" legitimate? What is the status and attributions reserved for the "transition" organism, the European Monetary Institute?

Finally, we made some considerations in which, and in synthesis, we refer to questions and uncertainties that remain open — were the best solutions adopted in the final analysis? What is the ideal status for the European Monetary authority?

What is at cause here is the success and credibility of this European

project, the institutional debate that we started reveals itself to be crucial, given the implementation of a ESCB which implies fundamental political options. It touches essential aspects of the whole community construction and constitutes a step in the process of European integration, an unfinished work and which can evolve.

Keywords: European System of Central Banks; economic and monetary union; single currency