



*FOUNDED 1893  
(INCORPORATED BY ACT OF PARLIAMENT)*

*IN FEDERATION WITH THE INTERNATIONAL COUNCIL OF WOMEN*

*Pre-Budget Consultation Brief to the Standing Committee on  
Finance  
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*For the*

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## *National Council of Women of Canada*

### *Preamble*

The National Council of Women of Canada (NCWC) is pleased to present our Pre-Budget Consultation Brief to the Standing Committee on Finance.

Founded in 1893, the National Council of Women 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 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. We are a federate of the International Council of Women, an international non-governmental organization holding Consultative Status (Category 1) with the Economic and Social Council (ECOSOC) of the United Nations.

NCWC is an organization of local, provincial and national organizations which are closely connected with issues at all those levels. 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 national historic significance of NCWC 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."

## **NCWC Pre-Budget Brief**

### **Mandate: Measures to restart the Canadian economy as it recovers from Covid-19 pandemic**

The Covid-19 pandemic has exacerbated the current inequities in our society and brought them into sharp focus. Women have been the hardest hit as they simultaneously work from home, help teach their children, do child care, sometimes having to live in lock-down with their abusers. Women have also made up a huge percentage of front-line workers including those in healthcare. Instead of stop-gap measures, having a basic income guarantee in place permanently would assist in our economic recovery and cushion any further economic disasters.

In his latest book, 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.’

Therefore, the National Council of Women of Canada strongly urge the Government of Canada to work with the provinces and territories to **develop a national basic income guarantee program**. 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.

Poverty results in the marginalization and social exclusion of a large portion of our population. It makes people feel powerless and that can have dire and dangerous consequences such as joining gangs and even terrorist groups which can give vulnerable people, especially younger ones, the illusion that they have power. However, when people know that they genuinely have a voice and are being heard by society, they then can be contributing and valuable members of that society.

The Basic Income Canada Network states that a good basic income design is one that:

- Enables individuals to have both (1) autonomous income to use as best meets their own needs; and (2) access to public services that benefit all of us.
- Need not replace income programs that are working fairly well, such as forms of basic income already available to children (0-17) and seniors (65+), or programs designed for other purposes, e.g., Employment Insurance, Canada and Quebec pension plans.
- Replaces income provided through social assistance systems that impose paternalistic and stigmatizing conditions not applicable to other Canadians.
- Provides the security of an income floor that increases over time with the cost of living, declines gradually as other income increases, and is enhanced in particular circumstances such as disability and lone-parenthood, consistent with the recognition such circumstances receive now in the tax system and other programs.
- Leaves no one receiving income support worse off than before a basic income program was implemented, substantially improves the wellbeing of those in deepest poverty, and to these ends changes services currently tied to social assistance receipt to ones that are geared to income.
- Works together with universal public services such as health care, education, child care and pharmacare, and over time reduces the volume of need for services that treat the consequences of poverty and exclusion.
- Does not substitute for minimum wage or pay equity laws or other measures that ensure the paid labour market operates fairly, nor for the creation of new and better jobs; nor

does good basic income program design remove the need for an affordable housing strategy, and the need to combat racism, other forms of discrimination and other factors linked to inequality.

([www.basicincomecanada.org](http://www.basicincomecanada.org))

One of the most egregious systems in our society is Social Assistance (formerly called Welfare) which keeps people trapped in poverty and de-incentivises work. 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) The recipients are living a feudal-like existence at a bare subsistence level. Many are short- or long-term disabled. They are ‘allowed’ to earn a little bit; anything over that is clawed back at a high rate. Their lives are essentially monitored; they live under a punitive and personally invasive lens. In order to give them back control over their lives, recipients would instead receive a basic income guarantee.

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.

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. (Scott Sentens, Vocal Swamp. November 14, 2019)

The cost of poverty is often quoted as \$75 billion/annually; the human cost of living in poverty is much harder to measure but we know the devastating results. The Hon. Hugh Segal states that “Poverty itself was, and is, a contributing cause of ill health, poor education outcomes, marriage breakup, short lives, substance abuse, and problems with the law. A single-focus program to address the cash crunch that defines and shatters millions of lives would clearly be the most efficient, humane, and productive way to proceed.” (*Bootstraps need Boots*. UBC Press, 2019)

In July 2020, the Office of the Parliamentary Budget Officer (PBO) was asked to estimate “.....the cost of a guaranteed basic income (GBI) program to ensure all Canadians between 18 and 64 have income of at least 75% of the Low-Income Measure (LIM; \$24,439 for an individual and \$34,562 for a couple) for the last six months of the fiscal year 2020-21 .....(and that) the PBO should use the parameters set out in Ontario’s 2017 basic income pilot project..... PBO estimates that the basic gross cost of the GBI would range between \$45.8 billion and \$96.4 billion based on the three scenarios for the six-month period. The supplemental guaranteed income for disability would be \$1.7 billion.”

(“Costing of a Guaranteed Basic Income during the Covid Pandemic,” Office of the Parliamentary Budget Officer, July 7, 2020)

Dr. Evelyn Forget, a health economist, in her book Basic Income for Canadians did a costing for a national basic income and stated that it is affordable and doable. Dr. Forget estimates there would be an 8 per cent reduction in hospital costs as the result of implementing a basic income, therefore, better health outcomes. Danielle Martin, a prominent Canadian physician, agrees that it would result in better health and decreased health costs. Similarly, other societal costs would

likely decrease. When people's most basic needs are met – food, shelter, safety, and security – they have time to fulfill other needs and wants.

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 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. That stressor is gone or at least greatly minimized.

In Dr. Martin Luther King's 1967 book Where do we go from here: Chaos or Community? he advocated for a guaranteed annual income, stating: "The time has come for us to civilize ourselves by the total, direct and immediate abolition of poverty." (Remembering Martin Luther King, Jr's, Solution to Poverty, Jordan Weissman, [www.theatlantic.com](http://www.theatlantic.com), January 20, 2014) Dr. King also stated: "The dignity of the individual will flourish when the decisions concerning his life are in his own hands, when he has the assurance his income is stable and certain, and when he knows that he has the means to seek self-improvement."