

Introduction

Community resilience is essential if we are to successfully transition to net-zero greenhouse gas (GHG) emissions by 2050. It is perhaps the single most important factor for public buy-in and support that will enable governments to sustain a rapid decarbonization agenda.

This submission identifies income security as foundational for community resilience and a national basic income guarantee (BI) as the basis for a just transition to a net-zero Canada.

Resilience spans the three pillars of sustainability - economic, environment and social - and its local manifestations are unique to every community. The shift to net-zero ultimately means change for everyone in the way we live, work, learn, play, and consume - regardless of where we live or the degree to which our community is directly dependent on fossil fuel extraction.

A just transition means we collectively share the responsibilities and costs of the shift to a low-carbon economy. This requires cooperation and collaboration among employers, unions, workers, communities, families, and all levels of government. Together, we must identify and implement opportunities to develop skills, secure decent work, sustainably develop our communities, and enhance our social protections.¹

More than 150 organizations advocating for a just, green recovery² make the case that our country cannot meaningfully or sustainably confront *any* of the urgent challenges we face without addressing *all* of them in a comprehensive, integrated way.

Faced with the changes we must make to achieve the goal of net-zero, income security is a powerful enabler that will either reinforce community resilience by its presence or makes it virtually impossible by its absence.

A commitment to open, collaborative and evidence-based discussion should recognize the extensive research indicating that a well-designed basic income can help protect the wellbeing and financial security of all Canadians while contributing to a healthy and sustainable Canadian economy.

Addressing the anxiety and fear of transition

A shift as profound and rapid as the transition from carbon will only be possible with policies that avert the deep anxieties and the almost inevitable resistance that accompanies major change, particularly change that risks any degree of economic insecurity.

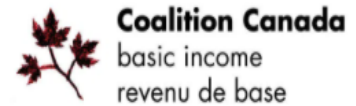
A just transition should be grounded in a sense of household and community agency, supported by adequate incomes and services that provide assurance that we can safely embrace a process of social and environmental transition.

The prospect of a low-carbon economy should not only be defined by fear and loss because it can also mean opportunity and gain as we shift to a greener economy,³ adapt to changing technologies and automation,⁴ and face the challenges of precarious work and a gig economy.⁵

BI is an investment in people and communities

A Basic Income Guarantee for a Just Transition to a Net-Zero Canada

Submission to the Standing Committee on Environment and Sustainable Development (ENVI)



A basic income guarantee is an income-tested cash payment sent regularly to individuals from the government. An effectively designed BI would guarantee everyone an adequate income above the poverty line, regardless of employment status, and would work in tandem with employment and social services.

A BI can both reduce the poverty rate and guard against future unexpected shocks, acting as both an economic stabilizer and an insurance policy. A BI can stimulate the local economy,⁶ alleviate food insecurity,⁷ and address many social determinants of health⁸ and gender-based equity issues.⁹ A BI can encourage education, innovation and entrepreneurship;¹⁰ support farmers,¹¹ artists¹² and others with precarious or intermittent work; and reward unpaid socially valuable labour, such as family and community care.

An income guarantee is a proven model with precedent in Canadian policy. Canada has a suite of successful income transfer programs to build on. These programs have proven to reduce inequality; increase financial security, health and well-being; and reduce both the incidence and depth of poverty in Canada.

For example, the Canada Child Benefit (CCB) acts as a BI for families with children.¹³ The CCB also provides local economic stimulus as families spend the benefit on food, shelter and transportation to meet basic needs, as well as on education, recreation and health for their children.¹⁴ The Canada Pension Plan, Old Age Security and the Guaranteed Income Supplement keep poverty rates for seniors low.¹⁵

Employment Insurance (EI) is an integral component of Canada's income security

system, although the pandemic revealed how inadequate and outdated our EI system is. Precarious work and the gig economy are growing, disproportionately affecting women, racialized persons, Indigenous people, immigrants, people with disabilities, and both older and younger workers.¹⁶ Employed Canadians make up the majority of those living in poverty (~54%).¹⁷ And despite the high level of post-secondary education, only 44% of millennials have found permanent full-time employment.¹⁸ In 2018, only 40% of workers qualified for EI when they needed it.¹⁹

People without a job, EI or other sources of income, can apply for provincial income assistance, but rates are below ~50% of the poverty line in most provinces.²⁰ The programs are costly to operate and require obligatory interface with administrators and caseworkers, who all too frequently fail to treat recipients with dignity.²¹ Moreover, this assistance fails to encourage labour market participation by clawing back benefits at a high rate (or entirely) on every dollar earned through employment. A well-designed BI program would ensure it always pays to work an extra hour.²²

A universally available, income-tested BI guarantee above the poverty line would promise we can all meet our basic needs when faced with the unexpected and would support people to stay in their communities as we transition to a more secure future.

A just transition for all Canadians

A BI combined with employment and social services plus targeted sector-specific supports will ensure a just transition for all Canadians.

For example, a report by the National Farmers Union describes a crisis in Canadian farming and identifies high-output, high-input agriculture as the primary cause of increasing greenhouse gas (GHG) emissions from farms and food-production systems, as well as decreasing farm incomes.²³ The report paints a dire picture: Canadian farm debt has nearly doubled since 2000 reaching \$106 billion in 2019, while high input costs, low margins and net incomes, and expensive land and machinery have led to an expulsion of farm families from the land, with one-third leaving in the past generation and more than two-thirds of young farmers under 35 leaving since 1991. Agriculture must be reimagined to reduce inputs and attendant emissions, raise farm incomes and increase the number of farms and farmers.²⁴

Farmers for Climate Solutions, a national coalition of 20,000 farmers and ranchers, identified the beneficial management practices and an investment of \$300 million needed to support farmers as they transition to a more sustainable farming model.²⁵

A report on a just transition for coal power workers and communities provides sound recommendations that are needed by every affected worker and community: (1) embedding the principles of a just transition in all planning, legislative and regulatory processes, including intergovernmental agreements; (2) ensuring employment and social services are locally available, providing older workers with a pathway to retirement, and supporting others to transition to sustainable employment; and (3) investing in local community infrastructure, as well as community planning, diversification and stabilization.²⁶

Recommendations

Whether phasing out coal power, reimagining agriculture, protecting precarious workers, or supporting community resilience, the foundations of a just transition should include:

1. **A national basic income guarantee** above the poverty line that delivers the greatest support to those with the lowest incomes, regardless of work status.
2. **Locally delivered employment and social services** provided by the provinces and territories to support people in their communities.
3. **Investments in local communities** in infrastructure, planning, diversification and stabilization to keep communities viable.
4. **Additional sector-specific transition supports**, identified in consultation with each sector, to reach GHG reduction goals and to support transition to a low-carbon economy.

Conclusion

As Canada emerges from the COVID-19 pandemic we should learn from the pandemic experience and develop social policies to support decarbonization that match the scale of the climate crisis.

Current policy and research should lay the groundwork for an effectively designed national BI guarantee that provides a strong foundation for a just transition to sustainable development and resilient communities.

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