

City council backs guaranteed income

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TELEGRAPH-JOURNAL

SAINT JOHN • Saint John council has become the latest municipal government in the province to throw in its support for a guaranteed basic income.

Members voted unanimously Monday to send letters backing of the development of a federally managed "guaranteed livable basic income" to the prime minister, New Brunswick MPs and senators, as well as Premier Blaine Higgs and New Brunswick MLAs, "calling on these orders of government to work towards implementing a guaranteed livable basic income to eradicate poverty and homelessness, and ensure everyone has sufficient income to meet their basic needs."

It mirrored motions passed by both Fredericton and Moncton city councils last fall.

The motion, introduced by Deputy Mayor John MacKenzie, noted "the growing social crisis and impacts of

poverty have downstream effects on our municipality."

The motion also said a guaranteed livable basic income would "alleviate pressures on municipalities to address poverty and fill gaps in social supports," citing Old Age Security, the Guaranteed Income Supplement and Canada Child Benefit as examples to follow, but for people aged 18 to 64.

According to Coalition Canada Basic Income's report "The Case for Basic Income and Municipalities," "a basic income is an unconditional cash transfer from governments to individuals to enable everyone to meet their basic needs, participate in society and live with dignity."

The coalition, in a fact sheet attached to the council agenda, calls for a needs-based model, rather than a universal one, that would place income "at or above the chosen poverty line and indexed to the cost of living," while still encouraging employment and taking into account factors like disabilities.

"It doesn't go to everyone and anyone without any strings attached," said Wil Robertson, the New Brunswick representative with Coalition Canada Basic Income, who appeared before council.

Unlike in Fredericton, where two councillors voted against supporting basic income, every member around Saint John council's horseshoe were favourable.

"Poverty costs our economy and our society a lot of money, and what we spend on policing, social work, teaching and we're seeing a proliferation of tent cities that we never saw before," said Coun. Barry Ogden.

Coun. Paula Radwan said she'd looked into the research herself.

"It was only showing that new moms or high school students took a little bit longer to get out of the workforce, but most of the research is quite favourable for this," she said. A business owner herself, Radwan added that without the added stress of not having a basic income to meet one's needs, the implementation of a guaranteed livable basic income might encourage people to start their own businesses.

Randy Hatfield, executive director of the Saint John Human Development Council, said three main reasons come to mind for why a guaranteed basic income would be beneficial for the city. Among them were fewer people requiring food banks and emergency shelters, the elimination of the too-low welfare system and the closing of gaps between Saint John and the outlying areas when it comes to median income and poverty rates.

"A single person on social assistance in New Brunswick is entitled to \$593 a month," Hatfield said. "I defy you to do the math."

In Canada, trials of basic income programs have been undertaken in Manitoba in the 1970s and Ontario as recently as 2018. Starting this month, the province of Newfoundland and Labrador began offering a basic income program for youth currently served by the province's residential services that tops up their financial supports.

But not everyone is in agreement that a basic income program – something the parliamentary budget officer's 2020 five-year cost estimate update found would amount to between \$30.5 and \$71.4 billion in 2020 – is the solution it's billed to be.

A British Columbia basic income expert panel report commissioned by the West Coast province almost three years ago determined a basic income model wasn't the best way forward at the provincial level, instead arguing for the reform of existing supports.

"A basic income is a very costly approach to addressing any specific goal, such as poverty reduction," an executive summary of the report, called "Covering All the Basics: Reforms for a More Just Society," said.

Herb Emery, Vaughan Chair in regional economics in the department of political science at the University of New Brunswick, said how a basic income program is designed will be key. That's why it's important to distinguish between a universal basic income, which gives everyone the same amount across the board, and a guaranteed basic income, which only goes to people who need it.

"The guaranteed income supplement is structured so that once your income gets over the minimum floor, and you have more income, they'll take back some of the benefit at a claw back rate of 50 per cent," Emery said.

Based on modelling Emery has worked on, a minimum income of \$21,000 would reduce the poverty rate in New Brunswick from 12 per cent to 1.5 per cent, he said – all for a cost of \$1 billion annually.

"So for a billion dollars, you could eliminate poverty, which is about the amount we spend on debt service," he added. "So it's not a huge amount of money for what that would accomplish."

This in turn would have "spillover effects" on alleviating the healthcare system, the justice system and forms of social assistance, he said.

"But it's not going to be self-financing through those things," he added. "We're still talking about a problem that the labour market just doesn't generate enough income for people."

For Hatfield, basic income is something he feels Canada can't afford not doing, and while he's encouraged to see municipalities getting on board, it's not something that will happen overnight.

"It takes time," he acknowledged. "But I think there's compelling evidence right now, whether it's data driven, and the quantitative analysis of incomes and costs and needs, or just the qualitative stories.

"We're being told: Folks are really struggling."