

Brief to the HUMA Committee On Precarious Work

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The Basic Income Canada Network (BICN) welcomes the opportunity to provide its perspectives on this critically important study. The design of public policy going forward will affect how the future of work unfolds and the impact it will have on individual Canadians, society and the economy. The increasing precarity of jobs and incomes threatens a healthy future, but effective solutions are well within reach.

Precarious work

Dictionary definitions of 'precarious' include:

- *Depending on chance circumstances, unknown conditions, uncertain developments*
- *Depending on the will or pleasure of another*
- *Characterized by a lack of security or stability **that threatens with danger.***

On this understanding, almost all 'work' is precarious to some extent. It has been made more secure and stable over many decades through public policy, such as income replacement for temporary periods of unemployment, illness and maternity, labour legislation to protect workers on the job, and medicare to treat illness and injury that limits people's work capacity.

Much of this policy infrastructure was driven in the early years by the spectre of the great depression and the horror of world wars that no one wanted to see ever repeated, as well as forward thinking about the pros and cons of automation and about gender and racial inequalities. As a key witness to a government committee urged in 1955, policy makers had to show leadership in addressing **"the growing and serious imbalance between our ability to create wealth with our tremendous productive power and the inability of millions of families to consume that abundance because they lack adequate purchasing power"**.¹

Things did get better for several decades but the problems are still with us and the pace of change is only accelerating and becoming more unpredictable.

Over the years, technology has had a role in reducing aspects of precarity, such as medical technology that makes childbirth less risky, or using robots for dangerous manufacturing processes that risk injury and death to humans. It offers amazing opportunities in many aspects of life.

Technology, however, in combination with other factors, is also driving inequality, insecurity and social unrest. It is changing the nature of human work profoundly. Human labour is less needed and less rewarded in the market even though there is plenty of human work to be done. That human work, like raising children and building communities and democracies, continues to be undervalued and often unremunerated. Innovators² at the forefront of technological disruption, robotics and artificial intelligence are very worried about where we're headed and think a basic income is going to be a necessity to stabilize the economy and society. Employment-based policies will be important but not sufficient.

¹ America's Labor Statesman Speaks Out, Walter P. Reuther Selected Papers, edited by Henry M. Christman, Pyramid Books, 1964, pg.51

² Such as Elon Musk and Mark Zuckerberg.

Social tensions, racism, sexism, xenophobia, intolerance and violence have been resurfacing lately. Those tensions and the rise of authoritarian and anti-democratic political movements are signs that fear and anxiety are growing as security and stability are waning. Governments have work to do to re-establish trust among their citizens that they can recognize problems and deliver solutions.

Employment-based policies

It is increasingly apparent that the future is not going to unfold like the past. Our policy frameworks need to reflect that reality.

Much of our income security system is based on contributions related to past employment with fairly rigid conditions for qualifying and receiving benefits. This includes Employment Insurance, public pensions, and registered retirement savings vehicles. Social assistance regimes are also based on employment criteria, providing very harsh treatment and many restricting conditions for those deemed 'employable'.

For many people in precarious situations, those programs are of little or no help, as the examples below indicate:

- University instructors who are paid by the course and make ends meet by pulling enough courses together at one or multiple institutions. A course may be cancelled at the last minute, however, if there is insufficient enrolment. If this happens, the academic still has a job, so is not unemployed, but lacks compensation for the work already done to prepare for the cancelled course and is unable to make ends meet or plan well for the future.
- Well-educated university graduates with high student debt loads who are unable to find decent jobs or even gain any foothold in the labour market before they run out of money.
- Low-paid employees surviving close to the poverty line who may qualify for EI but receive a benefit level that leaves them in poverty. Some have too much income to qualify for social assistance that may allow them some needed medical benefits. Others may have so little they qualify for social assistance but it almost guarantees diminishing chances of finding employment.
- Uber drivers, who are not 'employees', whose paid work is controlled not by a human being but by a technology platform. If too many rides are refused (it doesn't matter if the driver had to pick up a sick child from school instead) the driver is shut out. The same can happen as the result of bad reviews, perhaps from a passenger who took out his anger at the traffic on the driver or his advances to a female driver were rebuffed.
- Employees who for years had decent, stable, full-year, full-time jobs (even unionized ones) who lost them in the 2008 financial meltdown, or whose employer moved the operation to another country or replaced them with robots. They will qualify for EI for a while, but it's designed for temporary spells of unemployment and the kind of jobs these workers used to have just aren't coming back.

Improvements to employment-related and retraining programs will help some people but they will not be enough, and not immediate enough, to meet the need that all Canadians have for income security.

What is needed urgently is expanded income security for people **while** they are going to their jobs, studying, transitioning between school and employment, retraining, looking for better opportunities, or becoming an entrepreneur, as well as while they are managing a divorce, childbirth, a health condition or anything else life brings.

Unconditional income security policies

Canada's greatest, proven success at reducing precarity and improving security has come through benefits for seniors (**Old Age Security** and the **Guaranteed Income Supplement**) and parents (currently known as the **Canada Child Benefit**). These are forms of a basic income—unconditional direct cash transfers to individuals, that enable people to meet their needs and live with dignity.³ They have been shown to reduce incidence and depth of poverty and to improve wellbeing. In the case of families with children under 18, benefits included greater parental investment in child health and education and reduced spending on alcohol and tobacco. Children's benefits have been credited by the Governor of the Bank of Canada as providing a stimulus to the economy. Benefits for seniors and families with children have had wide support from all political parties and the public for decades.

The evidence from these long-standing programs resembling basic income in Canada, along with evidence from numerous basic income pilot studies in the 1970s in North America and more recently around the world, show that they have multiple benefits. They lead to a range of health and wellbeing improvements to individuals and communities, and they support adult work effort, employment and entrepreneurship.^{4 5}

Basic income, as it has been applied in Canada, is a demonstrable success story. Expanding it to the people left out is thus both a **highly-effective, bold policy move and an eminently prudent one**. It can work with employment, education and other measures and social programs to be mutually beneficial.

Impact on People - Precarity and Security

The Ontario Basic Income Pilot (OBIP) was designed to test, and learn from, a policy to fill in the gap for 18-64 year olds. Despite its early cancellation, a great deal was learned about design and implementation. BICN was also able to obtain survey information from over 400 recipients about their experiences. In the **Signposts to Success report**⁶ recipients indicate how lives and

³ There are many other unconditional direct cash transfers like the federal GST credit, which is the most universal but it is also far too small to meet basic needs.

⁴ For more in-depth reading on basic income and its relationship to work, the precariat, technology and other areas, including affordability, see Evelyn Forget's *Basic Income for Canadians: The key to a healthier, happier, more secure life for all* (2018) and the work of Guy Standing (on the precariat in particular), Robert B. Reich, Nick Srnicek and Alex Williams, and Paul Mason among many authors.

⁵ This experience, like that of other pilots, shows positive effects on work. See for example, a meta study of work in *Would a Basic Income Guarantee Reduce the Motivation to Work? An Analysis of Labor Responses in 16 Trial Programs*, by Richard Gilbert and colleagues, in *Basic Income Studies*, 2018-0011. It indicates no meaningful work reductions.

⁶ Available on the BICN website

resilience improved when security and flexibility were increased. When precarity returned, options narrowed and ability to plan and cope diminished. Some examples:

Mental health

- On the government's baseline survey, 80.9% of participants were suffering from moderate to severe psychological distress when they enrolled⁷.
- On BICN's survey, 88% of recipients reported less stress and anxiety. They related examples of reducing or eliminating medications, controlling conditions with better diet, exercise and social contact, in turn getting a job or a promotion through improved mental health and greater confidence.
- When cancellation was announced people felt previous symptoms returning or worsening.

Health and food security

- Similar improvements were reported with physical health and food security, both of which contributed to reducing medication, becoming more alert and physically capable of activities not possible before.
- People who had been working at 2 or 3 physically-demanding jobs were able to reduce stress on their bodies through recreation.

Work/employment

- The baseline survey indicated the majority of employed people felt they were in dead-end jobs.
- Many recipients in our survey went back to school or upgraded skills. Others were able to get and keep jobs by buying bus tickets or putting gas in the car, affording child care, buying work-appropriate clothing, getting a drivers licence, moving, starting or expanding a small business, averting crises that set them back, planning for the future. Cancellation upended much of this progress, replaced by uncertainty and fear.

Recommendations:

1. Expand basic income, now available to seniors and families with children, so that all Canadians have comparable, unconditional income security to meet basic needs and live with dignity. The federal government has stated its intention to move in this direction and BICN strongly supports doing so as rapidly and fully as possible.
2. The definition of precarious 'work' should reflect that all work, not just employment, is precarious to some extent, and that income insecurity and lack of control over time are defining characteristics.
3. Measures and Indicators should provide information on the effectiveness of various public policies in reducing income insecurity: direct cash transfers/tax benefits; employment insurance; other employment and labour market policies. Other indicators of precarity's

⁷ See the work of Eldar Shafir and Sendhil Mullainathan on the harmful effects of scarcity on mental bandwidth. With too few resources, everything is a daily struggle that breeds anxiety.

impact on people include: time-use surveys showing paid/unpaid, market/non-market work patterns as well as education/training and time in transit; health and wellbeing indicators; poverty (incidence and depth) and inequality measures.

Basic Income Canada Network is a national, voluntary, non-profit, non-partisan organization promoting a basic income in Canada, according to principles set out in The Basic Income We Want. More information is available on our website at www.basicincomecanada.org.