

BETTER IN THEORY? WHY A BASIC INCOME IS NOT THE RIGHT POLICY TOOL FOR THIS MOMENT

As the COVID-19 pandemic forces more non-essential businesses to shutter and leaves a growing number of workers out of a job, policy experts, academics, and public figures alike have touted a basic income as the ideal policy for delivering financial relief to struggling Canadians.

Some propose a [crisis basic income of \\$2,000](#) delivered through the tax system, while others hint that this may be our chance to finally introduce a [permanent universal basic income](#). Noting the need for a more precise approach, others suggest a [targeted basic income of \\$1,000](#), paid by the federal government on a monthly basis to workers who earned between \$1 and \$50,000 in employment income last year.

At first glance, the idea of simply guaranteeing a sum of money to all working-age adults is appealing. Uncomplicated in design, a basic income could serve to diffuse mounting stress levels and bring for many a sense of security in these increasingly uncertain times. However, as is true of most broad-based policy proposals, the devil is in the details—and the delivery.

Three key limitations—lack of precision, reach, and implementation time—suggest that a basic income is *not* the right policy tool in a crisis like this.

1. A basic income is too blunt a tool

In this crisis, the focus must be placed on targeted supports—on getting money to those who need it the most. This includes immediate support for the many workers whose jobs are no longer viable and who do not qualify for EI; individuals with health issues who are living on low or no earned income and cannot afford to take the precautionary step of stockpiling medication or supplies; and those who face barriers to social distancing, such as persons experiencing homelessness and renters unable to pay their landlords. Distributed broadly and indiscriminately, a basic income does not account for this heterogeneity of need—neither of type nor extent.

To date, the federal government has taken a targeted approach, including through the Canada Emergency Response Benefit, which will provide \$2000 per month over four months to workers who have lost income but do not qualify for EI, and top-ups to supports like the GST/HST credit and the Canada Child Benefit (CCB). As for the provinces, they can and should be doing much more—especially for income support recipients. [As noted by policy experts](#), actions could include topping up monthly assistance payments, loosening eligibility criteria, and enhancing crisis supplements.

2. A basic income risks missing too many people

Limitations regarding the reach of a basic income, particularly if delivered through the tax system, are also concerning. As research shows, a basic income would miss [one in 10 Canadians who do not file taxes](#). Access would likely be even worse among those with the deepest need: [one-third of social assistance recipients](#) do not file a return, and roughly [40% of eligible First Nations families](#) do not receive the CCB. Similar problems emerge when thinking about sending basic income cheques in the mail: how would governments reach those with no fixed address, or deliver appropriate levels of support to those whose situations changed within the year? Expanding the number of ways we reach people and deliver support—not limiting them, as a basic income would do—is the best way to meet the needs of the greatest number of people.

3. A basic income cannot be implemented quickly enough

Policymakers know that designing and delivering new programs takes time; as we have seen in recent weeks, even applying top-ups to existing programs cannot be done overnight. In light of this, the best option for governments is to avoid creating new programs, and to instead use systems and infrastructure already in place. In this time of immediate need, the fastest policy response will involve identification of the appropriate existing channels through which support can be provided directly.

Many Canadians are now grappling with the social safety net, trying desperately to find supports where none previously existed. As governments move to patch these holes, they must do so quickly and in a manner that ensures those with the greatest need receive appropriate and adequate support. A basic income is not the ideal policy tool in this context. However, the global pandemic has uncovered many cracks in our systems—ones that persist and affect many Canadians, even in prosperous times and when there is no national emergency. Thus, when we eventually move beyond this crisis and begin to rebuild, the basic income conversation should not be abandoned.