

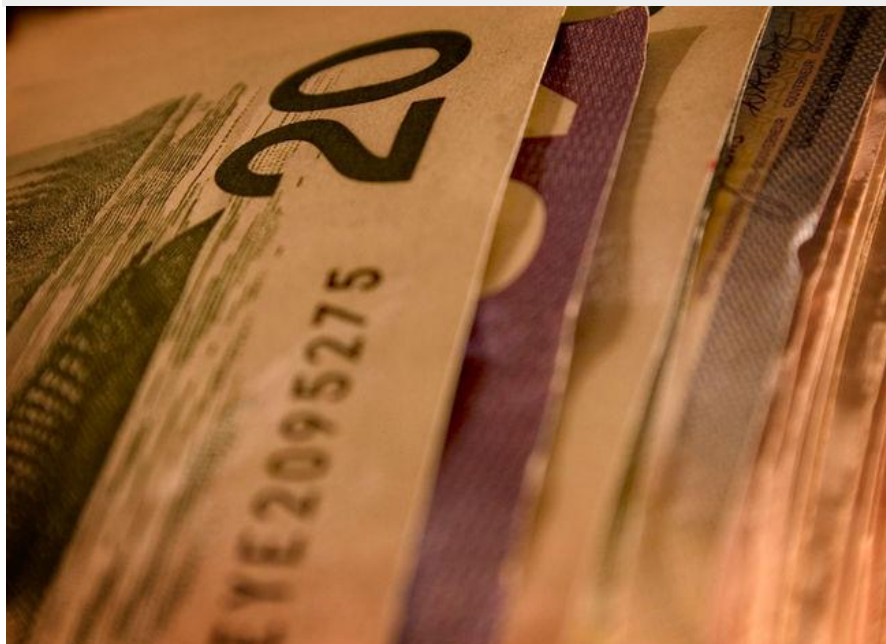


NEWS LOCAL

Sudbury conference exploring guaranteed income

By [Mary Katherine Keown](#), The Sudbury Star

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A conference underway in Sudbury is looking at the idea of a basic income for all Ontarians, which proponents say would alleviate poverty and would actually improve the province's bottom line.

Charles Cirtwill, president and CEO of the Northern Policy Institute, was clear the Basic Income Guarantee (BIG) conference leans neither right nor left.

"That's the beautiful thing about discussing basic income," he said. "Both sides on occasion over the past 100 years or so have supported it. ... You've got people like Adam Smith and others who've talked about it. This is how do you attack poverty, how do you attack income insecurity and how do you do it in the most efficient and cost-effective way?"

On the right, they hate government waste. On the left, as Cirtwill pointed out, people tend to dislike the labels and stigmas attached to being poor.

"In theory, this (BIG) is not a bad idea, but as we're discovering, the devil is always in the details," he added.

The Northern Policy Institute is hosting the conference at the Hellenic Centre to explore the issues surrounding basic income and to think about how to implement it.

Minimum wage and basic incomes are two different ideas, Cirtwill pointed out. Whereas minimum wage blends valuations on work and the individual performing that labour, basic income is a more collective approach, paid for by all taxpayers.

Minimum wage increases render most products more expensive, which means people will tend to buy less. A guaranteed income, on the other hand, benefits all people in a society.

"If, as a society, we decide that every Canadian should have their basic needs met -- that means they should have an income of \$12,000 or \$15,000 -- that is something collectively we pick up the tab for, as taxpayers," Cirtwill said. "And that has positive impacts for employers, for workers and the economy."

While Cirtwill admits some may grumble about handing out money that has not been earned in the traditional sense, the evidence for an income guarantee is undeniable.

"What we know from the academic literature -- globally, nationally and provincially -- is that the best way to permanently eliminate poverty is cash transfers," he said. "It means people have income security, they can get food for their family, their health goes up, and when their health goes up, their attitude towards life improves, they tend to get higher education and they get jobs. So we know this works."

Cirtwill said basic income could be achieved with taxation, rebates, cash transfers to families or individuals, tax allowances, as well as programs such as the Canada Child Benefit. They are all targeted towards certain income levels, so the very wealthy would not receive these incentives.

Mike Moffatt, one of the presenters at the conference, told attendees "we do not spend enough in this province on social assistance."

Cirtwill adds that means the change that is possible with real poverty alleviation is not happening.

"We know our current levels of transfer aren't sufficient to deliver to us the transformational change to break the poverty cycle that we're trapped in," Cirtwill said.

Moffatt, an economist who has worked with the Mowat Centre and the Lawrence National Centre for policy and management, and who teaches business at the University of Western Ontario, believes Ontarians need a basic income of about \$8,000.

"If they're willing to commit an extra \$10 billion up and above what they're spending now, they could probably afford at maximum \$7,000 to \$8,000 per year," he said.

To go beyond current Ontario Works cheques, which average about \$650 for a single person with no dependents, Moffatt estimates the provincial government would need to spend upwards of \$15 billion. They would also need to return to the rates paid out in the early 1990s. With inflation, that means about \$11,000 per person per year.

"The Ontario government doesn't have that much money," he said.

In order to raise the money to fund basic incomes, Moffatt says the government would need to increase taxes, substantially. He also believes the federal government would need to step in and help.

"They would have to massively increase taxes," he said. "Right now, our HST is about eight per cent, it would likely need to go in the 12-15 per cent range, on top of the five per cent the federal government charges, if they were going to unilaterally pay for this."

Moffatt admits that basic incomes still fall far below what a family would need to purchase groceries, pay for public transport and pay rent. But it is nudging closer.

And it is worth it, as life expectancies for the impoverished are about eight to 10 years less than for other individuals.

"There are higher stress levels, food insecurity, all of those issues contribute to a variety of health issues," he said. "It also puts excess burden on our health care system. If we're able to pull more people out of poverty ... there should be some savings to the health care system, in addition to helping people lead healthier, more productive lives."

Despite the costs, Moffatt said household benefit cheques are positive and transformative, and will pull 300,000 children out of poverty.

Members of city council were also in attendance at Wednesday's conference. Councillors Robert Kirwan (Ward 5) and Al Sizer (Ward 8) were there to learn more about the basic income guarantee and to show their support for the idea.

"This is something I've had an interest in since coming to council and before that, social justice issues," Sizer said. "So, this really plays into that and seeing if we can improve on the situation for some of those with less earnings here in the city."

Sizer was also keen to see how Sudbury could fit into a provincial plan to launch a pilot project promoting basic income.

"It's interesting to see what the ramifications, financially, are," he said. "The thing I would like to push forward is that the province is going to be looking for three pilot cities to start their guaranteed annual income. So I'm hoping we can get enough information here to bring it forward to council and really push so that we could be one of those pilot cities."

While the basic income guarantee scheme is still in early days, Sizer thinks Sudbury would be a good fit for the project.

"We're in the north, we have a very large area to take care of, we have the francophone, English and Indigenous (communities), so we have a lot of the elements I think will be required," he noted.

To learn more about the conference, go to big2016npi.ca.

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