Universal basic Income – is it viable?

<http://www.canadiansocialresearch.net/gai.htm>

<http://proof.utoronto.ca/food-insecurity/>

Dates back to 16th Century – two forms

1. Milton Friedman’s “negative tax” – basic income floor
2. Cheques distributed to all, regardless of income

First introduced in 1933 in Alberta by then Premier William Aberhart, who envisioned it as a way to stimulate the economy and redistribute wealth – but never passed – recently voted down in Switzerland (June 2016) but is now being advanced again in Scotland, India and specifically Ontario

Was tested in the 70s in Dauphin MB <http://news.nationalpost.com/news/canada/canadian-politics/like-another-1970s-throwback-basic-income-is-back-in-fashion-and-ontario-could-learn-from-past-mistakes>

Now being endorsed by Nenshi, under NDP government

<https://www.thestar.com/news/canada/2015/06/05/alberta-mayors-stick-back-guaranteed-minimum-income.html>

Pros

It is estimated that a basic income could reduce the number of food insecure Canadians by 1.2 million people!

<https://cfccanada.ca/sites/default/files/documents/CFCC%20-%20Basic%20Income%20Backgrounder.pdf>

Improves health

<http://www.dlsph.utoronto.ca/2016/11/basic-income-can-reduce-food-insecurity-and-improve-health/>

Smoothes out shocks to income – decreases dependency on food banks – U of C Research!!

<https://www.policyschool.ca/wp-content/uploads/2016/03/emery-foodbankfinal.pdf>

Removes stigma of government handouts – less cost to administer

Changes in labor market with new technology impacts power of business and reduction of social benefits for workers

Income cushion enables freedom of choice – work or volunteer/build education – spurs innovation – willing to take more risks - increasing wages

Provides efficiency by allowing people to purchase what they want

Manitoba Prenatal Benefit) was recently shown to have a substantial impact on reducing the prevalence of low birth weight babies. The expectant mothers largely spent the money on healthier food and nutrition, among other necessities, despite not having been required to use the money in such a way.

Risks of food insecurity have been shown to increase as household income decreases, independently of other factors (including employment)[[12]](https://www.ontario.ca/#foot-12). Food insecurity itself has been associated with higher health care costs, even when controlling for other risk factors and characteristics.[[13]](https://www.ontario.ca/#foot-13)

<https://www.ontario.ca/page/finding-better-way-basic-income-pilot-project-ontario>

Issues – is it an “add-on” to current programs? How to fund/distribute– political

What about disable individuals with greater needs?

Is it a dis-incentive to work – MB study showed only minimal decrease in work due to mothers

inflationary?

India, which has an estimated population of 1.3 billion people, has a growing economy, but around 29.5 per cent of people live in poverty, according to a 2014 government report – particularly in rural areas. <http://www.independent.co.uk/news/world/asia/india-universal-basic-income-combat-alleviate-poverty-economic-survey-a7555416.html>

<http://www.firstpost.com/business/economic-survey-implementing-universal-basic-income-needs-a-strong-political-will-3239852.html>

UBI reduces poverty by 0.5% would carry significant fiscal cost - about 4.5% of GDP vs current 3%GDP cost for existing middle class subsidies and food, petroleum and fertilizer subsidies

- pilots found that those who received basic income reported a significant increase in their food sufficiency six months into the intervention. Receipt of basic income had a significant impact on children’s nutrition, particularly nutrition levels of female children and children from vulnerable groups such as the Scheduled Tribes. Basic income improved capacity of households to buy from the market, resulting in a qualitative shift in their food basket; but more money did not result in more expenditure on alcohol.

But in the absence of a dense banking network, especially in rural areas, many poor Indians might struggle to gain access to the money.