

An Act to Develop a National Framework for a Guaranteed Livable Basic Income
Bill S-233 – Committee Stage of the Bill (having passed 1st and 2nd reading)

. **Meeting #73 – Senate of Canada, October 18th, 10:30 to 12:30 NL time.**

Report from Marion Pardy

. This Committee meeting (Standing Senate Committee on National Finance) was online and I had opportunity to attend.

The Format:

Introduction and Presentation – Yves Giroux Chair and Parliamentary Budget Officer – Presentation of Bill S-233; an examination of matters related to budgetary estimates for a Guaranteed Livable Basic Income (GLBI).

-the overall cost of a GLBI (according to 2021 analysis by the Parliamentary Budget Office) would have been \$85 billion in 2021-2022 to \$93 billion in 2025-2026. Giroux estimated net costs at \$44 billion.

Questions for Clarification – Senators, then, had opportunity to ask questions for clarification. Questions ranged from the possibility (necessity) of federal/provincial collaboration to the effect on the 10% of Canadians who don't file income tax, effect on labour, etc. (one Quebec Senator noted that, according to experts, a GLBI would be socially unacceptable in Quebec, 'disincentive for work' being one major factor).

Presentations by "Witnesses": Kathleen Wynne, former Premier of Ontario; Dr. Evelyn Forget, Medical Economist, University of Manitoba; Dr. Jiaying Zhao, Economic Scientist, University of British Columbia

-some points: Wynne referred to the Ontario Pilot, that even though it was ended with a change of government, there were some learnings, viz., that a GLBI is 'doable' and makes a tangible improvement in people's lives. She quoted from Hugh Segal's book: "Bootstraps Need Boots...": **...poverty is a cause of much of the dysfunction that our societies needs to address. It is not rocket science to figure out that someone can live a better life at 70 percent of the poverty line than at 45 percent, or that a basic income design that encourages work will be more helpful for a dynamic and growing society than a welfare regime that discourages it.** (p. 166)

-Forget noted that a 'well designed' GLBI program won't decrease work hours; research has shown that with a GLBI, people are more motivated to work and to seek better paying jobs. Forget noted that we need better labour policies as well as GLBI. She addressed 'affordability' – the 'times are too tough' for a GLBI. She responded that looking at our history 'times are always tough', we are either entering a crises or emerging from one. Need to challenge that assumption.

-Zhao noted that findings indicate that poverty makes employees less productive. GLBI is an effective and cost-effective way to reduce poverty. Financial Stress is a downward 'spiral'. A BC experiment showed that extra money did not increase usage of alcohol, drugs, etc. He urged Senate to move forward with a GLBI.

Questions for Clarification:

Again, questions ranged from 'incentive to work' to affordability to the 10% who don't file income tax; effects on those below the poverty line with drug cards, etc. (again, incentive to work). Some responses: a GLBI 'pilot' enabled people to return to work, obtain better-paying jobs and/or return to school; not a lot of money but sufficient to 'get going'. Re those reaping 'benefits' now such as 'drug cards', etc., all 3 witnesses shared that a GLBI can't leave people 'worse off' than before; a GLBI provides opportunity to examine and 'clean-up' inconsistencies; research challenges the 'disincentive to work' myth. Also, the comment that many people don't file income tax because it isn't to their advantage; more people would file if there were incentives to do so. The 'disincentive to work' and 'using money for substance abuse' are 'myths and stereotypes; need to 'address' and 'correct' it. Noted also was that an 'increase in taxes' applies to those with the 'highest' incomes primarily.

One 'witness' referenced Finland – finding that if the 'lowest' in society do better, the whole of society does better. A reminder that that the purpose of a GLBI is to raise greater numbers of people out of poverty; look at the problem we're trying to solve; then framework accordingly.

The inter-relationship between poverty and mental health, addictions, homelessness was raised. The question, "What is holding us back?" was raised; the 'piece-meal' approach challenged.

Concluding Remarks: In addition to courtesies, Chair Giroux asked the 'witnesses' to submit their presentations and concluded with "we have more homework".

Marion's Comments: I was heartened by the Chair's concluding comment "we have more homework"; an indication that they were listening to 'witnesses' and questions;, from my perspective, they did an initial thorough presentation.

-the "Meeting" was well-chaired – no political 'hassling', etc. The next steps, as I understand them, is for the Committee to do more 'homework' and, then, report to Senate for a 3rd reading, for debate, if there are amendments to Bill S-233. If adopted, Bill S-233 goes to House of Commons where it goes through a similar stage. If Bill S-233 is passed by Senate and House of Commons, it goes to Governor General for Royal Assent and it becomes Law. **May it be so!**