



5 questions on basic income as Ontario launches its experiment

April 25, 2017

Premier Kathleen Wynne announced Monday a plan to study basic income in Ontario. It's an idea that has been getting more attention in recent years in Canada. Here are some key questions about the idea, and what may be different about Ontario's experiment.

What is it?

Basic income is an idea targeted at ending chronic poverty, replacing the complex maze of social assistance programs with a guaranteed minimum income with no strings attached.

On Monday, Ontario Premier Kathleen Wynne announced her government would try a pilot project intended to study the effects of guaranteeing a basic income to about 4,000 households in three places in the province, including Hamilton.

A single person could receive up to about \$17,000 a year, minus half of any income he or she earns. A couple could receive up to \$24,000 per year. People with disabilities could receive up to \$6,000 more per year.

Where has it been tried?

It was tried in Dauphin, Manitoba, in the "mincome" project during the 1970s. Finland recently became the first country in Europe to pay its unemployed citizens a basic monthly income. The Netherlands is also experimenting with the idea.

Meanwhile, in Canada, P.E.I.'s efforts to work out a partnership with the federal government in order to create a universal basic income pilot project have been unsuccessful so far.

What's different about today's labour force?

The University of Manitoba's Evelyn Forget has studied the Manitoba "mincome" project from the '70s, but said the rise of precarious work means that it's a new workforce environment to try the experiment in.

"I think really it's the working poor who stand to benefit the most from this kind of a program, the people who are out there trying to get a job, trying and possibly working part time, working a series of part-time jobs, who can use this program to gain the kind of stability that might be able to let them move ahead a little bit and develop a career," Forget said.

What about the people who already receive public assistance?

That's the question that anti-poverty advocates are raising in Hamilton and Thunder Bay.

"If social assistance rates aren't increased significantly at the same time, it's going to leave people in a totally untenable situation," said Sally Colquhoun, the coordinator of legal services at Kinna-aweya Legal Clinic.

Deirdre Pike is a Hamilton advocate who was at the premier's announcement on Monday. She raised a question about Ontario's existing social assistance program, which provides \$12,000 year compared to the \$17,000 a year touted in basic income:

"For the people who are languishing on a single income for Ontario Works, can you please make a commitment to still do something more about those folks that this 'basic income' maybe won't work for or they won't get on?" she asked.

"This is a parallel track," Wynne said. "We have not forgotten that."

What do people say about it?

A CBC forum last year found there's support across the political spectrum for the idea.

And there are some free-market and libertarian minds who think the idea has merit.

"If you accept the idea that there's going to be some sort of redistribution taking place in our system, then you want to do it in the most transparent and efficient way possible," said Michael Tanner, a senior fellow at the Cato Institute. "And you want it to actually benefit people. And our current welfare system does neither."