

BIG or UBI for Canada?

There are two general models of basic income: One is known as a basic income guarantee or an income-tested model. The other is often referred to as a universal basic income, or a demogrant. Basic Income Canada Network believes that the goal of a basic income is to ensure that everyone can meet basic needs, participate in society and live with dignity regardless of work status. The basic income we want is progressive, as it reduces income inequality.

Basic Income Guarantee	Universal Basic Income
Universal in the way universal health care works; everyone is part of the same system; you receive care (or in this case income) as your situation requires.	Universal in the sense that everyone is treated the same at the outset, receiving a cheque for the same amount of money (a demogrant).
Unconditional - no work/behavioural requirements	Unconditional - no work/behavioural requirements
Based on individual and family income; benefits reduce gradually as other income increases; it rewards paid work and sustains unpaid work.	The benefit amount is the same whether you have no income or millions; it rewards paid work and sustains unpaid work.
Canadian programs that operate like this: Guaranteed Income Supplement for seniors; Canada Child Benefit for parents of children under 18; Goods and Services Tax Credit for low-income individuals and families; the Ontario Basic Income Pilot pilot (2018); Manitoba's Mincome (1970s).	Canadian Program that operate like this: Old Age Security for seniors (individual, flat rate, but gradually taxed back from individuals with higher incomes).
Avoids stigma – a majority of people in Canada receive a regular government cheques already.	Avoids stigma as everyone would get a regular government cheque.
Income-tested and transparent; people with low incomes gain and those with high incomes do not receive a cheque. The impact on people receiving these payments can be measured.	Impact is harder to measure. The tax system would have to change dramatically to pay for the UBI and ensure it doesn't just enrich the wealthy.
Better for singles. In BICN's Policy Option #1 (18-64 year old adults), single people were major beneficiaries; in the current system, they are the ones with the least income security.	Better for couples. In BICN's Policy Option #3 (all adults 18+), although everyone at the low-income end benefited, couples were advantaged rather than single people.
Other implications: Lag time (using past income to determine benefit level) is a concern, but ways to design the program to improve responsiveness to changing situations. Evidence from basic income programs and pilots show better health, education, wellbeing and work outcomes.	Other implications: This model has not been tested in a developed country. There is evidence that high income people have a greater capacity to find ways to reduce their taxes.

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