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**Subject:** Basic Income for Income Security

**Report to:** Public Health and Social Services Committee

**Report date:** Tuesday, July 14, 2020

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## Recommendations

1. That Regional Council **ACKNOWLEDGE** the inequitable impacts of the COVID-19 pandemic on Niagara residents, including the disproportionate burden of both illness and economic harm borne by those of lower income or in poverty;
2. That Regional Council **CALL UPON** the federal and provincial government to prioritize measures to reduce poverty and income inequality in our society as one of the changes that should be initiated by this pandemic;
3. That Regional Council **RECOMMEND** that the federal and provincial governments engaged in pilot projects to study policy innovations that can address poverty and income inequality, including study of basic income guarantee projects;
4. That Regional Council particularly **RECOMMEND** that the federal government carefully study the Canadian Emergency Response Benefit (CERB) for its impact on health and poverty of recipients as lessons that could be applied to a basic income guarantee pilot, or as a platform for instituting a basic income guarantee; and
5. That Regional Council **DIRECT** the Regional Chair to communicate these calls and recommendations to the federal and provincial governments.

## Key Facts

- Up to 50% of health outcomes can be attributed to socio-economic conditions. Individuals living in poverty are more likely to have poor health.
- Reducing poverty, for example through improved and guaranteed income levels, has the potential to improve the physical and mental health of recipients and reduce their demands on other programs.
- Basic Income Guarantee (BIG) is an umbrella term for a group of heterogeneous policies trying to address a complex issue.
- The current research on basic income programs has limitations, so it is challenging to understand the impacts of a basic income program in the Canadian context.
- Policy makers must decide how to best apply BIG so that recipients are not worse off due to lost services or claw backs of other sources of income or support.

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## Financial Considerations

There are no financial considerations for Council to consider as a consequence of this report.

## Analysis

### Social Determinants of Health

Health starts in our homes, schools and communities; evidence indicates up to 50% of health outcomes can be attributed to socio-economic conditions—often referred to as the social determinants of health.<sup>1</sup> Income, a socio-economic condition, contributes to health disparities seen across the world and in Niagara. Lower life expectancy, higher incidence of chronic disease and infant mortality are health conditions experienced by Canadians that are living in poverty.<sup>2</sup>

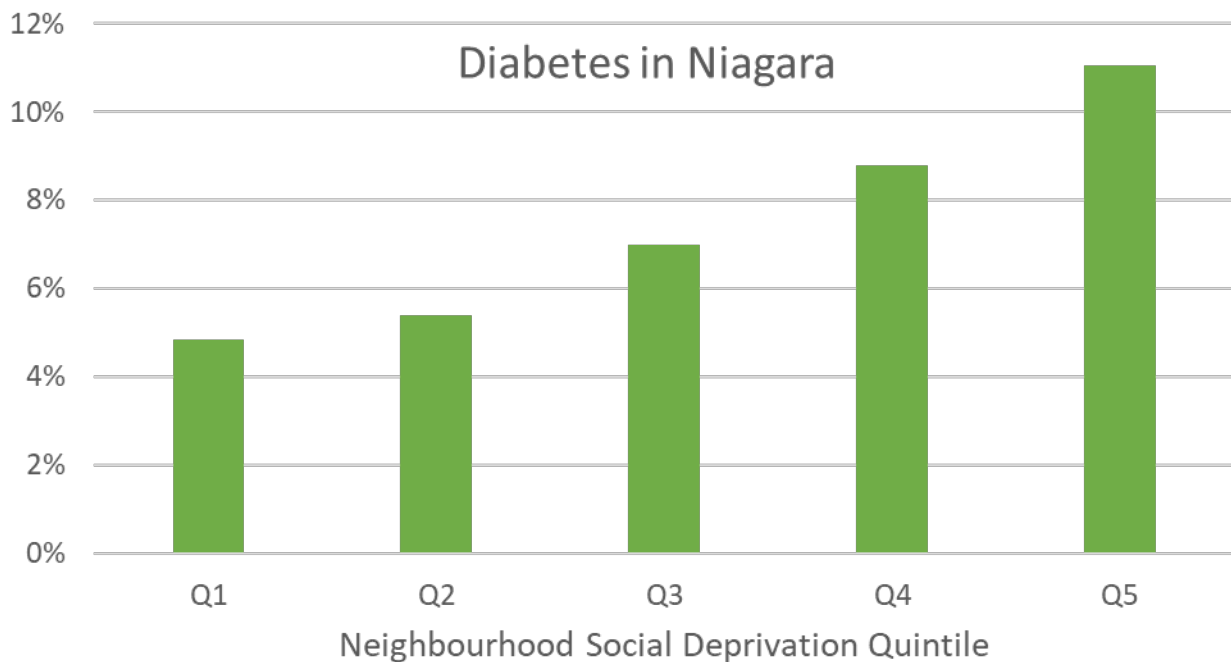
In Niagara, this can be illustrated by looking at how many of our residents have diabetes: in the top socioeconomic quintile, fewer than 5% of people have diabetes; but in the most socially-deprived quintile amongst us, over 11% of people have diabetes—more than double.<sup>3</sup>

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<sup>1</sup> Canadian Medical Association. Infographic: What makes Canadians sick? Health Care Transformation, June 25, 2013.

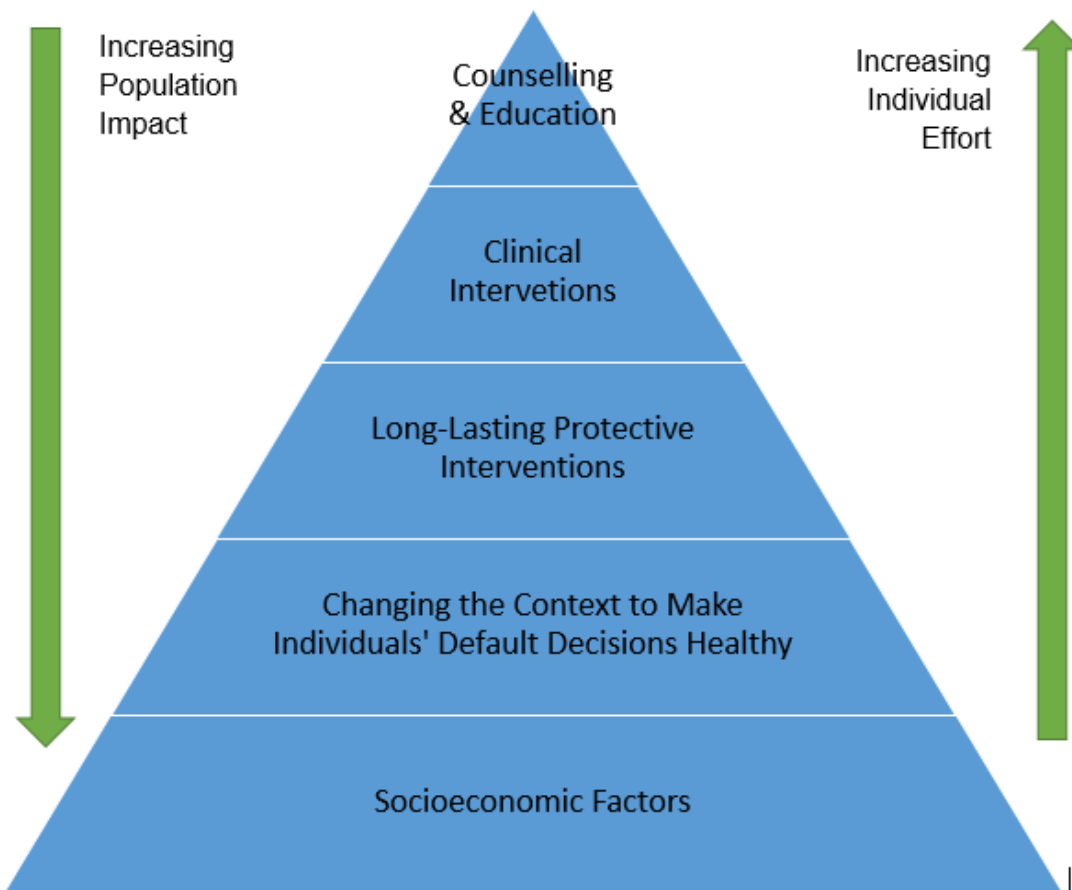
<sup>2</sup> Graham H, Kelly M. Developing the evidence base for tackling health Inequalities and differential effects. Swindon: Economic and Social Research Council. [date unknown]. [cited 2013-01-12] Available from: [World Health Organization Social Determinants of Health](http://www.who.int/social_determinants/resources/esrc_document.pdf) ((http://www.who.int/social\_determinants/resources/esrc\_document.pdf)

<sup>3</sup> M. Tenenbaum. *Advancing Health Equity in Niagara: A Health Status Report*. Niagara Region. 2016



Reducing the difference in health outcomes between the most and least healthy—reducing health inequity—holds promise to make the greatest improvement in the health of our population. To close the health gap and make an impact on health and health equity, a comprehensive evidence-informed approach is needed. The health impact pyramid outlines and provides guidance to public health professionals and policy makers as to impact potential of proposed and/or actualized interventions.<sup>4</sup>

<sup>4</sup> Frieden, T. R. A Framework for Public Health Action: The Health Impact Pyramid. American Journal of Public Health. 2010. April; 100(4): 590–595.



At the foundation of the pyramid are socioeconomic conditions, noting that changes to the populations' socioeconomic conditions will have the greatest impact on health. An intervention, such as BIG that has the potential to impact socioeconomic conditions, is a policy option that has significant potential health benefits.

COM 5-2020 entitled, "Local Considerations to Inform the Development of the next Ontario Poverty Reduction Strategy" provides a recent overview of poverty data in Niagara.

### **Current Income Security Programs**

In Ontario, a range of income security programs are available to eligible individuals and families. Income security programs are part of a complex system with multiple programs that are funded, overseen and delivered by different levels of government. The programs vary considerably in their specific form and purpose, target groups, eligibility

rules, delivery methods and amounts of support.<sup>5</sup> Some programs available include the following:

- Employment Insurance (EI) and Canada Pension Plan (CPP)
- Old Age Security (OAS), Guaranteed Income Supplement (GIS), Canadian Child Benefit (CCB), and Canada Workers Benefit (CWB)
- Ontario Works (OW), Ontario Disability Support Program (ODSP), Guaranteed Annual Income System (GAINS), Ontario Child Benefit (OCB)
- Child care fee subsidies, Rent-Geared-to-Income Housing, Ontario Drug Benefit program and Healthy Smiles Ontario
- Other low income tax credits and transfers (e.g., Ontario Trillium Benefit)

Through provincial income security programs like OW and ODSP, eligible individuals and families also receive income and employment supports, and a range of benefits that assist with the costs of basic and health related needs.

For more details on the various benefits please refer to the following:

- [Ontario Government Tax credits and benefits for People](https://www.ontario.ca/page/tax-credits-and-benefits-people#section-0)  
(<https://www.ontario.ca/page/tax-credits-and-benefits-people#section-0>)
- [Government of Canada Benefits](https://www.canada.ca/en/services/benefits.html)  
(<https://www.canada.ca/en/services/benefits.html>)
- [Ontario Government Ministry of Children, Community and Social Services – About Social Assistance in Ontario](https://www.mcass.gov.on.ca/en/mcass/programs/social/)  
(<https://www.mcass.gov.on.ca/en/mcass/programs/social/>)

Although investments have been made to enhance the broad income security system, it has not allowed the system to adequately meet the needs of many people.<sup>6</sup> Often, benefits are based on the assumption that people have access to long-term, well paid employment.<sup>7</sup> However, many people still face long-standing barriers to employment and are also impacted by the changing landscape of employment (e.g. more low-paying

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<sup>5</sup> [Government of Ontario. Income Security: A Roadmap for Change](https://www.ontario.ca/page/income-security-roadmap-change) (2017). Available from: (<https://www.ontario.ca/page/income-security-roadmap-change>)

<sup>6</sup> [Government of Ontario. Income Security: A Roadmap for Change](https://www.ontario.ca/page/income-security-roadmap-change) (2017). Available from: (<https://www.ontario.ca/page/income-security-roadmap-change>)

<sup>7</sup> [Government of Ontario. Income Security: A Roadmap for Change](https://www.ontario.ca/page/income-security-roadmap-change) (2017). Available from: (<https://www.ontario.ca/page/income-security-roadmap-change>)

work and part-time work that is limited in duration).<sup>8</sup> The complexity of the income security system and the rules associated with income security programs also make it difficult for many people to navigate and access some programs.<sup>9</sup> Income security programs can also seem inequitable because they provide varying levels of financial support to people.<sup>10</sup> For example, the monthly benefit for an individual that is receiving EI could be much higher than the monthly benefit that an individual on OW might receive.<sup>11</sup> In many cases, the amount of the benefit (for example through OW or ODSP) that is provided to an individual may also be insufficient to purchase necessities (e.g. housing, food, transit) if it is expected to be long-term sustainable income.

It is important to note that benefits like OAS, GIS, and CCB, incorporate elements of a basic income guarantee.<sup>12</sup> These benefits are targeted towards certain demographics, but are not conditional transfers.

Continued investments in the income security system, through the coordination of different levels of government, are required to ensure that the needs of people accessing income security programs are adequately addressed.

## **Basic Income Guarantee**

Basic Income Guarantee is a payment to eligible families or individuals that ensures a minimum income level regardless of employment status. The stability that basic income provides can help recipients move to better paying employment, pursue more schooling or educational training programs to improve their future employability, and allow them to play a fuller role as citizens in society.<sup>13</sup>

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<sup>8</sup> [Government of Ontario. Income Security: A Roadmap for Change](https://www.ontario.ca/page/income-security-roadmap-change) (2017). Available from: (https://www.ontario.ca/page/income-security-roadmap-change)

<sup>9</sup> [Government of Ontario. Income Security: A Roadmap for Change](https://www.ontario.ca/page/income-security-roadmap-change) (2017). Available from: (https://www.ontario.ca/page/income-security-roadmap-change)

<sup>10</sup> [Government of Ontario. Income Security: A Roadmap for Change](https://www.ontario.ca/page/income-security-roadmap-change) (2017). Available from: (https://www.ontario.ca/page/income-security-roadmap-change)

<sup>11</sup> [Government of Ontario. Income Security: A Roadmap for Change](https://www.ontario.ca/page/income-security-roadmap-change) (2017). Available from: (https://www.ontario.ca/page/income-security-roadmap-change)

<sup>12</sup> Zon, N. [Would a universal basic income reduce poverty?](https://maytree.com/publications/universal-basic-income-reduce-poverty) Maytree. (2016). Available from: (https://maytree.com/publications/universal-basic-income-reduce-poverty)

<sup>13</sup> Ferdosi, M., McDowell, T., Lewchuk, W., Ross, S., [Southern Ontario's Basic Income Experience](https://labourstudies.mcmaster.ca/documents/southern-ontarios-basic-income-experience.pdf). Available from: (https://labourstudies.mcmaster.ca/documents/southern-ontarios-basic-income-experience.pdf)

Hugh Segal, former Conservative Canadian Senator and long-standing advocate for the implementation of BIG in Canada, was commissioned by the previous Government of Ontario for a discussion paper that provided advice on how to design, deliver, and evaluate a basic income pilot. The discussion paper “Finding a Better Way: A Basic Income Pilot Project for Ontario,” was used as the basis for the Ontario basic income pilot in 2017. In the discussion paper, Segal outlines that Ontario’s pilot could be used to further explore how BIG could interact with, and potentially replace, income support measures administered by the federal government (like non-refundable tax credits to individuals and families) as well as provincial social assistance programs like OW and ODSP.<sup>14</sup> This understanding of BIG and its interaction with other income support measures is generally accepted by those on the right of the political spectrum. Those on the political right hope to consolidate income support programs, like OW and ODSP, into a BIG in order to streamline existing programs, reduce administrative overhead, and maximize funds that go to individuals needing support.

Those on left of the political spectrum are also calling for BIG for all Canadians. The calls are for a universal BIG that supplements and strengthens existing social programs (e.g. programs that provide supports for health care, child care, education, etc.) rather than replacing existing services with a blanket measure for BIG.<sup>15</sup>

The various levels of support and understanding around the implementation of BIG, across the political spectrum, necessitates further research on how BIG would be best implemented, the likely outcomes of BIG, and how BIG would interact with other social programs. If BIG is not connected to the cost of living, and critical health and system navigation services are not maintained, it is doubtful that BIG will result in increased positive outcomes.<sup>16</sup>

Some of the challenges of measuring the impact of BIG are due to the varying policies under the umbrella term of Basic Income Guarantee. BIG can be applied in many different ways. Some factors to consider include

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<sup>14</sup> Segal, H. [Finding a Better Way: A Basic Income Pilot Project for Ontario](https://www.ontario.ca/page/finding-better-way-basic-income-pilot-project-ontario#foot-37). (2016). Available from: (https://www.ontario.ca/page/finding-better-way-basic-income-pilot-project-ontario#foot-37)

<sup>15</sup> Hyndman, B., and Simon, L. [Basic Income Guarantee Backgrounder](https://opha.on.ca/getmedia/bf22640d-120c-46db-ac69-315fb9aa3c7c/alPHa-OPHA-HEWG-Basic-Income-Backgrounder-Final-Oct-2015.pdf.aspx?ext=.pdf). (2017). Ontario Public Health Association. Available from: (https://opha.on.ca/getmedia/bf22640d-120c-46db-ac69-315fb9aa3c7c/alPHa-OPHA-HEWG-Basic-Income-Backgrounder-Final-Oct-2015.pdf.aspx?ext=.pdf)

<sup>16</sup> [City of Toronto. The City's Position on Provincial Income Security Reform and Basic Income](https://www.toronto.ca/legdocs/mmis/2017/cd/bgrd/backgroundfile-102437.pdf). (2017). Available from: (https://www.toronto.ca/legdocs/mmis/2017/cd/bgrd/backgroundfile-102437.pdf)

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- How individuals or households are enrolled in BIG
  - What are the eligibility criteria
  - What type of basic income intervention is provided (e.g. universal basic income (UBI), Negative Income Tax (NIT), partial basic income)
  - Would it supplement or replace existing programs
  - If a recipient has some level of income, how the BIG payment would be clawed back
  - Will the income be taxed
  - How large would be the basic income provided
  - Is it supported by the province like social assistance or federally like the Canadian Emergency Response Benefit (CERB)

Basic Income programs cannot replace all the supports required by those living in poverty (e.g. supports for child care, health care, employment, education). In addition to providing a secure income, sometimes those living in poverty also have differential needs for other services such as housing, childcare, and mental health supports. Case management to support individuals through service systems, with employment and education training are essential to complement income. Policy makers would also need to decide if other tax-delivered benefits to low-income individuals and families would be eliminated (e.g., the Ontario Trillium Benefit, the OCB, housing subsidies, and child care subsidies). No one should be worse off as a result of participating in BIG.

As noted above addressing income insecurity has significant potential health implications, as such, advocating for policy to address income insecurity has been an action taken by multiple boards of health in Ontario.

- March 25, 2020 the Kingston, Frontenac Lennox and Addington Board of Health passed a motion requesting that the federal government provide a basic income support to all Canadians and that the federal government legislate banks to provide mortgage deferral with no penalties and compound interest.<sup>17</sup>
- May 20, 2020 the Simcoe Muskoka District Health unit issued correspondence to the federal government entitled, “Basic Income for Income Security during COVID-19 Pandemic and Beyond”. The letter states, “...we strongly recommend your government take swift and immediate action on the evolution of the CERB Benefit into legislation for basic income as an effective long-term response to the problems

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<sup>17</sup> [The Kingston Whig Standard](https://www.thewhig.com/news/local-news/kfla-board-of-health-calls-for-guaranteed-basic-income-during-pandemic), (<https://www.thewhig.com/news/local-news/kfla-board-of-health-calls-for-guaranteed-basic-income-during-pandemic>)



of income insecurity, persistent poverty and household food insecurity, as well as a response to the economic impact of the COVID-19 pandemic”.

- June 3, 2020, Timiskaming Board of Health supported the correspondence of Simcoe Muskoka District Health Unit, dated, May 20, 2020.

In recent past, there is also a history of boards of health and municipal governments advocating for income security be discussed at the federal and provincial levels. February 4, 2016 Niagara Region Council following a delegation from Niagara Poverty Reduction Network, supported and endorsed the resolution from the City of Kingston respecting a national discussion of a BIG for all Canadians.

### **Canadian Emergency Response Benefit**

Early evidence internationally, in Canada, and in Ontario indicates that COVID-19 is disproportionately impacting those with low-income in several ways:<sup>18</sup>

- increased risk of exposure to COVID-19;
- increased risk of infections of COVID-19 and
- Increased risk of severe outcomes from COVID-19 due to higher prevalence of underlying medical conditions and/or less access to health care.

Physical distancing, a public health measure instituted to slow the spread of COVID-19, may be more challenging for low-income earning populations who cannot work remotely given the manual labour or service nature of their work. Work conditions such as front-line essential service occupations, jobs that are unable to be done from home, and crowded living arrangements are all more likely among low-income earning populations thus increasing potential risk of exposure.

The CERB provides temporary income support to workers who have stopped working due to COVID-19. CERB was put in place federally to ensure Canadians had timely financial support. CERB provides \$500 per week for a maximum of 24 weeks for those that qualify.<sup>19</sup> The popularity of CERB has resulted in many advocating for it to become the basis for a broader income support program and making it permanent and available

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<sup>18</sup> [Public Health Ontario](https://www.publichealthontario.ca/-/media/documents/ncov/covid-wksf/2020/05/what-we-know-social-determinants-health.pdf?la=en), 2020. (<https://www.publichealthontario.ca/-/media/documents/ncov/covid-wksf/2020/05/what-we-know-social-determinants-health.pdf?la=en>)

<sup>19</sup> [Government of Canada](https://www.canada.ca/en/services/benefits/ei/cerb-application/questions.html), 2020. (<https://www.canada.ca/en/services/benefits/ei/cerb-application/questions.html>)

more universally.<sup>20</sup> There are renewed calls to the Government of Canada to transition CERB into a BIG.

In April of 2020, there were 1.4 million jobless Canadians without any income support from EI or CERB, up from 895,000 in March of 2020.<sup>21</sup> Although the federal government was able to get financial support into the hands of many Canadians, CERB has not been without challenges. Only those unemployed after March 15 can receive CERB, and CERB does not support those who had an annual income of less than \$5,000 before they lost their job.<sup>22</sup> Concerns remain that some individuals have received CERB who were not eligible and will be required to pay it back.

CERB is different from BIG in that CERB is not universal. It has pre-requisites such as a minimum income level (i.e. is not a guarantee), and it is clawed back as an all-or-none deal, meaning if you earn more than the allowed \$1000 maximum income by a few cents, you lose all your CERB benefit.<sup>23</sup> Most BIG policies would claw back monthly entitlements very gradually to ensure stronger incentive to transition to employment and to have it be truly “guaranteed”. Finally, CERB also provides a much higher level of income than most BIG proposals. For example, as noted above, CERB provides \$500/week, whereas the Ontario Basic Income pilot provided \$327/week.<sup>24</sup>

## **Basic Income Pilot Research**

In 2017, the Province of Ontario launched a BIG pilot to test whether a basic income can better support vulnerable workers, improve health and education outcomes for people on low incomes, and help ensure that everyone shares in Ontario’s economic growth. The BIG model implemented for the pilot was a Negative Income Tax (NIT)

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<sup>20</sup> Green, D., Rhys-Kesselman, and J., Tedds, L. [A basic income is not as simple as you might think](#). Institute for Research on Public Policy. (2020). Available from:

(<https://policyoptions.irpp.org/magazines/may-2020/a-basic-income-is-not-as-simple-as-you-might-think/>)

<sup>21</sup> Macdonald, D. [1.4 million jobless Canadians getting no income support in April. Behind the Numbers](#). (2020) Available from: (<http://behindthenumbers.ca/2020/04/23/1-4-million-jobless-canadians-getting-no-income-support-in-april/>)

<sup>22</sup> Macdonald, D. [1.4 million jobless Canadians getting no income support in April. Behind the Numbers](#). (2020) Available from: (<http://behindthenumbers.ca/2020/04/23/1-4-million-jobless-canadians-getting-no-income-support-in-april/>)

<sup>23</sup> [Government of Canada](#), 2020. (<https://www.canada.ca/en/services/benefits/ei/cerb-application/questions.html>)

<sup>24</sup> Government of Ontario. [Ontario Basic Income Pilot](#). (2017). Available from: (<https://www.ontario.ca/page/ontario-basic-income-pilot>)

model. Using a NIT model, unconditional periodic cash payments were provided by the government to the household, not each individual in a household; the amount provided was determined by the household's income.<sup>25</sup> Payments in the pilot were based on 75% of the Low Income Measure (LIM) which meant that \$16,989 was provided for a single person per year, less 50% of any earned income, and \$24,027 was provided per year for a couple, less 50% of any earned income. People with a disability also received up to \$500 per month in addition. Participants continued to receive benefits such as the CCB and the OCB. Participants that were receiving EI or CPP payments had their monthly basic income payment reduced dollar for dollar. Participants that were receiving social assistance supports had to withdraw from OW or ODSP in order to receive basic income, however, they continued to receive drug and dental benefits.<sup>26</sup> The planned three year pilot was just more than a year old when it was cut short, with the change of Government.

Outcomes of the shortened basic income pilot for recipients in Hamilton, Brantford and Brant County, were gathered through an online survey and multiple qualitative interviews. The results were based on self-reported outcomes. A total of 215 former recipients participated in the online survey, and 40 individuals participated in qualitative interviews. Half of qualitative interview participants were between the ages of 25 and 44 and nearly 55% were accessing OW and ODSP before and/or after the pilot<sup>27</sup>.

In terms of physical health, a significant number of survey participants reported better overall well-being, increased physical activity, less frequent tiredness and pain, less use of tobacco and alcohol, and enhanced child well-being. Many survey respondents indicated less frequent visits to health practitioners and hospital emergency rooms, as well as easier access to dental care, drug store medicines, and professional counselling services. In terms of food security, most survey respondents reported a better diet. Housing security improved in terms of greater affordability of household items and essential clothing and better overall living accommodations.

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<sup>25</sup> Mendelson, M. [Lesson's from Ontario's Basic Income Pilot](https://maytree.com/publications/lessons-from-ontarios-basic-income-pilot/). (2019). Available from: (https://maytree.com/publications/lessons-from-ontarios-basic-income-pilot/)

<sup>26</sup> Government of Ontario. [Ontario Basic Income Pilot](https://www.ontario.ca/page/ontario-basic-income-pilot). (2017). Available from: (https://www.ontario.ca/page/ontario-basic-income-pilot)

<sup>27</sup> Ferdosi, M., McDowell, T., Lewchuk, W., Ross, S., [Southern Ontario's Basic Income Experience](https://labourstudies.mcmaster.ca/documents/southern-ontarios-basic-income-experience.pdf). Available from: (https://labourstudies.mcmaster.ca/documents/southern-ontarios-basic-income-experience.pdf)

In terms of mental health indicators, most of the survey respondents reported better mental well-being, less frequent stress/anxiety, less depression and anger, greater self-confidence, and a more positive outlook on life. Respondents reported more time being spent with loved ones, better relations with family members, and more frequent participation in extracurricular activities.

Financial well-being of survey respondents improved by greater ease in repaying debt, getting around the city or region, less frequent use of payday loans, better financial emergency preparedness, and less reliance on family or friends for financial support. Participants who were working both before and during the pilot reported improvements to their rate of pay, working conditions, and job security.

- Over half of survey respondents indicated working before and during the pilot
- Less than a quarter were unemployed before and during the pilot
- Slightly less than one-fifth were employed before but unemployed during the pilot
- An even smaller number reported not working before but finding work during the pilot
- Under half of those who stopped working during the pilot returned to school to improve their future employability

Unfortunately, the opportunity to understand the full and longer term impacts of the pilot were lost when it was cancelled. There have been no other longitudinal studies in Ontario to show the long term impacts of BIG.

Many countries around the world are considering implementing some form of basic income. These basic income pilots, as in Italy and Brazil, are at very early stages of implementation so no outcomes have been analyzed. Other countries, such as Spain, are considering BIG as a result of the COVID-19 pandemic.<sup>28</sup>

Finland conducted a basic income pilot between 2017 and 2018 with 2,000 randomly selected unemployed persons. Each received a monthly payment of €560, and were compared to a control group that was not selected for the experiment. The model chosen for the pilot was a partial basic income model that incorporated the monthly amount of basic unemployment allowance and labour market subsidy provided by Finland.<sup>29</sup> Results from the Finland pilot showed that days in employment increased by

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<sup>28</sup> Sigal, S. [Everywhere basic income has been tried, in one map](https://www.vox.com/future-perfect/2020/2/19/21112570/universal-basic-income-ubi-map) (2020). Available from: (https://www.vox.com/future-perfect/2020/2/19/21112570/universal-basic-income-ubi-map)

<sup>29</sup> [The Social Insurance Institution of Finland: Basic income experiment](https://www.kela.fi/web/en/basic-income-experiment) (2020) Available from: (https://www.kela.fi/web/en/basic-income-experiment)

a greater number of days in the group that received basic income than in the control group, with the most change in the second year of the study. Basic income recipients reported better well-being: less stress and symptoms of depression, and better cognitive functioning than the control group. They also experienced higher confidence in their future possibilities<sup>30</sup>.

In Kenya, a basic income experiment is ongoing. Through the initiative GiveDirectly, \$30 million US dollars were given to fund universal basic income (UBI) to about 20,000 Kenyans. 295 villages (14,474 residences) were randomly selected, and divided into four groups: a control group that do not receive payments; a long-term group that will receive \$22 a month for 12 years; a short-term group receiving the same amount for 2 years; and lump sum group receiving two payments of \$500 each<sup>31,32</sup>

Those involved in the experiment have been receiving funds since 2018 and were interviewed in 2019. They will continue to be interviewed every 3 to 5 years. So far, the recipients have been able to work more intensely and productively. They were able to acquire better working equipment, such as tools, motorcycles to transport people or make deliveries, fishing equipment, land purchasing for vegetable and fruit trees planting, etc. These activities directly increased their income. This experiment is ongoing and outcomes will need further evaluation.

In India, a pilot was carried out in the state of Madhya Pradesh between 2011 and 2012, where basic income was given to 6,000 Indians. The project was coordinated by the Self-Employed Women's Association and funded by UNICEF. Results showed significant improvements in living conditions, nutrition, health and education. Many people used some of the money they received to improve their housing, adding more space, and improving and repairing. Significant improvement was reported in the self-perceived ability of those who received the basic income to cover food necessities, and on spending for education, especially for girls. While the evaluation found a slight decrease in overall wage labour, this was mainly because women shifted from low paid wage labour away from the home to working in their own fields.<sup>33</sup>

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<sup>30</sup> [The Social Insurance Institution of Finland: Basic income experiment](https://www.kela.fi/web/en/basic-income-experiment) (2020) Available from: (https://www.kela.fi/web/en/basic-income-experiment)

<sup>31</sup> Suplicy, E. M., Dallari, M. [A Critical Poverty Eradication Experiment in Kenya. BIEN: Basic Income Earth Network](https://basicincome.org/news/2019/04/a-critical-poverty-eradication-experiment-in-kenya/) (2019) Available from: (https://basicincome.org/news/2019/04/a-critical-poverty-eradication-experiment-in-kenya/)

<sup>32</sup> Suri, T., Niehaus, P., Krueger, A., Faye, M., Banerjee, A. [The Effects of a Universal Basic Income in Kenya. Innovations for Poverty Action](https://www.poverty-action.org/printpdf/32296). Available from: (https://www.poverty-action.org/printpdf/32296)

<sup>33</sup> Schjoedt, R. [India's Basic Income Experiment. Pathways' Perspectives on Social Policy in International Development](https://socialprotection-humanrights.org/wp-content/uploads/2016/04/Indias-Basic-Income-Experiment-PP21.pdf) (2016) Available from: (https://socialprotection-humanrights.org/wp-content/uploads/2016/04/Indias-Basic-Income-Experiment-PP21.pdf)

It is important to recognize that basic income outcomes in different jurisdictions cannot necessarily be applicable to the Canadian context given differences in existing social assistance systems, differences in economies and economic opportunities, differences in education systems and training for the workforce, as well as differences in culture.

## **Conclusion**

Niagara Region's Community Services and Public Health and Emergency Services departments are committed to meeting the needs of all Niagara residents. Reducing poverty, for example through improved and guaranteed income levels, has the potential to improve the physical and mental health of recipients and reduce their demands on other programs. However, there is a dearth of research validating that this potential would be realized in a North American context. There are also many variables regarding the design of a BIG policy that need to be studied to determine the optimal design for such a program. Given the enormous fiscal cost of a basic income program (e.g. The Office of the Parliamentary Budget Officer estimated that a national basic income program could cost more than \$76 billion dollars a year)<sup>34</sup>, a decision to implement BIG in Canada would be premature at this time. Further research is recommended to design and validate that BIG would be the best policy for Canada to reduce poverty.

Nonetheless, the COVID-19 pandemic has revealed many inequities in our society and shown a light on the urgent need to combat poverty. Research and policy innovation to address poverty needs to be accelerated and governments should prioritize and invest in such policy development work.

## **Alternatives Reviewed**

No other alternatives are being presented as a part of this report.

## **Relationship to Council Strategic Priorities**

This report supports Council Strategic Priority of Health and Vibrant Community.

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<sup>34</sup> The Canadian Press. [Budget watchdog says a national basic income program would cost \\$76B a year](https://www.cbc.ca/news/politics/national-income-budget-officer-report-1.4623084). (2018). Available from: (<https://www.cbc.ca/news/politics/national-income-budget-officer-report-1.4623084>)

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## Other Pertinent Reports

- [COM 5-2020 Local Considerations to Inform the Development of the next Ontario Poverty Reduction Strategy](#)

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### Recommended by:

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Acting Medical Officer of Health  
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### Recommended by:

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