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To serve in Hope

*“Overcoming poverty is not
a task of charity.*

It is an act of justice.”

Nelson Mandela



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*“Poverty is not just material deprivation;
it is also social deprivation.”*

Jonathan Culbreath



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Universal Basic Income – A Canadian Version

(FOCUSING ON ECONOMIC REALITIES, THE DIGNITY AND RESPECT OF CANADIANS
THAT A CANADIAN VERSION OF A UBI PROGRAM WOULD OFFER.)

Presented by: Stephen Dufresne and Maria Lupul

from St. Theresa's Conference in Edmonton, Alberta

SSVP AGA/AGM in Windsor, Ontario – June 20, 2019



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UBI – CANADIAN VERSION

- Introduction
- Some background information and reflecting on past Industrial Revolutions
- A different kind of Fourth Industrial Revolution
- The need for a UBI program to ensure income security
- General introduction to UBI and discussion of its 3 key elements
- The Poverty Cycle
- UBI program for Canada
- Options for introducing a BI program in Canada
- Some of the realities of introducing a BI program in Canada



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To provide economic security for all Canadians
in a rapidly changing and
increasingly precarious world.



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To slow the relentless increases in the costs of all government sponsored programs that attempt to address poverty related issues in the lives of many Canadians.



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It is estimated that by 2031 the richest 1%
of the world's population is on track
to own 66% of all global wealth.

We are, even now, starting to have an idea
who the big winners will be.



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POVERTY IN CANADA

- To support the reality of a future rapidly changing and increasingly precarious world.
- And the reality that many Canadians will be lacking the necessary education and skills to deal with these changes.



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In Canada, 5.8 million people live in poverty.
That is 16.8% or 1 in 6 people.

Source: 2016 Statistics Canada Report



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2016 Canadian Poverty Rates:

Children – 19.6 % (CFLIM-AT)

Children in lone parent families – 47.4% (CFLIM-AT)

Single parent families – 36.0% (CFLIM-AT)

Single Adults (non-Seniors) – 37.7% (CFLIM-AT)

Single persons with disabilities – 23.0% (LIM-AT)

Single Seniors – 25.7% (CFLIM-AT)

Indigenous peoples – 23.6% (LIM-AT)

Racialized people (visible minority) – 20.8% (LIM-AT)

CFLIM– AT: Census Family Low Income Measure – After Tax

LIM– AT: Low Income Measure – After Tax

Source: 2016 Statistics Canada Report



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How Canadian Poverty Rates are calculated:

1. LIM – AT (Low Income Measure – After Tax):

is a fixed percentage (50%) of the adjusted median household income.

2. CFLIM – AT (Census Family Low Income Measure – After Tax):

differs from LIM in the use of a different method for calculating adjusted family size and median income.

Source: 2016 Statistics Canada Report



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How Canadian Poverty Rates are calculated:

3. MBM (Market Basket Measure): is an absolute measure and is the level at which a household does not have the income to purchase a specific basket of essential goods and services.

Source: 2016 Statistics Canada Report



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A BIT OF BACKGROUND INFORMATION

- To support the reality of a future rapidly changing and increasingly precarious world.
- And the reality that many Canadians will be lacking the necessary education, the mental and physical skills to deal with these changes.



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At the present time or in the very near future
Canadian society and workers are standing on the
brink of a technological revolution
that will fundamentally alter the way we live,
work and relate to one another.



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Past Industrial Revolutions and their effects on the society of the time:

The First Industrial Revolution used water and steam power to mechanize production processes.

The Second Industrial Revolution used electrical power to create the resources necessary for the mass production of things.

The Third Industrial Revolution, that we are experiencing now, uses electronics and information technology to speed up and to automate many production processes.



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Now the coming Fourth Industrial Revolution,
that is building in part, on the Third Industrial
Revolution, is characterized by a
fusion of technologies
that is blurring the lines between
physical, digital and biological spheres.



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There are 3 reasons why today's industrial transformation represent the arrival of a Fourth Industrial Revolution:

Velocity – it is evolving at an exponential (2,4,6...) pace rather than at a linear (1,2,3...) pace.

Scope – it is disrupting almost every industry in every Canada.

Systems impact – The depth and breath of these changes effect the transformation of entire systems of production, management and governance.



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These changes are being driven by the possibilities related to billions of people connected by smart, mobile devices, with unprecedented processing power, storage capacity and access to knowledge that is unlimited.

(At the present time there are 5 billion people in the world that have access to 5.2 billion mobile devices.)



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These possibilities are then being multiplied by technological breakthroughs in the fields of:

AI (artificial intelligence)

Robotics

The Internet of Things,
Autonomous driven vehicles

3-D printing

Nanotechnology

Biotechnology

and materials science, energy storage, and quantum computing.



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The **Fourth Industrial Revolution** has the potential to raise global income levels and improve the quality of life for populations around the world.

At the same time, the **Fourth Industrial Revolution** could yield greater inequality - particularly in its potential to disrupt traditional labor markets.



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For a majority of the population in high-income countries, such as Canada, the demand for highly skilled workers has increased, while the demand for workers with less education and lower skills has decreased.

There is also a hollowing out of the middle of the job market.



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A new way of thinking about dealing with the various poverty related issues that effect Canadian citizens is to introduce a

UBI

(UNIVERSAL BASIC INCOME)

program to support those members of Canadian society that are suffering the affects of poverty in their lives and the lives of their family members, especially their children.



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The idea of providing a

UBI (Universal Basic Income)

to those experiencing the effects of poverty is not something that is new.

It was first proposed by Thomas More in his 1516 novel *Utopia*.



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UBI (Universal Basic Income)

is a combination of a number of related ideas that can be introduced as public policy by governments or adopted by society by way of changes to the country's constitution.



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UBI

(UNIVERSAL BASIC INCOME)

can be defined as a periodic cash payment, unconditionally delivered to all on an individual basis without a means-test or work requirements.



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UNIVERSAL

It is paid to all, without a means test.



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BASIC

An amount of money that would enable someone to survive, provide economic security and to participate in the Canadian society.



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INCOME

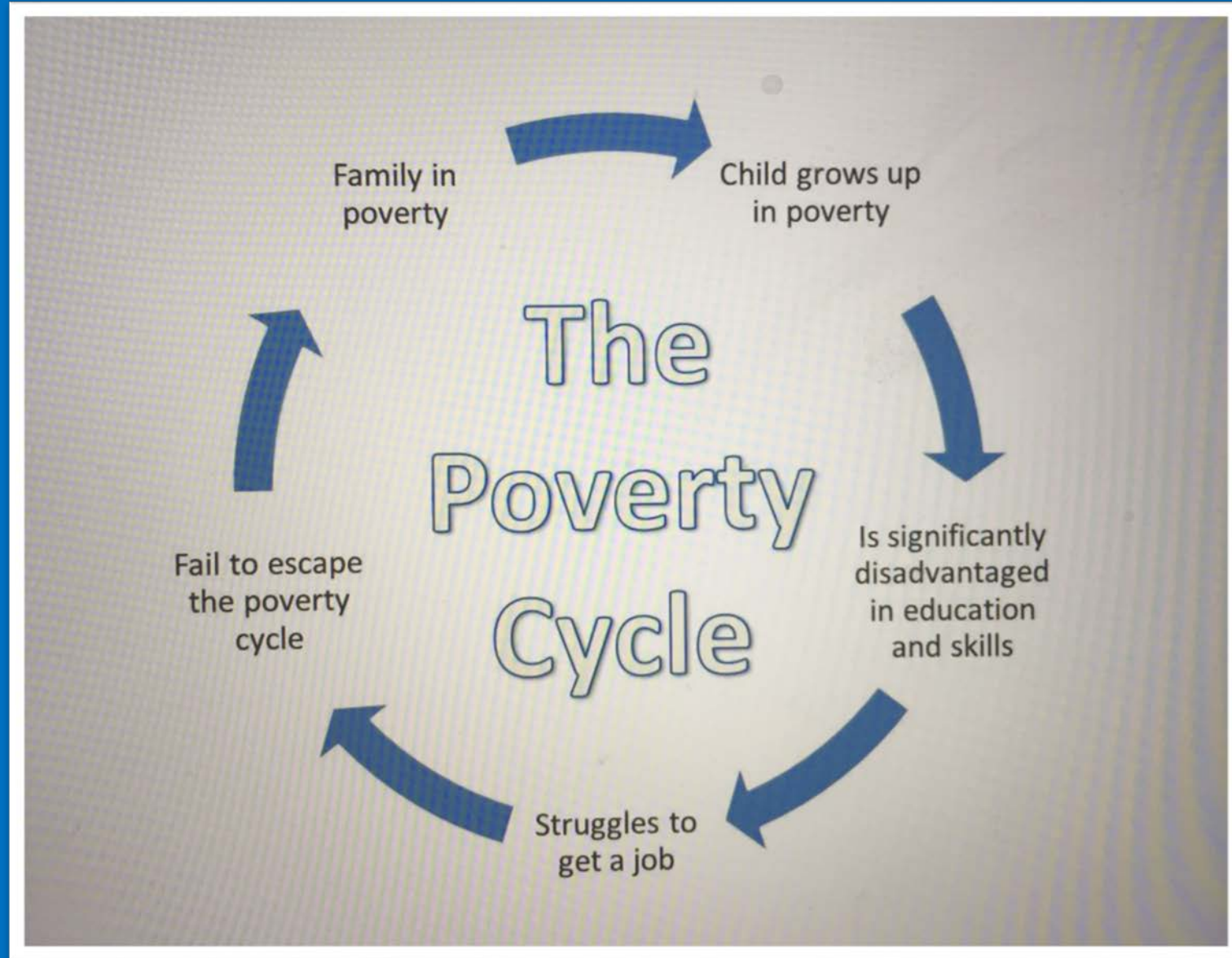
a periodic cash payment (monthly), unconditionally delivered to all on an individual basis.



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A UBI program
could be used to
interrupt the
Poverty Cycle.





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*“We cannot solve problems by using the
same kind of thinking we used
when we created them.”*

Albert Einstein



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**IT SHOULD BE AN ECONOMIC RIGHT FOR ALL
RESIDENTS OF CANADA TO HAVE
BASIC INCOME SECURITY**



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Universal Basic Income

A Canadian Version



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The recurring theme of many past and current
Canadian government's work on
poverty reduction strategies
has been the
modernization the Canadian social safety net.



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There is a hard-edge economic rationale in addressing poverty.

**THE CONSEQUENCES OF DEALING WITH
POVERTY RELATED ISSUES ARE EXPENSIVE.**



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HOW EXPENSIVE ARE POVERTY RELATED COSTS?

In 2017, Canada spent the following on social welfare support programs:

- Elderly benefits at \$48.2 billion
- Employment Insurance at \$20.7 billion
- Children's Benefits at \$22.1 billion

A total of \$91 billion.



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In Canada the existing income support systems – after accounting for federal, provincial, and local government spending and tax measures – was **estimated to have cost \$185.1 billion in 2013, or roughly 10% of the Canadian economy.**

Together, Canadian governments collectively spend **22.0% of program expenditures** directly on cash and in-kind transfers for social benefits.



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OTHER EXAMPLES OF RELATED POVERTY COSTS:

- In the past 25 years, Canada's population increased by 30%, while funding for social housing decreased by 46%.
- Single adult males between the ages of 25 – 55 represent 47.5% of all the homeless people in Canada.



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TRUTH AND RECONCILIATION

(POVERTY and INDIGENOUS PEOPLES)

- **5%** of the Canadian population identify as indigenous – Metis, First Nations, Non – Status, or Inuit.
- The poverty rate for Indigenous people is **30.4%** – twice the rate as for non-indigenous people.
- Indigenous people in Canada have a low-income rate of **23.6%** compared with 13.8% for non-indigenous people.
- The average total income of an indigenous Canadian was **75%** of that of a non-indigenous person in 2015.



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SOME CHARACTERISTICS OF A CANADIAN VERSION OF A **UNIVERSAL BASIC INCOME** PROGRAM



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A Universal Basic Income program in Canada
should be seen as an investment.

The fundamental purpose of introducing an Universal Basis Income program would be to allow Canadians to live a modest but decent lives whatever economic challenges they face.



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Two key concerns for many supporters and critics of the implementation of a Canadian UBI program are:

- That the income delivered by a UBI program would act as a disincentive to work.
- The high cost of delivering a Canadian version of a UBI program.



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UBI is part of the Sharing Economy

UBI is not in isolation from how the sharing economy is evolving.

UBI is just one small part of the implementation of the next phase of capitalism and consumerism.



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We do not know how capitalism and consumerism will adjust to technological (AI, robotics and automation) unemployment. Or, how radical exponential growth of technologies will disrupt mainstream jobs or impact consumerism, and at what speed.

However, we do know that their arrival is inevitable and their impact will be global and certainly effect the Canadian economy at all levels.



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A CANADIAN UBI PROGRAM WOULD HELP IN REDUCING JOB DISPLACEMENT

CAUSED BY:

- Resource scarcity that is becoming a looming threat.
- A world is facing a population crisis.
- Huge leaps in technology have made automation a reality.
- Technology advances (robotics) vs human employment.
- Reality that certain jobs will become obsolete.



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IRON ROUGHNECKS?

This re-distribution of labor from humans to robots is a reality in some industries.

- In the Oil & Gas industry automation in the form of an Iron Roughneck – Robotic drill hands is one reason why oil drilling jobs are not rebounding.
- What once took a crew of 20 workers to do is soon expected to only need 5 workers to do.



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As this re-distribution of labor occurs from humans to robots (AI and software included), won't this necessitate at least a modest redistribution of wealth to keep our consumer economy functioning and healthy?



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THE COST OF UBI

The cost of a Universal Basic Income is the

Net Transfer Amount

not the

Gross Price Tag



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From the idea of a
UBI (Universal Basic Income) program
the Canadian approach to a more likely a targeted
approach of BI (Basic Income) support for a
selected group of individuals.

Those individuals of working age.



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The Canadian government is looking at three (3) different options for introducing a Canadian version of a BI (Basic Income) program:

1. The Big Bang – introducing a fully developed BI program all at once.
2. The Gradual Approach – introducing a BI program that grows over time.
3. Offering a BI program to a **selected group of Canadians.**



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1. The Big Bang – introduction a fully developed
BI (Basic Income) program for people of
working age all at once.

Why just for people of working age?



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2. The Gradual Approach – a BI (Basic Income) program that grows over time.

- Provinces would still have to offer provincial assistance programs.
- Costs would be substantially lower for the Federal Government than the implementation of a full UBI program.
- Payment could be made on the basis of the previous year's income.



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3. Offer a BI (Basic Income) program to a selected group of Canadians.

- This would be a much less effective way that a Basic Income program might be introduced.
- Offer a small Basic Income to a select groups of Canadians.



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By being a single program operated by the Federal government,
a **BI (Basic Income)** program would:

- Be much simpler and less costly to administer.
- Do away with administrative duplication at levels of government.
- Remove the various eligibility conditions for receiving government transfers.
- Would be cheaper to operate since fewer resources would be needed for monitoring and ensuring participants comply with the BI program.



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The concept notion of a **BI (Basic Income)** program to the practical design and implementation of a BI program by the Federal government:

- Lack of clarity and agreement on a BI program design features
- Details of key BI program features require balancing competing priorities with regard to providing an adequate transfer amount, keeping program costs low and minimizing work disincentives.



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The implementation of a **BI (Basic Income)** program is really a simple moral choice, before anything else.

The **MORAL** choices are:



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And that society that might soon be controlled by a
few, powerful, influential, wealthy
individuals/companies ...

*placing their own definition on worth above any
other definition of worth, potentially limiting growth.*



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The other moral choice states that ...

“because you are a human being, all the other human beings on the planet believe that you have worth from day one ... to survive, to thrive, to live, to display your greatness, in your own unique way. You are free to choose what will help you grow. “



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One choice states:

- **that we are happy with how things are now.**

The other choice states:

- **that we should explore new paths.**

Which is the **SOCIAL JUSTICE** choice?



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Comments

or

Questions



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THANK YOU!

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