

EXPERT PANEL ON BASIC INCOME

David A. Green (Chair)

Jonathan Rhys Kesselman

Lindsay Tedds

December 28, 2020

Honourable Nicholas Simons
Minister of Social Development and Poverty Reduction
PO Box 9058 Stn Prov Govt
Victoria B.C. V8W 9E2

Via Email

Dear Minister,

We are pleased to provide you with the final Report of the Expert Panel on Basic Income as required by the July 2018 Terms of Reference.

Our report is comprised of two documents — an Executive Summary and the Final Report.

The Executive Summary provides an overview of the entire report as well as setting out the vision embodied in our recommendations. Our work has been guided by a vision of British Columbia becoming a more just society. A place of mutual concern and mutual respect, where each person is supported to make the fullest contribution they can. Where no one is left behind.

The Final Report itself is set out in six parts.

Part 1 contains the charge put to us and summarizes the rest of the report.

Our mandate included the directives to both consider a basic income as a policy tool on its own and examine “how elements and principles of a basic income could be used to transform and enhance” the existing support systems. We quickly realized that focusing on the principles of a basic income tended to steer us back toward choosing a basic income and that we needed a broader perspective from which to compare different policies. We found that perspective by framing our evaluations in terms of the impacts of policies in making British Columbia a more just society. In Part 2 of the report, we develop an analytical framework for evaluating how well alternatives are aligned with a goal of justice, broadly defined. In this part of the report, we attempt to make the justice theme concrete enough to be practically applied as the basis for analysis. Our justice-based framework includes many of the elements embraced by basic income advocates but extends to others such as responsiveness, reciprocity, and public trust.

Part 3 contains background information that is needed to frame the nature of the problems B.C. faces and to provide context for potential solutions. We discuss levels and trends in poverty, the fiscal context, and the nature of the B.C. labour market (particularly in relation to technological change). We also present summaries of what we heard in our consultations with various affected groups in society.

Part 4 continues our framing of the context of policy changes by describing the nature of the current support system in B.C. This involves characterizing both federal and provincial elements of that system. It includes a description of labour regulations since we believe that a just society incorporates not only just income and service supports but also a just labour market where there is a balance between workers' needs for dignity and employers' concerns about productivity. Using labour regulation policies to act directly on the income adequacy and self-respect of low earners will significantly augment the improvements that can be achieved through the income and social support system. A key conclusion that emerges from the discussion in Part 4 is that the set of current programs does not constitute a complete, co-ordinated system. One goal of our recommendations is to indicate the direction toward a more complete system. With that said, we also conclude that the current system has important elements that fit with our justice-based approach. This is particularly true because of significant policy reforms implemented over the last three years. Some of our recommendations constitute a continuation of the direction of recent reforms while others propose newer directions.

In Part 5, we work from the structure built in the previous parts to examine a generally available basic income as a potential central element of the support system in B.C. In doing this, we consider the patterns in the B.C. economy set out in Part 3 and remaining gaps in the support system described in Part 4. We also carefully investigate claims made for what a basic income could accomplish set out by its proponents and claims made about problems with basic income made by its opponents.

Part 6 contains our conclusions and a thorough discussion of our recommendations.

Our conclusions are best framed in terms of the three main questions posed for the panel.

The first question put to the panel was whether British Columbia should adopt a basic income as the central element of its transfer system. Our answer to that is no. Moving to a system constructed around a basic income is not the most just policy change we can

consider. The needs of people in this society are too diverse to be effectively answered simply with a cheque from the government. Effectiveness, in fact, is a key issue. Questions of effectiveness are reflected in the fact that a basic income is a very costly approach to addressing any specific goal, such as poverty reduction, but also in whether the claims made for a basic income are supported by the evidence. We find that some of the basic income claims are not supported in the data (most importantly, that it is a simple approach that is easily implemented through the tax system and that its paid work disincentive effects are significantly better than those in the existing system); others are better accomplished by other, more direct policies. We also have concerns about the notion of justice in an approach centred on a basic income. Basic incomes emphasize individual autonomy—an important characteristic of a just society. However, they place too little weight on other elements of a just society that should be included in the balance, such as community, social interactions, reciprocity, and the bases of dignity for all. The basic income approach seems to us to be more individualistic than the way we believe British Columbians see themselves.

The second question the panel was asked was whether there should be a basic income pilot. To this, too, our answer is no. Many of the proposed benefits of a basic income have to do with changes people might make because they have a long term, stable income source—changes such as investing in an education or starting a business. A pilot will not allow us to assess these claims. Even the longest basic income pilots last only five years and that is not a long enough commitment for people to make substantial changes. We already have evidence on shorter term impacts from other research and pilots. Another critical shortcoming is that a basic income pilot would not permit the testing of the major taxation changes needed to finance a real-world scheme, which our analysis suggests might have behavioural impacts even more salient than those on the benefit side. Our preferred approach is to implement new policies incrementally, assessing them carefully and, very importantly, consulting thoroughly with affected groups, then making adjustments. A just policy change process does not involve one policy proposal, tested then implemented. It is a never-ending quest.

The third question posed to the panel was what other policy changes might be made that could embody the spirit of a basic income. We propose a mixed system that applies different approaches in different circumstances: basic services, such as extended health supplements for needs common to all of the least well-off and a new, extensive rental assistance benefit for low income households; targeted supports for groups like youth

aging out of care and people fleeing violence, who have more specific needs; targeted basic incomes where they are most helpful, such as for people with disabilities; an overhaul of the disability assistance system, including for those with mental health and addiction issues, that emphasizes dignity and support for work for those who want it; a reformed Temporary Assistance program, providing monetary benefits with more dignity; an improved earnings supplement for the working poor; and a more just labour market, to improve wages and job conditions for low-skill, low-income workers. These changes will be particularly beneficial for people whose often precarious situations have been highlighted by COVID-19: women, people with limited education and work skills, and Indigenous and racialized people.

We view our proposals as an integrated whole that would help move British Columbia toward being a more just society. Making some of the changes related to cash transfers without putting the resources into service supports and community building could create some unfortunate incentives and justice “blind spots.” Nonetheless, we delineate our recommendations into short- and medium-term categories based on the amount of extra groundwork needed to implement them. Among the medium-term recommendations are a set that are aimed at creating a more consistent overall system, better integrating federal and provincial programs. In total, while our suite of recommendations carry significant cost to the provincial finances, they are far less than those of a basic income that would have a major impact on poverty rates, while more effectively targeting groups and areas we identified as having the greatest needs.

Process is as important as policy content. We view the building of effective communities of support as a central goal of the system we are proposing. That must start with extensive involvement of affected communities both in initial policy design and in ongoing adjustments to systems. Nowhere is this more important than in engagement with Indigenous communities, whose members, tragically, face vastly disproportionate poverty and justice issues. We do not view it as within our purview to make recommendations in that area but have made a start by initiating, together with the Ministry of Social Development and Poverty Reduction and Indigenous leadership, a data gathering exercise in conjunction with First Nations communities, which will continue. In general, a human rights-based approach, such as that used in the recent federal National Housing Strategy, seems to us to be a useful model for ongoing engagement with all communities.

Finally, we want to thank the many researchers who contributed significantly to our work. Most importantly, we want to acknowledge the very substantial contributions of Daniel Perrin both in helping with the writing and in contributing many excellent ideas. The report would not exist without him. We are also grateful for the support given to us from your Ministry, from the general direction given by David Galbraith, through the very direct help from and consultations with Molly Harrington and Robert Bruce.

Thank you for the opportunity to undertake this important work to make a positive difference in the lives of all British Columbians.

Sincerely,



David A. Green
Chair



Jonathan Rhys Kesselman
Member



Lindsay Tedds
Member