

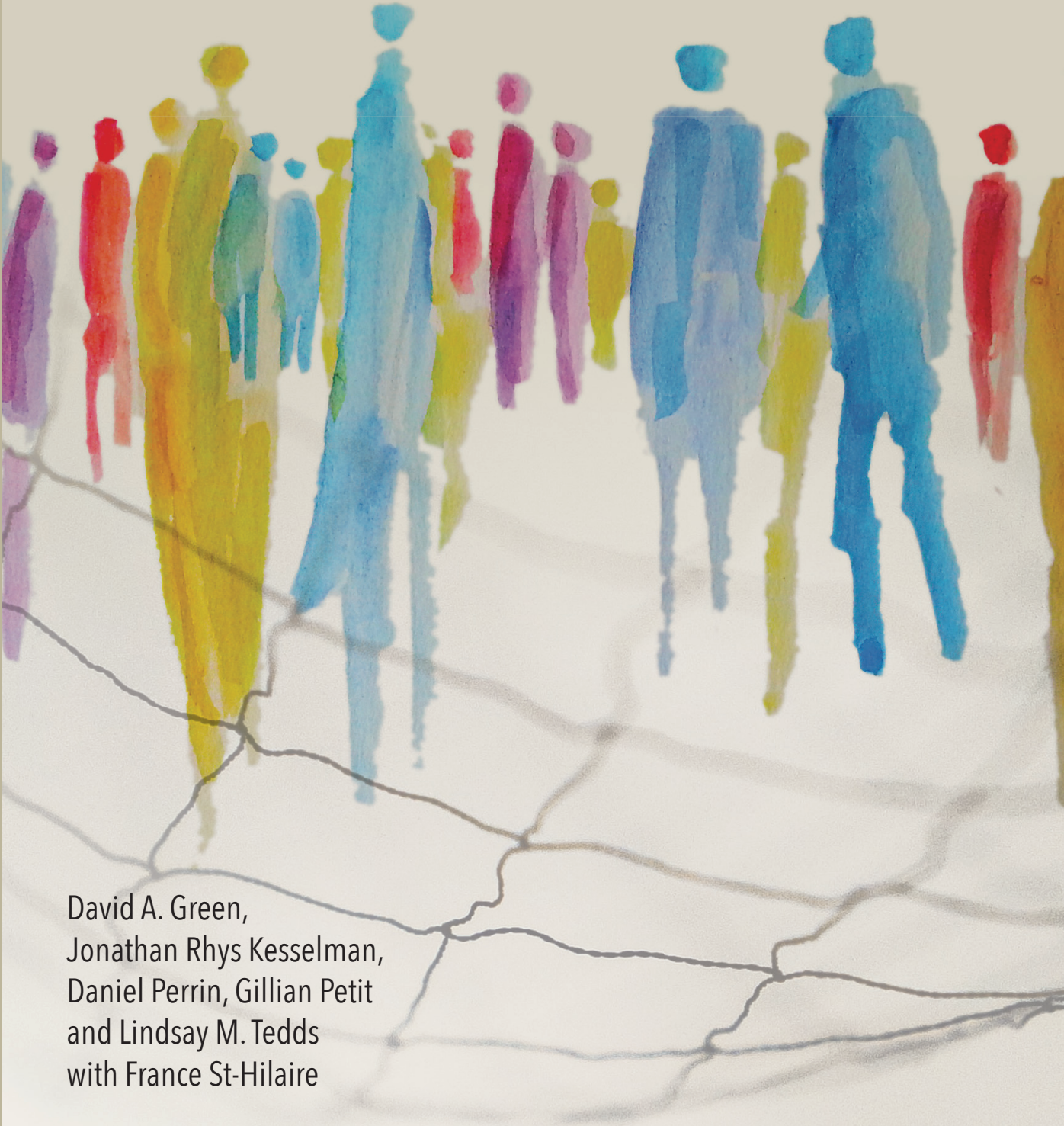
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# BASIC INCOME AND A JUST SOCIETY

## Policy Choices for Canada's Social Safety Net

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David A. Green,  
Jonathan Rhys Kesselman,  
Daniel Perrin, Gillian Petit  
and Lindsay M. Tedds  
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## Basic Income and a Just Society: Policy Choices for Canada's Social Safety Net

In theory, a basic income is an alluring concept. But a new book published by the Institute for Research on Public Policy argues that fixing the shortcomings in Canada's social safety net can best be achieved with a suite of policy tools. The book offers one of the most comprehensive evaluations of a basic income ever undertaken and uses that as the basis for an in-depth analysis of the need for social policy reform across Canada. While embracing the spirit and passion of basic income proponents, the authors conclude that the best solution lies in reforming existing programs and provide a roadmap for how to get there.

Canadian governments have over several decades implemented numerous programs and policies to tackle poverty, unemployment, precarious work and unaffordable housing. They have made progress in many areas, but significant gaps remain.

While the overall percentage of people living below the poverty line has fallen, almost 30 per cent of single, working-age adults without children live in poverty. Poverty is also more prevalent among racialized people, those with disabilities, Indigenous Peoples and LGBTQ+ individuals. Social assistance programs are often difficult to access, intrusive and disrespectful of those they are intended to serve.

A basic income — a benefit that would guarantee a minimum annual income to some or all citizens — often comes up as a solution to these problems. It is portrayed as a simple and direct way to raise people out of poverty without requiring intrusive adjudication processes. For proponents, the Canada Emergency Response Benefit rolled out during the early days of the pandemic is proof that the concept works.

### **THE CHALLENGES ARE REAL, BUT THERE IS NO SIMPLE FIX**

The authors of a new book published by the IRPP provide a comprehensive evaluation of a basic income, using it as the basis for an in-depth look at Canada's income and social support programs. Like basic income proponents, they view the existing social support system as flawed, but they argue that a basic income is not the best solution to fix these problems. They caution against relying on any single policy tool, particularly one that is centred on a "simple" cash benefit. "We don't



believe there is one simple system that can fix all the problems,” they write. “Rather, we view the issues to be addressed as multidimensional, calling for a suite of responses.”

*Basic Income and a Just Society: Policy Choices for Canada’s Social Safety Net* is the culmination of a multiyear project that began with the work of the British Columbia Expert Panel on Basic Income. The panel was created in 2018 by the B.C. government to examine whether a basic income could be an effective way to “improve income security, reduce poverty, and address the impact of technological change.” The panel commissioned studies from over 40 Canadian and international researchers and conducted targeted public consultations with organizations that represent and work with those who rely on social assistance.

The IRPP book draws on the work of the panel and other research to provide an in-depth assessment of a basic income and the need for social policy reform in Canada. It paints a detailed picture of Canada’s existing income and social support system and its many failings. It examines arguments for and against a basic income and analyzes its potential to alleviate poverty, its cost and funding issues, and how it would interact with existing programs.

## **IS IT THE BEST TOOL TO ACHIEVE A JUST SOCIETY?**

The idea of a basic income as a primary social policy tool has come and gone many times since the 1960s and has had the support of numerous groups including antipoverty advocates, political parties, government commissions, academics and more recently Silicon Valley entrepreneurs, who predict that advances in artificial intelligence and other innovations will do away with many jobs and require finding an alternative means of distributing income. The outbreak of the COVID-19 pandemic, which exacerbated social inequities and exposed major gaps in the existing social safety net, once again brought the idea to the fore.

The claims made for a basic income are wide-ranging, extending from reducing poverty and inequality to improving health and educational outcomes, promoting investments in education and entrepreneurial activity, and ultimately transforming society. Proponents also claim that a basic income, designed as an income-tested cash benefit delivered through the tax system without work requirements, would be far simpler and less intrusive than our current income support system.

To assess these claims and the shortcomings of existing programs, the authors review a wide range of evidence from past basic income pilot projects and recent research. But more importantly, they seek to direct attention to a broader question: How do we design a support system to achieve a more just society — one that promotes self- and social respect for all? They propose a framework for policy design and evaluation consisting of 10 principles — adequacy, access, security, responsiveness, opportunity, social connection, public trust, political stability, reciprocity and community-building — and use it to evaluate both existing social support programs and basic income proposals put forward in Canada.

They conclude that the current system clearly falls short of these goals, calling it inadequate, complex, intrusive, paternalistic and disrespectful of the very people it is intended to serve. In this respect, they agree with the proponents of a basic income. However, they argue that making a basic income the centre of a revamped social support system would be equally complex, more costly and leave many of the existing problems intact.

For instance, based on a complete inventory of transfer programs and social services provided by all three orders of government in British Columbia, the authors consider which ones could be effectively replaced by a basic income without creating undue hardships, and conclude that most of them, including those designed to address the needs of people with disabilities, immigrants and refugees, would have to remain in place. Integrating a basic income within existing support systems would only introduce further complexity. (Given the similarities in social programs across the country, the same conclusion would apply elsewhere, they note.)

Also, to deliver a basic income through the tax system in a timely manner, new bureaucratic processes to assess entitlement would need to be created, not to mention the additional mechanisms required to find and reach the vulnerable people who do not file taxes.

The cost of implementing a basic income and how it would be funded are central considerations. Providing a cheque to every Canadian household without any conditions — often referred to as universal basic income — would be prohibitively expensive, the authors conclude. For example, the costs of a universal basic income of \$20,000 a year in British Columbia (close to the poverty threshold) would equal the total budget of the province. They show that the only way to implement a basic income that



is substantial enough to effectively reduce poverty while keeping costs manageable is to make it income tested — that is, to reduce the amount of benefit provided as recipients' incomes from other sources rise. Effectively, this means recreating “the welfare wall” so often decried by antipoverty advocates.

**It seems preferable, on the face of it, to get to work on fixing what we have rather than replicating the same problems in a different form.**

Taken together, the authors conclude that a basic income-centred system would be complex and costly. Even so, could it still be the best way to spend our social support dollars? Much of the book focuses on careful examinations of the claims made for a basic income in a range of policy areas. In each case, the authors conclude that a basic income might be useful but there is generally an alternative tool that will produce the same outcomes more effectively and at a lower cost.

What's more, the problems associated with poverty extend beyond a lack of money. Many targeted services and in-kind benefits that address the particular needs of a diverse population, such as social housing, medical services and counselling, would still be required even if a basic income was implemented, given the high costs involved. And centring the support system on a cash benefit would not help (and might even harm) the development of strong communities that are an integral part of a just society.

In short, a basic income would fail to deliver on its many promises. It would not solve the shortcomings in Canada's social safety net and it would not lead us toward a more just and inclusive society. Cash transfers will be part of any effective policy reform, but only a part. “It seems preferable, on the face of it, to get to work on fixing what we have rather than replicating the same problems in a different form,” the authors conclude.

## **IF NOT A BASIC INCOME, THEN WHAT?**

Existing support programs, although clearly flawed, have stood the test of time and have broad public support. As such, the authors argue, they are the right starting point for reform. Rather than providing specific policy recommendations — which would run counter to the collaborative approach that they favour — the authors propose

setting reform priorities based on the following broad policy principles and directions:

- **Provide adequate support:** The benefits provided by existing income support programs are inadequate and leave too many recipients, including those with disabilities and working-age single adults without children, living well below the poverty line. Disability and regular income assistance benefits should be raised, although for some, adequacy and effective support could be better achieved through an earnings supplement or changes to Employment Insurance. This calls for a review of income support benefits in all provinces and territories and at the federal level to assess the adequacy of benefits.
- **Give voice to those affected by programs:** Effective change to existing social programs and services can only be achieved with the participation of those receiving assistance. “They should be treated not as subjects to be incentivized or coerced into good behaviour (as is the case with many programs), but as partners whose knowledge based on lived experience can help make these systems more effective and just.” Mechanisms should be put in place through which beneficiaries can provide ongoing input — in contrast to current practice, which consists of gathering input at the policy design stage but provides little scope for adjustment thereafter.
- **Make community-building a tenet of policymaking:** One of the authors’ main criticisms of a basic income as a policy approach is its central focus on individual autonomy and its failure to recognize the importance of community in promoting self- and social respect. The premise behind a basic income is that if you provide vulnerable people with adequate financial assistance, they themselves can best determine what other supports they need and acquire them on their own. The authors reject this idea, arguing that in many situations beneficiaries would be best served through effective public services and strong community connections as well as financial assistance. For some of the most vulnerable Canadians, such as those with disabilities and youth aging out of foster care, financial support alone would fall short of what they need. The solution lies in finding a balanced approach that fosters both financial independence and strong community connections.
- **Place the labour market at the centre of reforms:** A better functioning labour market is central to any reform of the social safety net. In recent years, several labour market trends have eroded worker rights and income security: the emergence of platform



and app-based companies such as Uber; the shift to “fissured workplaces,” where some services are contracted out to third parties; and the steady decline in unionization rates. To address these issues, governments need to proactively determine what the appropriate employment standards regime should be for affected workers. They should also undertake a review of the regulatory implications for fissured workplaces and consider options to extend the reach of private sector unions, perhaps through the creation of industry advisory councils.

- **Adopt a common benefits platform:** Access to income and social support programs is hindered by the complexity of these programs (which are numerous and delivered by different orders of government) and by onerous administrative and adjudication processes that are overly intrusive and disrespectful. One potential solution would be to develop a common benefits platform based on consistent definitions and measures of income and family status that could be used for eligibility assessment and as a delivery mechanism across public programs.
- **Conduct ongoing evaluations of policy changes:** Proposed policy changes should be rolled out incrementally, with evaluation and consultations with affected groups conducted at every step. The consultations should include those receiving supports as well as taxpayers who fund the programs. The gradual roll-out would allow policymakers to monitor the effects of policy changes and adjust them as needed. These measures would also ensure that program and policy changes will survive political cycles.

## **EMBRACE THE SPIRIT AND PASSION OF BASIC INCOME PROPONENTS IN SOCIAL POLICYMAKING**

Ultimately, the authors conclude that a basic income is not a magic bullet that can easily fix the shortcomings in Canada’s social safety net. It would not automatically make vulnerable people better off. And neither would it achieve the broader goal of a more just and inclusive society. A justice-based approach, they argue, requires a fundamental shift in how we approach social policymaking to seeing the most vulnerable among us as equal participants in creating a better society rather than simply as “others in need of our help.” They embrace the call for change put forward by basic income proponents but propose using an array of policy tools to get there.

**"We see our recommendations as embodying a vision of a Canada that continually strives to use the power of government and the full set of tools at its disposal to balance citizens' desires for individual autonomy and their need for community," they write. "It is a place where evidence, outcomes and the lived experiences of those most affected drive positive policy change. It is a place where no one is left behind."**

*About the lead authors: David A. Green is a professor in the Vancouver School of Economics at the University of British Columbia and was the chair of the British Columbia Expert Panel on Basic Income. Jonathan Rhys Kesselman is professor emeritus at Simon Fraser University's School of Public Policy and was a member of the panel. Daniel Perrin has conducted numerous expert reviews for the B.C. government and participated in the work of the basic income panel. Gillian Petit is a research associate at the University of Calgary and contributed to the panel's research. Lindsay M. Tedds is an associate professor of economics at the University of Calgary and was a member of the panel. France St-Hilaire is the former vice-president of research at the Institute for Research on Public Policy.*

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