



Basic Income

Affordable Housing

Senior Tag Team

## Basic Income

*"A rich country must give everybody the assurance of a basic income. This can be afforded and would be a major source of social tranquility. Let us always keep in mind that nothing so denies liberty as a total absence of money," - John Kenneth Galbraith*

**Question: What is economic security for mid-life and older women?**

**Answer: A reliable and adequate source of income either from a pension or from income supports**

**Here's a BIG IDEA!**

## Origin of the BIG Push Campaign

Rob Rainer has spearheaded a new national campaign for basic income. He maintains that the time for this is long overdue, and is committed to making a concerted "push" for a basic income guarantee so that every man, woman and child in Canada may finally have the true social security that is their right.

Across Canada there are innumerable people who know about basic income or are newly discovering it, are convinced of the rightness of this public policy, and are ready to add their shoulder to the "push." Many of us have banded together behind The BIG Push. Others are involved in parallel and linked efforts, such as a team on PEI now doing fantastic work for a basic income guarantee there.

Many are working with Rob in this vital campaign to make Canada a world leader in social security.

*"We are faced with the fact, my friends, that tomorrow is today. We are confronted with the fierce urgency of now. Procrastination is still the thief of time. Over the bleached bones and jumbled residues of numerous civilizations are written the pathetic words 'Too Late!'" – Rev. Martin Luther King Jnr*

### **The BIG Push: Goals**

1. Raise public awareness of basic income – what it is and why it is needed
2. Build public and policy support for an expanded system of basic income in Canada
3. Secure public commitments to expand the system of basic income in Canada.

### **What is basic income?**

Basic income is money paid by government to eligible persons with few, if any, conditions attached (e.g., residency). Notably, there is no work requirement. Basic income is also known by other terms including guaranteed income, citizen's income, citizen's dividend and refundable low income tax credit.

### **How much basic income is paid?**

Basic income should be sufficient to meet basic needs common to all, for recipients to live modestly but decently. In the absence of any other income, the amount to be received annually could be in the range of \$20,000-\$25,000 for an adult and \$6,000-\$7,000 for a child.

### **Why is basic income necessary?**

Were basic income to be fully available in Canada, it would help prevent poverty, reduce inequality, enhance individual freedom, boost human creativity, stimulate entrepreneurship, promote citizenship, increase efficiency in public services and reduce government intrusion in private life.

### **If everyone has access to basic income, why would anyone do paid work?**

By stabilizing financial security, basic income helps promote engagement in satisfying work, whether that work is paid or not (much worthy work is not amenable to the paid labour market). Moreover, basic income should be sufficient to meet basic needs. For special needs and for wants in life, income from other sources is necessary. For jobs that are comparatively unpleasant, employers may need to provide better working conditions, for example raising wages and providing attractive benefits.

### **How may basic income be financed?**

Ways of financing basic income are numerous. They include folding certain existing income security programs into a basic income scheme; reallocating other public spending in favour of basic income; strengthening fairness in the tax system so that more money can be available for basic income; establishing a federal "permanent fund" financed by shares of natural resources-based revenue, and directing the resulting money to basic income; and closing tax havens and loopholes and directing recovered money to basic income.

### **Has basic income been tried anywhere?**

In the 1970s the governments of Manitoba and Canada ran an experiment testing basic income. The

experiment resulted in significant improvements in certain health and educational outcomes for residents of the town of Dauphin, the principal focus of the study.

Today, there are several Canadian variants of basic income e.g., the Canada Child Tax Benefit, Old Age Security and the Guaranteed Income Supplement. In general, these age- and income-tested programs increase economic and social security for recipients. What's needed is to improve upon such programs and to expand Canada's system of basic income to ensure the economic and social security of working-age adults.

Outside of Canada well-established programs exist, for example, in Alaska and Brazil. Pilot or experimental programs have been completed or are in underway in countries such as Namibia and India. In general, the emerging evidence suggests that the benefits of basic income outweigh the costs.

### **Who in Canada supports the idea of basic income?**

There are many reasons why basic income is attractive, from objectives typically associated with the "left" to those typically associated with the "right". Accordingly, support for basic income is found from many walks of life. Politicians known to support basic income are found in each of the major federalist political parties in Canada.

There is growing evidence of basic income's promise, thanks to cash transfer programs that have been established or tested outside of Canada. As well, we know that certain existing programs that approximate basic income, e.g., Canada Child Tax Benefit for families with children under 18, and Old Age Security and Guaranteed Income Supplement for seniors, strengthen social security.

Nonetheless, as noted by Dutch academic and basic income advocate [Loek Groot](#), in a [2006 paper](#) on the value of basic income experiments, "the BI proposal is highly controversial because it hits the 'moral core' of the existent welfare state, which provides benefits conditionally, temporarily and selectively. Morally, BI is a big step for mankind....a radical idea such as a BI needs to be shown to work, in order to get it on the political agenda."

We agree: basic income *is* a radical but necessary step for Canada to take. It is not much yet on the political agenda (there are a few waves) but we intend that it become so. Part of our strategy is to encourage one or more multi-year basic income pilot programs. The reason is simple: to gather further evidence from within Canada of basic income's benefits relative to the investment required as well as to help demonstrate how basic income can be efficiently delivered. We believe that the evidence from one or more properly designed, well-run basic income pilot programs would prove compelling.

Towards this objective, a team of thinkers is tackling challenging questions concerning proper design of pilot programs to test basic income. We aim to complete the work by spring 2014: the output will help

us construct a detailed concept proposal for one or more pilots. The proposal will help make the case to the federal, provincial and territorial governments for a thorough testing of basic income.

### **The Difference in Your Life**

What difference would basic income make to you?

Basic income would affect different people's lives in many different ways. Imagine yourself and others having a basic income. Consider its benefits for you and for people you know. What would life be like? Let your imagination flow!

*"All humans are human and not one is more important than the other," - Senator Roméo Dallaire*

### **How does basic income help employed people?**

#### **The issues:**

Basic income is relevant to the issues faced by employees in many different ways. This is a selection of the relevant issues employees face.

- Many employees have 'precarious' work – short contracts, temporary jobs, seasonal employment or fewer hours than they would like. They may face unpredictable hours and be expected to be available at short notice. Their social insurance contributions may be too limited to ensure full access to government benefits during periods of illness or unemployment, or full pension entitlements in retirement. They may also experience delays and bureaucratic obstacles in claiming benefits.
- Many employees have alienating or dead-end jobs, with little opportunity for training or skill development. They may have to work in enterprises that are socially or environmentally harmful.
- The balance of power between employers and employees is almost always in favour of employers. Many employees lack negotiating power about pay and conditions and many have to contend with unskilled or unscrupulous management.
- Many employees are obliged to work more hours than they want or than suit their personal or family circumstances, their ability level, or their need to combine caring responsibilities and employment. Long hours of employment can prevent people from engaging in other valuable but unpaid work in the household or community, or in political activity, education or personal development. Low-paid employees who would like to work fewer hours may find that option financially unviable. High-paid employees who would like to work fewer hours may encounter resistance from their employers.
- Some employees have to retire at 65, even if they like their jobs, are still contributing to their enterprises, or have inadequate pensions.

#### **How basic income could help:**

- Basic income gives employees a genuinely flexible relationship with the labour market and meaningful choices about whether to stay in jobs that are unsatisfactory for any reason.

- Basic income evens up the balance of power between employers and employees, because genuine exit options exist for employees. Employees have more confidence and negotiating power in seeking better wages or conditions, individually or collectively.
- Basic income gives people in short-contract or precarious positions an unbroken, guaranteed income to tide them over between periods of employment.
- Basic income is not conditional on social insurance contributions.
- Basic income makes shorter-hours paid work more financially viable. Shorter hours does not necessarily mean fewer hours per day or week, but could be negotiated across a year, to suit the type of work involved.
- Because basic income gives employees more options, employers are more likely to accept people working shorter hours.
- Basic income makes it financially viable for people to do low-paid work that is of direct social benefit.
- Basic income allows people to reject low-paid jobs that are unattractive. These jobs will have to be better paid, or work will have to be re-organised to get the same tasks done.
- Basic income supports people who withdraw from or decrease their time in the labour market to work for themselves – growing food, making or repairing things, caring for others – either as self-employed workers or as unpaid contributors to their households and communities.

#### **What basic income will not do:**

- Basic income provides economic security, but most employed people will still want to do paid work so that they can have a higher income. So although basic income will give employees more freedom of choice and more bargaining power, it will not on its own resolve the issues employees face. But it can make people more financially comfortable, so that precarious employment and underemployment are less of a problem. Basic income also facilitates different forms of employment such as cooperatives and partnerships.

## **If You are Unemployed**

### **How does basic income help with being unemployed?**

#### **The issues:**

- Welfare in Canada pays such low benefits that it pressures people to pursue work that may be morally or socially unacceptable.
- Under current welfare systems, people can be worse off taking up paid work than remaining on benefits, due to unemployment and poverty traps.
- When a person is unemployed they do not have financial security and can find themselves at risk of poverty. Even if they are receiving Employment Insurance or welfare, this is subject to various conditions and is in danger of being withdrawn.
- Those who are unemployed often experience anxiety for their dependents and the financial security of their dependents.
- Those who are unemployed can often feel devalued and humiliated by the process of signing on to Employment Insurance or welfare.
- Being unemployed for a long period of time can lead to a person becoming disconnected or excluded from society.

- Being unemployed can lead to a person feeling that they have lost their independence, their identity and their purpose.
- Employment Insurance and welfare systems offer little encouragement for entrepreneurship.

#### **How basic income could help:**

- Basic income offers those who are unemployed a simple, fair and transparent income support system with administrative, non-stigmatizing efficiency.
- Basic income allows people who are unemployed to take up paid, unpaid and self-employed work.
- Basic income ensures that taking up paid work is always worthwhile because it removes poverty traps and unemployment traps.
- Basic income provides unconditional basic financial security for individuals and their dependents and gives people control over their lives. They are no longer at the mercy of the social welfare system.
- Basic income recognises and supports unpaid work.
- Basic income supports entrepreneurship and self-employment opportunities for those who become unemployed.
- Basic income eliminates the social stigma, humiliation and intrusiveness that can be associated with Employment Insurance and welfare systems.

#### **What basic income will not do:**

Basic income won't solve the structural factors behind unemployment, such as increasing automation.

## **If You are Self-Employed or Trying to Start a Business**

### **How does basic income support entrepreneurship and self-employment?**

#### **The issues:**

Society benefits from entrepreneurship, yet budding entrepreneurs and people considering self-employment face many challenges in making their venture a success. These challenges include:

- Accessing credit.
- A high exposure to risk with the possibility of losing everything, becoming bankrupt and being plunged into poverty if the venture fails.
- Establishing the business while making a living at the same time, and dealing with the insecurity of income and cash-flow problems during the early phase of the business.
- Recognising that the need to invest all their time in the venture may mean putting other aspects of their lives on hold. This can result in many potential entrepreneurs abandoning their ambitions and dreams because of their over-riding commitments to other people.
- Pressure from the market and from investors means the self-employed person or entrepreneur feels obliged to choose between doing work that the market recognises as profitable and

capable of providing a high financial rate of return or doing “unprofitable” work of social benefit that will not attract investment support.

- Pressure to keep the business “growing” at all times: sustainability, as opposed to making a profit, is not often considered to be an acceptable outcome.

#### **How basic income can help:**

- Entrepreneurs benefit from the provision of a guaranteed ongoing basic income and associated cash flow. It is a boost to existing enterprises and a support for those starting out.
- Basic income makes accessing credit easier as it reduces the risk the entrepreneur presents to creditors.
- Basic income reduces entrepreneurs' exposure to risk – as they won't 'lose everything'. Business wind-down does not equal personal disaster and the guaranteed basic income remains in the event of bankruptcy.
- The entrepreneur's dependents are not completely reliant on the success or failure of the venture as they have their own basic income.
- A basic level of income security is available while the entrepreneur develops the necessary networks and markets to sustain the enterprise.
- A basic income increases the viability of business ideas that investors may not consider profitable or that don't have the potential to provide a living wage. This in turn permits society to benefit from greater levels of social entrepreneurship, where people can do important work that doesn't provide a living wage in the market.
- Basic income enables a co-operative or partnership approach to ventures by reducing collective (as well as individual) risk.
- Basic income enables better long-run planning in the enterprise because short-term survival pressures are reduced.

#### **What basic income will not do:**

- Basic income cannot remove all the risk from establishing a new venture. People will still need to invest their scarce time and scarce savings, or encourage other people to invest their savings in the venture.
- Nor can basic income guarantee the success of the venture. This will still depend on the talent, effort and persistence of those involved.
- Basic income will not change people's perceptions of what constitutes worthwhile or useful work.

### **If You are Young**

#### **How does basic income respond to the issues facing young people?**

##### **The issues:**

- Young people find themselves under tremendous pressure from an early age to make life choices. Unless their families are well-off financially, they can be discouraged from exploring

different career paths. Faced with the stark choice between full-time work and further education, they often don't have the breathing space they need to think about their future and try things out.

- Financial insecurity encourages young people to focus on how to make money rather than doing work of social benefit, or developing personal fulfillment. Advice from friends, family, educators and the media often reinforces the pressure to use their talents for financial success.
- For many young people, the language of industriousness, entrepreneurship and upward mobility rings hollow when faced with limited options and opportunities.
- Burdened by debts arising from education fees and other costs, and facing limited prospects of satisfying employment, young people can feel insecure, powerless, and a burden on their parents and on society at large.
- Many young people therefore see the need for an alternative new paradigm that will ensure stability and sustainability, while widening individual freedom.

#### **How basic income can help:**

- Basic income reduces the financial pressure on young people to make hasty decisions about the future. By ensuring unconditional and sufficient income regardless of economic or educational activities, basic income gives young people space and time to make decisions whilst encouraging exploration and reflection.
- Basic income opens up a range of occupational options to young people that may not be feasible without an independent income. These may include creative, artistic and entrepreneurial pursuits as well as voluntary work. Basic income enables young people to think less about making money and more about the social value of their work and its contribution to personal satisfaction.
- By providing financial security, basic income reduces the pressure to migrate elsewhere in Canada or even emigrate from Canada altogether. It facilitates creative solutions to unemployment and supports people who undertake useful unpaid work. It allows young people to become active in their communities as valued stakeholders and citizens.
- Basic income helps students avoid debt and provides everyone with a sense of security, empowerment and independence.
- Basic income encourages a new social paradigm based on personal security, sustainable development and wider freedom of choice.

#### **What basic income does not do:**

- Basic income is not a panacea. It will not ensure that every young person has a job.
- Basic income will not make every occupation financially rewarding.
- On its own, basic income will not change social attitudes about what counts as a worthwhile career.

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## If You Care for Others

### How does basic income support caring?

#### The issues:

- We all need care from others, particularly when we are young, ill or infirm.
- We are all potential carers – as parents, children, spouses, and other relatives; as partners, friends, neighbours, and lovers; as workmates and professional care-givers...indeed, in all our social relationships.
- The work of care is unequally shared between men and women. Women do the lion's share of care work.
- People who need care may lack any income of their own and depend financially on others.
- Those who become the primary carers for others often find it impossible to combine care work with paid work.
- Modern societies and economies provide little support for care. Where it is provided in the form of tax credits for home carers or the carer's allowance, it can be insecure and inflexible. Both of these payments are subject to a number of detailed conditions.
- Care has been pushed to the margins: it is generally poorly recognised and supported.

#### How basic income can help:

- Basic income provides a secure income to anyone who needs to care for others, and for anyone who needs care.
- Basic income gives people the flexibility to combine caring for others with part-time employment. Indeed, it gives everyone – both women and men – greater freedom to adjust the balance between care and employment. It eliminates the 'care trap' that can penalise carers for taking paid employment.
- Basic income avoids bureaucracy. In a basic income system, carers do not have to apply for allowances and credits. No one has to convince officials of their need for care or their need to care. No one is denied support for care because their situation doesn't fit bureaucratic regulations.
- Basic income guarantees care recipients an income of their own and therefore gives them a greater sense of empowerment.
- More generally, basic income is a general expression of the care we owe to each other, by giving everyone the financial security to meet their basic needs.

#### What basic income won't do:

- Basic income will not meet the extra costs of care for people with special needs – these will still have to be provided for through a proper system of supplementary payments and good healthcare services.
- Basic income will not resolve the problem that women are expected to do most of the care work. We need to change social expectations about gender and social policies relating to care.
- Basic income will not resolve all the burdens and anxieties of care, or force governments, employers or society to take care more seriously.

## If You Do Artistic or Creative Work

### How does basic income support artistic and creative work?

#### The issues:

- Artistic and creative work adds economic value to society, but it is often valued only for its potential contribution to economic growth.
- Artistic and creative work is also intrinsically valuable, but this receives little recognition. There is also a narrow appreciation of the contribution of art and creativity to social and individual development.
- Those who make artistic and creative work their chief occupation often experience income insecurity, cash-flow problems, even poverty. There is often pressure to ‘get a real job’ or to do commercially valued work, in order to earn a living. Financial stress can impede creativity.
- If an artist takes a ‘real job’ in order to earn money, it is usually difficult to find time and energy for the artistic and creative work. For those not currently engaged in artistic or creative activities, the need to earn money may mean there is little time or energy left to learn artistic skills or to develop their creative capacities.
- Many full-time artists and creative workers are dependent on grants or patronage, which may not support the kinds of work they want to do. This may result in an unfulfilled passion or a sense that one cannot make the contribution one is capable of or would like to make.
- Some artists and creative workers are supported by family members, which may put financial strain on those providing the support.
- Those who engage full time in low-paid or non-paid artistic and creative work may end up putting the rest of life ‘on hold’, in order to prioritise artistic or creative activity.

#### How basic income can help:

- Basic income is not payment for artistic and creative work. It is recognition of everybody’s need for financial security, regardless of the kind of work they do.
- Basic income reduces personal dependency on family members, grant committees and other patrons. The other people in one’s life also have a basic income, so they are not ‘dependent’ in the way they might be now. In all, this frees up time and reduces stress for everyone, which in turn is good for creativity and learning.
- Basic income increases freedom to practice all kinds of art and creative activities, including work that is of deep personal interest, or of direct social benefit. It reduces pressures to pursue work that is commercially viable.

- Basic income increases opportunities for everybody to try out creative and artistic activities and to include them in the range of work they do, whether that be full- or part-time, as professional or amateur, paid or unpaid.

**What basic income does not do:**

- Basic income is not a panacea. It will not automatically create a greater appreciation of the value and range of artistic and creative work.



*I am now convinced that the simplest solution to poverty is to abolish it directly by a now widely discussed measure: the guaranteed income. A host of positive psychological changes inevitably will result from widespread economic security. The dignity of the individual will flourish when the decisions concerning his life are in his own hands, when he has the assurance that his income is stable and certain, and when he knows that he has the means to seek self-improvement.*

*Rev. Martin Luther King, Jr. (1929-1968)*