

Submission to the 2021 Federal Budget Consultation

Coalition Canada basic income—revenu du base

Thank you for the opportunity to bring forward our four recommendations for the 2021 budget. Coalition Canada's recommendations are based on the research and on discussions with numerous groups and people from all walks of life across Canada.

RECOMMENDATIONS

Coalition Canada urges the federal government to:

1. Introduce a national basic income guarantee.

It should be paid monthly to residents of Canada aged 18 to 64. Other federal income transfers, such as the Guaranteed Income Supplement for seniors, should be adjusted to ensure fairness.

2. Design a national basic income guarantee program that delivers the greatest support to working-aged adults with lowest incomes, regardless of work status.

Those with no income should receive the full benefit. As earned income increases beyond the established benefit level, the benefit should be gradually reduced by a proportion of earned income.

3. Engage with each province and territory to harmonize the social transfer they receive as the federal government assumes responsibility for income transfers to working-age adults.

Start with the Government of Prince Edward Island, which has already requested discussions with the federal government to provide a basic income guarantee for the people of PEI.

4. Include Indigenous people and governments in a national basic income guarantee.

Consultation must respect the sovereignty of Indigenous governments.

CONSIDERATIONS

Canada's social safety net must be renewed to meet the social and ecological challenges of the 21st Century: climate change; energy transition; disruptive technologies; job loss and retraining; racism and discrimination; reconciliation with Indigenous peoples; vast income inequality; deep poverty; pandemics; the opioid crisis and food insecurity. The Royal Society of Canada's Task Force on Covid-19 released a [Policy Briefing Report](#) by 11 leading Canadian academics/economists urging the adoption of a basic income guarantee.¹

Support for a basic income guarantee is growing. Support for a national basic income guarantee crosses party lines. Prince Edward Island's all-party Special Committee on Poverty released its [report](#) calling for federal/provincial discussions to create a federal basic income guarantee that maintains all of its provincial social programs and services. The federal Liberal caucus has designated a basic income guarantee their top priority policy resolution for consideration at the party's upcoming national convention in April 2021. NDP MPs have unanimously supported MP Leah Gazan's [Motion-46](#) that calls for a national Livable Basic Income Guarantee and Green MPs support a Livable Income Guarantee as a key plank of their party's platform. Fifty Senators wrote an [open letter](#) to the Prime Minister calling for a

basic income guarantee. Opinion polls show that the majority Canadians support a basic income guarantee of up to \$30,000.²

Canada has a suite of successful income transfers that can be built upon. An income guarantee is a rational, proven model already used in Canada to provide income to vulnerable populations. The Canada Child Benefit has raised hundreds of thousands of children and their parents out of poverty, as have Old Age Security and the Guaranteed Income Supplement for seniors. These programs have reduced inequality, and increased financial security, health and well-being, and reduced both the incidence and depth of poverty in Canada. The Canada Pension Plan and Employment Insurance are integral components of Canada's income security system, although the pandemic revealed how inadequate and outdated our EI system is. In 2018, only [40% of workers qualified](#) for EI when they needed it. We recognize now that EI must be redesigned to be more inclusive, particularly for the new class of workers we now call the precariat.

How much a national basic income guarantee costs depends on how it is designed. It can be paid for by reallocating government resources through a review of tax credits, deductions and other tax reforms and by harmonizing a national basic income guarantee with provincial assistance to maintain and enhance provincial supports and services while save administrative costs on income transfers.³ In addition, future savings from improved health and wellbeing of recipients⁴ make a national basic income guarantee an even more cost-effective and valuable investment.

A well-designed basic income guarantee would ensure there is no disincentive to work. Fears that people receiving a basic income guarantee would stop working are unfounded. Canadian research from basic income experiments found only two groups leaving the workforce: mothers with very young children and young people furthering their education.⁵

Budget 2021 Post Pandemic--A New Canada: A basic income guarantee in Budget 2021 will bring the needed resources to individuals and communities to successfully adapt and thrive in Canada's post-pandemic future. Citizens with a minimum income will have the security to seek training and education to achieve job security in the revived and new economy. These Canadians will secure their rights as citizens with dignity while contributing to their families. Communities across Canada will find that a basic income guarantee successfully stimulates their local economies and supports economic growth.⁶

¹ McCabe C, Boadway R, Lange F, Gold ER, Cotton C, Adamowicz W, Breznitz D, Elgie S, Forget E, Jones E, de Marcellis-Warin N, Peacock S, Tedds L. (2020). [Renewing the Social Contract: Economic Recovery in Canada from COVID-19](#). Royal Society of Canada.

² Angus Reid. (June 2020). [As COVID-19 rewrites playbook on social safety net, majorities support idea of basic income of up to 30K](#); Leger. (July 2020). [Basic income perception survey with Albertans](#).

³ Parliamentary Budget Office. (April 2018). [Costing a National Guaranteed Basic Income Using the Ontario Basic Income Model](#); Boadway, Cuff & Koebel. (2016). [Designing a basic income Guarantee for Canada](#), for a revenue- neutral model based on a two-stage process that harmonized a federal basic income program with provincial income assistance; Basic Income Canada Network. (2019). [Basic Income: Some Policy Options for Canada](#).

⁴ Forget E. (2020). *Basic Income for Canadians: From the COVID-19 Emergency to Financial Security for All*. Toronto: James Lorimer & Company Ltd., p. 202

⁵ Forget, 2020, pp. 58-59.

⁶ Canadian Centre for Economic Analysis (CANCEA). (2019). [Economic Contribution of the Canada Child Benefit](#); CANCEA. (2020). [Potential Economic Impacts and Reach of Basic Income Programs in Canada](#).