

## CHAPTER 1

---

### Introduction and Overview

David A. Green, J. Rhys Kesselman,  
Daniel Perrin, Gillian Petit and Lindsay M. Tedds

*We Nisga'a have always organized our lives and society around a concept called Saytk'ilh Wo'osim, which means "Our Common Bowl." Under this principle, it is understood that since everyone relies on the same resources and community, all must contribute. It's about sharing energy, wisdom, spirit, joy, and sadness and it touches all aspects of life. It means no one gets left behind. Nisga'a government uses this principle to guide the delivery of healthcare, education, and social services.*  
— Chief Joseph Gosnell, "A First Nation, Again: The Return of Self-Government and Self-Reliance in Canada's Nisga'a Nation," 2003

*All the members of human society stand in need of each others [sic] assistance, and are likewise exposed to mutual injuries. Where the necessary assistance is reciprocally afforded from love, from gratitude, from friendship, and esteem, the society flourishes and is happy. All the different members of it are bound together by the agreeable bands of love and affection, and are, as it were, drawn to one common centre of mutual good offices.*  
— Adam Smith, *The Theory of Moral Sentiments*, 1759

On February 22, 2021, Julie Dzerowicz, a member of Parliament, tabled in the House of Commons a private member's bill (Bill C-273) that, had it not died on the Order Paper when Prime Minister Justin Trudeau prorogued Parliament, would have required the Minister of Finance to develop a national strategy to assess implementation models for a guaranteed basic income program. This bill was tabled almost a year after the start of a global pandemic that caused

an unprecedented decline in employment hours (Lemieux et al. 2020), devastated many household budgets (BDO Canada 2021; MNP 2020) and exposed major gaps in the Canadian income and social support system, forcing the introduction of temporary broad-based income supports such as the Canada Emergency Response Benefit (CERB). These events in turn gave rise to bold policy proposals spurred on by those who wanted to use the pandemic as a catalyst for change — for “building back better.” In particular, basic income proponents, pointing to the CERB as a successful example of a basic income, argued that the time had come for radical change to our social safety net (see, for example, D’Sa 2020; Faisal 2020; Olive 2021; UBI Works n.d.; Yousif 2020). Basic income was having its moment.

That moment, however, was actually the culmination of growing and widespread interest in a basic income that predated the pandemic — interest that came from disparate sources. For instance, people who worked on poverty issues had for some time argued that targeted basic incomes for seniors (Old Age Security and the Guaranteed Income Supplement) and families with children (the Canada Child Benefit) have been successful in reducing poverty in those groups and all that was left to do was to extend the same principle to working-age adults without young children to make a basic income universal. A more surprising point of support — one that attracted a lot of media attention — came from Silicon Valley, where some of the architects of artificial intelligence and other IT innovations speculated that their inventions would naturally lead to the end of work as we know it. They described a future in which machines could do whatever humans could but better — a future with a bigger economic pie, but one where the traditional mechanisms for allocating the shares of the pie through work would disappear. Their answer to this dilemma was to move to a universal basic income: an annual guaranteed income paid to everyone as a right of citizenship and unconditional on work. Finally, there were the people who dreamed of remaking society so it would be more supportive of both individuals and community and saw a basic income as a tool to promote individual freedom, allowing people to make choices that would improve their lives and reduce financial stress. The latter argument relates in part to a broader narrative that society will need to become less capitalist to deal with the very real threat of climate change. Poverty, new technologies and climate change were like different

strands of music rising to a discordant crescendo, with a basic income the answer that would bring harmony — at least according to its proponents.

Of course, governments in Canada and elsewhere were also trying to find appropriate responses to these and other challenges and were increasingly interested in whether a basic income could be part of the solution. In Canada, the Green Party began to gain some political momentum and made a basic income a key plank in its platform. In some provinces and at the federal level, the NDP also included a basic income in their policy platforms. Other parties and governments were intrigued but uncertain. A comprehensive basic income had never been implemented in any jurisdiction in the world and the only examples were limited trials dating back to the 1970s in the US and Manitoba.

It was in this environment that the 2017 provincial election in BC produced a minority NDP government, formally supported through a Confidence and Supply Agreement with the BC Green Party. Part of the agreement was a commitment “to design and implement a basic income pilot to test whether giving people a basic income is an effective way to reduce poverty, improve health, housing and employment.” But concerns about the expense of a pilot and what could be learned from it led the parties, instead, to create an expert panel mandated to “look at whether a basic income is an effective way to improve income security, reduce poverty and address the impact of technological change” (British Columbia 2018, 1). We, as panel members and main contributors, were given two years, a substantial budget and access to key administrative data to conduct the research and analysis leading to our final report, which was presented to the government in December 2020.<sup>1</sup> Over the two-year period we commissioned over 40 research papers from Canadian and international researchers, conducted targeted public consultations and held discussions with officials of the BC government ministries about the real-world implementation issues associated with various policy options.

This book is our attempt to present what we learned in a way that will support public debate on a basic income and social policy reform in

---

<sup>1</sup> Throughout the rest of the book (with the exception of chapters with other authors), “we” refers to our main group of authors: the three members of the BC Basic Income Panel (David Green, J. Rhys Kesselman and Lindsay Tedds) plus Dan Perrin, who was the main adviser to the panel and, effectively, a co-author of the report, and Gillian Petit, who was a key researcher for the panel responsible for some of the main empirical findings underlying the report.

Canada more broadly. Our objective is to assess the broad and specific claims in favour of a basic income (BI) and, in doing so, shed light on whether a basic income is the best policy response to issues of poverty, unemployment and income insecurity, and whether it is the best way to build a just and inclusive society. Of course, the answers to these questions must also consider cost, incentives and public support in light of the large tax increases that a substantial basic income would require.

Looking at the state of the policy debate in late 2022, it seems fair to say that BI's moment has passed, at least for the time being. With the exception of Prince Edward Island and Nunavut, no other provincial or territorial government is examining, let alone working toward, a basic income (and in PEI's case, one might argue that the cross-party support is actually for obtaining more federal transfer money rather than reflecting a deep commitment to a basic income). At the federal level, policy discussions also seem to have moved on — the private member's bill mentioned at the outset has yet to be reintroduced. That could make this a reference book to put on a shelf until the next time the BI idea re-emerges in policy debates. But we believe it has more value than that.

We undertook our mandate as a panel with a view not just to giving a thumbs up or down on a BI but to use proponents' arguments for why it is needed as an opportunity to take a hard look at our social safety net, to determine whether the alleged problems are real, and to consider what the best policy responses are. We take the same approach in this book. What emerges is a detailed picture of the failings and gaps in the current income and social support system as well as a framework for examining the best policy responses to those failings. We believe that the analyses and arguments we present provide useful input in the ongoing debate about the future of redistributive policies in Canada, regardless of whether that future includes a basic income. It is also, we think, one of the most comprehensive evaluations of a basic income in a specific policy context conducted so far.

## **OUR POLICY FRAMEWORK**

We approach the questions about the efficacy of a basic income and how best to reform Canada's social support system from the perspective

of making Canada a more just society. A society where, in Adam Smith's words, found at the beginning of this chapter, the assistance we need from each other is "reciprocally afforded from love, from gratitude, from friendship, and esteem" (Smith 2002, 100). A society where the recognition of the richness of life so eloquently described by Nisga'a Chief Joseph Gosnell leads us to act so that "no one gets left behind" (Gosnell 2003). While there are perhaps almost as many notions of a just society as there are people concerned about the issue, we believe that the shared vision inherent in these expressions of hope and principles, coming from such different cultures and points in time, shows the way forward. All notions of justice, we would argue, boil down to the idea that as a society we owe each other the bases of self-respect and dignity and that we should treat each other as equals deserving of respect.

The American philosopher Elizabeth Anderson (2018, 1) describes the bases of self- and social respect in terms of what we owe each other as fellow citizens: "We owe each other the rights, institutions, social norms, public goods, and private resources that people need to avoid oppression (social exclusion, violence, exploitation, and so forth) and to exercise the capabilities necessary for functioning as equal citizens in a democratic state." Clearly, no government policy on its own — not even a basic income, despite the outsized expectations it engenders — can deliver everything on this list. But policy does matter in helping us move toward a more just society, both through its direct effects and in the way it informs social norms about justice and fairness. That is why conducting a careful evaluation of a basic income is so important.

The problem we faced when we began our panel investigation was that we could not find an analytical framework that adequately integrated these notions of a just society in a way that could make them operational from a policy standpoint. The standard framework — especially the one used by economists — focuses on efficiency. Or, more precisely, it is one in which efficiency and justice are treated as separate entities, with efficiency the purview of policy analysts and economists, and discussions of equity and justice usually carried out in the political realm. In Chapter 2, we argue that the separation of equity and efficiency is false. We show that justice and efficiency are inextricably intertwined and that justice considerations

are inherent in every policy decision, whether decision-makers recognize it or not. Consequently, we need a single framework for examining public policy levers — whether they be ones that are supposedly only about efficiency (like tax rates) or only about social equity (like transfers).

Our solution was to develop our own framework, which we did in two steps. The first step was to consider what notion of justice we should use as the basis for our deliberations. In Chapter 3, we discuss how virtually all theories of justice have as a central theme the importance of providing the bases for self- and social respect — both material and social. This theme is present in liberal theories of justice, but also in the theories of scholars working on the concept of intersectionality and care ethics (where the natural interdependencies rooted in the human need for care are an avenue for mutual respect). Given that, we argue, one can incorporate analyses of whether and how each policy strengthens or undermines these bases without greatly favouring one conception of justice over another. This means that, in the tradition of liberal theories of justice such as the one put forward by philosopher John Rawls, we can integrate justice into policy decisions in a relatively neutral manner — that is, without explicitly favouring one notion of what constitutes the good life over another.

The second step in creating our framework was to give practical meaning to the notion of providing the bases of self- and social respect. In Chapter 3, we present a set of 10 principles or criteria that constitute our framework for policy design and evaluation: adequacy, access, security, responsiveness, opportunity, social connection, public trust, policy stability, reciprocity and community-building. Implicit in these principles are two elements of respect that are often overlooked. The first is the importance of community. We get both our self- and social respect through social connections — through our communities. For instance, being connected to a community has long been a key part of Indigenous identity. Recognizing and internalizing this is an important part of the reconciliation and decolonization journey that is under way in Canada. Canadian settler society is also based on community, starting from the first small towns and, more recently, taking the form of cross-cutting communities based in volunteering, the arts, sports and so on through

a rich and robust network of nonprofit organizations. Building and strengthening community has also been an important factor in the success of newcomers to Canada. Policy-makers should therefore explicitly consider the impacts of their decisions on the ability of communities to form and sustain themselves.

The second overlooked element is process. The principles that underpin self- and social respect should apply not only to policy as it is drafted in legislation but also as it is developed and implemented. A just policy approach must include mechanisms to consult with those affected by the policy beyond the design stage and involve them on an ongoing basis in the evaluation of policy direction and outcomes. It also needs to ensure ongoing consideration of broader public opinion, including the taxpayers who fund these programs. We see the federal government's approach in its National Housing Strategy as an interesting step in this direction because it recognizes that policy-making is not a fix-and-move-on proposition, but rather a naturally messy and iterative process. Inclusive processes respect people's autonomy and promote their sense of self-efficacy; when deployed effectively, they also make for inclusive policies that engage with and build communities.

Our emphasis on having an inclusive process at every stage of policy development and implementation points, quite naturally, to the need to pay attention to the structural context in which a policy is introduced and how it is implemented. Policy implementation challenges will vary depending on the identities of the people involved, the systems of power in place and the other government programs that overlap or intersect with the policy under consideration. Too often, policy analysis is done at a high level, focusing on general principles without paying attention to how these factors could alter the intended outcomes. For example, failure to take into account the interaction between federal CERB payments and provincial income assistance (IA) receipt conditions led to the unintended loss of access to IA benefits for some recipients (Petit and Tedds 2020).<sup>2</sup> Relatedly, the way systems determine benefit eligibility can

---

<sup>2</sup> Provinces use different terms to describe what were formerly known as welfare programs. Income assistance and social assistance are the most common and we use them interchangeably throughout the book, except when we refer to a specific provincial system.

raise issues of shaming and feelings of intimidation that could lead some applicants, particularly racialized people in need, to shun programs that are intended to help them. In Chapter 4, we work through some of the practical implications of structural context and implementation, highlighting how adequate processes can help mitigate some of the problems.

The framework we present in the first few chapters guides our analysis throughout the rest of the book. But we also hope it can prove useful for policy analyses in other contexts.

## **BROAD CLAIMS: AUTONOMY, POVERTY REDUCTION AND SIMPLICITY**

Of course, to discuss a basic income as a policy option, we first need to define what it is. As we point out in Chapter 5, that turns out to be surprisingly difficult. Various BI proposals tend to start from the same point, defining it as a cash payment that is paid unconditionally (specifically, without work requirements) and universally (to everyone in society). But every concrete proposal for an implementable BI (as well as virtually every conceptual proposal) contravenes one or both of these conditions. For instance, almost all the proposals put forward for Canada would make the benefit payments conditional on income; that is, they would be income-tested. And most would impose age and citizenship criteria, which makes them not fully universal. The fact is that the list of cash transfer schemes that are presented under the rubric of a basic income is very long and varied, ranging from “participation incomes” to a “social dividend,” and many more in between. Our examination of Canadian proposals, though, reveals three common features: the BI would be an income-tested cash benefit; it would be unconditional on work or family status; and it would become the central plank of the income support system. The proposals also all assume that assessment for eligibility and the delivery of benefits would be done through the tax system in the form of a refundable tax credit — which would entail a major reorganization of the tax-and-transfer system.

The fact that the BIs proposed for Canada are income-tested cash transfers may rob a basic income of some of its apparent magic — a BI

becomes one among a large set of income support programs rather than something special and distinct. It means that it can be defined based on parameters that are similar to those of other cash transfer programs: the maximum benefit amount (income guarantee) that a person receives if they have no other income; the benefit reduction rate (the rate at which the benefit is reduced as a person's income from other sources increases); and the break-even level of income (the income threshold beyond which the benefit is fully phased out). It also means that we can learn much about the expected impacts of these proposed BI schemes from the voluminous literature analyzing other cash transfers.<sup>3</sup> That said, another key conclusion in Chapter 5 is that understanding how a BI would interact with or replace existing systems is crucial in assessing its impact.

BI proposals often come with calls to test them in pilot projects. In Chapter 7, Wayne Simpson provides a guided tour through the challenges of conducting scientifically sound and insightful BI pilots, from the large income maintenance experiments conducted in the US and Manitoba in the 1970s to recent initiatives (many of which either do not involve true basic incomes or are not genuine pilots). One might think that pilots are necessary to test the many potential benefits attributed to a basic income — including the claim that it would remake society by freeing people's entrepreneurial and altruistic impulses otherwise hampered by financial stress. However, as we show, many of the claims about BI can be assessed using existing evidence from other cash transfers. Only the societal transformation claims cannot be examined in this way. But as Simpson points out, few pilots last beyond three years and most are subject to political interference or funding cuts (the Ontario Basic Income Pilot was no exception), which means that they are not useful for gauging longer-term transformative effects.

In reviewing a full range of BI proposals in Canada and elsewhere, we compiled a list of the broad and specific claims made about what a BI could accomplish if implemented. In Part 3 of the book, we examine the broad claims, focusing on the three most prominent ones. The first of these is that a BI-centred system would be transformative. By providing

<sup>3</sup> Throughout this book, we rely on that literature (and add more analyses of our own using the rich BC administrative data), basing all our conclusions on empirical evidence.

an unconditional cash transfer (in effect, an income backstop), a BI, it is argued, would allow people to live as they choose, free of judgment or intervention from others, but it would also enable them to make positive changes in their lives — for example, by helping others, upgrading their skills or engaging in other socially productive activities that they find more meaningful than paid work. The result would be a society of more autonomous individuals, empowered to be more creative and more empathetic.

We, as well, see autonomy as a crucial part of a just society (in fact, it is included among our criteria), but in Chapter 8 we ask whether a BI, which emphasizes autonomy and liberty above all else, would really create the society we want. In examining the philosophical arguments for and against a BI, we conclude that placing such lofty expectations on the shoulders of individuals acting on their own behalf falls short of justice goals. In particular, it overlooks the importance of community in people's lives — treating community-building as just another good that people can choose to spend their money on, in the same way they choose to buy carrots, rather than as something of essential importance in its own right. It misses Adam Smith's point that we are social beings in need of each other's help and that the best societies recognize our social nature and seek to enhance it through their institutions.

A cash-centred approach also leaves unquestioned the systemic discrimination and structural inequities present in our existing systems, leaving deeply embedded and widespread problems to be solved through individual agency backed by a cash transfer. More specifically, it places excessive faith in the power of markets, which themselves are locations of power imbalances and discrimination. This may seem like a surprising statement from a group of economists, but our study of markets has led us to both respect their power (using it where appropriate) and understand their limitations. Trading dependence on governments for dependence on service providers in the types of thin markets that exist, for example, in rural Canada hardly seems like a move toward autonomy.

A second broad claim made in favour of a BI is that it would be an effective tool for reducing poverty. Indeed, it does seem like the most direct tool: guaranteeing all people an income that is above the poverty

line would eradicate poverty automatically. But is it the best approach? In Chapter 9, we examine the policy and fiscal implications of introducing a BI, using BC tax data to simulate thousands of BI design scenarios and estimate their effects both on the poverty rate and government spending. Two key conclusions emerge from this exercise. The first is that a universal basic income (UBI) scheme, in which a cheque is sent to every household would be prohibitively expensive. For example, a UBI paying \$20,000 a year (an amount roughly equal to the poverty line for an individual) would cost the equivalent of the total current budget of the province. If we turn, instead, to an income-tested BI — as virtually all Canadian BI proposals do — and select BI parameters to maximize poverty reduction for a given budget envelope, a familiar story emerges. To maximize the poverty-reduction bang for the buck, one needs to provide a high income guarantee for those without other sources of income and significantly claw back the benefits as people's earnings increase by imposing a high benefit reduction rate (BRR). This rule applies regardless of how much is budgeted for the BI. The high BRR operates the same way as the so-called “welfare wall” in the case of social assistance and it points to another conclusion: BI schemes do not magically avoid the well-known problems with other cash transfers.

Of course, a BI might still be the best approach among cash transfer schemes for reducing poverty. In Chapter 13, we look more deeply into this question. Our main argument is that poverty is multifaceted and rooted in people lacking the bases of self- and social respect, of which income is only one element. Just as importantly, access to the bases of respect and individual needs vary greatly among vulnerable groups and people with different identities. A policy response that is centred on providing only cash benefits, like a BI, cannot hope to address that heterogeneity; it requires a combination of income support and in-kind benefits and services.

The third broad claim made in favour of a BI is that it would greatly simplify our income and social support system by making it possible to dispose of many overlapping programs and much of the “unnecessary” administrative burden associated with these. We compare this to deciding whether to renovate an existing house or tear it down and build a new one.

The existing house — the current social support system — is admittedly something of a mess. It started out small and bare-bones but over the years many extra rooms were added. Some of those rooms don't connect to each other; some duplicate the function of another. And accessing the house isn't easy: there are different points of entry, some of which are hard to find, while others are obstructed. It is tempting to think the house should be torn down and replaced by a new, much simpler and better house — one with a single door, open windows and only one room with a cash machine.

We fully agree that the existing system is complex, paternalistic, often confusing and, in many ways, disrespectful. In Chapter 11, we present unique diagrams depicting the entire income assistance system in BC, showing the 193 income and support programs delivered through three levels of government and the means to access them. The diagrams would look much the same for other provinces and territories. There is no question that on paper a BI is simpler than the current system, but any attempt to operationalize a BI would quickly run into issues. To return to the house analogy, careful inspection of the existing rooms would reveal that many of them, though apparently odd, have a real use and can't be replaced with a bigger, single room with a cash machine. We argue that attempting to do so would strip the system of features that are essential for some of the most vulnerable people in our society. Looking at each individual program to determine which could be eliminated if a BI were implemented, we find very few candidates other than Income Assistance — and even then, not the disability supports that cover over 70 percent of IA recipients in BC. We are not aware of any BI proponents having gone through the exercise of considering how one would adjust or discontinue existing programs. Without doing so, claims about the simplicity advantages of a BI system ring hollow. Granted, some proponents argue that a BI could simply be layered on the current system without removing other supports or benefits. But that would only serve to make the house more costly and complex, raising a host of questions about how BI benefits would be factored in when determining eligibility and benefit amounts for existing programs.

In Chapter 12, we further investigate the BI integration issues, focusing on the two main pillars of the income support system for working-age adults: income assistance and Employment Insurance. In particular, we look at how a BI system would compare to IA in terms of access, delivery and public

support. According to proponents, a BI would be better because it could be provided through the tax system, thus doing away with onerous and stigmatizing eligibility requirements. But delivery through the tax system would require addressing the fact that approximately 8 percent of people do not file taxes in Canada, including about 4 percent who are not known to the tax system at all. Another problem is that the tax system operates with a lag: a person who loses their job in February wouldn't be able to notify the Canada Revenue Agency about it until they file their taxes the following year, which means that benefits wouldn't flow until after that. Addressing these issues would require developing new systems that in many ways would look similar to existing IA systems (including, as we said earlier, a welfare wall). A move to a BI would only be trading complexity for more complexity.

One of the most contentious issues in the BI debate is its expected cost and potential impact on marginal effective tax rates, issues that are of central importance in ensuring public support for such a fundamental change. For example, the least expensive of the countrywide BI schemes (\$134 billion) proposed by the Basic Income Canada Network (BICN) would require increasing federal personal income tax revenues by 74 percent or approximately quadrupling GST revenues. More modest BI proposals put forward in the academic literature cite the elimination of refundable and nonrefundable tax credits as a way to fund a BI without having to raise marginal tax rates. In Chapter 10, we examine BI funding options and how these would affect tax rates based on the cost estimates for various BI schemes for BC reported in Chapter 9. In particular, we look at the options for funding a \$16,000 annual BI with a 50 percent benefit reduction rate at a cost of \$7 billion for the province. We find that eliminating nonrefundable provincial tax credits would raise revenues by about \$3 billion, a fraction of what is needed for most proposed BI schemes.<sup>4</sup> We also show that the impact of eliminating the basic personal and spousal exemptions — as suggested in many BI proposals — is highly regressive, with low-to-middle-income single parents bearing the largest tax increases. Once again, the devil is in the details and a closer look at the practical implications of introducing a BI yields troubling results.

---

<sup>4</sup> As a reference point, eliminating IA in BC would generate about \$2.1 billion in program savings.

Overall, our examination of existing social supports paints a stark picture of a complicated and poorly integrated system that often undermines the dignity of the people who need to use it and leaves many behind. A BI-centred system might simplify things to some extent, or it might just trade complexity for more complexity. Moreover, simplification, depending on how it is done, could jeopardize some necessary programs aimed at helping the most vulnerable. The question then becomes whether a BI-centred system is the best system, despite its complexity.

## **SPECIFIC CLAIMS**

In Part 4, we assess some of specific claims that have been made about a BI. In Chapter 14, we look at the potential impact of BI on the supply of paid work in the economy, one of the main concerns raised by BI critics. Here, we side with proponents: based on available evidence, a BI wouldn't cause a substantial reduction in the overall labour supply. We also look at whether a BI would promote volunteering and caregiving activities but find little evidence to support this argument often advanced by advocates. This last point is important because it relates to the purported transformative powers of a BI for society and the idea that by providing an income backstop a BI would allow more people to pursue altruistic activities. It also relates to the end-of-work narrative, which predicts that the effects of ongoing technological change on job precarity and displacement will be such that as a society we will need to find a new way to distribute the proceeds of production in the economy. We assess those claims in Chapter 15, where we show that, although the incidence of nonstandard work is higher than one would like, most of the increase occurred decades ago and indicators have since stabilized. In other words, there is no evidence of a decline in employment or a rising trend in nonstandard work signalling the end of work. As for the expected future impacts of technological change, we make the case that which technologies are implemented and how they affect the labour market remains amenable to policy direction. Whether to implement a basic income should be discussed in this context rather than as a reaction to a predicted exogenously determined trend that is, so far, not on the horizon.

We also examine the potentially transformative impacts of a BI on the health and education outcomes of children (Chapter 16, written by Lauren Jones and Mark Stabile) and entrepreneurship (Chapter 19, written by John Lester), as well as its implications for training and employment support programs for adults (Chapter 17, written by Sergei Filiasov and Arthur Sweetman). These chapters are written by experts who have made substantive research contributions in their respective fields and provide valuable assessments of the potential impacts of a BI in these areas. In Chapter 18, we assess the claim that a BI would improve health outcomes (partly through reducing financial stress) and as a result reduce health care costs (implying that a BI could in part pay for itself). Overall, these assessments do not support the claims of a BI's transformative powers. In the case of child outcomes, there is evidence that income transfers are helpful to some degree but no clear evidence that the form (conditional or unconditional) of those transfers matters. As for bolstering the uptake or effectiveness of training and employment support programs, an unconditional BI appears to be the wrong approach. On whether a BI would promote entrepreneurship, the net outcomes are ambiguous; rather than supporting innovative entrepreneurship, it may simply encourage more people to become self-employed for other motives (to be their own boss, for example).

A broader argument that has been made in favour of a BI is that it would increase long-run economic growth. This is based on simulation analyses of BI proposals for Canada, which show that a BI would stimulate consumption because the lower-income households that would receive a BI are expected to increase their spending, whereas the spending of higher-income households that would fund the BI through their taxes is expected to decline but not by as much. In Chapter 20, we argue that the models used for these analyses fail to take into account the key channels through which the BI and associated taxes would affect the behavioural responses of BI beneficiaries and funders. We conclude that there is no real evidence that a permanent BI would promote long-run growth and that it may be more likely to impede it.

A final claim in favour of a BI might be its political efficacy: even if it is not the best policy, it is popular enough to allow governments to take this bold step toward a more just society. BI advocates commonly cite public opinion survey results indicating that the general public is

highly supportive of a BI. In Chapter 21, we examine claims about the popularity of a BI, relying on a University of British Columbia survey carried out for the BC Basic Income Panel that we believe is one of the most comprehensive and innovative BI surveys ever done. Results from this survey and others conducted elsewhere indicate that, although a majority of respondents are in support of a BI when there is no mention of costs or taxes, their opinions become neutral or even negative when the cost implications for taxpayers in general and for them in particular are specified.

## **CONCLUSION**

In Chapter 22, we bring all this evidence together to provide our assessment of whether a BI should be the centrepiece of our income and social support system. Our conclusion is nuanced: a basic income does provide a powerful counterpoint from which to critique Canada's current system. The problems with that system are undeniable: the system is so complex as to appear impenetrable to those who need it most and it is seen as intrusive, paternalistic and disrespectful. For many, a basic income could be the sword that cuts through the Gordian knot that is the current system. But when one considers the complexities that would be involved in implementing a basic income, it quickly becomes evident that a basic income is not a sword — it is just another knot. More importantly, it is costly and not particularly effective at solving most of the problems that it is claimed to address.

In Chapter 23, we provide an alternative vision of how to address the multiple problems raised by BI advocates and others. Our proposals stem from our analytical framework and the results of the extensive empirical investigations and theoretical analyses conducted as part of the mandate of the BC Basic Income Panel. We do not claim that the alternatives we present constitute a comprehensive system. Indeed, we do not believe that there is one simple system that can fix all the problems: the issues we are struggling with are multifaceted and thus require a suite of policy responses. Moreover, consistent with our inclusive justice principles, we believe that policy-making and implementation ought to be conducted with the ongoing and meaningful engagement of those who are most

affected by the policies. This means that solutions would evolve over time and differ depending on the context in which they are introduced.

Rather than specific policy prescriptions, therefore, we highlight themes that we believe should be accorded high priority in redesigning existing programs and propose broad directions for reform. However, regardless of what reforms are considered, they should be developed using a rigorous, evidence-based policy approach that gives due consideration to how they will interact with existing systems — much as we have tried to do in this book with respect to a basic income. Ultimately, we believe that the overriding goal of reform should be to make Canada a more just and inclusive society that promotes self- and social respect for all. As such, we emphasize the importance of providing adequate support — not just in monetary terms, but also by ensuring that in-kind benefits and other social services are tailored to the diverse needs of the most vulnerable populations. This implies giving voice to the people affected by the reforms through ongoing evaluation and consultation and by being responsive not only to the views of beneficiaries but also to those of taxpayers since public support and policy stability depend on maintaining a spirit of reciprocity. We also argue that a respect-based approach to social policy reform requires using labour market regulations and tax policy to create a more balanced work environment, because self- and social respect to a great extent come from work. And last but not least, while we agree with BI proponents that policies should promote individual autonomy and self-respect, this should not come at the expense of community-building and the social connections that give meaning to people's lives.

To return to our analogy of the problematic house, we believe that we should get to work on a major renovation of the house that is before us but do so in a step-by-step fashion that engages the residents of the house. In our view, existing social support programs, although clearly flawed, have evolved over time and stood the test of public acceptability. As such, they are the right starting point for reform. The approach we (along with many others) propose may seem less exciting than proceeding with a major rebuild based one bold idea, but we believe it is a more realistic and effective approach to constructing a more just Canada.

## References

- Anderson, E. 2018. "Optional Freedoms: A Response to 'A Basic Income for All' by Philippe Van Parijs." *Boston Review*. [https://www.bostonreview.net/forum\\_response/elizabeth-anderson-optional-freedoms](https://www.bostonreview.net/forum_response/elizabeth-anderson-optional-freedoms).
- BDO Canada. 2021. "BDO Canada Affordability Index: COVID-19 Intensifies Economic Disparity in Canada." <https://www.newswire.ca/news-releases/bdo-canada-affordability-index-covid-19-intensifies-economic-disparity-in-canada-865533761.html>.
- British Columbia. 2018. "Terms of Reference – BC Basic Income Pilot Assessment." [https://bcbasicincomepanel.ca/wp-content/uploads/2021/01/Terms\\_of\\_Reference\\_BC\\_Basic\\_Income\\_Panel.pdf](https://bcbasicincomepanel.ca/wp-content/uploads/2021/01/Terms_of_Reference_BC_Basic_Income_Panel.pdf).
- D'Sa, P. 2020. "As CERB Winds Down, Calls for Universal Basic Income Intensify." *Canada's National Observer*, September 15. <https://www.nationalobserver.com/2020/09/15/news/cerb-winds-down-calls-universal-basic-income-intensify>.
- Faisal, S. 2020. "CERB Shows Universal Basic Income Is Possible in Canada." *The Charlatan*, September 22. <https://charlatan.ca/2020/09/opinion-cerb-shows-universal-basic-income-is-possible-in-canada/>.
- Gosnell, J. 2003. "A First Nation, Again: The Return of Self-Government and Self-Reliance in Canada's Nisga'a Nation." *Cultural Survival Quarterly* 27 (2).
- Lemieux, T., K. Milligan, T. Schirle and M. Skuterud. 2020. "Initial Impacts of the COVID-19 Pandemic on the Canadian Labour Market." *Canadian Public Policy* 46 (S1): S55-S65. <https://www.utpjournals.press/doi/full/10.3138/cpp.2020-049>.
- MNP. 2020. "COVID Consumer Debt: Nearly Half of Canadians Plan to Take on More Debt When Pandemic Financial Support Ends (+10 pts)." September 16. <https://www.globe-newswire.com/news-release/2020/09/16/2094513/0/en/COVID-Consumer-Debt-Nearly-Half-of-Canadians-Plan-to-Take-on-More-Debt-When-Pandemic-Financial-Support-Ends-10-pts.html>.
- Olive, D. 2021. "The Success of CERB Is Proof a Universal Basic Income Is Doable and Beneficial." *Toronto Star*, June 24. <https://www.thestar.com/business/opinion/2021/06/24/the-success-of-cerb-is-proof-a-universal-basic-income-is-doable-and-beneficial.html>.
- Petit, G., and L.M. Tedds. 2020. "The Effect of Differences in Treatment of the Canada Emergency Response Benefit across Provincial and Territorial Income Assistance Programs." *Canadian Public Policy* 46 (S1): S29-S43. <https://doi.org/10.3138/cpp.2020-054>.
- Smith, A. 2002. *The Theory of Moral Sentiments*. Edited by Knud Haakonssen. Cambridge, UK: Cambridge University Press.
- UBI Works. n.d. "Ask to Turn CERB & Canada Recovery Benefit into Basic Income." <https://www.ubiworks.ca/cerb-to-basicincome>.
- Yousif, N. 2020. "Has Enthusiasm for the CERB Paved the Way for Universal Basic Income?" *Maclean's*, July 8. <https://www.macleans.ca/economy/has-enthusiasm-for-the-cerb-paved-the-way-for-a-universal-basic-income/>.