



April 15, 2020

The Right Hon. Justin Trudeau
Prime Minister of Canada
House of Commons, Ottawa, ON K1A 0A6

Dear Prime Minister:

Re: Why Canada Needs a Basic Income Guarantee

In 1983 Prime Minister Pierre Trudeau appointed a Royal Commission which came to be called the Macdonald Commission which “was a seminal inquiry into the requirements for building prosperity and inclusion into Canada’s economic future”. The Commission did, in fact, recommend a guaranteed annual income.¹

The Basic Income Canada Network state that a basic income guarantee (BIG) ensures everyone an income sufficient to meet basic needs and live with dignity, regardless of work status.

This pandemic has brought into sharp focus the economic inequity under which many of our citizens exist. Dr. Guy Standing states that a basic income would give people security who are living in a time of precarious work, especially as the precariat is growing.² “.....*the precariat has grown to being easily the biggest class – people living bits and pieces lives, with low and uncertain incomes, lacking access to secure benefits and losing social, economic and cultural rights.....As I have argued in a new work out this week, the path to a Good Society was already blocked by Eight Giants – Inequality, Insecurity, Debt, Stress, Precarity, advancing Robots, the threat of Extinction and a drift into Neo-Fascist Populism. The coronavirus is the Ninth.The only sensible economic response for this pandemic and the impending economic meltdown is to give ordinary people greater resilience. The only sensible, equitable and effective way to do that is by providing everybody with a modest regular basic income, as a right.....*”³

Standing also argues that the emancipatory value of a basic income would be greater than the money itself and would be dramatic. It would enhance freedom, for example, for those in an abusive relationship, those working for exploitive employers, and for those who would like to pursue activities but are constrained by income.⁴

On September 19, 2020, an economic analysis of the Canada Child Benefit was released showing that not only has it lifted children out of poverty, but it has boosted the country's economy by \$139 billion since 2016. The report says that the Canada Child Benefit "acts as a basic income guarantee for families with children". The Canadian Centre for Economic Analysis states that every dollar Ottawa spends in child benefits generates almost \$2 in economic activity. At an annual cost of \$24 billion in 2017-18, the report figures the benefit generated more than \$46 billion in economic activity, or about \$139 billion in three years. The analysis, which measures the impact of increased family spending due to the benefit, also shows that 55 cents of every dollar Ottawa distributes is returned to federal and provincial coffers in taxes.

The International Monetary Fund recently stated that a universal basic income could reduce income inequality and protect workers affected by globalization and technological change. Economists Abhijit Banerjee and Esther Duflo, who were recently awarded the Nobel Memorial Prize in Economic Sciences for their innovative approach to alleviating world poverty, are two of eleven living Nobel Prize winners who are advocates for a basic income. ⁵

Investments in a basic income guarantee program have proven to help alleviate poverty, support people in their efforts to participate in the economy, decrease societal costs, improve educational outcomes and improve the quality of life and sense of dignity, for individuals, families, and children. The Canada Child Benefit has been deemed a basic income and the federal pensions for seniors are, in essence, a guaranteed annual income.

Implementing a basic income guarantee would greatly benefit those who are in precarious employment, those who are living on social assistance, and all others living in poverty. In the words of the creators of the Senate report on poverty, it is "absolutely essential to a productive and expanding economy benefitting from the strengths and abilities of all its people". ⁶

Sincerely,

Patricia Leson

President

National Council of Women of Canada

Text prepared by NCWC Economics Convenor Karen Monnon Dempsey

cc: Hon. Bill Morneau, Minister of Finance

Hon. Maryam Monsef, Minister for Women and Gender Equality

Hon. Carla Qualtrough, Minister of Employment

Hon. Patty Hajdu, Minister of Health

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3. _____. "Basic Income Now!". Idler, March 20, 2020.
4. _____. A Precariat Charter. London, Bloomsbury, 2014.
5. Sentens, Scott. Vocal Swamp. November 14, 2019.
6. Eggleton, Art. "In From the Margins: A Call to Action on Poverty, Housing and Homelessness." Senate Standing Committee Report. December 2009.

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NCWC Background

In 1893, the National Council of Women of Canada (NCWC) is a non-profit and non-partisan organization of women, representing a large number of Canadians of diverse occupations, languages, origins and customs and reflecting a cross-section of public opinion. NCWC is a non-governmental organization (NGO) comprised of Local Councils, Provincial Councils, and Nationally Organized Societies.

NCWC is a federate of the International Council of Women (ICW), an international non-governmental organization holding Consultative Status (Category 1) with the Economic and Social Council (ECOSOC) of the United Nations. Founded in 1888, the ICW is composed of National Councils in 74 countries.

NCWC holds Consultative Status (General) with ECOSOC, enabling NCWC to bring a Canadian perspective to the work of the United Nations Commission for the Status of Women. NCWC also participates as an Observer Non-Governmental Organization with the Permanent Council of the Organization of American States.

NCWC is an organization of local, provincial and national organizations which are closely connected with issues at those levels, and which also has a firm grasp of international issues and Canada's commitment to them. For this reason, NCWC is uniquely qualified to approach our Government with suggestions and recommendations which are based on carefully researched and democratically approved policies for improving the quality of life of Canadians.

For the past 127 years, the National Council of Women has worked to improve the quality of life in Canada through education and advocacy. In 2005 the Hon. Stephane Dion announced the unveiling of an Historic Sites and Monuments Board of Canada plaque commemorating the establishment of NCWC as a national historic event in Allan Gardens, Toronto, the site of our first meeting. "The National Council of Women of Canada has worked tirelessly for more than a century to expand opportunities for Canadian women," said Minister Dion. "Having the courage to break down barriers and challenge existing conventions so that women from coast to coast could participate in and influence our society, the Council paved the way for political equality and full citizenship for women throughout the nation."