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NCWC Submission to Pre-Budget Consultations February 2021

The National Council of Women of Canada strongly believes that the growing income inequality in Canada, which has only been exacerbated by the Covid-19 pandemic, could be greatly stemmed by the implementation of a *Basic Income Guarantee (BIG)*.

In his latest book, Cambridge-educated economist Dr. Guy Standing states: *“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 basic income, as a right.....”* (Battling Eight Giants, Basic Income Now. UK, 2020) Shortly after this book was published, Standing referred to the pandemic as the ‘ninth giant.’

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 (CANCEA), an independent, non-partisan economic research firm, 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 Canada Child Benefit has helped reduce food insecurity for some of the poorest Canadians, according to a new study by Valerie Tarasuk, a nutritional sciences professor at the University of Toronto. (Leslie Young, Global News, Nov. 7/19)

Seniors (over 65) have income programs such as Old Age Security and the Guaranteed Income Supplement (GIS) which have been proven to reduce poverty significantly. However, many seniors, particularly women, are still living in poverty; all these seniors need to be included in any basic income program, whether they receive a basic income guarantee which could replace the GIS, or by having their GIS topped up with a basic income.

One of the most egregious systems in our society is Social Assistance, which keeps people trapped in poverty. The Hon. Hugh Segal states, *“Yet the central issue for the poor is lack of money. In most provinces, welfare systems still pay less than 50 per cent of the poverty line.”* (Bootstraps need Boots. UBC Press, 2019) Recipients are ‘allowed’ to earn a little bit; anything over that is clawed back at a high rate. This, in effect, actively discourages them from working as their lives are essentially monitored for any infractions of the rules that govern them. In order to reverse this 21st century version of Charles Dickens, we must stop punishing people for being poor and then asking why they continue to live in poverty. Social Assistance programs must be replaced by a more equitable system such as a basic income guarantee. All of us deserve the opportunity to be the best that we can be.

The ‘cost’ of poverty is frequently quoted as being at or around \$86 billion/year. Dr. Evelyn Forget, a health economist, in her book Basic Income for Canadians, estimates there would be an eight (8) per cent reduction in hospital costs as the result of implementing a basic income. Danielle Martin, a prominent Canadian physician, agrees that it would result in better health and decreased health costs.

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Investments in a basic income guarantee program have been 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. It would, for example, help people leave abusive relationships, help others to go back to school, look for better jobs, become entrepreneurs, or explore their potential in other ways. A basic income guarantee would protect people from income insecurity, precarious employment, which has become a constant and increasing stressor, and the ever-increasing use of automation, and artificial intelligence. Working full-time or 'having a job' is no longer a sure route out of poverty as more and more people fall further and further behind, through no fault of their own. When people feel they have more equity in their own lives, their contributions to the world they live in become greater. They can thrive and achieve, instead of constantly worrying about day-to-day survival; this goes back to Maslow's Hierarchy of Needs. No person should be precluded from being the best that they can be for lack of money.

In another fifty or hundred years from now, is history going to say that we did all we could to address the economic inequities in our great country? In American President Franklin D. Roosevelt's second inaugural address, he stated, "The test of our progress is not whether we add to the abundance of those who have much. It is whether we provide enough for those who have too little." (Jonathan Adler, *The Defining Moment*, Simon & Schuster, 2006)

The Basic Income Canada Network states that a basic income guarantee would ensure everyone an income sufficient to meet basic needs and live with dignity, regardless of work status. ***Therefore, the National Council of Women of Canada strongly urges the Government of Canada to work with the provinces and territories to develop a national basic income guarantee (BIG) program.***