

Getting the policy and politics right on basic income

Notes¹ for a presentation by Sheila Regehr to the
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In order for basic income proponents in Canada to come together to determine what form of basic income we want, in other words what kind of policy design we want, we need to look more analytically at our political and policy context to understand what we are working with. We also need to describe more concretely what we think. People on all sides of basic income conversations are starting with different values and assumptions that are not always spelled out, and using different terminology with different meanings; the terrain can be very confusing and this inhibits constructive dialogue. We also need to recognize that even if a great many proponents agree on what we want, we might not get it all so we need to understand the issues more clearly to know what matters most to different people. Doing this may make some real differences starker but it also might reveal that in many ways we are not so far apart.

My goal is to explore some of my own thinking and perspectives on key political and policy issues in the hope that it can help others look analytically at the Canadian situation and encourage Americans and others to similarly analyze their own country's landscape. This is by no means a thorough analysis but a way of approaching important issues that need more attention. I draw on Jurgen De Wispelaere's political analysis of the many faces of basic income but cannot cover everything in the scope of this NABIG presentation so have selected areas that strike me as most significant in Canada.

Why a basic income guarantee as an idea?

Lately, I am more frequently asked by interviewers and others, 'why now?' than 'why?'. Most seem to have some reason that makes sense to them already for why we should be talking about this idea and are interested in how to make it happen. I will start with my view of why, then move to why now. Of the moral and practical reasons advanced for a basic income, I

¹ Unedited - actual presentation may vary considerably from these notes

would generally consider myself very much in the practical camp (e.g., the consequences of poverty are costing us a fortune). But that has changed recently because of arguments that are being put forward against basic income that may sound reasonable in the practical or technical view of things but that I find are discriminatory and morally insupportable and must be challenged on those grounds. I am also inspired by people involved in inter-faith and secular dialogue who believe that our economy should work for people and not the other way around, that a basic income supports human dignity, sharing and the common good, tenets of virtually all major faiths and traditions, including, perhaps especially, Indigenous Canadian ones. So, the 'why a basic income' for me is essentially quite simple; our society runs on money - it is the basis of inclusion, participation and freedom; it is fungible and everyone needs it; a basic income is both moral and practical.

Why now?

The 'why now?' question could have so many answers. I see three, major, big picture ones. The first is patterns of poverty, insecurity and extreme inequality that have been driven by the economic doctrine of self-interest and infinite growth on a finite planet. It has produced fabulous wealth for a few and some general improvements in standard of living, but the costs for the vast majority of us are building up - stress, fear, overwork, precarious work, no work, violence, indebtedness, environmental degradation. The second major reason is incredible advances in technology that are reducing the need for human labour and far surpassing human capabilities in many ways. This is accompanied by recognition, especially among people working in this field, that not everything has a technological solution and that the next great innovation needs to be in social policy or we are headed for trouble, socially and economically. The third major reason is that we have continued to sideline enormously important human work that does not fit with the economic paradigm of self-interest, competition and winner-take-all. This work is largely unpaid care work done outside the paid labour market and the majority is performed by women. But this human work also includes governance and the institutions of cooperation that humans need to live together, especially in large numbers. There have been enormous advances in medical and human sciences that tell us a great deal about what is necessary for human wellbeing. The path we have been encouraged to follow is in many ways at odds with our human reality.

We are at a fascinating juncture where we have been great at generating wealth, not so good at sharing it. We have all the challenges and excitement of a very high tech world, and we still have not as a society figured out how to organize human care and social reproduction very

well (in other words, how to be human). So as much as a basic income is attractive to the tech sector and reflects concern about the paid labour that is going to be lost or the creativity and entrepreneurial spirit that could be unleashed with a basic income (tends to be a priority issue for men), it also has implications for essential human labour that is undervalued, underpaid or not remunerated at all. Delinking income security from almost exclusive reliance on paid labour force attachment is very important for the care economy (and a high priority for women). How that gets done is important and it will be critical to have other supports for women's paid labour force participation, education, time for creativity, political participation etc. But ensuring that women have money independent of babies, bosses, boyfriends and bureaucrats is a bottom line in a society where you have to have money to live and where women's safety and very lives are jeopardized without it.

The work of governance in a democracy also depends on empowering people economically, and setting better ground rules for human enterprise and wellbeing. The real innovation we need now is in social policy - if we can't figure out how to be better humans, we ought not complain if or when the robots take over.

So our options seem to be to either accept this trajectory as it gets worse or do something different. Is basic income a silver bullet? No. Is it risk free? No, but to me there's enough evidence that the odds are weighted very heavily in its favour as a key way to start turning things around. If there is another good alternative out there, where is it?

Political context in Canada

If I had started to write this even a few weeks earlier than I did in March, I would have had to start all over. That is to say that where politics is concerned, it's risky to place a bet on anything. What many BI proponents thought was going to be a long haul and tough sell to get government attention, turned around on a dime as, within a very short space of time, Quebec announced that it was looking at how it could move in the direction of a basic income and Ontario announced it's commitment to pilot. There were few if any clues publicly that these governments ready to declare themselves. These are two of Canada's most populous provinces and it would seem they are taking somewhat different approaches. They are probably also the only provinces that could conceivably go it alone, without federal government involvement, but it would be difficult for them to do so. They do, however, hold a great deal of sway in developing policies that could be rolled out nationally.

But political tides can also shift the other way, as happened in the 1970s and resulted in the abandonment of the Mincome experiments, without knowing the positive results they achieved. The next few years in Canada will be critical ones.

The other key political change is a new federal government, notable in several ways that affect the prospects for a basic income. First, the party went in to the election with a resolution on basic income on the books although it was not part of the platform. Second, it named a Cabinet Minister who has studied and written on the subject to a relevant portfolio. Third, it committed to a national poverty reduction strategy. This was a major departure from the previous government where in its 10 years did not accept that the federal government had much of a role in dealing with poverty. That left provinces, territories and municipalities on their own to develop poverty reduction strategies within the more limited policy and financial capacity they had, while at federal level, a number of tax measures favouring wealthier families were brought in. The new government is setting about to undo at least some of this.

More broadly, the new federal government signaled a more open and collaborative relationship with other orders of government, an appreciation for evidence, a sense of an engaged government and some boldness, especially perhaps in its willingness to run deficits. As I explain later, the kind of basic income I think most of us want does depend on collaboration between the federal government and provinces and territories so this reflects a sea change in possibilities that were not conceivable with the previous regime. This is also a government that is more interested in Canada's place in the international sphere and thus more interested in Finland, the Netherlands and other countries working on basic income.

In all of this, very high hopes and expectations have been created. At the same time, the Canadian dollar is weak, there is a great deal of pressure on budgets, some governments are still in austerity mode and the economic thinking that has dominated for the past 35 or more years is still prevalent and powerful.

At municipal level, quite a number of mayors and municipalities are on board with the basic income idea. They know that they shoulder the consequences of poverty in their communities so an improvement in income among low-income residents will help them a great deal. In Ontario, municipalities deliver social services that in other parts of Canada are more usually assumed by provincial and territorial governments.

In an interesting political twist, we now have governments that seem to be out ahead of many stakeholders implicated in a basic income. Many organizations have been subjected over several years to loss of funding, budget cuts, narrowing of mandates, targeted federal audits, pressure to not speak out, etc and have been challenged to survive, let alone interact with each other on shared issues. Therefore, some capacity-building may be important for them to engage effectively in the process of addressing design questions and ensuring diverse perspectives are heard. Efforts may also be needed to overcome the legacy of dampened expectations that has prevailed for a long time.

It may be many years down the road, if ever, before we more fully understand what has pushed basic income onto the political agenda so visibly at this point, but it would seem that key influencers and behind the scenes involvement have played a very important role in Canada. While there may be considerable public interest, and while there has been growing action on the poverty reduction front and very good strategic action on the part of basic income advocates (e.g., getting municipal governments to call for a basic income; unearthing a great deal of mayoral support and publicizing it), there has not been a large, noisy, either organized or spontaneous public outcry for a basic income. In fact the constituency is fairly loosely connected and brings together a range of actors from sectors not traditionally aligned (e.g., health professionals, high tech sector, business, academics in various fields, youth in precarious employment, rape crisis workers). There are also people within traditionally progressive organizations, who are skeptical of a basic income, or see it as competing for public attention and funding for other objectives, such as minimum wages, more employment or child care. Some people, including those who could stand to benefit most from a well-designed basic income, do not trust government to do that, and that it risks income replacing needed services.

This pattern suggests to me that policy reasons for a basic income may be at least as important as political ones.

Canadian Policy Context

For the benefit of people not well-acquainted with Canada's policy landscape as relates to basic income matters, here is very quick and highly simplified overview to provide context for understanding what kind of 'face' a basic income guarantee might have here and what particular policy problems it might help solve.

- By virtue of our Constitution, some powers and responsibilities belong to the federal government, others to provincial, territorial and Indigenous governments and some are shared. Some are devolved to municipal governments. First Nations peoples on reserve have a different relationship to federal government and tax system based on treaties and historical factors, and as of a recent court decision the situation for Metis and other non-status Indigenous peoples has changed as well. Quebec taxation is somewhat unique as well but comparable to the rest of Canada for basic income discussion purposes.
- Health care (but not prescriptions or dental care) is publicly funded and available to everyone, as is primary and secondary education. Various loans and grants are available for post-secondary education. We do not have national, publicly funded child care (outside Quebec) and lack of spaces, quality and affordability are a challenge for many families. A mix of supports and subsidies are available for some low-income families.
- Income security for seniors is provided through a combination of: tax support for retirement savings; public contributory pensions based on past paid employment; universal old age security not tied to past or present work status, taxed back at higher incomes and with an income supplement for those with lower incomes, provided monthly, reconciled at the end of the tax year. There are some additional tax breaks and measures at federal and prov/terr level. Almost all benefits are administered by the federal government. Prior to this benefit regime, about 70% of seniors pretty much had a guarantee of destitution.
- Income security for working-age Canadians is more patchwork. (1) Families with children get a per child amount monthly, based on income but otherwise unconditional, and most families get some base benefit and those with low income get a supplement; some provincial variation and additions but all administered federally. (2) Insurance (income replacement) related to job loss, sickness and maternity/parental leave provides benefits based on recent past labour force participation and worker and employer contributions, administered federally; % of people who receive benefits is low in recent years due to qualifying conditions. (3) Non-refundable credits through the tax system, administered federally, are widely available to most tax payers to reduce tax or determine the income point at which people start paying tax and their tax rate; the personal amount recognizes basic needs should be met before people start paying tax but if income is very low, this non-refundable credit provides no benefit. Disability and lone-parent credits operate similarly. (4) In contrast, the GST credit and P/T equivalents are refundable so they benefit people who fall below the tax threshold. Another refundable credit is conditional

on having some labour force income (it is much smaller than in US). (5) If all other income is insufficient, there is recourse to social assistance systems, administered by provinces and territories, highly conditional and invasive, stigmatizing, with wide variation in conditions such as asset limits, behavioural rules, benefit levels for people in different situations; most people have to be close to destitution before they can claim benefits. In general, claimants are categorized as disabled or able to work, with the disabled group generally getting higher benefit levels.

- Public services and subsidies are also available to people receiving income support. Seniors programs, for example, provide assistance with transportation for the elderly and supports to promote healthy and active aging. It was a specific condition of child benefits that provinces use their savings to enhance programs for children. Some services and subsidies are geared to income but some are specifically tied to the receipt of social assistance, which can make leaving social assistance very risky, especially when those supports are related to health. Most services are delivered by provinces, territories and municipalities. Waiting lists are common, up to several years long in the case of subsidized housing.
- There is also growth in the last 2 decades in facilities like foodbanks and homeless shelters to deal with the cracks in the income security system. These often operate with charitable donations and government support. The array of services available is vast and confusing and interactions among different service and income programs with different criteria can be hard to figure out and they do not always work the way intended as a result. Many of these programs treat the consequences of poverty and provide attempted remedies for problems that could have been prevented. One of the clearest examples concerns the interaction of income security gaps and our health care system. People who live with low-income, poor housing and high insecurity and stress have trouble meeting their basic physical and mental health needs. They are more likely to get sick or injured, less able to take time off work to recuperate and less able to buy basic medicine and other treatments. Mental health services are in particularly short supply. People then get more acutely sick and end up in hospital where their costs are covered. Hospital care is a very expensive part of our health care system that we all pay for. And at the end of treatment, the patient goes back to the same circumstances that led to illness and hospitalization in the first place.
- All the income and service measures play out in different and sometimes perverse ways depending on factors such as the nature of disability, the effects of racism and discrimination, age and family status. And matters of gender run through every part, in sometimes

contradictory ways. For example, the public retirement pension recognizes that women have reduced earning capacity during the years they have young children and does not penalize them for those periods, but that is not well-recognized during the earning years themselves. Maternity benefits are very important to many women but they tend to provide least help to low-income mothers who need them most. In Canada, a very high percentage of working-age women are in the paid labour force and most of them work full-time, even with pre-school children and despite child care challenges. In many ways the two-earner family has become the de facto safety net in recent decades for women and men, leaving single adults, with and without children, most economically insecure.

What is the policy problem for governments?

Among the factors above and more, it may very well be the rising costs of health care that are a key driver for governments to more seriously rethink other policy areas, recognizing from all the work on social determinants of health and other knowledge about how stress, poverty and insecurity affect people, that the health care system is not the most important factor in maintaining health and preventing illness - it's income followed by other closely related factors of socio-economic status.

With several years of work on provincial/territorial and municipal poverty reduction strategies, the limits of the measures already tried within various jurisdictions are also evident. They all work around the edges of a social assistance model that almost everyone recognizes is a problem, including workers in the system who help recipients with the demanding and time-consuming task of cobbling together enough to get by through applying to various government services and subsidies as well as charitable organizations who fill in other pieces.

Many people have for years described social assistance as broken. That implies it can be fixed and has led to decades of tinkering. Perhaps, however, it is not broken but rather, like residential schools for Indigenous children or like slavery, is simply bad policy. In policy terms it is certainly at odds with more recent initiatives such as children's benefits, discussed in more detail below. They are showing success but it is muted in a context where social assistance continues to act as a drag on the ability of many families, in particular lone parent families, to meet their needs and improve their lives. The costs of policy inconsistencies are not well studied but do have very tangible effects in real life.

The best kept secret: a partial basic income for working-age adults, or ‘what’s in a name?’

Millions of people know that Canada provides substantial child benefits to low-income families. But few have stopped to consider that we are *not* providing benefits *to* children, we are putting money directly in the hands of their parents who are working-age adults, and we provide it regardless of their work status and without any accounting of how the money is spent. The amount of money is significant enough to provide a good deal of stability from month to month but not enough to meet the family’s basic needs on its own so it can thus be considered a partial basic income. Canada has been providing it for a full generation.

In hindsight, for a basic income advocate, I see this as probably marketing genius because by any other name, this policy would likely not have sold. During that era, I was among federal government officials who periodically went to the United Nations to defend/explain Canada’s human rights track record related to women and we were consistently questioned on why Canada was so preoccupied with children, did we not know they lived in families and why had we so little to say about their mothers or other gender equality issues. It was also very difficult to get any traction in discussing poverty - media articles were rare because editors found it depressing, not really anything to be done about it and therefore ‘not news’. But children--they are cute and blameless--and who could be against helping them!

We now seem to be in a brave new world where we are better able to talk about what is driving poverty and inequality, solutions are being sought, we can acknowledge that much of what we have been doing is not working as well as we hoped and we seem prepared to have an adult conversation about adults. We need to talk about adult women and men specifically and that is still often an uphill battle.

What, then, can our experience of many years of a partial basic income for a large segment of the working-age population tell us? Specifically, what can it tell us about how to design the basic income we want and that is feasible, whether we are moving in that direction, as in Quebec, or whether we need to learn some new things from a pilot, as in Ontario. Here are some ideas that strike me as important and there may be many others.

- It took a great deal of cooperation across governments to bring in a new child benefit system that addressed both income and service needs. It came along with other changes too - to family law, to the setting of child support and its taxation. It will take similar cooperation to bring in a good basic income nationally so we should not forget that we **can** do it.
- It is politically popular - benefits have continued to increase over the years.
- Evidence from governments and academics show that fears of what people might do with unconditional money (stop working, drink and smoke it away) are overblown and that the income security is helping improve the wellbeing of children and all family members while supporting labour force participation and reducing incidence and depth of poverty.
- From an 'administrability' perspective, a key part of De Wispelaere's analytical framework, it has answers to many detailed questions that people ask about how a basic income could work (what happens in the case of bankruptcy? do you get it if you go to jail? when do the cheques go out? what if you don't have a bank account?). We may not necessarily agree with how all these questions are answered, and we may want to suggest changes but they are not just theoretical - in this aspect in particular we have great experience. One issue with this kind of negative income tax model is that it is usually based on the previous year's income tax return and is thus not very responsive to changes in income situation, especially a sudden drop in income that would give rise to a need for a BI. It is, however, responsive to the date when children are born throughout the year so there may be ways that a more general BI could also be more responsive.
- Administration issues from a recipient perspective. Some people on welfare have expressed concerns that if problems arise with a basic income delivered through the tax system, dealing with Revenue Canada might not be any more fun than dealing with social assistance administrations, maybe worse. And some with little experience of money management are concerned about not being prepared to pay the taxes they might owe at year's end. Can the child benefit experience shed light on this? Some child benefit recipients still rely on social assistance and others don't - to what extent does their experience differ? To what extent have people found themselves owing tax at the end of the year and have difficulty paying - how has that been managed?
- Gender dimensions. With benefits for the most part going to mothers, are there enough fathers receiving benefits that we can see if there are any significant differences depending on

who gets the cheque? Some evidence suggests difficulty accessing child care caused some mothers to reduce work hours. Is there more information that will give us a better picture of male/female labour force participation and income patterns, as well as division of responsibility in the household, over a period of time as children get older. If mothers do tend to be the parents more inclined to reduce hours of paid work in favour of unpaid work, how much of a reduction, how long does it last, what impact does it have on earning potential in later years?

- In particular, given that child benefits are based only on number of children and do not factor in how many adults there are to earn and care for the children, and given that most lone parents are mothers, are there lessons that we can learn from the impact of child benefits on different family compositions that will allow us to improve outcomes for lone-parent families in a wider basic income? Recent new data show that social assistance is a particular trap for lone mothers that jeopardizes their odds of ever getting out of poverty or moving up the income scale. Education is particularly important for women, and social assistance usually comes with barriers to the pursuit of meaningful educational opportunities.
- Is there qualitative information available from recipients or suggestions for improvements. For example one mother of two I met in Ontario received half her income from social assistance at the beginning of the month and she had no control over how it was used because all but \$5 went directly to her landlord. This left her waiting 3 weeks until her child benefits arrived. If anyone had asked her she would have suggested different timing. In Quebec, there was more flexibility.
- Tax back rates - is there evidence that parents are making decisions about their labour force participation (reducing paid work time, avoiding overtime and promotions or other income increasing activity) based on effective marginal tax rates as benefits are reduced?
- Services - there seems to have been very little reporting or evaluation from provinces. Is there any information that might tell us if and how service needs have changed over the past several years. Is there greater demand for some and less for others?
- Concerns have been expressed that providing more direct cash transfers to individuals will have downsides, such as causing increases in housing prices which would wipe out income gains, or large lay-offs to public sector social service employees. Were these kinds of effects

noticeable with the introduction of the child benefit system or as benefits have been increased over the years and as families have required less recourse to social assistance?

What do we need to think about when designing the basic income we want?

At a Kingston meeting of Ontario basic income proponents last fall, we discussed nine major principles that we agreed were important to guide basic income design. We also started talking about how a principle might be translated into policy terms. For example, in discussing the difference between security and adequacy, one participant described the first being what allows you to sleep at night and the second as what you deal with in the morning to pay the bills. In policy terms the first indicates, for example, a benefit that comes reliably, relatively frequently and that can't be withdrawn at someone's discretion, so you can count on it today and for the future. The second is a matter of how much you have to manage your various needs and expenses.

Principles

I tend to approach principles as policy tests to be used to evaluate basic income options. The policy tests I would apply are:

- How **universal** is the basic income proposal? How is universality conceived in policy (everyone receives a basic income as with OAS, or everyone receives a basic income when they need it as with GIS or as with our universal health care model, or some combination)?
- Does it ensure there is **no work requirement** and as few conditions as possible?
- How well does it provide **security** of income?
- What level of **adequacy** does it provide in relation to poverty lines, to other programs or to another reasonable standard?
- How **autonomous** is the income so that individuals can exercise control over how it is spent?
- Does it treat everyone with human **dignity** and avoid stigma, personal intrusion and judgmental labeling?
- To what extent does it contribute to greater **economic equality** of income and opportunity?
- To what extent does it contribute to greater **gender equality** in income and opportunity and support human labour in the market and in the care economy?

- How well does it **work together with public services** (e.g., health care, child care), supports (e.g., housing subsidies, disability benefits and services) and other collective societal measures (e.g., labour market and financial regulation, programs to combat discrimination) in a complementary balance? This principle was called ‘basic income AND’.

Most of these principles or policy tests are fairly self-explanatory. Gender equality and its implications are not well-understood by many people so I will repeat the description used at the Ontario meeting.

*Substantive **gender equality** takes more than simply providing women and men equally with a cheque. Women across the board are more likely than men to be impoverished, to be survivors of physical, psychological and economic abuse (including by welfare bureaucracies) or dead as the result of their economic vulnerability. From this perspective, an autonomous basic income can be a huge step forward.*

However, we live in a gendered economy that still doesn't recognize caring and raising the next generations as work, (and where tech-dominated future growth is looking very male dominated), with a gendered tax/transfer system that does little better overall and in some ways makes things worse. Maternity and parental benefits are among the ways that some economic recognition of social reproduction has been made but they are inadequate overall and usually of little or no benefit to those who need support the most.

Advocates who see a basic income as a way of recognizing and supporting care work have to understand that it too can develop into a trap. Those who see a BIG as enabling labour force participation have to understand that anyone who is responsible for the care of dependents is not equally enabled. Further, some proposals that would be of benefit to women in couples with children could in fact penalize lone-parent families (this is one of the impacts of income-splitting --single moms who pay taxes and don't have anyone to split income with are subsidizing two-parent families). These are not easy matters and it is essential that experts in economic gender equality and gender and taxation be included in the design work.

Policy Design Factors

In addition to drawing on the valuable Ontario discussions, I also use several factors in Jurgen De Wispelaere's analysis that are most relevant to the Canadian context. They focus more precisely at some of the policy details and decisions that are critical within a principled framework.

- reasons behind the model - is it to cover basic needs, reduce poverty, improve security, support labour force attachment, simplify and streamline administration (for whom, government workers, recipients)?

- universality - within this, would a model propose to cover everyone at once, or incrementally based on age, or population group or other factors?
- unit - will the benefit be provided on an individual or household basis or combination
- conditionality - questions of citizenship, residency and of limiting bureaucratic discretion and potential for error, abuse, complexity and increased cost
- uniformity - might there be different levels for different beneficiaries, e.g., by age - or a mechanism to adjust for regional cost of living variation
- timing - regular stream vs annual payment - shorter interval provides more security - when and how does other income get reported and reconciled with benefits -
- modality - how well integrated with other systems, especially the tax system - tax benefit integration considered by some to be a prerequisite for a BI - methods of delivery
- generosity - defining and measuring, linked to an indicator like GDP, poverty line, - periodic revision by law - cost of living adjustments
- stepping stones - the issue of whether a partial bi or incremental system or other initiative is truly a stepping stone to a full bi or or a diversion that stalls or can make things worse.

What might the face of BI look like in Canada: Analysis

It is critical to begin with a principled framework, and a sense of what an ideal basic income might look like and why. That said, it is easier to usher in new policy if it can find a fit with what's already there, barring compelling reasons to do otherwise. In the Canadian case, I think there is a great deal to work with and that provides a starting point for my view of what a good and feasible BI could look like.

Reasons behind the model - my top 5 measurable policy reasons are: provide money for basic needs that is in the control of individual recipients; improve income security; replace stigmatizing and damaging social assistance model; prevent and reduce incidence and depth of poverty; support human labour in the market, household and community (through income and services).

Refundable Tax Credit model of income delivery (a term I prefer to Negative Income Tax). This seems a very good 'fit' in Canada. And if tax benefit integration really is a prerequisite for a basic income, as has been argued, then we are in good shape because almost everyone in Canada has a relationship to the tax system. We already deliver benefits through this model to seniors and to parents (on behalf of children). We provide smaller refundable credits more generally to all low-income Canadians (GST) and much of our tax system is based on credits

(as opposed to deductions which we have moved away from). We thus already have credits that are relevant to a basic income that are non-refundable and could be made refundable.

The personal amount recognizes that everyone needs a basic amount of income before they can be expected to pay tax and refunding this amount for those who don't have enough income would make the tax system more inclusive and fairer. This model of a basic income is income-conditioned but virtually everything in the tax system is income-conditioned so it is in this way universal and does not impose a particular condition on any group of people separate from another. The same person at different times can be a net recipient or a net payer. The tax system also already has credits related to particular conditions that warrant enhancements to a basic income, in particular those related to disability, caregiving and lone-parenthood - these too could be made refundable.

You could conceivably build a universal demogrant model around these credits too but it seems unnecessary and complicated, and in Canada likely more difficult to sell politically. Canadians can opt to have tax deducted at source and for someone in my situation, knowing that my basic income/personal amount would all get taxed back, I'd probably opt to have it all deducted at source and I'd get no cheque. I would still have the same stake as a lower-income person in maintaining the value of that basic income/personal amount, however, because that will reduce the tax that I would otherwise have to pay on other income.

With regard to an appropriate benefit reduction rate as other income increases, it will be important to bear in mind that there are costs associated with employment, so things like payroll taxes (many people working multiple jobs in a year end up overpaying into EI and CPP) need to be factored in, along with access to other non-refundable credits related to employment). I am not convinced that people make decisions to slow down work effort based on their effective marginal tax rates, especially at low incomes. Even if you only get to keep half of your employment income, the additional money means being able to buy a new appliance that you need, enabling your child to go on a school trip, or whatever it is that matters to you.

BI for adults aged 18-64. Because the benefits in place for older and younger people work relatively well, I do not see a compelling reason to add to our challenges by overhauling them when we can more readily provide a comparable benefit to fill the gap. I also think Employment Insurance and programs established to meet different objectives should be maintained and even strengthened.

Recipient Unit. A number of elements related to the recipient unit can also be borrowed from what exists to ensure compatibility. For example, benefit eligibility for seniors is based on number of adults and total household income, but benefits for couples are split and delivered individually to each partner. This supports gender equality. Benefits on behalf of children are also determined on household income and size (number of children) and unless otherwise warranted provided to mothers who are usually the primary caregiver - this too supports gender equality. In terms of 'fit' and in terms of fairness and equity, it makes sense to determine benefits on a combined individual/household basis. Single people at every age, with or without children, are having a harder time than couples who can take advantage not just of economies of scale but of the many ways in which two people can share time and work to have more flexibility and security in their lives.

Adequacy/generosity - again in Canada we can borrow from what exists. Canada is good at defining and measuring and we have a number of statistical measures of low income and other benchmarks to help establish an amount with a sound rationale. Our low-income measures, the amount that seniors receive through OAS/GIS and related benefits, and the amount that would be received by an individual if federal and provincial personal amounts were refundable in full are not very far apart. Benefits in place for seniors are also pegged to cost of living increases. In addition to the expected sorts of data that would be collected and published to assess how well we are doing in meeting objectives like reducing incidence and depth of poverty, and showing results in areas like health, education and wellbeing, I would also want to see something like the F/P/T Economic Gender Equality Indicators used. We need to see how a basic income impacts women and men in terms of time use, market income, income after taxes and transfers and education and training.

Uniformity - I would see general uniformity across basic adult benefits. I do not see a compelling reason to have them differ significantly by age. However, there are other reasons for adjustments to be made to the basic benefit. As mentioned earlier, there are existing credits related to disability, caregiving and lone-parenthood, recognizing the additional challenges and costs of these circumstances and this recognition should be maintained with a basic income using a refundable credit model. This should apply across all jurisdictions. With regard to differences in the cost of living across the country, this is not taken into account directly in either seniors or children's benefits and I think provinces, territories and municipalities have a role in adding to the national base benefit as warranted.

Timing - the basic income would be provided at no less a frequency than monthly, as children's' and seniors benefits are, but an argument could be made for bi-weekly, resembling the way paycheques are usually distributed. Reconciliation of benefits would be done at the end of the tax year, as with other benefits. This is a key aspect of universality and treating everyone similarly within the tax system. It is also a key aspect of dignity and security. People with low-income are more subject to income fluctuations that have serious impacts on their lives and thus are in greater need of the stability of an income-smoothing effect. The month by month scrutiny and reconciliation in social assistance systems is one of their most demeaning aspects - and fraught with errors . There may be some help that some people need in the early stages to ensure they understand how the BI works but this is not rocket science and many times simpler than welfare - if you make extra money, you will owe tax and you need to plan for it. Another timing question that people raise is how long it might take to get into the system when needed. One possibility is to enable people with vulnerability (e.g., recent graduates, people with variable earnings over past few years) to opt in on the basis of expected low-earnings. There may also be a continuing need for some temporary funding mechanism, structured differently than social assistance without so many conditions, to deal with emergency and/or high needs situations.

Gender equality. There are additional ways in which a basic income could potentially be constructed to support equality between women and men as well as healthy families. Given that maternity benefits through employment insurance are of limited value to women with low-income even if a percentage do manage to qualify, and because they are conditional on past labour force participation, the basic income could potentially be supplemented for a limited period in line with maternity and parental leave periods, in recognition of (mostly)mothers' limited ability during this time to earn income in the paid labour market. In the model of basing a BI on household income, there are women with higher earning husbands who have no income of their own who will not get a BI. However, their husbands do get to claim a non-refundable credit for a dependent spouse, a measure increasingly at odds with supporting equality. In this case, the tax break that goes to this family could be directly paid to the wife - a different version of income splitting where the wife actually gets the income and because it's a transfer within the household it's cost neutral. There may be other opportunities to support gender equality as well.

Stepping stones - It seems we have good ones already in benefits for seniors, children and in the structure of our tax system and the use of refundable credits. I do not think calls for anything less than filling in the missing age cohort will be effective as stepping stones. Calls for a basic income for people with disabilities as an incremental step I think could very much backfire because this reinforces the deserving and undeserving framework that could lead to further

stigmatization of those who are left behind and make it harder to get a more universal basic income. Similarly, a partial basic income in terms of providing a low level benefit as a stepping stone to a gradually increased one could also backfire. If it is so low that it does not allow people to avoid recourse to social assistance, we will continue to support a damaging model and all its ancillary costs putting a drag on any significant progress. But Canada has a tradition of relentless incrementalism and if governments propose something that follows this route, it will be harder to determine whether it is going in the right direction or down another path entirely.

Basic income AND - This, in Canada, may be one of the most challenging parts of a basic income model that is embedded in the larger context of very important public services and other measures that ensure people at the low end of the income spectrum are indeed better off with a basic income. Work will continue to be needed on the labour market side to keep it fair and functioning and creating opportunities so that people are able to improve their lives through paid work.

It is in the area of services, however, that a great deal of sorting out is going to be needed. In areas like health care and education, the changes are likely to be fairly straightforward and in a positive direction as health status and educational attainment improve with income. Pharmacare and childcare are two additions to universal public services that are much needed and can also be expected to complement increased income to improve wellbeing broadly. Many people with a basic income just may not need much in the way of services and will get on with their lives. But in other cases, remedial programs may be needed for some time to come. And gradually there will likely also be a shift toward needs and ambitions defined by people who are more independent and able to define, design and participate in the kind of shared programs that will work best for them. The very large challenge that lies in the present, however, is that because of entrenched poverty over decades, a complex array of services has been built up to deal with its consequences, and because of our social assistance model, many services, supports and subsidies have been tied to receipt of welfare. Provincial, territorial and municipal governments will have significant work to do to disentangle and recreate services and supports to meet different needs. In particular, services, subsidies and other programs to help people with low income that are tied to social assistance need to be geared to income level rather than source of income so that their value is not lost to people with a basic income.

The Ontario Pilot

The last two points are particularly important in the matter of the pilot that Ontario has announced. There is little information available yet, and questions even as to whether it is a pilot or more an experiment, whether it is a stalling tactic or a stepping stone. If it is a pilot and is seriously looking at how to roll out a basic income, especially how to address the challenges of disentangling the social assistance architecture, it could offer great promise. The announcement has already served to give the issue legitimacy that is spurring public conversation. There is a lot of interest and municipalities are vying to be a pilot site. The absence of much detail at this point is interpreted by some as indicating that the government is not serious, others think the government has it all worked out and they won't like it, while some see it as an opportunity to let the government know what they think before it gets too set.

In Conclusion

The prospects for a basic income in Canada are very good with political will and intergovernmental cooperation growing, stepping stones in place to aid with design, very good administrability, and a good policy fit for a refundable tax credit model of income delivery with key complementary public services like health care also in place. A key challenge in our federal system, with services provided largely at provincial/territorial/municipal level, and a last resort social assistance model operating differently in each jurisdiction, is to separate services from social assistance in order that people moving to a basic income can still access supports they need and end up truly better off. A key political challenge is to build support in civil society where alliances and skepticism do not follow traditional patterns. Another is to keep working across the country and not just focus on Ontario and Quebec, because there is much that all governments can do to move towards a basic income.

I don't intend for anyone to accept my analysis - it is not complete and I may change my views with conversation and more input. But I do want to stress that it is important that people who do want to see a progressive basic income - researchers, policy wonks and advocates - do similar homework. We need intelligent, informed dialogue that addresses the tough issues if we are to be successful.