

Briefing Paper:
**Income Security and Workers' Power:
*Work, Wages, and Basic Income after COVID***

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Introduction

Repairing the gaping holes in Canada's social safety net has been a top priority for progressive Canadians for many years. This concern has become more pressing with the rise of various kinds of precarious employment (including temporary jobs, labour hire, and gigs), which has reinforced inequality and poverty – even among employed people. More recently, the devastating economic and social consequences of the COVID-19 pandemic focused further attention on the need to provide decent, accessible income support to Canadians who need it. Indeed, the success of the CERB and complementary policies¹ in helping Canadian households through the first waves of the pandemic confirmed both the effectiveness and the feasibility of stronger income security. While the CERB was not designed to be a “basic income”², its broad coverage, generally adequate benefit level (\$500 per week), and effectiveness in preventing mass hardship and dislocation during the pandemic reinforced the argument for a permanent form of basic income. Thanks to the CERB, poverty actually fell in Canada despite the pandemic. That confirmed we could achieve permanent reductions in poverty with similar, permanent income supports.

On the other hand, there were also strong reactions against the CERB and associated programs. Fiscal conservatives, of course, were outraged at their cost. Employers also complained loudly that more accessible (though never universal) income benefits like CERB undermined the “incentive to work” among current and prospective staff. They

¹ Federal income support programs during the pandemic included the Canada Emergency Response Benefit (CERB), replaced in September 2020 by the Canada Recovery Benefit (CRB), and several more targeted supports (including the Canada Emergency Student Benefit, the Canada Recovery Sickness Benefit, the Canada Recovery Caregiving Benefit, and the Canada Worker Lockdown Benefit). See Government of Canada (2021) for descriptions and statistics regarding coverage and utilization.

² CERB benefits were contingent on workers having earned at least \$5000 in employment income the year prior to the pandemic, and then having lost most of their employment income due to the pandemic; it was initially limited to 28 weeks of benefit, subsequently extended through various replacement programs (like the CRB).

implied that Canadians were sitting at home collecting CERB, instead of returning to their jobs as the economy re-opened. This complaint had little supporting evidence behind it.³ But it had political impact, and likely contributed to the federal government's decision to reduce the level of benefits in September 2020 (to \$300 per week for most programs), and then eliminate most of them altogether in November 2021.

Unfortunately, that removal of income supports was dangerously premature: within weeks the Omicron variant threw hundreds of thousands of Canadians out of their jobs again, and forced hundreds of thousands more into isolation. Remaining federal and provincial income supports were inadequate to adequately protect against the impacts of this later wave of COVID.⁴

The relationship between income security for working-age people, and the power balances that shape the terms and conditions of paid work, is a long-standing tension in social policy. Employers prefer a situation as close to “work or starve” as possible: if workers have few alternatives to support themselves and their families, they will face more compulsion to accept unfavourable or even dangerous conditions in paid work – and be more pliable and obedient in performing that work. On the other hand, access to unconditional income supports for working-age people opens the possibility of “decommodifying” their lives.⁵ If it is possible to live adequately without accepting paid employment, workers have more capacity to resist employer demands that are unfair or intolerable.

Curiously, many basic income advocates tend to downplay the potentially transformative dimension of universal or unconditional income benefits on employment relations. Many argue that basic income benefits do not significantly impact the “incentive” to accept paying work – hoping to neutralize criticisms (like those heard from Canadian employers about the CERB) that a basic income would disrupt productivity and work ethic of Canadians. To be sure, there are ways in which basic income programs are quite compatible with, and even supportive of, paid work: they can strengthen workers' capacity to acquire skills, conduct more effective job searches (waiting for jobs that better match their capacities and preferences), and even finance necessities (like phone and internet access, or decent clothing) that improve employability.

It may be understandable why advocates downplay the impact of basic income on so-called work “incentives.” At the same time, the significant impact of a decent

³ Total employment in Canada regained its pre-COVID peak by autumn 2021, and labour force participation for core-age workers exceeded its pre-COVID peak. So workers have not ‘disappeared’, they have in fact returned to work – albeit different jobs, in many cases, than they were doing before the pandemic. See Macdonald (2021) for some detailed statistics. See Stanford (2021) for a critique of claims by employers that a supposed ‘labour shortage’ requires the reduction or abolition of income support programs.

⁴ See Pennington and Stanford (2021) for a review of the evolution of COVID income support programs in other OECD countries, several of which maintained stronger protections right through the latter stages of the pandemic.

⁵ Esping-Andersen famously discussed the problems and prospects of decommodification (eg. Esping-Andersen et al., 1988).

unconditional income benefit on the power relationships embedded in conventional employment relations should be acknowledged – and even celebrated. It constitutes another set of legitimate reasons why more universal and accessible income security – if not a full basic income, then at least significant steps in that direction – would benefit large segments of the population. These benefits would flow not just to those who cannot work (for various reasons) and need income, but also to those who *are* working – but need more power to negotiate better terms and conditions of employment.

This paper considers the interactions between income support, power balances in employment relations, and the viability of basic income proposals. In that context, it also considers the complex but ultimately complementary relationship between campaigns for stronger social and income security programs (including a basic income), and trade unions and others advocating better wages and conditions for employed workers. The complementarity between good income security and workers' bargaining power creates a shared motivation for these movements to cooperate.

Supporting Those Who Cannot Work, Empowering Those Who Do

Accessible income security is crucial for those who cannot support themselves through paid employment: whether because of personal circumstances or economic conditions. But it also improves the economic well-being of people who *can* work. For that reason, the idea of stronger income security (ultimately including a basic income) should inspire a natural alliance between those fighting to improve the terms and conditions of paid work (led by trade unionists), and those fighting to alleviate poverty among those who cannot work.

Within Canada's trade union movement, views about basic income are varied and evolving.⁶ Some unions and labour federations have adopted positions in favour of the concept of basic income (BI), while others remain skeptical of the feasibility or even desirability of providing a basic income for all. Both the excitement with which many unionists respond to the idea, but also the caution, are understandable.

Trade unions exist to fight collectively to improve the terms and conditions of paid work. (The best unions also campaign to address broader social and environmental ills, defining their mission as improving society as a whole, not just workplaces.) BI advocates, on the other hand, emphasize that everyone should have a decent standard of living – even if they cannot work, or choose not to work. Some advocates support a BI precisely because it would allow Canadians to *reject* paid employment: for individual, moral, or environmental reasons, or perhaps to free up time so they can perform unpaid work in their households and communities.⁷ Those two missions – improving paid work, and withdrawing from paid work – can be complementary. But it is not surprising that these two communities may emphasize different aspects of the overarching goal of

⁶ Sanger (2016) reviews the evolving approaches of trade unions to the idea of basic income.

⁷ This latter motivation must be considered carefully and critically, as discussed below.

an inclusive, productive, and sustainable economy... and different strategies for getting there.

One obvious benefit of eliminating poverty for employed workers, is that it reduces the ability of employers to recruit desperate people to undercut the wage demands of existing employees. When employed workers see hundreds of deprived people willing to do their jobs for less, their willingness and power to demand a better deal from their employers naturally wanes. This is true whether workers have a union, or not. Without a union, employers can directly recruit desperate replacement workers to work for less. But even with a union, the permanent existence of a pool of desperate, unemployed workers undercuts the determination and bargaining power of organized workers.

Moreover, when workers have an “exit option,” they have immediate power to resist unreasonable employer demands regarding hours and shifts, pace of work, health and safety practices, and other life-determining aspects of their jobs. Knowing that leaving their job need not imply an immediate descent into poverty, enhances workers’ individual and collective power to resist unreasonable demands and extract a better deal from employers. On the other side, employers prefer a situation where workers have little or nothing to fall back on if they lose their job. That keeps workers more compliant with employer directives, and less demanding of improved wages and conditions.

One way of phrasing this dimension of power relationships in the workplace is through the concept of “cost of job loss.” Employers’ ability to extract effort and discipline from their paid staff depends in part on the financial risk to workers of potentially losing their jobs (if they quit, or do not perform to the employer’s expectations and are discharged). The cost of job loss depends on several component factors, including: the level of wage foregone in event of job loss, the length of time required to find another job, the replacement wage that would be earned in that alternative job, and the level of unemployment insurance or other income supports received during the intervening period. Research has shown that a higher cost of job loss is correlated with stronger employer power in employment relations, and hence more intense work practices, lower wages, and higher profitability.⁸ Stronger and less conditional public income support clearly reduces the cost of job loss and hence erodes employer power.

This is a key reason why most industrial countries during the neoliberal era reduced income supports for working-age people, and attached more onerous qualifying conditions and job-search expectations to that support. In Canada since the 1980s – invoking phony arguments about government deficits, and demonizing benefit recipients as lazy or undeserving – business-friendly governments rolled back income protections for working age adults. It’s no accident that Employment Insurance and provincial welfare programs were the first target for conservative budget-cutters. They

⁸ See Schor and Bowles (1983) and Bowles, Gordon and Weisskopf (1986) for pioneering research on measuring the cost of job loss and tracing its effects on productivity, wages, profits, and investment. See Stanford (forthcoming) for an application of this analysis to modern conditions of precarious and gig work.

explicitly sought to reinforce the power of employers to employ labour, with great flexibility and discipline, for lower cost.

More recently, Canada has made some important progress improving income security for older Canadians and for families with children (with programs like the OAS/GIS and Canada Child Benefit that are not dissimilar from basic income). But for working-age people, the income security system remained patchy and inadequate when the COVID-19 pandemic hit. The obvious inability of frayed EI and welfare programs to protect Canadians against the ravages of COVID forced government to innovate, with a whole new suite of more generous and accessible benefits. The fate of those reforms (including temporary improvements in the EI system) will now depend on the course of political and policy debates as the pandemic (hopefully) wanes. Campaigning for stronger income security (and even a full basic income) will be essential to permanently repair the gaping holes in Canada's social safety net that COVID exposed. But that campaign will need to overcome the strong vested interest of employers in a more insecure, desperate, and disciplined workforce.

Workers have always fought for ways to secure their incomes, and their ability to survive, when work is not possible or tolerable. Unemployment insurance and workers' compensation programs, achieved through long campaigns by the union movement, help to do that. Public pension schemes allow workers to stop working for the last years of their life, winning independence from their employer. Other income security programs also help to reduce poverty, improve workers' sense of economic security, and enhance their bargaining power with their employers. Public health care is another way that living standards can be separated from employment status: in Canada there is no connection between access to core health care services and employment. In the U.S., in contrast, most people's health insurance is tied to their employment; this reinforces the coercive power of employers by raising the cost of job loss (since workers lose health coverage for themselves and their families, not just their wages, if they quit or are dismissed). Via all of these channels, the better people can survive without paid employment, the weaker is the power of employers to compel them to work harder for less money.

The CERB Opens Our Eyes

A telling experiment in the impact of strong income security on power balances within workplaces occurred amidst the COVID-19 pandemic. The federal government quickly recognized that Canada's patchy EI program and other income support systems would collapse in the face of millions of Canadians losing work and income because of community contagion and resulting restrictions on economic activity. Unlike EI, the CERB covered most workers who lost work income: it covered self-employed, temporary, and gig workers as well as permanent waged workers (as long as they earned at least \$5000 in the previous year). Recipients were allowed to earn up to \$1000 per month in additional income without affecting CERB benefits. In these ways,

the CERB had some features of a basic income – although it was neither universal nor unconditional.

The timely provision of CERB income was a life-saver for millions of Canadians. It helped Canada avoid a much worse economic and social catastrophe. It allowed families to buy food and pay their rent or mortgage (thus keeping their homes), and supported consumer spending and aggregate demand as the pandemic took hold.

Within weeks, however, many employers were already complaining that the CERB made it impossible for them to “compete” for workers. Some business lobbyists even argued that CERB had created a “shortage” of labour – an incredible claim at a moment when 3 million Canadians had lost their jobs.⁹ What were they talking about?

These complaints were most vociferous in the retail and hospitality industries, where employers pay near-minimum wages, for short and irregular shifts. Moreover, in those front-line jobs, workers faced high risk of infection from COVID. Was it any wonder that these businesses had difficulty attracting workers, at minimum wage, for short shifts (as short as 2 hours is allowed in some provinces), at a moment when work (and even traveling to work) exposed workers to the risk of contracting a deadly disease? The CERB relaxed the “work or starve” logic that previously allowed these low-grade employers to attract workers despite the poor pay, irregular hours, and lousy working conditions they offered.

In reality, these employers always have difficulty retaining labour – and thus faced “labour shortages” long before the pandemic and the CERB. Indeed, according to Statistics Canada data,¹⁰ the industry with the most unfilled job vacancies in 2019 was not engineering or computer science or any other high-tech specialization: it was accommodation and food service, followed closely by retail trade. Yet contrary to the supposed laws of supply and demand, these long-standing “shortages” did not translate into improved wage offers to attract and retain workers. Indeed, the average wage offered by hospitality employers for those hard-to-fill vacancies was just \$14.35 per hour: the lowest of any industry. Retailers offered \$15.60. How curious that the industries with the most job vacancies also offered the lowest wages... maybe there’s a connection there!

The claim that CERB (and successive programs) destroyed the “incentive” to work was disproven by the surprisingly quick rebound in overall labour force participation and employment in Canada after the pandemic: both of which regained and then exceeded pre-COVID peaks by late 2021. Some evidence suggests that thanks to the income stability provided by CERB, workers were able to consider changing to more appealing jobs as the economy re-opened (rather than returning to their old jobs out of desperation). This may have exacerbated supposed “shortages” experienced in low-wage sectors like hospitality and retail; but it did not interfere with the recovery in

⁹ See Ramlakhan (2021) for illustrative examples.

¹⁰ Data in this paragraph calculated from Statistics Canada Table 14-10-0372-01.

overall participation and employment.¹¹ The recruitment challenges faced by restaurants, retailers, and other low-wage employers reflected Canadian workers moving to other sectors and occupations, not them abandoning work altogether.

To some degree, then, the CERB proved that having access to less conditional income security enhances the power of workers to say “no” to jobs that are demeaning, exploitive, under-compensated, or dangerous. However, influenced by employer complaints, the federal government quickly rolled back CERB benefits, then replaced them with a suite of alternative, more targeted programs. Meanwhile, the EI system has been improved on a temporary basis, to allow more workers to qualify during the pandemic; an upcoming federal consultation and reform process will determine whether those temporary changes (in qualifying rules and minimum benefit levels) are maintained.

The labour movement should build on the experience of the CERB, and mobilize for permanent improvements in income security (including EI) that make adequate benefits available to every worker who needs them. That will empower workers to demand better wages and conditions.

Basic Income and the “Incentive” to Work

International research regarding the link between basic income and labour force participation finds little evidence that people are less likely to work when BI protections are available. To the contrary, some research has identified ways in which BI protections may *enhance* the capability of people to find and keep good jobs:¹²

- BI allows people to support themselves while getting additional training, thus improving their employability.
- BI allows people to get basic resources (including housing, clothes, phone and internet services) that are crucial for finding work; this is especially important in poor countries, or among very poor Canadians.
- BI provides people with additional security and confidence to change jobs, and/or to search longer for a better job, if their current job is unsatisfactory or not a good match with their interests and skills; that can facilitate reduced turnover and more stable long-run employment.

While the supposed disincentive effects of well-designed BI programs should be considered with skepticism, it must also be acknowledged that workplaces are a battleground of conflicting interests. Employers (especially in the private sector) seek to extract maximum labour effort from their workers, for the lowest cost, and with maximum flexibility to match hiring with the normal ups and down of their business.

¹¹ The evidence reported by Macdonald (2021) on inter-industry shifts in labour supply during and after the pandemic are consistent with this interpretation.

¹² Some of these impacts are confirmed in experimental evidence and other research regarding the effects of income support on job search and labour force participation; examples are surveyed in Coote and Yaziki (2019).

Workers, in contrast, want better compensation, more stable hours, and safer, more pleasant working conditions. There is no doubt that decent, accessible income security strengthens workers' position in that ongoing conflict. That's why employers hated the CERB – and why their opposition to a permanent and more universal benefit would be even more intense. Understanding the implications of BI for workplace power relations prepares us to confront and overcome the opposition of employers. It also should strengthen the sense of common cause between BI advocates and trade unionists.

The Economy IS Work

Instead of seeing BI as a *replacement* for paid work, it is more convincing and viable to see work and income supports as complements, rather than substitutes. A BI would underpin efforts of employed people to improve the terms and conditions of their paid work. It also supports people without work, to find it: providing them with financial resources to get more training, to relocate, to be well clothed and housed, to successfully attend job interviews. By supporting continued consumer spending and preventing the worst consequences of unemployment (like families losing their homes or other assets), strong income security reduces the depth of recessions and facilitates faster recovery.¹³ Finally, a quality BI is only affordable if most people don't need it: that is, if most people are still supporting themselves through paid work. For all these reasons, work and income security should go together.

Some advocates of BI argue that work is going to disappear: because of technology, automation, globalization, or other forces. Therefore, people will need a BI to survive.¹⁴ This is not believable. In the first place, work (defined broadly to include direct and indirect labour, physical and mental labour, private and public sector labour, paid and unpaid labour) *cannot* disappear. It is the only force which produces the goods and services that constitute our economy and determine our material standard of living. Using more machines to aid our work does not mean work will disappear in any general way: it merely changes the nature and location of work. Technology can also make work more productive, safer, and potentially less time-consuming (that facilitating reductions in working hours, while still improving our material standard of living). Arguing for a BI on grounds that work is disappearing is unconvincing, both economically and politically. If work really disappeared, who would produce the goods and services consumed by people receiving the BI?

Similarly, arguments for BI based on the notion that the economy must “stop growing” for environmental reasons (and therefore there must be less work, and therefore people will need a BI to survive) are also misguided. Yes, our future work and production must be managed and regulated in line with the requirements of sustainability (including, as

¹³ This was proven dramatically during the COVID pandemic: numerous studies confirmed the positive effect of massive income transfers in moderating the employment and macroeconomic consequences of the crisis; see Barnes et al. (2021) for a useful survey.

¹⁴ Support for BI proposals from high-profile technology sector leaders (like Elon Musk and Richard Branson) reflect this identification of income support with technological unemployment; see Kharpal (2017), for discussion.

a top priority, reducing and eliminating greenhouse gas pollution). But that does not mean there can't be more jobs, nor that the economy (properly measured) can't become more productive (and therefore, in conventional statistical terms, "grow"). Growth is not the goal;¹⁵ the goal is putting people to work doing useful, sustainable things. And again, if work must stop, who would produce the goods and services that people receiving BI spend their income on?

In this context, BI is best understood as one component of a broader economic and social strategy to support *more* employment, not less – all shaped by a thorough commitment to social inclusion and environmental sustainability. Instead of proposing BI as a replacement for work, it should be advanced as a complement to a powerful, modern plan to achieve full employment: an economy in which every willing worker can readily find productive, rewarding work, supported by generous income security when their work is interrupted (for whatever reason). Viewing BI and full employment as complements, not substitutes, enhances the prospects for common cause between the BI movement (fighting for decent incomes for all) and the trade union movement (fighting for better wages and conditions for employed workers).

Doing it Right

A key motivation for stronger income security in general (and basic income proposals in particular) is to strengthen the ability of employed Canadians to negotiate better wages and working conditions with their employers. For this goal to be realized, BI policies need to set a high standard in the quality of benefit and security provided. To this end, some principles should be considered in designing a good BI system,¹⁶ including:

- *Level of the benefit.* A universal income benefit must be high enough to ensure recipients are not left in poverty, otherwise the prospects of falling into poverty will still compel employed workers to accept unfair or unsafe arrangements. The CERB's \$500 per week benchmark seems like a good starting point for an individual. Benefits for families with dependents need to be higher.
- *Ratcheting up, not down.* Some Canadian income support programs pay more than even an ambitious BI floor. No Canadian should have their income reduced through the introduction of a BI program. Apart from causing hardship and sparking opposition to the whole idea, that would also defeat the goal of using stronger income security to strengthen the bargaining power of workers. This means preserving and even expanding programs (such as EI benefits, some

¹⁵ Contrary to common assumption, the goal of macroeconomic policy in the neoliberal era has not been to maximize growth. To the contrary, the economy has been tightly managed to keep growth within strict limits, to prevent labour markets from becoming "tight." That's the main reason why average economic growth rates have been much slower in the neoliberal period (since about 1980) than in the initial postwar decades.

¹⁶ For examples of comprehensive proposals for basic income which incorporate these and other design principles, see Swift and Power (2021) and Pasma and Regehr (2019).

disability benefits, pensions, and others) that currently pay higher levels of benefit than a BI.¹⁷

- *Services as well as income.* Canadians' overall standard of living depends not just on their disposable cash incomes, but also on the quality and accessibility of public services which they are entitled to (including health, education, transit, child care, recreation, and more). As the U.S. experience with employer-paid health care proves, winning universal access to essential services is also a critical way to reduce the cost of job loss and hence moderate employer power in the workplace. Expanding public services also reduces the amount of cash income that people need to live well.
- *Valuing caring and community labour.* Some proponents suggest a BI would allow people to provide valuable work and services in their homes and communities – including environmental, caring, and artistic work – since they will be receiving an adequate cash income through the BI system and hence wouldn't need extra pay for this useful work.¹⁸ This idea undermines long-run efforts to have caring and artistic work recognized, valued, and fairly compensated. Essential work in our communities should be organized, regulated, and paid like “normal” jobs. BI must not be seen as a way of replacing this work with BI-funded “volunteers.” Even worse would be policies which compel the provision of community work in return for income support (an approach which degenerates into workfare).
- *Protecting existing public sector work.* To offset the significant cost of universal benefits, some BI proposals target savings from eliminating existing welfare programs – including the administration and oversight work associated with these programs (like provincial welfare systems). For reasons discussed below, it is unlikely and even undesirable to imagine basic income as a replacement for all existing income security programs. Where a BI system does allow for consolidation and streamlining of administrative tasks, it must be complemented with strong job security and redeployment rights for affected public sector workers.

Some Canadian income security programs already resemble a basic income, for certain segments of society. The GIS is in effect a basic income for people over 65 (although its benefit level should be increased), and the Canada Child Benefit (CCB) offers similar protection for families with children. Both are means-tested, but ensure that virtually every household within the targeted category reaches a certain income threshold. The new disability benefit system proposed in the 2020 federal Throne Speech could have similar properties.

¹⁷ This goal is acknowledged by the Basic Income Canada Network (2021) in its template for a basic income program.

¹⁸ Erik Olin Wright (2017) makes this argument, suggesting that a basic income would be a method of materially underpinning work in the “social economy” (including child care, elder care, home care, arts, and other jobs).

Learning from this experience, there are other ways in which BI-like programs could be incrementally expanded. For example, BI-like benefits could be proposed for young adults or displaced workers, in recognition of the particular challenges those groups face obtaining decent paid employment. And reforming the EI system (with better access and a higher benefit floor) would also strengthen income protections. In short, rather than being seen as a single measure to “fix” all income security systems, BI might be better understood as a guiding principle to motivate improvements in many different programs – all aimed at reducing the number of Canadians who fall through the cracks of the existing system.

Fighting for incremental and immediate improvements in income security would thus help to create a more comprehensive income security system, but without the same challenges of design and funding as a full-fledged BI. Steps on the road to universal income security could thus include:

- Strengthening the EI system, most immediately by making permanent the changes introduced during the COVID pandemic (120 hours to qualify, minimum \$500 per week benefits, minimum 26 weeks of benefit).
- Improving provincial welfare systems, which are punitive and painfully inadequate.
- Improving benefit levels for BI-like programs for elderly Canadians (GIS) and families with children (CCB).
- Introducing new policies, like the proposed disability income benefit or a basic income for young adults, that are accessible and similar to BI in motivation and structure.

These incremental measures would not “take away” from the case for a comprehensive BI. To the contrary, they show that BI principles are feasible and can be implemented gradually.¹⁹

Paying For It

Providing a decent basic income to large numbers of Canadians will be very expensive: there is no hiding that. The CERB (which provided \$500 per week to as many as 9 million Canadians, for up to 28 weeks each) cost the federal government an estimated \$77 billion (after recovering some benefit payments through income tax payments) by its culmination at end-September 2020.²⁰ The cost for a full year program would be higher. This expense was legitimate and beneficial; it helped millions of Canadians financially survive the pandemic, it reduced the depth of the resulting recession, and it accelerated macroeconomic recovery. But it is an enormous cost, by any definition. Estimates of the ongoing cost of a permanent basic income system vary with the

¹⁹ Spies-Butcher et al. (2020) suggest such an approach to achievement of a more comprehensive basic income.

²⁰ See Parliamentary Budget Officer (2020).

simulated provisions of the plan (including level of benefit, qualifying rules, and the rate at which benefits are reduced or taxed back for recipients with more income).²¹

Obviously, an ongoing BI scheme with equivalent benefits is only sustainable if most Canadians don't need it – that is, if most working-age Canadians are able to support themselves through decent, well-paying jobs. In this light, again, BI should be seen as one element of a broader progressive economic and social strategy – one with a commitment to improving the quantity and quality of jobs, and ultimately achieving high-quality full employment, at its centre.

At the same time, of course, the fiscal capacity of government to provide generous BI benefits must be buttressed with a strong and fair tax system. To be sure, fiscal savings will result from abolishing poverty: including reduced costs in health care, housing, criminal justice, and other budget areas. Nevertheless, a quality BI program would represent a major fiscal investment, and would ultimately require a permanent increase in the revenue base of government. Every strong social security system must be underpinned by a strong tax system – one to which most people (not just the wealthy) contribute.

Conclusion: A Change in Attitude

The horrific effects of the COVID-19 pandemic and resulting recession produced a significant change in Canadians' attitudes about work, the role of government in their lives, and income security:

- Millions of Canadians received direct income assistance from government. Old assumptions that only “cheats and layabouts” depend on welfare were thrown out the window.
- More generally, most Canadians visibly appreciated the importance of powerful government in protecting society and everyone in it. The credibility of right-wing arguments for “smaller government” and lower taxes was damaged considerably.
- Canadians recognized the value and courage of the workers doing essential but often undervalued jobs: including health care workers, but other essential tasks, too (like cleaners, grocery clerks, food delivery, and carers). Canadians will thus be more amenable to better recognizing, protecting, and compensating people in those typically insecure, low-paid jobs. Stronger income security, up to and including a basic income, is clearly complementary to that goal.
- Knee-jerk arguments that “deficits are bad” and debt-reduction should be paramount have also been discredited. In the long run, strong income security (let alone a BI) cannot be financed by simply “running deficits.” But it is certainly

²¹ Ammar et al. (2021) estimate the cost of a relatively modest BI system at around \$85 billion per year. Pasma and Regehr (2019) cost out three different options of a full BI plan, with gross costs (before taxes) ranging between \$135 and \$640 billion per year.

easier to contemplate introducing ambitious new social programs when the balanced-budget straitjacket has been taken off.

For all these reasons, there is an opportunity after COVID to win a permanent and far-reaching change in the mindset of Canadians regarding poverty, equality, and income security. The idea that people should get by only on their own devices, in a dog-eat-dog battle for survival, can be replaced with a vision of a society that works, cares, and prospers together.

A basic income cannot single-handedly usher in such a world. And basic income is not a replacement for work. In fact, the only way a good BI program could be financed is if most people are working (and not needing it). But the core principles that no-one should live in poverty, that we can afford a decent living standard for everyone, that protecting the poor strengthens the well-being of us all, are more within our reach than for many decades. In that regard, thinking big about universal income security is appropriate and inspiring. And done right, it can both strengthen and unify the struggles of trade unionists and anti-poverty advocates.

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