



**Basic Income Canada Network
Réseau canadien pour le revenu garanti**

**Written Submission to the Finance Committee's pre-budget
consultations on the
2025 Federal Budget**

**By: Basic Income Canada Network/
Réseau canadien pour le revenu garanti***

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Chairperson

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*Endorsed by UBIWorks, LeadNow, Coalition Canada-Basic Income/revenu de base, Basic Income Alberta, Ontario Basic Income Network, Basic Income Manitoba, Basic Income Nova Scotia, Lanark County Basic Income Network, Yukon Anti-Poverty Coalition, PEI Working Group for a Livable Income.

RECOMMENDATIONS

1. That the federal government fund the start of an integrated national basic income security system with these elements:
 - (a) Funding to immediately increase security and adequacy for struggling Canadians to meet the urgent need, especially among single adults, by utilizing *existing unconditional* income security measures like the Goods and Services Tax Credit and the Guaranteed Income Supplement, as well as by simplifying, improving adequacy and broadening access to the Canada Disability Benefit.
 - (b) Allocating funding and human resources to the development of a national framework for simpler, fairer, more adequate, efficient and effective basic income security for all, including funding for engaging other orders of government and civil society.
 - (c) Allocating financial as well as technical, administrative and policy resources to help support provincial, territorial and Indigenous initiatives (e.g., research, evaluation, analysis, modelling, public engagement) that can contribute to building a national framework.
 - (d) Allocating financial and human resources for a Secretariat and/or other cross-governmental mechanism that brings together income programs and related interests and goals (e.g., for health, housing, justice, care, food security, disability, education, economic development, arts and culture, environment) to become a publicly-accessible focal point for coherent programs to fill gaps, remedy discrimination, and ensure everyone is guaranteed comparable, unconditional, fair and effective income security in Canada.

CONSIDERATIONS

Canada is in the midst of a polycrisis of natural and human-created crises blending into each other and making them worse, often with economic uncertainty creating a sense of impending crisis as well. This situation reflects long-standing inequality, poverty and income insecurity. It involves intersecting public policy areas where we see, for example, a rise in mental health problems, homelessness, food insecurity, historical patterns of discrimination and colonialism, and new patterns of extreme weather. It means high risk and hardship for individuals, families and communities as well as expensive problems for governments.

Better, fairer, administratively efficient and more accessible unconditional income security that guarantees everyone enough to meet basic needs and participate in society is an unparalleled and rapid solution to much of what ails us.

The federal government has an opportunity to energize and excite people across Canada by starting to deliver better income security along with a vision of hope. There is constructive power in having citizens who not only believe that a better future is possible but also have more capacity to contribute to it themselves.

The Basic Income Canada Network (BICN) has detailed the principles behind a basic income and modelled options to show how it could work in Canada, with Option 1, a guarantee model being the most feasible¹. Other modelling done for a province has indicated that some modifications to a national design could maintain effectiveness while significantly reducing costs.²

BICN's statistical modelling of a mature national basic income guarantee recognizes that governments in our federation must work together and involve civil society in the process of working towards such a goal. That will take time but no time must be wasted in starting. Bills before the House and Senate calling for a national framework offer a way to develop the structure and process. The federal government can set that in motion in this budget, and use existing vehicles to immediately help people who need help most. BICN also supports the recommendations for better income security through unconditional benefits as outlined in CCPA's Alternative Federal Budget, especially the Canada Livable Income pillar of income security.

Canadians want governments to be more responsive to their income struggles and related challenges and to work together for solutions.

At the landmark Basic Income Guarantee (BIG) Forum in Ottawa in May³, overarching themes emerged that are important considerations for the Finance committee:

- There is an abundance of evidence that direct, unconditional cash gets better results (e.g., in health, education, work, violence prevention) than highly-controlled contingent monetary aid.
- Siloed approaches to interconnected issues (e.g., food security, housing, mental health, income) can undermine each one's capacity to get results. On the other hand, synergies across sectors can multiply effectiveness.
- In Canada, intergovernmental cooperation on income security is desperately needed. Several provincial and territorial governments are exploring options for improvement but their financial capacity is limited. Municipalities are struggling with needs they have neither mandate nor resources to meet. Taxpayers benefit when each order of government does what it does best. The federal government's successful role in national income security frameworks (for seniors and children) is well-established.
- While the movement for basic income is international, the Canadian approach is pragmatic, with consensus growing around experience with what works here—a guarantee model that takes other income into account and fits our specific context.
- People are energized and excited to work **for** a positive solution, to be part of efforts that offer hope precisely because the solution is feasible.

¹ https://basicincomecanada.org/policy_options/. Note all options meet the goals of reducing inequality (including gender inequality), increasing security into middle income brackets, and preventing poverty.

² <https://www.gbireport.ca/>

³ A first of its kind focused on income security for all in the uniquely Canadian context that brought together leading experts, practitioners in many sectors, program and pilot participants, politicians and ordinary people.

Income Security as Common Denominator

Income is the leading determinant of health and wellbeing. It affects every part of our lives from the food we can afford, the education and jobs we can get, and the time we have to spend with our families, to the anxieties and risks we face, the safety of our neighbourhoods, the affordability of our health care system, and our ability to manage life events like illness or relationship changes, major transitional issues like those presented by AI, and crisis situations, like flooding and fires. Inequality, poverty, employment precarity, and unpredictability are driving up costs to government as well as feeding societal discord, hopelessness, and polarization. This undermines wellbeing across the income spectrum and the ability to tackle big, wicked problems that require cooperation.

Income security in unconditional form is a common denominator solution across sectors and thus can help meet current challenges and prevent problems from growing larger and more expensive.

Canada's success with unconditional income guarantees for seniors and families with children under 18 is remarkable in improving lives and contributing to the economy. Children's benefits have grown in amount and effectiveness, including in aiding parents to stay attached to the paid labour force. For seniors, however, their options for increasing other income are very limited so it is important that GIS benefits, especially for those living alone, are set at a level sufficient to meet needs as costs increase.

Canada's beginnings of a disability benefit are welcomed but leave much to be desired in terms of access, simplicity, unconditionality and adequacy. We would like to see it develop so that it is more like a basic income, integrated into/or compatible with a more comprehensive national basic income security system, while recognizing disability needs beyond the basics.

Canada's income security for working-age adults, especially for singles, is notable for its inadequacy. Gaps and complexities create conditions for problems, rather than solutions.

Working-age crises

Many adults are facing unprecedented, negative physical and psychological impacts of financial insecurity and inequality combined with other stressors. It is especially difficult for youth. Hard work is not enough. Anxiety and burnout are all too common. For those most affected, poor health, depression, anger and lack of trust can have serious societal consequences.

Some adults are gaining greater income security by virtue of inheritance, most of it in financial assets⁴, contributing to greater inequality. Individuals can't choose their parents or prevent crises on their own. As a country, however, building fairer income security and human capacity is entirely possible. It's about political choice.

It is also a matter of human rights. Our current program patchwork treats some people as deserving and others not. For the majority of 18-64 year olds, if anyone is unable for any

⁴Investor Economics Household Balance Sheet Report—Canada, Investor Economics, 2019

reason to meet their income needs through paid work⁵, their struggles are largely ignored until they are close to destitution, at which point help is too little, too late, too stigmatizing.

A Basic Income Guarantee Solution

We have decades of experience showing that unconditional income guarantees work for seniors and families with children. There is ample evidence from programs and pilots here and around the world that it will work for 18-64 year olds⁶.

The Canadian Centre for Policy Alternatives analyzed the impact of income at an adequate level provided by CERB during the pandemic.⁷ Its findings for the working-age population echo those from the Ontario Basic Income Pilot⁸ and BICN's Covid stories.⁹ CERB recipients with jobs were able to get new ones with a better fit for their skills, and higher pay. The route for some was through education that wasn't possible before. Many Ontario pilot recipients who didn't at first have jobs were able to get, create, improve and keep jobs. The route for many of them involved improving health, expanding social connections and getting more education. Getting healthier increased capacity for paid work and household and community work.

If evidence really does drive policy, then basic income is a policy choice that Canada must turn towards.

Filling Income Security Gaps

Current income sources may serve other purposes but they leave major income security gaps.

- *Employment and entrepreneurship.* The paid labour market and the economy are precarious. Paid work provides most of our income, most of the time, for most people but it does not provide income security or adequacy to everyone.
- *Other work.* Providing care for self and others, and other societally essential work done in families brings in no income. It also limits time available for paid work. This gap reflects profound, harmful economic discrimination. Work that is volunteered in communities (e.g., at food banks or crisis lines) does not bring in income either. Much civic engagement essential to democracy brings in no income, nor does time spent gaining knowledge and skills or hunting for a job.

⁵ See <https://www.cbc.ca/news/canada/minimum-wages-rental-wages-2023-report-1.6908781> for an example of how low pay, housing costs and health problems are linked.

⁶ See, for example, dozens of pilots in American cities showing a range of positive outcomes, <https://www.cbsnews.com/news/guaranteed-income-programs-basic-income-its-basic-documentary/>

⁷ <https://policyalternatives.ca/publications/reports/cerb-more-just-income-program>. Note that CERB was temporary and not a basic income but offers much learning for future design. As a point of adequacy, it was comparable to the amount in BICN's modelled options.

⁸ <https://labourstudies.socsci.mcmaster.ca/documents/southern-ontarios-basic-income-experience.pdf>
<https://basicincomecanada.org/wp-content/uploads/2021/04/BICN-Signposts-to-Success.pdf>

⁹https://basicincomecanada.org/wp-content/uploads/2021/04/Covid_stories_report_and_appendix_-_June_2020.pdf

- *Employment Insurance (EI)*. If past employment was precarious, non-standard, or low-paid EI mirrors that, providing little income security. EI doesn't help with struggles faced *while* people are employed.
- *Goods and Services Tax Credit*. It provides regular, unconditional benefits, based on income, with good reach into populations that most lack other income security. It's also very small. It has been used to deliver temporary increases and has potential to deliver significantly higher, permanent benefits.
- *Social Assistance*. This is the provincial/territorial income program of last resort (with federal responsibility for First Nations) after all else is lost. It is often highly conditional and grossly inadequate. It is not income security, but legislated poverty. Deterioration in physical and mental health is almost inevitable. Food banks, tent cities, addictions and expensive hospital emergency rooms are among the default responses.

We are at a crossroads in Canada. We can do better to provide more fair and effective income security for all. Or the polycrisis will get worse.

BICN is a nationally-registered, non-profit organization and affiliate of the Basic Income Earth Network, a charity registered in the UK. See more at basicincomecanada.org.