

# CUPE Ontario FACTS

## Basic Income

### Background

#### ***What is basic income?***

A basic income is a generic term that can be implemented in a variety of ways, including progressive on one end of the spectrum to conservative on the other. At its core, a basic income is a payment to eligible families or individuals that ensures a minimum income level regardless of employment status.<sup>1</sup> Many on the right have been pushing for a conservative model which they call basic income.

#### ***What is the Ontario basic income pilot?***

The Ontario Liberal government is conducting a right-wing pilot whose goal is to “test whether a basic income would provide a more efficient way of delivering income support, strengthen the attachment to the labour force, and achieve savings in other areas, such as health care and housing supports.” This is not a type of basic income that CUPE Ontario supports.

#### ***Where is the pilot taking place?***

Instead of pilot that takes place across the province where all Ontarians could benefit, the three-year pilot will take place in the following locations: Hamilton, Brantford, Brant County - launching late spring 2017, Thunder Bay and the surrounding area - launching late spring 2017, Lindsay - launching by fall 2017.

### Concerns

The basic income pilot project may appear “progressive”, but it does nothing to address systemic issues of poverty, it would keep current social assistance recipients living in poverty, and it would possibly mean service cuts and job losses for social assistance workers.

The Basic Income Pilot will have 4000 participants comprised of low income Ontarians as well as Ontario Works and Ontario Disability Support Program participants who will exit social assistance to participate in the Pilot. Basic Income participants will need to self-navigate all additional supports and services they require as they will not receive front-line worker case management supports and programs. Other programs such as rent geared to income, and child care subsidy programs that Basic Income participants may be in receipt of presently will continue as they normally would with income test re-assessments resulting in increased rent and increased parent fees for child care while they are in receipt of the basic income allowance.

<sup>1</sup> Other variations are also known as a basic income guarantee (BIG), universal basic income (UBI), guaranteed annual income (GAI), guaranteed minimum income (GMI), citizens income, negative income tax (NIT), etc.

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### Concerns

#### **Poverty**

It is clear that increasing people's incomes will improve their purchasing power. However, in the absence of a broad array of public services increasing monetary transfers alone will not raise people out of poverty. Investments will also need to be made in an array of other public services, including affordable housing, child care, education and training (including PSE and vocational training), public transit, health care (including access to pharmaceuticals and dental care), and others.

Providing programs as public services is the only way to ensure that people who need them can access them. Leaving socially necessary services up to the market cannot guarantee that people can afford them, even with an increase in social assistance rates (or a Basic Income). Cash transfers to individuals do not build affordable housing, or high quality public transit systems. They do not make quality public child care accessible. In the absence of public provision of these kinds of services there is no guarantee that the poor will have access to them.

#### **Social Assistance**

In 1995, the Ontario government slashed assistance rates by 21.6 per cent. Increases since then haven't kept up with inflation. It would take an immediate increase of 58 per cent to restore purchasing power to the pre-1995 level. The government is wasting five years on a basic income pilot project instead of improving conditions for social assistance recipients now, including by raising benefits above their current abysmally low rates.

CUPE Ontario and our anti-poverty partners have re-asserted that Social Assistance rates must be increased by the 58% immediately to raise all people out of poverty, and that this pilot program should not delay making this change.

#### **Jobs**

If Ontario's form of Basic Income is implemented as a full program, 'efficient delivery' is likely to mean service cuts and job losses for social assistance workers. There will be a strong right wing push to convert public services into a simple cash transfer, expecting that people will be able to buy services they need on the market which is basically a form of privatization.

CUPE Ontario Social Services Workers Coordinating Committee is engaged in information gathering from the Ministry of Community & Social Services as well as with CUPE Locals that are affected by the pilot sites to develop a concrete workplace, as well as having broader communication with Locals and members who deliver Municipal Social Services Programs.