



RECOMMENDATION 4

DEVELOP PILOT PROJECTS TOWARDS A BASIC INCOME FOR ALL CANADIANS

For decades, consecutive federal governments have shrugged off the idea of moving forward on a Basic Income because it is considered a provincial matter. The fact that the Ontario government initiated a Basic Income pilot project in 2016 seemed to reinforce this notion that progress on this front could be achieved without the federal government's leadership or support.

Unfortunately, the Ontario situation showed just how fragile such a stance can be. With the Ontario government's cancellation of the Ontario basic income pilot projects that were in progress in 2018, crucial data and analyses will never be compiled. A significant opportunity to make progress towards the creation of a basic income for all Canadians was squandered and lost.

The fact that a change in a provincial government could so easily discard such an important pilot project is alarming. The Ontario pilot project would have provided valuable data for the development of a basic income across all provinces and territories in Canada, not only for Ontario.

Given the importance of the data and potential analysis that has been lost, and the fragility of counting on individual provinces to lead the way on this important issue, the federal government has a responsibility to show leadership in forging a new path forward for Canada's most vulnerable citizens, because it is clear that the current approach is broken.

Under our current system of social assistance, one must be virtually penniless before being able to apply for support.⁵¹ Once approved for the program, the average yearly welfare income for a single person in 2017 was only slightly over \$8,500, more than \$10,000 below the poverty line.⁵² And, if one tries to work their way out of welfare, their benefits (cash and non-cash) are clawed back with punitive rates that disincentivize work.

This is a system that has not evolved since the 1990s and one that keeps people mired in a cycle of poverty that is extremely difficult to escape – as is demonstrated by the fact that nearly 60% of those currently helped by food banks are either on social assistance or disability supports.

Waiting on the provinces themselves to forge a new path forward towards a Basic Income is no longer an option, as we have seen most recently in Ontario.

We are asking that the federal government show leadership on this front and work directly with all provinces and territories to help us move towards a Basic Income for all in Canada.

We recommend:

- **Fund and develop, in coordination with the provinces and territories, multiple Basic Income pilot projects of various types across the country in every province and territory to help minimize the risk of fluctuating provincial governments shutting projects down.**
- **Accumulate and analyze the data from these pilot projects over multiple years to determine the type of Basic Income that is best suited for Canada.**

In the short-term to immediately boost the incomes of those living in poverty:

- **Implement a national prescription drug coverage plan (pharmacare) to cover the costs of prescription drugs so that all Canadians (especially vulnerable groups such as seniors and low-income families) have access to the medications they need.**
- **Allow all low-income households to have access to the non-cash benefits that are currently only available to those on social assistance (such as childcare subsidies, affordable housing supplements, drug and dental insurance).**
- **Convert all federal non-refundable tax credits into refundable tax credits, where appropriate. These include (but are not limited to) the Disability Tax Credit, credits for family caregivers, and the credit for public transit users.**

51 Caledon Institute [2015]. *Welfare in Canada 2014*. Ottawa : Caledon Institute.
52 A. Tweddle and H. Aldridge [2017]. *Welfare in Canada 2017*. Toronto: Maytree.