

C-BIG PEI

Campaign for a Basic Income Guarantee
for
Prince Edward Island



Like slavery and apartheid, **poverty is not natural**. It is man-made and it can be **overcome** and **eradicated** by the actions of human beings. And overcoming poverty is not a gesture of **charity**. It is an act of **justice**. It is the protection of a fundamental human right, the right to **dignity** and a **decent life**.

Nelson Mandela





Life Without Basic Income in PEI



Poverty in PEI

- 19,000 people living in low income: 13% of population (2011)
- 39% make under \$20,000/yr
- 65% of households on income support are headed by an Islander living with a disability
- Other vulnerable groups: Seniors, Newcomers, Aboriginal Islanders, primary producers, entrepreneurs and artists

Costs of Poverty in PEI

- Direct cost of poverty to government: almost \$100 million/yr
- Indirect costs of poverty on PEI: up to \$220 million/yr
- Total cost of poverty: \$315 million/yr.
That's \$2,700 per person, per year

Source: Canadian Centre for Policy Alternatives



Globally

- 1.2 billion people living in extreme poverty
- 870 million people food insecure
- ½ world's wealth is now owned the 1%
- The 1% have 65 times the total wealth of the bottom half of the world's population.
- The bottom half of the world's population owns the same as the richest 85 people
- 7/10 people live in countries where economic inequality has increased in the last 30 years.



Root Causes

- Economic/political systems
- Conflict
- Climate Change
- Poverty > Hunger > Poverty

Basic Income Guarantee for PEI

- Our BIG Idea: each and every Prince Edward Islander receives enough income to meet basic needs
- Redistribution of resources = more equality

The Basic Income Guarantee

by any other name ...

- Basic Income
- Citizen's Income
- Guaranteed Annual Income
- Guaranteed Adequate Income
- Livable Income
- Universal Basic Income

Has Basic Income Been Tried?



Source: Basic Income Canada Network: Basic Income Programs and Pilots

Brazil

- ReCivitas (NGO), started 2008
 - 100 people receive small monthly payment
 - 25% of basic income goes to food
 - Improved nutrition
 - Microenterprise
- Bolsa Família (since 2003)
 - Conditional – prenatal/postnatal care, school attendance
 - Poverty reduced by ~ 1/3
 - Improved health
 - School attendance
 - 75% adults employed

India

Madhya Pradesh Unconditional Cash Transfer (2011)

- UNICEF
- 20 villages, 12 control
- Increased food security
- Improved health
- Improved school attendance
- Debt reduced
- Used as a model for more widespread implementation of direct cash transfers (2013)

Namibia

- 2008-2012 – Namibian Basic Income Coalition
- Unconditional monthly payment
- In-migration
- Poverty reduced
- Improved child health, school attendance
- Crime reduced
- Dignity and hope

Basic Income in Canada

- Historical:
 - Manitoba MINcome, 1974-1979
- Similar programs today:
 - Old Age Security
 - Guaranteed Income Supplement
 - Universal Child Care Benefit
 - Child Tax Benefit
 - Working Income Tax Benefit
 - GST Tax Credit

Does Basic Income work?

- People stay in the workforce
- Better choices for those outside the workforce: students staying in school, parents able to choose to care for children
- Fewer visits to the Emergency Room
- Fewer people criminalized

Source: Follow-up studies on Manitoba Mincome



The BIG Idea for PEI

- Benefits delivered through the tax system
- People living on low income receive a **top-up** to a livable level
- Basic needs are met

The system is simple.

All adults below the poverty line (livable income threshold) receive a benefit, probably monthly, to bring them up to livable income.

BIG is based on three elements:

- **Benefit:** the maximum amount anyone can receive, set at the livable income threshold
- **Reduction rate:** if the person receiving BIG gets other personal income, the benefit will be reduced
- **Break even level:** the point at which the amount the reduction rate is 100% of the benefit

A BIG Pilot for PEI

- We are advocating for a 5-year pilot program to show that a Basic Income Guarantee is the right way for PEI to invest in people and eradicate poverty

Our Vision: We C-BIG!

- Our vision is a PEI where everyone has a livable income
- Our goal is to develop a community-driven plan for implementing a Basic Income Guarantee for **all of PEI**

