

The background of the image is a blurred, close-up view of several US dollar bills, showing the green and yellow colors and the texture of the paper. The bills are slightly out of focus, creating a sense of depth and movement.

***A Guaranteed  
Living Income  
for Everyone***

***Delusion or Necessity?***

***Robyn Peterson***

# **A Guaranteed Living Income for Everyone**

## **Delusion or Necessity?**

**Second Edition**

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## Foreword

Many people talk about the idea of a guaranteed or basic income these days. It's an idea that sounds good to many people. The trouble is that the different writers and speakers may be thinking of quite different approaches. So it's difficult to think of supporting any group's proposal for a basic income programme until the details of such a proposed programme are clearly spelled out.

In some cases people may be thinking about welfare by a different name. They may conjure up the savings to be had by doing away with a complex and bureaucratic structure and replacing it with a much simpler payment system for eligible recipients. That kind of basic income approach certainly has its supporters and advocates.

In other cases, the idea of a basic or guaranteed income may involve a kind of top-up approach to add to someone's income from other sources. Such an approach could be pitched on the basis of topping up a person's income to bring them at least to the poverty line or a little above. This kind of approach too has its advocates and supporters.

In this book we'll mainly talk about a guaranteed income model that would be universal and unconditional. It would be given to everyone regardless of their existing income status. And it would involve an amount of money that was sufficient for someone to live on, an amount above the poverty line. So we'll be talking about a guaranteed income approach that is universal, unconditional, and livable.

Obviously, some people will be aghast at the idea of an income programme that would be as ambitious as the one just described. They would question its cost and how that cost would be met. They would also worry about its effect on the work ethic. Such concerns are perfectly understandable and we address them directly in this book.

One thing is for sure: our world is changing in fundamental ways. This means that ordinary people are caught up in a maelstrom of events that are beyond their control. When lack of income is added to this mix, personal misfortune and even disaster can ensue.

A proper guaranteed income programme will bring more cohesion to our society as major changes occur. It should receive careful and serious consideration as a means of bringing about a social transformation that will benefit everyone.

# 1 In Search of Income Justice

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*“Everyone has the right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice.”*

*Canadian Charter of Rights and Freedoms*

How far do the “principles of fundamental justice” apply to everyone in Canada today? Does everyone in Canada have sufficient income to meet their “life, liberty, and security” needs? Unfortunately, we know that the answer here is a blunt no. Lack of income afflicts millions of Canadians and has done so for years. It appears that a clear violation of an enshrined Charter right does exist. But there is an apparent reluctance on the part of different governments to do much about it, although they may talk about it from time to time. They’ve let this situation drag on for years, even decades, along with the attendant suffering.

Various large-scale injustices have occurred in Canada in the past. Some probably continue into the present. We can think of the problems of child abuse in residential schools or the indifference of the justice system to the disappearance and murder of Aboriginal women or continuing problems of racial discrimination to understand that the quest for fundamental justice in Canada is a continuing one. It is also replete with frustrations for those who seek and promote justice for everyone.

When it comes to ensuring that all Canadians have sufficient income to meet their reasonable needs, we’ve fallen short as a nation. The various ‘solutions’, including different forms of intimidation used to prod people into finding a job, any job, have not succeeded in meeting the fundamental need for a decent income for everyone.

When widespread poverty, inadequate healthcare, lack of jobs, and other social ills are allowed to fester and even to grow, that means they are not seen as priority issues by those at the top. They don’t evoke the urgency of war. People can be allowed to starve or barely stay alive in destitution, but this does not directly affect the lives of the powerful.

Over time, we can become used to seeing people begging and sleeping on our streets. Gradually, they become invisible. We can even inure ourselves to the idea that people might actually die on our streets, cold,

malnourished, disease-ridden, and alone. After all, they *chose* that didn't they? Further, we can see the plight of the few as being indicators of real freedom. Freedom to die may be the flip side of freedom to succeed, but it is freedom. One may question, though, whether it's the freedom most people want. At the very least, we might question the morality of this line of thinking.

Fundamental justice means justice for people as living, breathing human beings. Making sure that fundamental justice prevails would enable us to build what John Kenneth Galbraith described as the "good society". Wouldn't it be worthwhile to set that as our goal?

*"... the essence of the good society can be easily stated.*

*"It is that every member, regardless of gender, race or ethnic origin, should have access to a rewarding life."*

*John Kenneth Galbraith, The Good Society, 1996*

### **Our solemn international covenants**

Canada joined with fifty other nations in San Francisco in October of 1945 to found the United Nations. We had taken a prominent role in the Second World War and had developed the view that we needed to do our bit to make the world a better, more peaceful place in the aftermath of the war and all its sacrifices. The United Nations and its promise of a better world fitted Canada's postwar aims very well. People wanted a better world to justify all the sacrifices and losses of a devastating war and to put behind us the meanness of the Great Depression.

In keeping with the spirit of the early postwar years, which emphasized that a better world would need to emerge from the ashes of war, the United Nations produced the *Universal Declaration of Human Rights*. This Declaration signalled an important and major step in the building of a new world, a much better world. Canada played a prominent role in the drafting of this document. In succeeding years covenants were added. By the mid-1960s, key documents had been agreed that formed the *International Bill of Rights*. These documents were:

- The Universal Declaration of Human Rights, (UDHR) 1948.
- The International Covenant on Civil and Political Rights, (ICCPR) 1966.
- The International Covenant on Economic, Social and Cultural Rights, (ICESC) 1966.

Canada had fully ratified *The International Bill of Rights* by the

mid-1970s. In effect, we were promising that Canadians would enjoy these rights in full with the support of government policies and our legal system. This seemed to set the stage for a transformed nation, one that could leave behind the hardships and horrors of the Great Depression and the Second World War. All the sacrifices of those years would be made worthwhile.

The *International Covenant on Economic, Social, and Cultural Rights*, a part of the *International Bill of Rights*, was approved by the United Nations in 1966. This Covenant remains highly relevant to human rights in Canada today, and its provisions are still supposed to apply. Among other things it sets out articles and sub-sections that bear directly on poverty and issues of social equity.

Parliament ratified the Covenant in 1976. Theoretically this meant we were committing ourselves before the world legally to uphold the provisions of the Covenant. In a nation that prides itself on careful observance of the law in all that we do, such a commitment was especially profound. Somehow, though, over the years that followed, actually keeping those legal promises faded into obscurity. In a very real sense, we broke faith with our past and with our own commitment.

Many years have now gone by since we solemnly committed ourselves as a nation to the provisions of the Covenant and the International Bill of Rights. Perhaps we should think carefully about what we've done in the years since we committed ourselves to that Covenant. Have we kept faith with our promise or have we allowed other considerations to obscure, even deny them? More importantly, perhaps, do we care?

The following Covenant excerpt (*International Covenant on Economic, Social, and Cultural Rights—Article 11, Subsection 1*) gives a good flavour of the Covenant as a whole. Have we fulfilled this solemn commitment?

*“1. The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. The States Parties will take appropriate steps to ensure the realization of this right, recognizing to this effect the essential importance of international co-operation based on free consent.”*

This article echoes the words of Adam Smith well over two hundred years ago when he said in his famous book *Wealth of Nations* published in 1776 that everyone deserved to be “tolerably well fed, clothed and

lodged”. The framers of the Covenant believed that everyone in our own times deserved to be properly fed, clothed, and housed. Do we ensure that the lives of everyone improve continuously? How far have our leaders taken those sentiments to heart? Over forty years later, how do we answer those questions?

As we look back, fifty years later, we can state that the Covenanted promise has not been fulfilled. We can speculate about all the reasons why this is so but, whether we like it or not, we are looking at a broken promise. How different would Canada be today had we kept our promise all those years ago?

In an article in *Huffington Post Canada* on September 3, 2015, Michele Bliss of the group, *Canada Without Poverty*, stated bluntly, “... for all levels of government in Canada, the realization of human rights are a legal obligation.” She said that with few small exceptions no level of government in the country was living up to our legal obligation. Given that Canada ratified the *International Covenant on Economic, Social, and Cultural Rights* along with the two other covenants of the *International Bill of Rights* in 1976, Bliss’s words meant that Canada had not managed to give proper legal effect to those rights for over forty years! What kind of record on human rights is that? Is it one that we can be proud of as Canadians?

Who is accountable for meeting our Covenant commitments? Our politicians? Corporations? You? Is it too late now for us to re-commit ourselves as a nation to the *International Bill of Rights*? Have conditions changed so much that we no longer wish to keep our promise? Or do we really not care at all? Did we as a nation make false promises before the world and then seek to trade on those promises in a faithless way?

Regardless of matters of political convenience, we should remember that all the Covenants of the *International Bill of Rights* remain in effect. They’re still supposed to be included in our overall legal framework. Perhaps we need a great ceremony to re-dedicate ourselves to them.

We all have a personal stake in human rights. Those rights are not matters for others to claim and fight for. They’re meant for everyone. For this reason, we must take an active interest in protecting our own rights. Leaving that task to others is dangerous. Through neglect, ignorance, or complacency, our rights can disappear little by little. This may particularly be the case in this age of the *War on Terrorism* when those in authority



continually seek ever more intrusive measures to keep careful track of everyone and enforce security measures in many different places.

When we have rights, we also have responsibilities. One of our important responsibilities is to know what our rights are—or at least have a good sense of them. We also have a responsibility to our fellow citizens and others to ensure they have their rights properly observed. That also means we must remind our politicians, when necessary, of those rights as well. Anybody who runs rough shod over matters of human rights should not be ignored and should certainly not be voted into public office.

We can all become complicit in supporting unjust conditions. Convenience of the moment may cause us to gloss over what should be matters of fundamental justice. We might even call for laws that are, in themselves, unjust. Yet we might not have evil intentions. We might simply think and act in terms of what seems likely to produce comfortable results right now. Perhaps a touch of personal greed comes into the picture.

Habitual practices or cultural norms can sustain unjust conditions for long periods of time, especially if those unjust conditions apply to someone we don't know, someone elsewhere, someone different. Given sufficient comfortable cushioning from the reality of other people's lives, it's surprisingly easy to lack empathy for the plight of others.

Ensuring that justice occurs and is maintained is not a casual proposition. It can't happen in a casual or unthinking way. Nor can it safely be left in the hands of "those in power". Nor is it solely a matter for the police and the courts of law. It needs care and skilful consideration, and sometimes it needs direct action and personal courage. Justice is very much the concern and right of the people as a whole.

If ordinary people accept tiny acts of injustice today, the perpetrators of that injustice are likely to commit larger acts of injustice tomorrow. So injustice can build and expand incrementally, almost imperceptibly. Like it or not, we all have a stake in justice, and we all need to remain alert for justice. Each of us has an obligation to support real justice, whether it's personally convenient or not.

Without widespread consent, laws can become meaningless. Drivers stop at red lights not because they think a police officer is standing on the corner, but because it is generally recognized among drivers that stopping makes sense. Drivers themselves are the main enforcers of the law against going through a red light. Other laws such as those against assault, pick pocketing, burglary, and so forth have similar popular recogni-

tion and support.



**A sculpture honouring the International Covenant on Economic, Social, and Cultural Rights has a place in front of Union Station in Toronto**

We all have general notions of what we mean by justice. But your meaning and mine might not be the same. Further, the “official” version provided by our justice system may well be different from what either of us thinks. We all want to be treated justly, but that’s not as straightforward as we might want it to be. Laws on the books are one thing, but the bases or justifications for those laws are something else. Unjustified laws can come into existence, and they can cause a great deal of harm within a society.

If something is not right, people must say so without apology to anyone. Just because someone in power is uncomfortable with a particular right does not mean we should back off from insisting upon that right being upheld and observed for everyone. What’s right is right. In a well-received lecture at York University in February of 2009, Ed Broadbent stated:

*“While most of continental Europe went on after 1976 to create a social charter for workers’ rights and build the world’s strongest combination of social, civil and political rights, Canada basically ignored its legal obligations for implementing social rights.”*

One can only speculate about what Canada would be like today had we actually kept our international promises. Certainly, it seems possible that the extreme level of income inequality we now have might have been mitigated to a significant degree. And we wouldn’t have millions of people living in less

than adequate housing or needing to use food banks.

Unfortunately, it's become almost fashionable these days for some people to sneer at the lofty goals of the United Nations. Such people see it as a worthless body, much like the doomed League of Nations of the 1920s, 1930s and 1940s. This fashionable sneering, though, overlooks the many good programmes and activities provided through the United Nations around the world.

In May of 2006, the United Nations Committee on Economic, Social and Cultural Rights rebuked Canada for its record on poverty and homelessness. This was unprecedented in Canadian history. The committee noted many concerns related to social security in Canada.

*“... assistance rates continue to fall far below average rental costs, and that waiting lists for subsidized housing remain very long, for example, in Hamilton and Montreal.”*

The nation that had done so much to create the United Nations in the first place and had prided itself on its contributions to international wellbeing was being seen as one of the states supporting gross unfairness to its own vulnerable people. Instead of being a good society, was Canada now moving towards being a pariah society? Did Canadians care?

In the fall of 2010, many in Canada were shocked to find that the United Nations had rejected a Canadian term of membership on the Security Council for the first time since the founding of the UN in 1945. This rejection seemed to carry a clear message about how Canada was now seen by others in the world. Where was the Canada that had helped to found the United Nations years before? Where was the Canada that had signed on to the *International Bill of Rights*? What had happened to that country?

Sadly, it seems that we have many people who are content with their economic circumstances and don't care that we signed covenants and then ignored the direct implications for our policies and laws. Those same contented people will vote for politicians who are happy to continue with the neglect, often with promises of saving money or cutting taxes. Those who are not in positions of contentment can just be pushed aside as so many unwanted outcasts. In many cases they will be blamed for their own unfortunate circumstances.

Failing to keep our covenant promises dealt a nasty blow to social cohesion in Canada. It even sullied our reputation as a country. It seems, though, that a sullied reputation doesn't matter if people don't know

about it or if politicians or the media don't happen to mention it. Building a fair and equitable society is apparently not all that important to some people or to some institutions.

In July of 2015, the Human Rights Committee of the United Nations found important matters to criticize in Canada's continuing record. These included: the apparent slow and negligent approach by the government to the issue of missing and murdered Aboriginal women; excessively harsh legal provisions for dealing with terrorism; overcrowding and the use of segregation in Canada's prison system; human rights abuses by Canadian corporations outside Canada; and excessive use of force by the police. The latter point referenced the massive use of police force during the G20 summit in Toronto in 2010. It seemed that not much had improved in the country since the 2006 report of the United Nations Committee on Economic, Social and Cultural Rights.

In 2015 a federal election took place in Canada. The Liberal Party led by Justin Trudeau won this election. Would the new Liberal government change Canada's record for the better? Justin Trudeau's father, Pierre Elliot Trudeau, a former prime minister, had focused a lot of his attention in office on matters of social justice. This fact raised hopes for the son. The former prime minister had brought in the *Canadian Charter of Rights and Freedoms* and an updated written constitution for the country, which replaced the old British North America Act, which had been an act of the British Parliament.

Much work remains to be done if Canada is to come into full compliance with the covenant pledges made years earlier. By 2017 it seemed that such compliance work would proceed at a slow pace. The political signs were not bleak. An inquiry into the missing and murdered Aboriginal women had been established, although it had trouble because of resignations and delays in getting underway. Despite the slowness and some confusion, hope remained for real improvements overall. Time will tell.

Our covenant commitments came about with hope and deep sincerity. Can we yet fulfil that hope and confirm that sincerity?

### ***'In From the Margins': A Call to Action on Poverty, Housing, and Homelessness***

In December of 2009, The Senate Standing Committee on Social Affairs, Science and Technology produced a major report about poverty, housing, and other important social matters in Canada. Senator Art Eggleton was

Chair of this committee and Senator Hugh Segal Deputy Chair.

By majority vote the Senate had agreed to have the Committee examine and make recommendations concerning the key areas of:

- (a) poverty, housing and homelessness;
- (b) social inclusion and cohesion;
- (c) urban economies;
- (d) models for collaboration and co-operation among governments;

The 2009 report contained seventy-four recommendations dealing with the areas outlined by the Senate. One of these recommendations endorsed taking a serious look at the concept of a “basic income guarantee” to ensure that everyone living in Canada had an income that reached at least the level of the LICO (low-income cut-off).

The report deplored the fact that all existing social programmes in the country still left people in poverty. It also noted that the existing social support structure was weighed down with many rules that tended to entrap people in a state of dependent poverty. The Committee declared that these salient problems were not inevitable and could be remedied.

In forthright words the report affirmed:

*“Provincial and federal human rights legislation, the Charter of Rights and Freedoms, and international laws to which Canada is signatory all imply certain obligations with respect to allocation of resources and entitlements of individuals.”*

In this affirmation In From the Margins declared that legal obligations did exist in Canada regarding the allocation of resources and entitlements to everyone in the country. Nothing obscure here. Canada had specific responsibilities to her own citizens and these included the responsibilities outlined in the International Covenant on Economic, Social, and Cultural Rights. If those responsibilities were not being honoured, then Canada was failing to comply with legal obligations.

The Committee travelled across the country, holding more than 35 hearings. They also engaged in five roundtables and made site visits to 20 agencies in nine cities across Canada. More than 175 witnesses appeared before the Committee, A number of these witnesses were people living in poverty, including some homeless people. The report, therefore, provided a unique and comprehensive perspective on poverty and other social issues in Canada.

‘In From the Margins’ was an important and thoughtful document. Based on extensive research, it formed a unique milestone in Canadian

social history. Still, it was met with an extended yawn in most of the media. Some journalists complained that it was too complicated, that it didn't offer simple solutions. Some politicians guffawed that it was unrealistic. In general, despite all the hard work that had gone into producing the report, it failed to catch fire in the country. The "call to arms" was not answered.

In the fall of 2010 the Harper government, with a tone of some impatience, rejected the report and all seventy-four of its recommendations. It seemed that even studying some of the matters raised by the report was seen as being too much for the federal government to contemplate. By 2017 most of the recommendation in the report remained unfulfilled, although a few tokenistic efforts took place here and there.

The report did underscore the point that serious social issues existed in Canada, including poverty, and that these issues affected millions of Canadians. It also mentioned our failure to meet our covenant promises. The facts it produced were supported by clear evidence. But the way it was received also showed that a large part of the Canadian population, including the politicians didn't seem to care. They saw no urgency in the conditions and issues so clearly laid out in the report. This was a sad reflection on present day Canada.

### ***Dealing with the reality of neoliberalism***

*"In the good and intelligent society policy and action are not subordinate to ideology, to doctrine."*

*John Kenneth Galbraith, The Good Society, 1996*

If we heed the words of John Kenneth Galbraith, we would do our best to make sure the policies followed in our society were good and intelligent, and we would not allow ideology or doctrine to override practical measures that actually make sense.

Still, the record of Canada in years past has not been encouraging when it comes to avoiding ideology and doctrine at the highest levels.

To a large extent our politics and the politicians themselves have become caught up in the somewhat brutish mythology of neoliberalism, even treating it like a religion. We hear obsessive declarations about the need to lower taxes, balance government budgets, pay down the nation's debt and, above all, to let the markets decide how to run our economy and even our society. Government intervention of any kind is generally viewed as

just plain evil. Successful government-run programmes are barely noticed. Private sector failures are glossed over or are compensated with public funds. Over time this has led to voters deciding between and among politicians who espouse similar worldviews. Substantive change, even for beneficial purposes, is made all the more difficult.

*“In sum, and to put the matter bluntly, balancing the budget is a mission impossible and a fool’s errand. For practical purposes, the realized budget deficit no longer depends on federal budget policy decisions, but rather on international trade and the financial position of the private sector.”*

*James K. Galbraith, The Predator State, 2008*

If balancing the budget is a “fool’s errand” as James K. Galbraith (John Kenneth Galbraith’s son) puts it, where are all the fools coming from? Are ordinary people the fools? Are politicians the fools? Or is it a matter of people with good intentions being coaxed into foolish beliefs and actions by those with their own agendas in mind? If people are deliberately misled, they can become, in effect, fools in what they end up doing. It seems that even the smartest of people can be lured into foolish deeds at times.

In 1947 a meeting took place in Mont Pelêrin, a resort town near Geneva. Almost forty scholars attended. They were interested in a revival of economic liberalism, which later came to be called neoliberalism (confusingly, sometimes referred to as ‘neoclassical economics’). The key person at this meeting was Friedrich Hayek who had written the 1944 book, *The Road to Serfdom*. In his book Hayek had railed against the ideas emerging for the postwar world of more government measures in support of large scale state health programmes or the provision of sufficient affordable housing for all. He believed that such programmes brought about de facto slavery for people. Instead, he urged the idea of focusing on free markets to provide for everyone in a way that was free of government interference. One of the people attending the conference in Mont Pelêrin was Milton Friedman, who later developed his highly influential theory of monetarism, which became a mainstay of the Chicago School of Economics, which was broadly in tune with neoliberalism.

The Mont Pelêrin meeting led to the founding of the Mont Pelêrin Society, which became influential in economic thinking in the developed world in succeeding years. This society had strong backing from major banks and insurance companies from the start. Those institutions very much wanted an

economy fit for their own interests.

Hayek's ideas, which were supported and promulgated by the Mont Pelêrin Society, were set solidly against the ideas of Maynard Keynes who had advocated a judicious role for government in the workings of an economy. In the immediate postwar world Keynesian economics predominated. Gradually, however, for a variety of reasons (including the early death of Keynes in 1946) its influence waned and, by the 1970s, Keynesianism went into sharp decline. By the end of the 1970s Hayek had become the top economic adviser to Prime Minister Margaret Thatcher, and Milton Friedman's monetarist ideas were strongly influential in the Reagan years in the United States.

Neoliberalism was fundamentally spawned from the teachings and activities of the members and adherents of the Mont Pelêrin Society. At the end of the 1980s these teachings were spelled out in the Washington Consensus and they became more or less standard prescriptions for organizations such as the IMF and the World Bank. Over the years, few governments have tried to defy the strictures of neoliberalism. Still, holdover provisions from earlier eras such as old age pensions and unemployment insurance did continue, albeit at inadequate levels.

In keeping with Hayek's strictures against government programmes and threatened serfdom for everyone, neoliberalism equated personal freedom with financial freedom. Many supporters of this doctrine went so far as to say that capitalism meant democracy. The trouble with this is that authoritarian, even fascist regimes, are perfectly capable of hosting capitalist enterprises. IBM, Ford, and others continued to build up profits from their German operations under Nazi rule, even throughout the Second World War. (Switzerland came in handy for some continuing business requirements.)

A key reason why many people now have negative reactions to the concept of a guaranteed, universal and livable income comes down to the spread of neoliberalism in the thinking and actions of politicians, academics, and others. It is now so deeply embedded that many influential people accept it as an automatic given, a fundamental truth. But it is not. Other ways of thinking do exist. Other possibilities are open to us. And these possibilities would definitely be supportive of a full-scale guaranteed income programme.

A central argument used in favour of the neoliberal or neoclassical



economic approach is that people on lesser incomes benefit from a ‘trickle down’ effect. The wealthy spend lots of money and invest in various things, including companies that create jobs, so poorer people were supposed to be able to earn decent amounts of money. Belief in this trickle down idea became an important reason for people to look down on the poor, because they should be out obtaining one of those jobs the wealthy were so generously creating. The problem here was the trickle down didn’t work as advertised, nor did the wealthy invest their money to a generous degree to create lots of jobs. (After all, if you’re enormously wealthy, you can only find so much to spend your money on.)

In commenting about the whole concept of trickle down in the early 1980s, John Kenneth Galbraith famously said it was like the idea that “... *if one feeds the horse enough oats, some will pass through to the road for the sparrows.*” These days, years since President Ronald Reagan and Prime Minister Margaret Thatcher enthusiastically promoted neoliberal ideas, the “sparrows” don’t look particularly well fed. Some look downright starved. One wonders what, exactly, the “horses” have passed through.

On December 9, 2014, Larry Elliott, economics editor of The Guardian, noted that a report from the OECD (Organization for Economic Co-operation and Development) explicitly denounced the trickle-down theory. In fact, this theory was condemned as one of the causes of the severe income inequality that now prevails in the developed countries. The OECD recommended strongly that countries wishing to develop their economies in a healthy way should emphasize doing something meaningful and direct to address inequality, especially for those at the lower end of the income scale, and not simply sit back and wait for the wonders that were supposed to be trickling down.

Armine Yalnizyan of the Canadian Centre for Policy Alternatives had previously commented in a report published in December of 2010:

*“After thirty years, the evidence shows that trickle-down economics was a hollow promise and a costly social experiment.”*

Still, despite all the evident shortcomings, adherents of the trickle down idea continue to advance its forlorn and useless remedy. They wait hopefully for the trickles they’re sure will come.

Many influential people now have a sincere belief in neoliberalism. They include well-respected economists, high-level politicians, and others, such as media commentators, who speak out in sincere tones about what

must be done in our economy. They are truly dangerous in our times, but they don't know they're dangerous. They actually believe what they're saying—sincerely.

The economist Steve Keen (*Debunking Economics. The Naked Emperor Dethroned*, 2010) observes that:

*“... the most dangerous people on the planet are those who sincerely believe something that is false.”*

In general terms neoliberal ideology (some call it a theology) holds that:

- The ‘market’ always knows best and in the long run will make decisions that will work out well for everyone.
- Property rights of all kinds, including copyright, must receive strong protection, preferably in the constitution.
- All government is bad. (Memorably, President Ronald Reagan declared, “Government isn’t the solution to our problems, it is the problem”).
- Vigorous competition will provide the best outcomes for everyone, so all measures possible must go into making us competitive in the global economic arena, even if it means cutting wages and getting rid of workers.
- Taxes must be reduced or eliminated. This will unleash the wonders of the free market, with benefits for all.
- Regulations for corporations are mostly unnecessary because corporations are perfectly capable of regulating themselves.
- Public services should be delivered privately because private operators know best how to run things efficiently and maximize profits.
- The rights of the individual, not those of the community, need to be respected.
- Labour markets must be freed up to allow flexible working conditions and, where possible, eliminate unions.
- People should be free to sink or swim on their own—no ‘nanny state’. We should follow the example of Horatio Alger (although Horatio Alger was a fictional character from over one hundred years ago).
- Welfare should, in general, be handled by private charities. You don’t want people to become dependent on welfare; they need to fend for themselves.

One of the more insidious ideas spread by neoliberalism is that financial freedom equates with individual freedom and democracy. So allowing rich individuals to do whatever they like with their money: evade taxation, support misleading public campaigns, exploit copyrights mercilessly, create monopolies, and so forth, become examples of freedom at

work. Many have accepted this idea and knowingly or unknowingly support it with their votes at election time. In the end, though, this amounts to an undermining of democracy—real democracy.

In the 1980s, President Reagan talked often and proudly about “starving the beast”. By this he meant depriving government of income. So he cut government operations wherever he could, with the notable exception of the military and the security establishment.

At the same time as cuts in government spending occurred, it became the vogue in developed nations to funnel government borrowing to the private banking sector instead of to public central banks. This diverted large sums of public money to the private sector through compounding interest paid on large loans and built up government debt, so hampering government spending further.

Many, including top leaders in the corporate sector, agreed with the policy of cutting government spending and relying more heavily on borrowing from the private sector to meet the nation’s needs. They saw many benefits—for themselves. The results of this deliberate policy of making government spending more difficult and costly are all around us today.

An additional ‘starving the beast’ measure has involved the drastic cutting of taxes on corporations and wealthy individuals in the past thirty years. This reduced government revenues. It also enabled much more money to be drained out of wealthy nations into the enormous network of offshore banking with its convenient shell companies and opaque accounts.

In this new free market atmosphere organizations gradually discovered that they could layoff workers in massive numbers and use part-time and contract work with impunity. Gradually too they found that employee benefits could be lowered or eliminated altogether. The contracting process itself concealed the gradual removal of benefits. Over time, people received less total compensation in a kind of stealth process that people didn’t always understand or understood too late. Employing people in a wide range of non-traditional ways meant good things for the bottom line (and the pay levels and bonuses of highly-placed executives), even if it meant bad things for the people so employed and, more generally, for society as a whole.

As a society we’ve now come to accept widespread lack of fairness to an astonishing degree. We’ve bought into the idea that in a competitive world everyone must struggle and “prove” themselves—a neoliberal mantra.

And this mantra has been firmly planted in people's minds (with some help from changed school curricula) over a good many years now.

Those who lose in the competitive struggle must be cast aside without sympathy. After all, why should a competitive society care about losers? This is the fundamental message of the popular television programmes that focus on "idols" or "top dancers" or "top models" or "survivors" or the like. Winning is everything. Losers take the dregs and may often be treated with disdain, even bullied. They can be voted off the island with lots of enthusiastic jeering.

Competition can be a force for good, but it can also be a force for evil. Friendly competition can be fun: you play—someone wins—everyone celebrates. But competition occurs on a sliding scale. It's not always friendly.

Pushed too hard and for too long, competition can be destructive. All out war is the nastiest form of competition. Destructive competition creates far more losers than winners. It causes stress and brings on resentment. It rewards some people with too much and others with not enough. In the end, it can bring serious harm to people and to property.

Writing in *The Atlantic* in February of 1997, George Soros said:

*"Too much competition and too little cooperation can cause intolerable inequities and instability."*

No one accuses Soros of being some sort of shrinking violet when it comes to engaging in full-out capitalism and making lots of money. Still, he did recognize some serious limits creeping into the world economy as various leaders talked up the wonders of competition and open markets.

In line with the thinking about building a society that is ultra competitive, people argue that keeping social assistance rates low and making it difficult to get government assistance are good things. After all, you don't want to make it easy for people to avoid improving themselves or seeking out jobs. They must be responsible and compete individually, show would-be employers what they're made of and not become slackers or malingerers. Indeed, they must, in effect, learn to swim in shark-infested waters and swim well. Otherwise, they become fish food or worthless parasites and food for the hungry carnivores. Being poor in our neoliberal society can be exhausting as well as depressing, even dangerous.

The following photo helps to illustrate some of the reality of poverty in Toronto before the First World War. That reality also included widespread problems with vermin and disease. Things have obviously changed a

lot since then. But if we become too careless and too thoughtless in the way we govern ourselves, might we slide back to those days? Might some well-to-do people actually be pushing for us to return to those kinds of conditions? It seems all too possible that neoliberal or neoclassical economics could take us right back to the Dickensian realities of classical economics. Is that really the best we can hope for?



### **Toronto 1914 – when Classical Liberalism prevailed**

One of the fundamental beliefs of neoliberalism is that all or almost all public services should be provided by private for-profit companies. This is seen as an excellent way of encouraging competition and improving the quality of service delivered. In fact, it is seen as such a good idea by top political leaders that it is regularly built in to the wording of so-called free trade deals.

The dynamics involved with the question of privatization are complex. Privatization is by no means an automatically good answer to society's important issues. At times, when brought in blindly, more or less as a matter of faith, it can be downright harmful. Ultimately, if virtually everything becomes privatized by a few major interests, you're talking about de facto feudalism, a return to Medieval times, when the great lords and monarchs owned everything, including you.

Today serfdom beckons for the majority of people.

When tempted to think about privatization for any kind of programme intended for a worthwhile social purpose, such as long-term care, we must consider whether it would truly help in building and main-

taining a good and compassionate society over the long term. And we should certainly keep in mind a big question: *Does this move us closer to becoming a feudal society?*

We now hear loud chanting on all sides that government can't run things, that only the private sector knows how to do things properly. It would appear from all the noise that private companies never make mistakes, never go bankrupt, never need government bailouts. And, of course, the executives of such companies never take undue personal bonuses or make extravagant use of the world's offshore banking system to avoid paying taxes.

Government departments and agencies do make mistakes, and these can be costly. The fundamental point, though, is to decide which approach, government or private, is likely to produce the results desired for the purpose at hand. If it happens to be government, then so be it.

Private long-term care facilities have regularly produced horror stories about the treatment of the elderly entrusted to them. Old people have been physically restrained in beds or chairs for hours at a time. Sometimes drugs have been forced on them to keep them quiet and docile. Too often their meals have been below standard for nutritional value (let alone taste). And such facilities have been run with too few properly trained staff. These kinds of cruel measures have often taken place in order to cut costs and thereby increase profits.

One measure that is regularly proposed as a means of paying for the costs of public services such as water or hydro supplies or visits to the doctor is to introduce user fees. This would mean people would pay set amounts of money to purchase what might previously have been available to them for free or at a very low cost. The theory is that this would save money and bring about more efficiency. Money would be saved.

If people are poor and faced with the prospect of paying user fees, they may well stop paying for supplies of good water or defer seeing a doctor. The user fee becomes an added expense that must be weighed against other expenses such as rent or food or clothes for the children. This possibility is all the more pressing if social assistance or disability payments are inadequate to begin with. People can fall seriously ill and possibly die under pressure of such circumstances.

Things do cost, of that there can be little doubt. One of the major costs in society is the cost of poverty. If people are left to flounder with too little money and not enough hope, consequences do occur. People become ill

and disease spreads, even to the rich. More people resort to crime, so sending up the costs of enforcement and imprisonment. People who are not poor will feel themselves increasingly threatened.

Radical people with radical ideas, even violent ones, gain a foothold in the minds of people who think they have little to lose. The costs of poverty are many and diverse. And they occur even if government resists helping those on low incomes, perhaps especially then.

In considering the degree to which neoliberalism has now penetrated our social reality, we must take into account the free trade crusade. Free trade deals are touted on all sides as being marvellous mechanisms for enriching countries. Promises are spouted lavishly that everyone will benefit. Canada signed onto the CETA (Comprehensive Economic and Trade Agreement) late in 2016. Politicians and business leaders proclaimed it as something of a new beginning, the start of an age of increased wealth for all. It was and is nothing of the kind.

Essentially we can describe CETA as a major corporate convenience agreement. Large European corporations are promised much better access to Canada's natural resources and her businesses. Further, they may be enabled to take over and privatize crown corporations across the land. Companies such as Nestlé will be enabled in their desire to take water from any sources they identify as worthwhile for good profits. Governments in Canada at any level will be crippled in their ability to oppose the business desires of enormous corporations.

Writing in *The Globe and Mail* in May of 2012, economist Jim Stanford said, "*Free-trade deals already cover 70 per cent of Canada's trade — yet the more pacts we've inked, the worse our performance has become.*" That was before the signing by Canada of the CETA and the negotiations over modifying NAFTA (North American Free Trade Agreement). Still, our top decision makers move remorselessly ahead.

*"Politicians and economists who promise that trade liberalization will make everyone better off are being disingenuous."*

*Joseph E. Stiglitz, Making Globalization Work, 2006*

The ISDS provision is a nasty clause that's routinely inserted into 'free' trade deals. The initialism stands for "Investor State Dispute Settlement" and makes it possible for any corporation to challenge governments anywhere if they seem to stand in the way of whatever ventures a corporation from another country has decided could be

profitable. This provision side-steps the judicial system altogether and uses special panels that are mostly appointed by private corporations. Further, the decisions of an ISDS panel cannot be appealed.

Joyce Nelson (*Beyond Banksters, 2016*) states that “As of January 2015, there had been 37 known ISDS claims against Canada under NAFTA, with settled awards to corporations totalling about C\$172 million ... and still faces more than C\$2.6 billion in pending claims.” Neoliberals would no doubt argue that these kinds of expenditures by Canada are a small price to pay for the major benefits that arise from NAFTA. From the point of view of benefit to the ordinary people of Canada, however, that kind of assertion is wide open to question.

For the top ten percent of the population, perhaps the present socio-economic situation, including the so-called free trade deals, makes good sense. For the other ninety percent, however, serious questions arise. What, exactly, is their future in a world that is increasingly to be run by private corporations? What employment prospects will they have? Will added education or training gain them the lucrative positions they may have been promised? Or will something happen to their dreams along the way? (Many people today have jobs that are below their qualifications. We even have highly-qualified people in the ranks of the long-term unemployed.)

One way or another, if you are wealthy the services and amenities available to you in our society are many. If you're not wealthy, well, that's another story. It seems that, if a few people had their way, people on low incomes would simply be left to flounder when it came to their life needs, just as they were a hundred years ago. Would that be a good thing for society?

Low incomes and outright poverty are real today, and they're the lot of a growing number of people in our society. That's something sobering to ponder. Unfortunately, it also seems to be something that the higher political and business levels of our nation want. Apparently it's convenient for them.

Our present state of affairs is something that cries out for intelligent and effective attention, not the heedless continuation of policies that have failed. If the justice that was so clearly being promised many years ago is now being denied blatantly and widely, what is our recourse?

Despite all the evidence to the contrary over the past forty years, neoliberal idealists persist in believing in its supposed virtues. Their views and fervent activities have done much to sway political parties in the way they govern. Even parties inclined towards socialist possibilities



often include neoliberal ideas in their proposals and policies. This occurred in Britain where Tony Blair supported the concept of what he called “New Labour”. He even won praise from Maggie Thatcher for this concept. So deep was his devotion to neoliberalism that Blair did his best to derail the successful campaign of Jeremy Corbyn in 2017. In Canada, Tom Mulcair, leader of the NDP, seemed to favour neoliberal concepts in his failed campaign during the 2015 federal election.

Our long-term experiment in free market fundamentalism or neoliberalism (Steve Keen uses the term “neoclassical economics”) has now built up a high level of social inequality. This matches or even exceeds the level of inequality that existed before the First World War. Social unease is now widespread and could erupt into significant social unrest given the right circumstances. This may be part of the reason why political leaders point to external ‘threats’ and say we must build up our military strength accordingly. Foreign wars can be useful distractions for political leaders determined to support the status quo.

Neoliberalism was supposed to free individuals to become successful. Individual success was to lead to success for society as a whole. The idea of the bold and brave individual taking on the world is a powerful one. But it ignores the power of organizations, especially large organizations. Institutions of various kinds and their systems can make or break large numbers of people. The proponents of neoliberalism also seem to ignore nefarious activities of various kinds such as the vast use of tax havens to avoid taxation or money laundering by large criminal organizations or just plain corruption on a grand scale.

Despite all the wondrous promises, neoliberalism has basically led to a sharp rise in inequality in our world. Individuals at the top of society have used their connections and the power of organizations to advance themselves in unprecedented ways and have enriched themselves accordingly. People without the same kinds of connections or organizational support have, in effect, been tossed overboard and left struggling to keep afloat in the wakes of what are, in effect, large ships moving impassively forward in the enormous corporate flotilla that dominates the world.

Too many people now despair about their prospects under overwhelming neoliberal policies. Too many promises made over the years remain unfulfilled. A society cannot truly be at peace with itself if a significant number of its citizens feel deprived and left out. That is a fundamental injustice. The issue now is to address the injustice directly and fully.

### **A continuing quest for justice**

A crucial question for any justice system is: “*Who is this system meant to serve and for what purposes?*” In a democracy the justice system supposedly serves the people as a whole and is meant to pursue justice for the benefit of all. If a justice system serves only the interests of the powerful and the wealthy, it has become dysfunctional. If people feel they can no longer afford to pay for their legal costs to protect their rights or seek legal redress within the system, then they will develop the feeling that the system no longer works for them.

The *Access to Justice Committee* of the *Canadian Bar Association* stated in November of 2013:

*“When social exclusion becomes more entrenched because a person cannot get the legal help needed to redress a wrong or enforce a right, the justice system aggregates, rather than mitigates, inequality.”*

Justice for people on lower incomes may be more difficult for them to obtain. When inequality is widespread in a society, justice can definitely be affected by the amounts of money different parties can access. So justice itself is subject to inequality in practice.

Ensuring that justice occurs and is maintained is not a casual proposition. It can't happen in a casual or unthinking way. Nor can it safely be left in the hands of “those in power”. It is not solely a matter for the police and the courts of law. It needs care and skilful consideration, and sometimes it needs direct action by ordinary people—citizens

Different studies confirm that spending on young people before they get swallowed into the criminal life style pays off in the long run in better people and a better society. We can invest in a better future for our young and for everyone. A good guaranteed income system would be such an investment. It would be an investment in justice.

Justice is very much the concern and right of the people as a whole. If ordinary people accept tiny acts of injustice today, the perpetrators of that injustice are likely to commit larger acts of injustice tomorrow. Each of us has an obligation to support real justice. This is plain good citizenship.

In Canada we have one of the world's best legal systems. Personal rights and privileges receive a lot of legal support. Some even argue that such rights and privileges receive too much support. And yet legal costs for the individual in Canada can become punitive. How many people shrink

from insisting on their rights because they can't afford the legal costs? Increasingly and incrementally, it seems to many people that justice can be bought. This kind of perception brings profound dangers to our social cohesion. It directly threatens the most fundamental values of democracy.

If people cannot afford to "buy" justice, then the concept of justice itself becomes a remote academic concern. Nowadays, even middle-class people with good incomes may forego proper legal assistance simply because of the cost. Partly for this reason we've seen a significant rise in the number of people pleading their own cases in our courtrooms. Without legal expertise and experience, they're at a distinct disadvantage, especially if they're up against a large corporation with a highly paid platoon of lawyers.

Can we continue to exist as a democracy if we have one law for the rich and one law for the not so rich? Unfortunately, our politicians have generally shown little inclination to change things. They'll focus on such questions as whether we have enough police, but not so often on whether we have enough justice. So certain individuals or groups end up being treated unjustly with little or no recourse to meaningful help.

The world around us today can seem fixed and permanent in many ways. We're told of "truths" that now exist in our economic realities. Many of those supposed truths can seem unjust. Still, we know at the deepest levels that nothing is fixed and permanent in our lives. Given changing realities, even some of our firmest beliefs can change. Human beings can change or be changed in their social, legal, and economic arrangements. We just have to look at the drastic changes to societies that can arise from war, including civil war, to see how swiftly changes can sometimes occur.

Ongoing and often violent upheavals by ordinary people around the world provide us with bloody illustrations every day of human realities in harsh conditions. We never have to accept things the way they are, no matter who says we must. The question is: *What needs changing?* When we look at our world from the perspective of decent humanity and real and accessible justice, we can see much that needs changing. We can make the changes that are needed. We just need the resolve to do so.

## 2 The Income Question

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*For a country that's pretty good at tracking economic trends, collective knowledge about incomes and mobility is scant.*

*Tavia Grant*

*The Globe and Mail, March 21, 2012*

In our bustling and demanding economy, much depends on our income. If you're loaded, well, there's a wide range of goodies available. You can relax in luxury in quite a few places and find your needs met in many different ways, even frivolous ways. But if you're not so wealthy, the options on offer gradually dwindle. When you're downright poor, you make do with what you can scrape up here and there, including accommodation, food, healthcare, and more.

Most people are concerned about their income. This is virtually a truism. But perhaps we should take stock now and then and think about why income is so important to us. Why do we think so much about our incomes and look so often and so hard to find ways to obtain the money we need? Is this part of our nature as human beings? Or is something else at work?

In essence, income lets us live our lives. Society is organized to make this so. In today's consumer society where we're enticed with so many things to buy, our incomes are especially important.

Without a proper income we cannot participate in the consumer society, nor can we be as healthy as we should be. We would find ourselves cast aside as being of no value to society. Our living conditions would be dreadful, and our lives would be shortened. In many ways, it seems, our income is our life. If you have income you're a somebody. Without an income you're a nobody.

### ***What 'reality' do we impose on people?***

Adam Smith, in his groundbreaking and seminal book, *Wealth of Nations*, published in 1776, put great emphasis on the linkage between labour and money. In essence, he noted that everything in the economy really boiled down to labour and the products of labour. The wealth few essentially built their wealth on the labour of others. For this reason he

believed it was fundamentally right for those who provided the labour to be treated fairly and receive proper compensation for their work.

*“No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable.*

*“It is but equity, besides, that they who feed, cloath and lodge the whole body of the people should have such a share of the produce of their own labour as to be themselves tolerably well fed, cloathed and lodged.”*

*Adam Smith, Wealth of Nations, 1776*

Notice he did not say we should wait for the invisible hand to come along and rectify things. He meant that fairness for those who laboured should exist as a matter of course. It should not even be up for debate. It should be part and parcel of our economy, our society.

Over two hundred and forty years since Adam Smith wrote those words, how well do we feed, clothe, and house everyone today? Do we even make a real effort to make sure this is the case? Or does the prevailing laissez-faire philosophy of neoliberalism simply say let them sink or swim as best they can? And look the other way if they sink or even if they die?

### **Social determinants of health**

From November 29 to December 1, 2002 a conference of over 400 Canadian social and health policy experts, community representatives, and health researchers met at York University in Toronto (*The Social Determinants of Health Across the Life-Span Conference*) to:

- a) Consider the state of ten key social or societal determinants of health across Canada;
- b) Explore the implications of these conditions for the health of Canadians; and
- c) Outline policy directions to improve the health of Canadians by influencing the quality of these determinants of health.

The conference highlighted ten determinants of health in particular:

1. Early life experience.
2. Education.
3. Employment and working conditions.
4. Food security.
5. Health services.
6. Housing.
7. Income and income distribution.

8. Social exclusion.
9. The social safety net.
10. Unemployment and job insecurity.

The conference was a response to accumulating evidence over the previous fifteen years that growing social and economic inequalities among Canadians were contributing to higher health care costs and other social burdens. Evidence was also accumulating that a high level of poverty—an outcome of the growing gap between rich and poor—had profound societal effects. Poor children were at higher risk for health and learning problems in childhood, adolescence, and later life, and were less likely to achieve their full potential as contributors to Canadian society.

Each of these determinants had and continues to have a profound impact on a person's level of health and general wellbeing. Continuing research is showing that this impact is deeper and longer lasting than previously suspected. In effect, when people are starved of income, they're starved off health and their life prospects are diminished.

In its resolutions (consolidated two months later into *The Toronto Charter 2003*) the Conference highlighted areas of special importance as being the provision of adequate income and social assistance levels; provision of affordable housing; development of quality childcare arrangements; and enforcement of anti-discrimination laws and human rights codes. It was also important, in the view of the conference members, to increase support for the social infrastructure including public education; social and health services; and improvement in job security and working conditions.

Unfortunately, in subsequent years, the findings and recommendations of the 2002 conference have tended to be glossed over, with tiny nibbles here and there at the problems that had been identified. A lot of hand wringing took place, but little occurred that could be considered substantive.

In its 2010 report *Social Determinants of Health: The Canadian Facts* published by the *York University School of Health Policy and Management*, the authors, Juha Mikkonen and Dennis Raphael, stated, "... *there has been little effort by Canadian governments and policymakers to improve the social determinants of health through public policy action.*" Indeed, it seemed that top politicians had developed some form of blindness and deafness to the very idea and impact of social determinants of health.

In the federal election of 2015, political promises were made that seemed to presage some sort of better approach to human needs in Canada. With his engaging manner and excellent photo opportunities, including charming ‘selfies’ with young people, Justin Trudeau appeared to show that a page would be turning in Canada’s treatment of all its people. By 2017, few signs of this kind of positive change had emerged. The page had not turned. Perhaps it’s glued to the past.

### ***A healthy income for a healthy life***

Having a healthy income is essential to a reasonable life in today’s Canada. This leads us to the question of where that income might come from. If you’re born into a rich family, you might have a good and independent income waiting for you at a certain age. If you’re born into a family of lesser means, you might have a small family business available to you that can give you a living. If you’re born into a family that’s downright poor, you will have to look hard and work hard to find a job that will give you the income you need, the very kind of job that seems increasingly to be in short supply. You are not likely to have it easy.

Personal incomes can be affected brutally by personal misfortunes such as accidents or serious illness. People who were doing all right with their incomes can be plunged virtually overnight into states of suddenly lowered incomes or downright poverty through no fault of their own.

In April of 2017, as she announced an Ontario experiment in ‘basic income’, Premier Kathleen Wynne noted that 70% of the poor in the province had jobs. So most poor people were working yet they couldn’t obtain enough income from their jobs to meet the costs of living at a modest level. Some of them may have had part-time jobs and have belonged to family units that enabled them to get by. Others held two or more part-time jobs to stitch together livable incomes. The stark point was that obtaining a job that provided sufficient income was no easy task for many people living in Ontario. No doubt this situation applies to people living in other parts of Canada as well.

In 2008 in a report entitled *Poverty is Making Us Sick*, the Wellesley Institute and the Community Social Planning Council of Toronto reported:

*“Prof. Lightman and his research colleagues Andrew Mitchell and Beth Wilson, found that the poorest one-fifth of Canadians, when compared to the richest twenty percent, have:*

- *more than double the rate of diabetes and heart disease;*
- *a sixty percent greater rate of two or more chronic health conditions;*
- *more than three times the rate of bronchitis;*
- *nearly double the rate of arthritis or rheumatism.”*

These findings showed clearly the consequences of inadequate incomes for ordinary people. By 2017 there was no assurance that matters had improved. Such consequences don't just affect the people caught up in serious health conditions. They affect their families as well. And they directly impact on their ability to work. Society as a whole pays a price for these consequences, and that price can be high.

When it comes to income and, especially, lack of income, it's easy to see how some sort of basic income programme might provide a solution. In effect, you deliver welfare by another means. In other words, basic income becomes a poverty relief effort. But this is a conceptual trap. It ignores the possibility of a 'universal' basic income approach, and it bypasses the question of whether such an income would provide sufficient means for someone to live at a modest level on that income alone.

A good guaranteed income programme needs to be something much more than a somewhat reluctant and well-policed stipend for the poor. It has to be seen as a sound investment in the wellbeing of society as a whole.

A universal and livable basic income involves a fairer distribution of income within a society. It directly addresses the question of extreme income inequality and ensures that an economy has a healthy level of demand built into it. When people have money to spend, they can buy the products and services on offer. Businesses thrive when they have enough customers. And, of course, when people have sufficient income, they're more likely to meet the wellness needs set out in the social determinants of health.

### ***The stark reality of income inequality***

*Income inequality* refers to the amount of disparity that exists between the incomes of the rich and very rich and those at or near the bottom of the income spread. It is not simply a question of some people making more money than others. It focuses on the *disproportionately* high levels of income for those at the top when compared to their actual economic contributions. Increasingly, it also takes into account the steady growth in massive wealth by inheritance as noted by Thomas Piketty in his



landmark 2014 book, *Capitalism in the Twenty-First Century*. It seems that under present conditions, the main form of wealth in the near future in our society will be inherited wealth.

Inequality haunts our society in many different ways. If your pay level is in the millions, you'll hardly be acquainted with lesser beings who make do with trivial amounts by comparison, although you may peer at them now and then through the windows of your limousine as you whiz by in soothing air-conditioned comfort. Not for you the hard scrabble life of lesser beings.

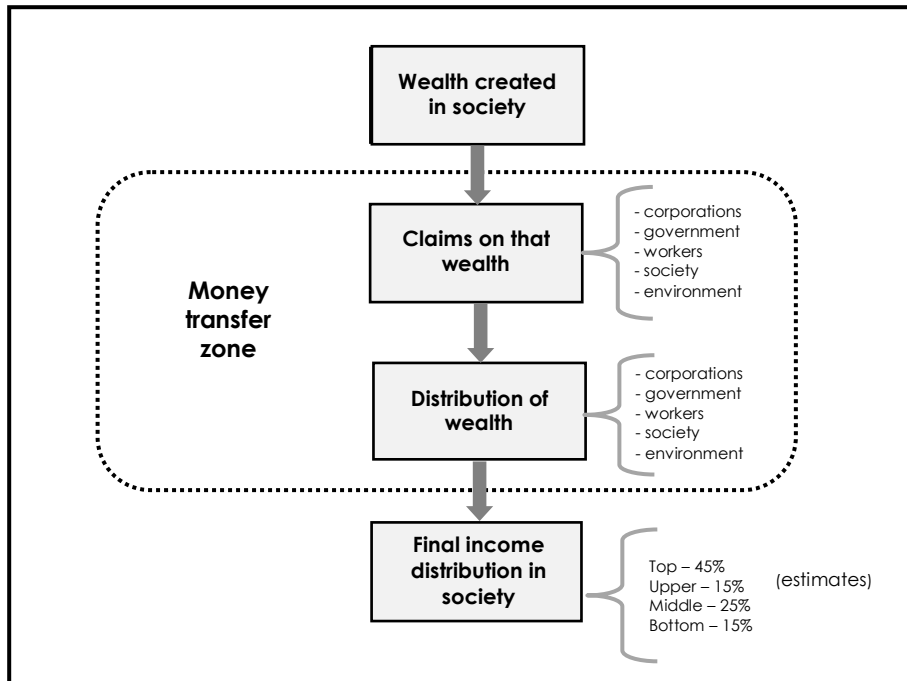


**Who gets to go up?**

People with comfortable means might not think all that much about people on low incomes or those living in outright poverty. They know they exist, but classify them as a kind of “other” to be dealt with at a distance and, if they’re good, given some bits and pieces of charity, much like the bits and pieces of food swept off the long tables of medieval nobles after a banquet.

Our diagram at Figure 1 provides a simple illustration of how the wealth in our society is distributed today. The percentages of income distribution at the bottom of the chart do not relate to any particular reality situation. They are hypothetical. But they are representative of

much of what we now see when it comes to income distribution, and they demonstrate the reality of income inequality. Some would say they show the hijacking of wealth in our society.



**Fig. 1 Wealth and income distribution in our world**

In the Money Transfer Zone where the actual flow of money into different claim areas occurs, we can note that these days corporations take the lion's share of the money generated in our economy. They justify this with the notion that they are the ones who created that money in the first place and so it mainly and overwhelmingly belongs to them. Other claimants are shrugged off in various ways. Government claims may be lessened significantly by a variety of techniques for tax sheltering or avoidance. Worker claims may be shrugged off by freezing wage levels, curbing unions, or threatening to relocate jobs overseas. The claims of society may be minimized in various ways or even ignored, despite the fact that society itself is a major contributor to corporate success. And, except for some cosmetic embellishments, the environment may be ignored altogether.

Are the wealth and income workings of our society depicted too harshly in Figure 1? Many would argue that this is the case. Still, we do have a significant level of income inequality today, directly comparable to that of the 1920s or the 1890s. We do have real problems of social cohesion. And we know that our environment continues to be damaged in many ways by the workings of various corporate entities.

Regularly, people in high places will say we need to do something about poverty and inequality in general. A few adjustments here and there and a few concessions may be introduced. Almost always these are mere sops, measures dressed up to look good on the surface and publicized in loud and glowing terms, but that fail miserably to address the fundamental problems. Poverty remains. Inequality remains. The stain of income disparity remains.

*“The high incomes of people in modern industrial democracies are not a consequence of their efforts alone.*

*“They’re in large measure the result of vast current and past public investments in infrastructure, education, and institutions for defining and enforcing private property rights.”*

*Robert H. Frank, The Darwin Economy, 2011*

Quite often those with higher incomes have a tendency to attribute their wealthy positions to their own superiority. In some cases they may even see themselves as higher forms of human beings. Naturally, they believe that they ‘deserve’ to be highly paid. After all, they did it all themselves. Frank reminds us that other factors in society contribute to the wealthy positions of some. We can add also that the rules of inheritance and the role of luck play their parts as well.

An important solution to eliminating most of the poverty that now exists and bringing about more equality in our society would be to make sure everyone has a livable income. And this would mean *everyone*, poor and wealthy alike would receive such an income

Many people are aghast at this idea. First and foremost they declare that it would be impossibly expensive. It would take up such a large chunk of our GDP (Gross Domestic Product) that the country would risk bankruptcy. Others fret that a universal and livable income would destroy the work ethic. People would sit on their bums, collect their money, and just drift along. In the end, society would crumble. Given the right tax and spending adjustments, however, a universal, livable, and healthy income programme would be much more affordable than many people seem to believe.

Almost all economists agree that income inequality has grown dramatically in the past few decades. They agree, also, that this is a serious problem and needs to be addressed. The trouble is, agreement on what to do about it is hard to come by. Only economic band-aids seem to be on offer. Inequality in Canada is more of a problem than it was ten years

ago. Unfortunately, under present conditions, it looks set to continue for a long time to come. Can we really afford with lackadaisical, even indifferent policies to allow this to continue?

In their well-regarded and authoritative 2009 book, *Spirit Level: Why More Equal Societies Do Better*, Richard Wilkinson and Kate Pickett highlighted an important fact about inequality:

*“The problems in rich countries are not caused by the society not being rich enough (or even by being too rich) but by the scale of material differences between people within each society being too big. What matters is where we stand in relation to others in our own society.”*

CEOs of large North American companies today, as well as CEOs of large hospitals or universities, expect very large multiples of the incomes provided to lower-ranked employees in those same organizations. In the 1950s or 1960s, a CEO might have earned forty times the amount of money earned by the lowest paid worker in an organization. Today the CEO will routinely earn hundreds of times the lowest-paid amount. The disproportion is now immense.

The top 20% of Canadians were earning at least \$55,499 a year in 2011. At the very top, someone like John Chen, CEO of Blackberry, earned \$89,700,000 in 2014. Income disparities have reached an extreme level. The middle class is slowly being squeezed out of existence. Politicians sometimes talk about this. But they don't offer credible remedies. Instead, they usually talk in terms of free market ideology as promulgated by neoliberalism. “Eventually, the market will put things right”—or so they choose to believe. (Of course there may also be the little matter of generous donations to party coffers going on in the background.)

In December of 2007, research at the University of Toronto revealed that Toronto had become a divided city, with three distinct classes. These were:

1. Affluent (20% of neighbourhoods).
2. Middle-income (43% of neighbourhoods).
3. Poor (36% of neighbourhoods).

This was the picture for Canada's largest city. Similar divisions no doubt exist in other big cities in the country, although not necessarily with the same percentage breakouts. The fundamental point was that a large and seemingly growing proportion of the city's population could be classified as having lowered incomes.

In commenting on the results of this study, the alumni publication of the University of Toronto, *The University of Toronto News*, noted in December of 2007:

*“The report concludes that, “the City of Toronto, over a 30-year period, ceased being a city with a majority of neighbourhoods (66 per cent) in which residents’ average incomes were near the middle, and very few neighbourhoods (1 per cent) with very poor residents.”*

In the space of three decades, Toronto had become much less accommodating for middle-income people and had squeezed out large numbers of the poor. Was that what people in the city had hoped for? Was that what the city’s mayors and councillors had striven to achieve?

In 2008 a dangerous financial meltdown occurred as major banks and other financial institutions showed signs of massive failure. Top political leaders from the world’s leading economies came together to seek ways of avoiding outright disaster, including a depression that would be worse than the depression of the 1930s. Somewhat frantically, they agreed to pour vast sums of money into rescuing the financial sector, a sector that in large part had been responsible for the crisis in the first place. Trillions of dollars flowed to pump life back into this sector.

One of the things that the 2007-2008 financial crisis demonstrated was that governments, when pushed, were perfectly capable of dishing out massive amounts of money for a cause they believed in. This also demonstrated that governments could pay for a proper guaranteed income for everyone if they chose to do so. Quantitative easing could take place for the financial sector. Equally, quantitative easing might take place for the people as a whole; main street instead of Wall Street or Bay Street. But, of course, that requires the necessary will.

In the fall of 2008, Armine Yalnizyan, of the *Canadian Centre for Policy Alternatives*, wrote (October 22, 2008), *“The majority of Canadians have been shut out of a decade’s worth of incredible economic growth.”*<sup>i</sup> She also observed that the OECD (Organization for Economic Cooperation and Development) had just stated that the income gap in Canada was widening faster than in most of the other 30 members of that organization of developed economies. Yalnizyan further noted that this growing gap had been exacerbated by the cutting back in recent times of social assistance and employment insurance (EI) payments, as well as by tax cuts that mainly benefited the well off.

Yalnizyan's words left open the question of how Canadians might participate fairly in the "incredible" economic growth. Evidently, our existing social and economic systems have failed to achieve the proper degree of fairness. This continuing lack of fairness does not seem to be a matter of sheer chance. It seems to be an inevitable result of the economic system that now prevails. It's as though lack of fairness has now been enshrined as a matter of fundamental truth, even something to be enforced.

The wealth inequality situation continued in Toronto after 2007. Some politicians had taken note of it, but the general reaction by the people in high places appeared to be one of standing back and letting the free market work its magic, the usual neoliberal stance.

By 2015, the U of T research (based on 2012 census figures) showed the following neighbourhood divisions in terms of rising or falling levels of income:

1. Rising incomes – 28%.
2. Unchanging incomes – 32%.
3. Falling incomes – 40%.

These numbers demonstrated that Toronto was becoming wealthier, but only for a fraction of the population. (And many in that fraction of the population were able to afford million-dollar homes.) Those whose incomes were falling formed a larger proportion of the population. And the middle range showed no change in their income levels. Clearly, income inequality was showing through in a nasty way. Any political alarm bells that went off, however, did so with subdued tones. The top people remained sure that the market would sort things out in time (but they didn't say how much time).

Richard Florida, noted for his concept of the 'creative class' and the important role of this class in building successful cities, tells us that, "*While it certainly remains important to have a solid business climate, having an effective people climate is even more essential.*" (*The Rise of the Creative Class, 2002*). One wonders how effective the people climate is when low-income people are more numerous and the middle class remains in a stagnant income position. Can stark inequality breed real urban success? In an interview on PBS in the spring of 2017, Florida stated that he had no idea that his recommendations to cities about nurturing the creative class would lead to severely increased income inequality in those cities. He regretted that this had turned out to be the case.

The 2012 study from the University of Toronto showed that the areas of Toronto with rising incomes were also areas of the city that contained highly influential institutions such as the University of Toronto itself, the Ontario Parliament Building, Toronto City Hall, the financial district (Bay Street), and major media head offices. In other words, people working as key players in leading the nation were surrounded by areas of growing wealth. How far might that fact colour their own thoughts and opinions about income inequality and its serious consequences? People can look out their windows from properly heated or air conditioned offices and see wealth and well-fed people all around them. When they go out for lunch, they see well-dressed and seemingly contented people all around them. Might the ‘I’m all right, Jack’ syndrome be affecting their outlook and their actions?

Professor David Hulchanski led the University of Toronto studies. In his view the shifts in income levels in Toronto arose from such factors as:

- De-industrialization linked to free trade.
- Lower wages in an increasingly de-regulated labour market.
- Tax cuts that benefited the rich.
- Cuts in social spending.
- The off shoring of corporate profits to avoid Canadian taxes.

Naturally, many would disagree with Hulchanski’s opinions. Of course most of those who disagreed would themselves live in relatively comfortable income circumstances (which includes most tenured professors of economics in our universities). Many would be in the top one percent of income recipients in the country.

Wilkinson and Pickett (*Spirit Level, 2009*) warn us:

*“If you fail to avoid high inequality, you will need more prisons and more police. You will have to deal with higher rates of mental illness, drug abuse, and every other kind of problem. If keeping taxes and benefits down leads to wider income differences, the need to deal with the ensuing social ills may force you to raise public expenditures to cope.”*

In Canada have we succeeded in avoiding higher rates of mental illness, drug abuse, and other kinds of social problems? Have we avoided severe problems in certain communities such as those of Aboriginal and Métis peoples? Have taxes and benefits deliberately been kept lower in

our country? Unfortunately, it seems we may well have fallen into the very inequality trap that Wilkinson and Pickett were trying to warn us against.

For many years society's leaders, politicians and top business people have resisted doing something meaningful about our severe income inequality. Indeed, early in 2017, Finance Minister, Bill Morneau, lectured young people about their income expectations in the future. He told them sternly that they were not to expect lasting careers any more and that they should prepare for a life of precarious work. He didn't mention that precarious work tends to be paid at a low level with few if any benefits, and that income insurance these days is a shadow of its former self. Nor did he mention that significant reforms to the Canada Pension Plan were not forthcoming in the near future despite election promises. Private corporations have been slashing their pension plans mercilessly in recent years, so lack of movement on improving the Canada Pension Plan significantly is particularly serious.

We might note that Morneau is a member of the top one percent of income recipients in the country. He is also a former chair of the C.D. Howe Institute, a right-wing think tank. So he is well immersed in neoliberal thinking and neoliberal prescriptions.

Commentators regularly refer to Canada as a wealthy country. This does not, of course, mean that everyone in the country is wealthy, but it does mean that there's a lot of money in the country in the hands of some.

An important question concerns: *How is the nation's wealth distributed?* When inequality of income reaches the extreme level that now exists in Canada, is it still legitimate to describe the country as a whole as being wealthy? Is it not more accurate to say that a small minority of Canadians are extremely wealthy, and at the same time many more Canadians are living in deprived economic conditions. And they're certainly not "wealthy".

There is a definite convenience for those in high positions to maintain a significant proportion of the population in a relative state of penury. Consider these points that favour the powerful:

- Poverty tends to keep people more docile.
- It identifies a large group of people with a poor voting record (good to know for election strategizing).
- Poverty provides a good supply of low-wage and short-term workers.
- It creates jobs for highly educated overseers such as administrators and case workers.



- Keeping people in poverty shows clearly what will happen to those not in poverty if they don't continue to 'toe the line'.
- A state of poverty identifies a set of people to 'police', so distracting attention from wealthy criminals.

Perhaps these points are a little too cynical. Then again, perhaps these reasons exist in the minds of those in charge at an unconscious level. People can think and do evil without consciously realizing they're doing so.

When we look at the realities of today's jobs marketplace and the statements made by top political and business leaders, we must wonder. We could readily be looking at what is, in effect, class warfare by the rich and super rich against the rest.

*"The state of poverty in Canada is a failure of our civilization and it is an indictment of our political, bureaucratic, business and intellectual elite."*

*John Ralston Saul,*

*A Fair Country: Telling Truths About Canada, 2008*

Many have observed that today's level of income inequality is directly comparable to the income inequality that existed in the 'gilded age' of the 1890s when Andrew Carnegie, JP Morgan, John Rockefeller, and others (including a rising finance company called Goldman Sachs) ruled the high-income roost. They lived in luxurious baronial style while millions cowered in miserable and squalid poverty.

Eighteenth-century France experienced a severe level of inequality. This was one of the causes of the French Revolution, which resulted in much bloodshed and reverberates to this day. Is it possible that today's extreme income inequality level could lead to something similar? Might the election upheavals in the United States, Britain, France and elsewhere be early rumbles of political earthquakes to come? The 1930s showed us what dire possibilities exist in human affairs when conditions become desperate. We could be flirting with such dire possibilities today.

We know that extremist elements are out there—left or right. Present conditions provide fertile grounds for their activities and growth. What would give them more power? It seems that the time for economic or political complacency has passed. New thinking, dramatic thinking, is needed. Unless such thinking is forthcoming, extremism seems set to expand with all that it entails.

Right-wing parties have made significant headway in France, Ger-

many, Greece, Italy and other nations. Downright fascist parties have made headway as well. The 2016 presidential election in the United States produced the surprise presidency of Donald Trump, a supreme disrupter of the status quo. These developments show us that all is not well with large swathes of the population in different countries. They're prepared to vote for change, sometimes any change. Many are casting votes of despair.

The comparisons to the 1930s can be overblown, but votes of despair in Germany brought Hitler and his Nazis to power in that country in 1933. What lesson can we learn from that? What lesson must we learn from that? We certainly shouldn't let complacency lull us into thinking 'it can't happen here'.

The Guardian reported (June 6, 2017) on a new World Bank study on inequality. It found that a lot of people may not perceive the degree of inequality that exists in their society. In effect, they are blind to it. They look at their own situations and, in many cases, conclude that they're more or less in the mainstream for income. They may see numbers that display levels of inequality, but those numbers don't fully register with them. This perceptual phenomenon helps to explain why so many people can be lured into voting for political parties that may not really have in mind the best interests of those with lesser incomes, or even those with middle incomes. Too often, in fact, people can be lured into voting against their own best interests.

If people do begin to understand more deeply the levels of inequality that exist in their society, and that such inequality is not necessary, they might well react with anger, deep anger. Many have had their lives blighted by the prevailing socio-economic conditions. How easily can that be forgiven?

People could question even more stridently why some people are "worth" many millions of dollars whilst others are dismissed with a few hundred dollars or even nothing. A few "early perceivers" already understand this, but when a large number of people come to understand it and all the implications, trouble could ensue.

Leaders who ignore the frustration and despair that will eventually boil up from below could be in for severe shocks. People can take so much disdain and brutality from those in positions of power before they explode. When populations explode, nasty things occur and unexpected

outcomes result. Too often those outcomes are not at all pretty to behold.

We know that politicians listen carefully to what the CEOs of large corporations have to say these days. Those corporations control immense amounts of wealth, amounts that rival and often exceed the wealth of entire nations. Money still talks and, more often than not, it actually shouts and demands. Paul Babiak and Robert D. Hare (*Snakes in Suits 2006*) observe that: “... *organizations have become more psychopath friendly in recent years.*” In fact, they tell us that a higher percentage of top business people are out and out psychopaths compared to the percentage of psychopaths in the population as a whole.

*“As a psychopathic creature, the corporation can neither recognize nor act upon moral reasons to refrain from harming others.”*

*Joel Bakan, The Corporation, 2004*

If the incidence of psychopathy in large corporations is significant and if those corporations have a good deal of influence on our political processes, what does this tell us about the kind of society we’ve become? Does our society now have less empathy for people in general? Are we now encouraging ruthless individual behaviour designed to let a few push ahead to build personal riches regardless of what happens to others or to our environment? We don’t need to belabour this point. The evidence is all around us.

Internally, corporations are profoundly undemocratic institutions in the way they operate. When corporations wield significant control over the decisions of democratically elected governments, they interfere directly, knowingly or unknowingly, with the workings of democracy itself, partly because they’re so used to their own dictatorial culture.

Would a good guaranteed income stave off extremist reactions to the conditions prevailing in our society today? It would certainly make a positive difference. It would blunt the growing anger at the extreme level of inequality we’re now experiencing. It would also enable ordinary people to get better control over their own lives. And it might well be the saving of society itself.

If corporations really are “psychopathic” creatures, what are we doing when we put so much power, including economic power, into the hands of such creatures? Will they really fulfil the dreams of neoliberals in that glorious place called the free market? Or will they work to benefit

themselves to the greatest degree possible? The answers to those questions seem plain today. And they're answers well displayed in the growing income inequality we see around us.

In thinking of corporations, by the way, we should not that they exist with the consent of governments. That consent can be withdrawn for cause if a corporation's actions are seen to be sufficiently outrageous. Just what level of outrageous behaviour should we be prepared to accept?

We should definitely be addressing the problem of income inequality in our country at this point in a meaningful way. This goes well beyond poverty relief. It deals with the issue of precarious employment, the financial dilemmas of caregivers, the income plight of those who have difficulty obtaining decent jobs because of various kinds of prejudices, the issue of volunteers who are unpaid and yet need more income, and much more. The income problem is more than a poverty problem. It is an issue of fairness in income, of lessening the wide gap in income levels that now exists in this country.

A complete guaranteed income would be universal and sufficient for someone to live on at a modest level. At the moment, a full-scale guaranteed income programme faces strong opposition from many, especially those in the higher income levels. People living at lower income levels are not so hostile. In fact, many of them are definite supporters. In time, support will likely grow, especially as more and more people understand the income dynamics at work in our society today.

It seems that the quest for a full guaranteed income has now become part of the larger reality of a class war waged by those with high-income levels against those who are not so fortunate (or ruthless?). The ranks of the less fortunate are growing all the time, so this class war could well heat up. People need to prepare themselves for the consequences of that extra heat. They might not be at all pleasant.

***What level of income is adequate today?***

What's adequate to one person may seem lavish to another (especially if that other person hasn't had to live on a low income). Perhaps the most sensible way of dealing with this question of adequate income is to find out how much, exactly, a person must spend to live in today's Canada. This can be done simply by adding up the routine costs a citizen must meet today in order to live at least at a modest level. This is an exercise you might like to try yourself.

Answering the question of income adequacy depends, to some extent, on where you live. You would pay much less for your groceries in Calgary than in Ikaluit. Your housing cost in Fredericton would be less than your housing cost in Toronto. Different factors do come into play. But thinking carefully about the question of what it costs you to live in today's Canada is worthwhile.

In deciding on how much you need to live at a modest level, be sure to take into account the costs of: healthy food; decent housing; clothing; transportation; child care; medical care (plus necessary drugs); dental care; insurance; education and training; and exercise. Add them all up. How much?

By the way, In taking into account the cost of medical care and necessary drugs, we need to remember that people on lower incomes may have to meet co-pay requirements for the prescriptions they fill. For people on a range of drugs, the co-pay amounts can easily climb into the hundreds of dollars per year. And this is without taking into account that some needed drugs may not be on the approved list of whatever drug plan a person may be using, including a government plan. Further, at times people may need patent drugs such as aspirin or allergy pills that they must pay full price for along with any relevant sales taxes that may be imposed.

The STOP community centre in Toronto worked directly on the question of today's living costs a few years ago with a project called *Do the Math*. This involved the use of a questionnaire that set out questions that asked participants to estimate what they thought varied costs such as rent, food, clothing, and so on actually add up to. Regularly, the participants, who included politicians, came up with totals that far outstripped the totals allowed for such programmes as social assistance or disability support payments. Despite the results of the STOP programme, the politicians involved did little to change things. Social assistance and disability allowances remained at abysmally low levels and sufficient affordable housing remained a far off dream. Political will was not only lacking, it seemed to be downright hostile.

Nowadays, the main measure used to designate the poverty line is the *Low Income Measure* or LIM. In 2017 this worked out to a little more than \$22,500 a year or at least \$1875 a month. The LIM is calculated as related to the median family income. In this sense, it is an arbitrary measure, and some dispute its validity. Still, when real living expenses are

totalled up, \$22,500 is not a handsome income, although, with careful management, it would allow someone to get by, to live at a modest level.

In an enlightened society, wouldn't we want everyone to be able at least to get by on their incomes? Would we deliberately want some people not to be able to get by on their incomes? In the first case could we say we had a healthy society? In the latter case would we have an unhealthy society? Which would be better for everyone?

We know that many people with jobs live below the LIM. Having a job today by no means lifts you out of poverty. The 'working poor' are very much with us. The concept of "labour market flexibility" has seen to that.

Another measure used to define the poverty line is the LICO. This acronym stands for 'low income cutoff'. This measure identifies the point where a family must pay at least 20 percentage points more of their income on food, shelter, and clothing, than an average family would. The LICO generally identifies a lower income level for an individual than the LIM. So it may be around \$19,000 a year.

A third measure used to determine the poverty line is the MBM or the 'market basket measure'. This measure focuses on the income a family would need to purchase such things as food, clothing, shelter, transportation, and other basic needs. This measure can shift around a little depending on location. Generally, it would come out at an income level between the LIM and the LICO.

Those concerned with social issues in Canada today generally prefer to work with the LIM. Over time this seems to have worked best for determining the real economic capabilities of people living in Canada today. Accordingly, we will use the LIM when dealing with income levels.

A survey carried out in Toronto in 2013 determined the following percentages for the levels of poverty then existing in the city:

General level of poverty	24.5%
Children under age 15	33%
Youth (ages 15 – 24)	31%
Single mother families	37%
People with disabilities	30%

The survey was carried out by *The Alliance for a Poverty Free Toronto* and *Social Planning Toronto*. The numbers are stark and astonishing for Canada's largest city. The largest single group of people living in poverty are single mother families. Single mothers have a particularly hard struggle in

dealing with life issues. For them to have to deal with poverty as well is truly sad and reflects badly on our society. Perhaps we can even say it shows a certain level of misogyny in those who set and implement our social policies.

*“Few issues provide better examples of the negative impact of economic theory on society than the distribution of income.”*

In this quote Steve Keen (*Debunking Economics, 2011*) puts his finger on a crucial point. Our present extreme level of inequality is, to a large extent, a product of our prevailing economic thinking. People in positions of power are influenced strongly by those who appear to have the right credentials and who speak in authoritative tones about how the economy should be handled. The problem is, of course, that authoritative tones may be espousing policies that are fundamentally wrong, even cruel.

Unsurprisingly, lack of employment is a major factor in poverty. And we have a much higher level of unemployment in this country than our official statistics lead us to believe. A high proportion of real unemployment is masked by statistical manipulation. When you add in the question of underemployment or precarious employment, (or phony employment through false “internships”) which also feed poverty, you can start to grasp the fuller dimensions of this problem. How many people who are officially self-employed or working part-time should really be classified as unemployed? What about those who have become discouraged about finding work and drop out of the workforce?

The ‘participation rate’ is every bit as important as the ‘unemployment rate’ if not more so, but it is not reported on as frequently. By December of 2014 the participation rate in Canada had fallen to 65.9% according to Sunny Freeman writing in the Huffington Post (Jan 12, 2015). This was the lowest in some thirteen years. It has reportedly improved since then, but not by much.

Discouraged workers are an important problem, and they’re not likely to have much money. They might also be susceptible to shady operators of various kinds who offer them short-time employment gigs, which may or may not turn out to be good for society. (Dumping toxic waste in a stream in the middle of the night would definitely not be beneficial.)

In mentioning unemployment, we should note that many people work at jobs that don’t bring them up to the poverty line, even if they put in forty hours of work a week or more. Lousy jobs may help the unemployment statistics and satisfy some politicians, but they don’t do a lot for real people.

High levels of poverty for children and youth are very concerning. From what we know about early life experiences and healthy physical development, these levels raise alarms about the future of these youngsters. Will they develop chronic health conditions that plague them for life? Will they be unable to advance properly in the education system? Will they develop a jaundiced view of the society they live in? Will some of them turn to crime and violence to find some sort of relief in their lives? These are tough questions, and they're likely to give us tough answers.

Almost a third of people with disabilities, such as vision or hearing loss or severe mobility issues, are classified as poor. What are we thinking as a society? When people are already facing the challenge of living with serious disabilities, why are we tolerating or imposing poverty on them as well? What social good does this serve? What kind of a society allows this, even decrees this?

In 2006, Thomas Walkom, writing in *The Toronto Star* (September 30) posed a question and answer: “*Why are there so many poor people in such a rich country? Because we allow it. We do not have to.*” He touched on an important and disturbing point here. As a society we actually do “allow” poverty and have done so for many years. In considering this, we need to reflect deeply on the reasons for our allowance of this demeaning, discouraging, and downright nasty state of affairs.

In the document *Social Determinants of Health: The Canadian Facts*, Mikkonen and Raphael note:

*“Income is perhaps the most important social determinant of health. Level of income shapes overall living conditions, affects psychological functioning, and influences health-related behaviours such as quality of diet, extent of physical activity, tobacco use, and excessive alcohol use. In Canada, income determines the quality of other social determinants of health such as food security, housing, and other basic prerequisites of health.”*

Too many people think of people living in poverty as being “other”. In a sense, the “other” are not quite human—after all, they don’t have much money so how could they be? For some people this kind of attitude is comforting. They may even develop notions of personal superiority or smugness as they think about their own income circumstances. But sometimes people should think about how people fall into poverty in the first place. It’s a lot



## The Income Question

easier than many people think. Consider these points:

- Anyone these days can suddenly fall into poverty. There is no immunity from poverty. Accidents or sudden serious illnesses can affect lives drastically.
- Most of the time people aren't responsible for their own poverty.
- Even people with high levels of skill, education, and experience are not immune from suddenly falling into poverty.
- There really aren't enough decent jobs for everyone that wants one.

Poverty is not necessarily a state that is fixed and immutable. Not everyone living in poverty stays in poverty. A few people do climb out of it for a variety of reasons. Their means of doing so may vary, but leaving poverty behind is possible. Poverty can be a churning process. Still, for a large proportion of the population it is a continuing and grim reality.



### **What are the levels of income out there?**

The massive and tragic wildfire in northern Alberta in the spring of 2016 provided a tragic example of how some people can suddenly be thrown into straitened circumstances. Disasters can produce strained finances and even poverty.

In May 2016, Kaylie Tiessen of *The Canadian Centre for Policy Alternatives* wrote in an short article (*Ontario's Social Assistance Poverty Gap*) that:

*“Some of society’s harshest judgments are reserved for people who receive social assistance benefits. What is clear from this analysis is that those judgments have influenced the policy of successive governments, which, in turn, has resulted in the gross inadequacy of total benefit incomes for this group of people.”*

The gross inadequacy of benefit incomes that Tiessen wrote about persisted despite the Ontario government's much ballyhooed 2008 "poverty reduction strategy". Tiessen noted that 895,000 people in Ontario were in deep poverty in 2016. This figure included 253,000 children.

One of today's continuing realities is that many working Canadians are only one or two paycheques away from living in poverty. In other words, many people who consider themselves to be middle class today may not be as remote from the problem of poverty as they might hope. For this reason, the question of poverty and all that it entails is a direct challenge for almost everyone in our society. It couldn't happen to you? Don't bet on it!

Takeovers or mergers, which can sometimes occur without warning, usually mean loss of jobs on a large scale. This means people with good levels of pay could suddenly find themselves without steady and good levels of income. Some of these discarded people might well find good employment elsewhere. Some might be able to go into early retirement. But others won't be so lucky. They may suddenly find they're too old to satisfy the people in charge of hiring. Or their skill sets may longer be seen as valuable. Some may find they can retrain to upgrade their skills. Even if they do, however, they're not guaranteed employment; and they won't likely obtain jobs that pay as well as the jobs they lost.

If a large company suddenly decides to move its major operations to another, cheaper country, large numbers of people may lose their jobs, often without much warning. When people suddenly find themselves without good employment, they can become ill, physically or mentally. Despondency may blend into depression. Alcohol or drugs may come into the picture. Family life is likely to be disrupted. In these circumstances, suicides are not unknown. Too many will be forced into lives of poverty, despite their experience and education levels.

*"The problem is that poverty and unemployment are not much influenced by the qualities and qualifications of the workforce."*

*James K. Galbraith, The Predator State, 2008*

These days it's not uncommon for food banks to have on their client lists people with degrees. Being highly educated or even highly trained are not guarantees of good employment. Many graduates dealing with high student debts are only too aware of this. The vagaries of the job market, especially the precarious job market, are much too real. For

many, they're devastating.

Anyone can receive a sudden diagnosis of serious illness. Multiple sclerosis (MS) might strike, for instance. This means a slow loss of vitality and a serious interference with physical mobility. It also means an increased dependency on caregiving, which might not be generously available. It could also mean loss of a job with consequent loss of income. Unless other sources of income are found, it could also mean poverty.

Other reasons for sudden loss of income can come into the picture. Death of a loved one may be catastrophic for personal circumstances. A serious car accident or a violent storm, severe flooding, or fire can ruin well-ordered lives. All have the potential to bring a slide or fall into poverty.

Fundamentally, poverty concerns all of us. It's not something that only matters for the "other". It's a serious issue for society as a whole. Feelings of superiority or smugness are not good enough responses. Nor is wilful blindness to what is actually going on around us.

Perhaps we can bury once and for all the tedious myth that the poor are poor because of their own failings, or the unemployed are without jobs because they're not looking hard enough. Tragically, many people don't realize the mistruths conveyed by those myths until they fall into poverty themselves—through no fault of their own. Myths laced with cruelty and suspicions are not helpful in today's circumstances. In fact, they simply work to spread social discord.

In January of 2015, *Macleans* published an interesting chart showing the different ranges of income in Canada. This information had originally appeared in *Money Sense Magazine* and was based on 2011 data from *Statistics Canada*.

According to this chart, the bottom 20% of individuals in Canada had incomes of \$18,717 or less in 2011. The top 20% had incomes of \$54,499 and up. The "up", by the way, included top CEOs of large corporations. John Chen, CEO of *BlackBerry*, for instance, earned a total of \$89.7-million in 2014.

According to the *Macleans*' article, 20% of Canadians had incomes that were below the poverty line (LIM). This gives us a total of at least four million people. The number of people with inadequate incomes is actually greater than four million. The next 20% tier in the *Macleans*' chart shows that many more people have incomes less than the LIM. Millions of low income people exist in this country, many of them in dire poverty.

Since 2011, income levels seem to have risen a little, but not enough to change the picture from six years ago in a significant way. In fact, for many people the income picture has likely worsened.

Incomes that are too low in this country are a continuing issue for millions of Canadians. When incomes are too low, serious problems, including serious health problems will inevitably occur. The demands on community and social services will increase, as will the demands on the healthcare system. In fact, if people are forced to live on incomes that are insufficient for their genuine needs, society as a whole pays a heavier price. Is that the kind of price we should be prepared to pay? Or could we achieve better results by better spending in other areas, more enlightened areas.

***A fundamental key to a satisfying and healthy life***

In many ways our income dictates the degree of satisfaction we can find in life. It's not the only factor for our satisfaction, of course, but it is highly important, especially in a society that is so focused on consumerism.

If our level of income is inadequate for our needs, we may miss out on good possibilities such as jobs or more education. Health issues may not be dealt with properly. Educational attainments may fall below our capabilities. We might not be able to live in decent housing. Items that others take for granted may not be possible to obtain. Sheer enjoyment of life may suffer.

Is it really some sort of advantage in the world to have a society in which millions of people have incomes that are inadequate—deeply so? Do we thrive on the idea of people worried sick about their jobs, their incomes? Do we care if deprivation brings on illnesses in our society? Do we really think it's a competitive advantage to tell the world that we deprive millions of our own people of sufficient income and sufficient care as a form of 'responsible' financial management designed to make us world beaters?

Why are such conditions of deprivation necessary? Who actually benefits from such conditions? Isn't it time for us to inject a good measure of compassion into the types of incomes and their adequacy that are available to people in our society? Isn't it time we gave a damn?

A good society is one that ensures that everyone in that society has an income adequate to their needs—their needs for living. It is also a society that does not revel in the idea of high levels of income inequality. Can we build such a society? We did it before right after the Second World War. Why can't we do it again? What's preventing us? Who's preventing us? We should certainly try to build the society we need, a better society, despite those who might work to prevent such a real and beneficial change.

### 3 **Guaranteeing a Decent Income**

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*“If political leaders have the health of Canadians as their first priority, they’ll turn advice into action and implement basic income.”*

*Dr Ryan Meili and Dr Danielle Martin  
Huffington Post, September 9, 2015*

In a speech delivered on May 4, 2017, Dr Yanis Varoufakis, former economics minister of Greece, stated that a livable basic income has now become a necessity. He noted that people who belonged to a society that created wealth deserved a proper share of that wealth. And there’s a fundamental point: doesn’t everyone living in Canada contribute in some way to the wellbeing of this nation? (Of course if someone is a criminal, they may not be good contributors, although their existence could provide employment for people in the criminal justice system.)

A livable basic income would provide a platform people could stand on and “reach for the stars” (in Varoufakis’s words). If people are to have real personal freedom to act, they need a livable basic income. One might even say this has become a fundamental condition for modern democracy. Given the technological advances that have helped to create the world we now live in, the need to ensure that everyone has a livable basic income should actually be a cause for celebration. Those same technological advances have gone far towards making such an income possible.

A good basic income can be thought of as a “trust fund” for our children. It should also allow people to say “no” to a bad job (and, despite the words of the late Finance Minister, Jim Flaherty, there are such things as bad jobs). In essence, widespread provision of a decent income would underpin the creation of a decent society.

#### **A guaranteed, universal, and livable income**

A guaranteed, universal, and livable income would involve a specific amount of money being paid out to everyone on a regular basis (with an automatic escalator mechanism to account for inflation).

*“A universal basic income is, in essence, a government policy that guarantees a regular income to all Canadians to help them*

*live a basic and dignified life.”*

*Canadian Index of Wellbeing (2016). How Are Canadians Really Doing?*

*The 2016 CIW Report, Waterloo, ON:*

*Canadian Index of Wellbeing and University of Waterloo*

We should note that the Canadian Index of Wellbeing (CIW) is gradually achieving some recognition and acceptance outside Canada. Some advocate for it to be used as a standard measure of a nation’s relative economic and social health alongside the GDP. Certainly, it comes closer to measuring the real situation of ordinary people as they live their lives than does the GDP used on its own.

The idea of everyone being able to live “a basic and dignified life” is an attractive one. It’s much more attractive than forcing someone to live on the streets or to ‘dumpster dive’ for their food. It’s also much more attractive to provide a cushion for people forced to work at precarious jobs (the ‘precariat’). It would also provide a basic and dignified life to students trying to pay for better training or education. A state of wellbeing for everyone is certainly worth sustaining in this way.

How would the exact amount be determined? What metrics would come into play for increases along the way? A convenient mechanism here is the ‘poverty line’. We would want everyone to have an income set at or a little above this line. So what would this level be in dollar terms? Earlier, we noted that the main measure used to identify the poverty line is the *Low Income Measure* or LIM. In 2017 this was a little more than \$22,500 a year or at least \$1875 a month (individual). Ideally, this would be the basic level for a good universal and livable income guarantee.

The reality of poverty in Canada today is appalling, and it’s shocking that governments at all levels have done so little to deal with it over the years. In thinking about a guaranteed living income programme, however, we must not just think of those who are poor or must live on incomes that are deliberately set too low. A proper guaranteed and livable income must be for *everyone*. It must be *universal*. We need to think of it as being for the betterment of society as a whole. And we must certainly think of it as addressing extreme income inequality in a direct and effective way.

Aiming a guaranteed income programme only at the poor carries a number of dangers: It means that a ‘poverty line’ must be determined. It means that a bureaucracy must be set up to determine the poverty line and adjust it from time to time. It also means that bureaucrats must

‘police’ the system to ensure that only those who are properly assessed and confirmed receive the income. People may go in and out of poverty, so the bureaucrats must keep track and adjust incomes granted accordingly. Further, it means that the problem of stigma remains, as the guaranteed income is limited to an identifiable group.

A universally provided guaranteed income would come on top of any other income the individual may have, even if that individual is well paid. But the existing progressive tax system would apply and would smooth out any apparent discrepancies between ‘deserving’ and ‘undeserving’ recipients. It would also automatically deal with the income levels of married couples. Using the existing revenue system would eliminate the need for a bureaucracy dedicated to policing the guaranteed income system itself.

There are other ways of providing a universal and livable income. The key issue is to ensure progressivity in some workable way, without opening up the problem of stigmatization. Later on we’ll look at a model studied in Spain that could be workable in Canada. Meanwhile, we’ll consider a universal and guaranteed income as something that would be paid to everyone in the same amount.

A guaranteed living income would financially support caregivers in their important work. Many caregivers now sacrifice themselves and their careers to look after loved ones. They receive inadequate assistance in most cases for doing so. In an article in *The Toronto Star* in September of 2010, Carol Goar, in talking about the plight of caregivers, said: “*They provide \$25 billion a year in unpaid labour, but they often destroy themselves doing it.*” Whose idea of “fairness” is it that believes people should be left to “destroy themselves” for the good of others? What kind of society is it that promotes such a belief? With a guaranteed and livable income, they would be relieved of much stress and enabled to provide better care, so relieving the social or healthcare system of a significant amount of work.

A proper guaranteed income system would increase the number of people available to non-profit groups to work as volunteers. That would benefit society as a whole and avoid short-changing willing volunteers on their incomes.

Employment Insurance has changed for the worse in recent years. The benefit rate is now close to half of previous earnings, and eligibility has been reduced sharply. In fact, most people who become unemployed

no longer qualify for employment insurance (women being particularly hard hit). Some are forced to go straight to social assistance.

In 2014, the accumulated surplus in the EI operating account came in at almost \$4-billion. This surplus money was then to be used (as of the 2015 budget and illegally according to some) to help pay down the federal debt, not to provide more generous assistance to the unemployed. This was a classic example of neoliberal thinking at work. It was heedless of the real human consequences that were inflicted.

Employment insurance (originally Unemployment Insurance) was intended to help tide people over when they became unemployed. The idea was to provide people with an income while they looked for another job. It seems that the system we now have no longer accepts or serves that purpose.

A properly designed and universal guaranteed livable income programme would make employment insurance unnecessary. People would have enough income to help them through jobless patches or, in some cases, to let them live modestly if they remain jobless.

In some cases people will become so depressed by their lack of success in the job market that they will drop out of the race for employment. They are the 'discouraged'. The longer they remain in this condition, the less likely they are eventually to find employment. If they received a guaranteed and livable income, they could continue to sustain themselves. Among other things, that means they would be in a better position to take training or counselling to enable them eventually to obtain a job if such a job were available and if they so chose.

We might note too that the Old Age Security system would no longer be necessary in its present form with a good guaranteed income programme. Pension plans of various types, including the Canada or Québec Pension Plans should continue. (The Old Age Security Supplement functions as a guaranteed income plan for the elderly. Its existence proves that a guaranteed income approach is feasible.)

If everyone received a good guaranteed income, some in our society would inevitably seek to make foolish purchases of services or products. People could be lured into making unwise investments based on false promises. Or landlords might seek to boost rents significantly because people might be able to pay what they demanded. Other prices might rise based on more people having more money. All these things would need



to be guarded against and dealt with in a judicious way.

Given the realities of politics, a guaranteed income programme would need to be set up in such a way that it could not arbitrarily be eliminated by a new government. It should be solidly enshrined in our constitution.

A full-scale guaranteed, universal, and livable income is contentious and it's quickly dismissed by many (often by those who are quite content with their own personal economic circumstances, which includes more than a few tenured professors of economics). But it's worth serious examination, not quick dismissal.

Instead of immediately thinking that "it won't work" in a kind of knee jerk way, people might better focus on "how could we make it work?" With some care and attention to the details, a proper guaranteed income system would work out to be much more possible than people might think at first glance. Once fully in place, it would likely turn out to be more financially responsible than our present confusing and jumbled way of dealing with the financial needs of people in our society.

The wealth of a society built up by earlier generations is *residual wealth*. Much of this takes the form of our physical infrastructure—roads, buildings, telephone networks, and so on. Those earlier generations intended the wealth they built up in Canada to benefit all in our society, not just a select few. In effect, every Canadian has an inheritance from the past that should benefit them in meaningful and tangible ways.

Many right-wing advocates of basic income see it as a total replacement for all existing social programmes. In their view it could pay for itself and perhaps save a considerable sum. People such as John Clarke of OCAP (Ontario Coalition Against Poverty) and Armine Yalnizyan of the CCPA (Canadian Centre for Policy Alternatives) have warned that a total replacement approach could leave many people worse off. This is another reason why setting up a guaranteed income programme as a poverty relief programme would be undesirable. It's definitely not just a matter of finding another way of dealing with people living in poverty.

Basic income advocates must take care with what, exactly, they ask for. Lack of clarity about what basic income means could have nasty consequences. For this reason, advocates for basic income should not be quick to praise any new programme introduced by a government simply because it is called a basic income programme. It could well be counterfeit and would need to be treated as such. Here is where careful

examination of any gift horse bearing the name is definitely called for.

Politicians worry that they would not receive sufficient support from voters for a good guaranteed income programme. Ancient worries about who deserves a proper income or who is willing to work could come to the fore. Still, Canadians may now be more supportive than was the case a few years ago. They've seen the obvious signs of discontent in our society and are becoming more aware of the serious reality of inequality and its consequences. Further, they're seeing the employment consequences of advancing technology in different places.

Back in 2013, the *Pierre Elliot Trudeau Foundation and Concordia University* studied the attitudes of Canadians concerning the idea of a guaranteed annual income. In their study they found:

*“Canadians’ initial impressions of the concept of a ‘guaranteed annual income’ as a way to reduce poverty and economic insecurity are mixed.*

*“Opinions are divided with a slightly larger proportion who favour such a policy (46%) than who oppose it (42%).*

*“Support for a guaranteed annual income is the majority view in Quebec and among Canadians with lower levels of education and income, while most strongly opposed by Albertans and high income Canadians.”*

Opposition by high income Canadians is an interesting point here. Recently, commentators of various kinds have been highlighting the role of the top 20% of income earners in perpetuating inequality, even if they do so unconsciously. This group is comparatively comfortable financially and has often benefited from the existing system. They may be susceptible to arguments about lowering taxes and may be swayed by the notion that they've done well through their own hard work, so others could too. Unwittingly, perhaps, they make convenient allies and enablers for the one-percenters who often enjoy truly astonishing levels of income. During elections, the top twenty percent can make quite a difference for determining who gets into power. This is especially so because people on low incomes have a tendency to be a bit sluggish about voting at all, often because they see little point in getting out to vote—the same old same old people seem to get into power.

The *Pierre Elliott Trudeau Foundation & Concordia University* study

took place before the sharp fall in world oil prices. It is likely that a higher percentage of Canadians now support the idea of a guaranteed annual income. We might further note that a good education campaign by politicians would sway more opinions in a supportive direction. Proper information and committed leadership do make a difference.

Scare mongering by politicians and the media is easy when it comes to the idea of an income guaranteed to all. The false cries of “it would come out of your pockets” or the needed money would be a drain and “a burden to society” would go out and be believed by many. Supportive information is far less available. If it were, people would become more aware of the realities and worthwhile possibilities and would likely become more supportive.

In June of 2016 a referendum in Switzerland for a guaranteed, livable, and universal income programme was defeated. About 22% of those who voted supported the concept. The outcome of the vote was very much influenced by the active and hostile opposition of the government. Scare mongering was widespread. One can only speculate about how the vote would have turned out had the government actively supported it. If 29% of Swiss voters had voted the other way, a guaranteed and universal income programme would have received majority support.

Commenting on the Swiss vote early in June, the respected author, historian, and commentator, Gwynne Dyer said, “... *the idea was not crazy, and it is not going to go away.*” He went on to declare that most “real” jobs were on the way out. In his view the concept of a universal basic income was an idea whose time had come.

In looking at the Swiss situation, we must also note that a major factor in the defeat was the fact that Switzerland has an open border agreement with the European Union. So hundreds of thousands of people might have swarmed into Switzerland looking for a guaranteed income had the universal income system come into effect. Obviously, such a revolutionary policy must be thought through carefully and designed accordingly, taking into account all relevant circumstances.

In thinking about ‘open borders’, we should think of Canada’s federal system. People can move freely among our provinces and territories. If one province launched a good guaranteed income programme, people might potentially move from other provinces to take advantage of this. Would this make a guaranteed income programme at a provincial or territorial level impossible? A sub-national programme might attract a few thousand people from other parts of the country, just as Saskatche-

wan's public health programme in the 1960s attracted people from other parts. But such a population inflow would be limited. People have other ties to their existing homes than income. Besides, a good programme launched in one province or territory would be watched as a potential model for other jurisdictions. The Saskatchewan healthcare model became the starting point for the Canadian medicare system that we know and cherish today.

A good guaranteed income programme would generate cost savings as existing social programmes of various types became unnecessary. Such savings would go far towards paying for a livable and universal guaranteed income programme. In this connection, however, we must remember that some existing social payment programmes would continue to be necessary for some people, such as the severely disabled or people with serious and chronic health conditions.

The following needs might well require continued specific attention, although at a less costly level than at present.

- affordable housing
- child care support
- homecare
- education and training allowances
- social worker assistance (placement assistance, counselling and advice—but not 'policing')
- transportation assistance
- legal aid
- health supports (including dental)
- accessible exercise and recreation
- special allowances for certain locations

The Association of Local Public Health Agencies and the Ontario Public Health Association have defined a full guaranteed livable income very well, although they term it a "basic income guarantee" (BIG). We should note that people working in public health have a particularly close view of the problems caused by lack of income in our society. They see some people who don't fill their prescriptions for lack of money. They also see people becoming crippled for lack of proper medical attention brought on by insufficient money. (Lacking proper treatment, diabetes can be devastating, including the need for amputations.) And they know such problems don't just affect those 'officially' classified as being in poverty. People we consider to be middle class can too easily run into money

problems when the bills pile up. They might even, at times, be plunged into poverty.

Here's how the public health professionals define a proper guaranteed (or basic) income:

*“Basic income guarantee (BIG), also known as a guaranteed annual income, is a cash transfer from government to citizens not tied to labour market participation.*

*“It ensures income at a level sufficient to meet basic needs and live with dignity, regardless of work status.*

*“Basic income is premised on the vision of universal income security through ensuring that everyone receives a modest, but adequate income.”*

*Bryan Hyndman, PhD and Lisa Simon, M.D.,  
Basic Income Backgrounder, Association of Local Public Health Agencies  
and Ontario Public Health Association, October, 2015*

There are important key words in this definition. Note the wording, “... not tied to labour market participation.” In other words, the traditional obsession with insisting on people finding work in order to qualify for public money is discarded, and that's a good thing. In the late sixteenth century, the newly codified English poor laws put great emphasis on having the poor work, even if it was in squalid conditions. That requirement was considered just and righteous. It fitted with what came to be called the Calvinistic work ethic. This standard came to North America and became deeply embedded in our social thinking. Still, might we not now question a sixteenth-century concept? Does it really fit with the kind of world we now live in, the twenty-first century world half a millennium later?

The idea of paying people even though they're not working sticks in the craw of many people. Some will say that they don't like the idea of paying taxes so that others may live off their own hard-earned money. (If money is inherited, is it hard earned? If someone wins a lot of money in a lottery, is it hard earned? If someone marries into wealth, is it hard earned? If someone is just plain lucky, is their increased income hard earned?) “Let them get a job!” some say, as though getting a meaningful job these days is easy. Any protests, heartfelt though they may be, beg the question about the actual supply of jobs, decent jobs. It also avoids talking about how children, the disabled, or the old are expected to live—what jobs are they supposed to go after? Further, people who think their

own taxes pay for others may have some misunderstanding about government revenues and where money comes from, how it originates. (A misunderstanding shared by most politicians.)

Clearly, our society has moved on from the conditions prevailing hundreds of years ago. Now we need policies fit for our present, highly technological times. Sixteenth-century social solutions are not good enough any more, if they ever were.

In 1986 the *Basic Income European Network* came into being at a conference in Louvain-la-Neuve, Belgium. Its mission was to establish a guaranteed income programme in Europe. This was seen as an important step in the development of a worthwhile response to our changing economic times, including the realities of globalization. BIEN could ensure that reasoned discussions could take place around the entire income issue.

In 2004 the *Basic Income European Network*, recognized that proper income levels were not just a matter for Europe to deal with, but really applied to the entire world. In line with this thinking, BIEN changed its name to the *Basic Income Earth Network*. This name change emphasized the idea of a citizen income guarantees on a global basis.

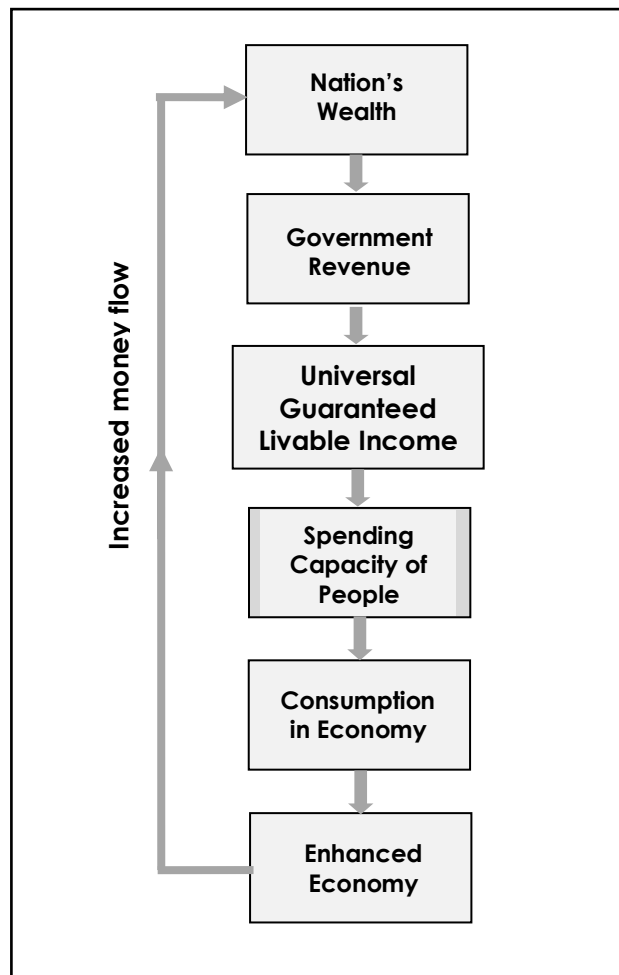
When thinking about a good basic income approach on a global basis, by the way, the nation state remains an important factor. The appropriate guaranteed income levels would vary from one nation to another depending on local conditions, especially the cost of living and the poverty line in the nation concerned.

In 2008 at an international congress of BIEN, the *Basic Income Canada Network* was formed to promote the concept of a guaranteed income in Canada. From that year, BICN has done much promotional work with politicians and others to keep the idea of a guaranteed income alive and better understood.

In reflecting on the concept of a basic or guaranteed income, an important question arises: “*Does every citizen or full-time resident deserve to have the means to live life at least at a basic level in our society?*” A related question becomes, “*Are we content to have homeless and penniless people living and dying on our streets?*” These are not questions to avoid by looking away or hurrying past the bedraggled on our sidewalks. They’re serious questions that connect closely with the kind of society we have or want to have.

Another issue with a guaranteed income programme concerns the

situation of convicted criminals. If someone is in jail, they could amass a considerable amount of money as their guaranteed income piled up. An important point here concerns sentencing. If judges knew that the people they were sentencing had guaranteed incomes, they could more readily assess fines. They could order sizeable amounts of money to be paid into victim compensation funds. That would be a plus for victims. Accommodation costs to pay for the cost of a prisoner's stay in jail could be levied, so reducing the cost of prisons. Trust funds could also be set up to make sure that prisoners, upon their release, had more realistic amounts of money available for starting over than is the case today.



**Fig. 3 Positive Money Distribution**

Going back to the public health definition of a guaranteed income, we can see that they include the word 'dignity' as part of their definition. Clearly, people should be allowed to live with dignity.

Unfortunately, over a long period of time, society has developed the notion of attaching stigma to those who lack money. This notion can

come to the fore and influence reactions and actions unconsciously, even among people working for non-profit organizations. “You’re poor? You must have done something to deserve to be poor!” This tunes in with the teachings of the sociologist, Herbert Spencer, in the nineteenth century, who repeatedly proclaimed, “Survival of the fittest!”

Spencer believed the rich deserved to be rich because they were fit for that role. At the same time the poor must be poor because they were not fit. Later on the Nazis would take drastic measures to rid society of the unfit. We’ve seen, tragically, what that kind of thinking does to a society.

We hope we’ve grown beyond the Spencerian kind of thinking, yet the urge to stigmatize those with little money remains alive in our world and it becomes a factor in our laws and social policies. Time and again, when different social programmes are designed, the stigma factor seems to creep in. Might we get rid of this tendency once and for all? Can’t we move on to a more fitting response for a compassionate society?

Many people get upset at the idea of a guaranteed income that’s universal. They ask why people should receive it if they already have a livable income. They prefer the idea of some sort of means test. This harks back to the old idea of the ‘deserving poor’. We might give consideration to the deserving poor, but not the undeserving poor. In other words, you need an ‘official’ designation for those who will receive whatever benefit may be under consideration. When you set up a system that is aimed only at a certain identifiable group, you set up the conditions for stigma.

Several years ago in Toronto, developers of a new condominium tower included a number of units designated as low-income housing. This was in line with their agreement with the city. That sounded wonderful to many people. But the developers also included a special entrance to the building for the low-income people so they could enter and live in those low-income units without rubbing shoulders with those who paid full market rates. This special entrance might have been called the entrance of shame. It clearly established a means of singling out those with inadequate incomes, those who should be stigmatized.

If people already have a good income, perhaps they’re even wealthy, a universal income could come in on top of their existing good income. Would that be fair? Well, as long as we have a tax system, and it’s a progressive tax system, things would even out. Those who receive



more would pay more in taxes and that, in turn, would help to pay for the cost of a universal guaranteed income programme. (Of course the reality of tax avoidance, including the use of the offshore system would have to be dealt with seriously.) In this way, the economics of the process would even out. Even after paying taxes, however, most of the wealthier people would still end up with enhanced incomes.

We live in a time of changing economic realities. Those realities are not the realities of thirty years ago or a hundred years ago. They are realities that demand a new, even radical way of dealing with incomes and income levels. Right now wealth is produced collectively in our society but much of it, possibly most of it, is appropriated by the private sector—the wealthy few. And this appropriation process is aided and abetted by our laws, regulations, and tax system. It is also supported by widespread social acceptance, even approval.

Many people should give more thought to the prevailing income conditions they support or approve of. They might find they're supporting and approving of things not in their own best interests.

If people belong to a society that is creating wealth, they deserve a share of that wealth, and it needs to be a decent share. People are net contributors to the society we live in—they do things, they buy things, they watch out for their neighbourhoods, they serve as volunteers, they look after others in different ways. They are not simply inert sponges that soak up the wealth produced by others. They share in the creation of wealth for society as a whole in many different ways by helping to maintain the cohesion and health of that society.

Workers of all kinds, even if they're paid low wages, contribute meaningfully to the existence and wellbeing of others. Preparing and serving food is worthy work. Guarding children crossing a busy road is important. Looking after a sick parent is worthy and noble. Producing dazzling graphics on a computer is enabling for the top managers who will use those graphics. Our list can go on. The point is, everyone contributes in some way in our world, and that contribution needs to be recognized and honoured properly. No one's very existence should be ignored or demeaned.

A properly conceived and applied guaranteed income system would provide an important means of dealing effectively and in humane terms with the kind of economy that we now have. It is something that can be made to work and work well.

Designed properly, a guaranteed and universal livable income would enhance the wellbeing of society as a whole. It would address economic inequality directly and provide a stimulus for the economy at the level of ordinary people, not just the financial sector and all those who benefit from that sector, including politicians. In effect, it would provide a continuing version of quantitative easing aimed at the majority of the population and not just a select few at the top.

A full livable, universal, and guaranteed income programme would be:

1. Paid to all adult citizens and permanent residents with special provisions for children.
2. Unconditional—no special selection criteria.
3. A right that could not be withdrawn arbitrarily (preferably embedded in the Constitution).
4. Sufficient for someone to live on in and of itself.
5. Applied so that necessary allowances for the disabled, people with chronic conditions, or the seriously ill would continue.

In its fullest meaning a guaranteed, universal, and livable income is much more than a poverty relief programme, although poverty is likely to be reduced dramatically with such a programme. It must be thought of as a *transformative* programme for society as a whole. In a critical sense this makes it revolutionary. But this is precisely what we need to meet revolutionary times. Staggering levels of inequality cannot be left to stand.

For some people this would be a utopian scheme. Indeed, Sir Thomas More published a book in 1516 called *Utopia* in which he described an idyllic society living on an island somewhere in the Atlantic Ocean. This society apparently made sure everyone had a livable income. The idea of a livable income for all does have a long pedigree. We now live in a time when it can become a reality.

After the 2007-2008 financial debacle, governments in the developed world were able to find vast sums of money to pump into the financial sector. Much of this money was created out of thin air. But it did come into being on a vast scale, and it came into being quickly. The enormous sums involved were called “quantitative easing”.

What all the money creating and dispensing illustrated in unmistakable terms was the continuing power of governments to pump money into the economy at will. That same power comes into play, virtually overnight, in times of war. Using that power governments could put vast

sums of money directly into the pockets of people lower down on the economic scale. That would be quantitative easing for the people.

Quantitative easing for the people on continuous basis would give money directly to ordinary people for them to spend as they see fit. This would put more money into the economy in the right place for encouraging more and better consumption, thereby reinvigorating the economy. Much of this added consumption could go into green economic measures such as the purchase of solar panels or the planting of trees.

Quantitative easing for the people is not the same as a basic income approach, but it has some similarities and, with some adjustment, it could become a good form of basic income.

If so decided, the large-scale input of money into the accounts of ordinary people could be financed entirely through the creation of money out of thin air, something that is always the government's prerogative. Once you note this, however, you have to consider the problem of inflation. Countries such as Zimbabwe and Argentina and Venezuela have experienced nasty consequences from inflation brought on by governments too eager to create money. So money creation has to be handled in a carefully balanced way and with a keen regard for the dynamics of the economy as a whole. The key point, though, is that government does have this money creation capability.

A guaranteed living income programme for everyone could take the form of a "benefit" provision within the income tax system. Or it could be provided as a monthly cheque much like Old Age Security. The exact method of delivery would need to be worked out carefully. If possible, it would take advantage of existing government systems such as the childcare allowance system that could be expanded to include a proper guaranteed income programme. The important point would be to have a mechanism that would work effectively and would be seen to work effectively.

A guaranteed living income programme might be started almost immediately for a given group of people (seniors? veterans?). It could then be expanded over time gradually to take in varied programmes. The total length of time for a full phase in should not be longer than about five years. It should certainly not drift into decades. Nor should it be preceded by so-called 'pilot programmes' that just delay things.

If such a programme were launched by the federal government (preferred), provinces and territories might deal with it on an opt-in basis, but the federal government, as the government for the entire country, would be

fully in its rights to set up such a programme on its own, even without the support of all the provinces and territories.

It's easy quickly to denounce a proper guaranteed income as unrealistic and unaffordable. Various authority figures and institutions are glad to do just that. Given detailed financial and legislative work, though, it would work and it would be affordable, especially for a wealthy nation with the means to handle such a measure responsibly. It's possible that in the longer run it could even pay for itself. The key issue is to have leadership in our society that is willing to bring it into being. The question then becomes: *Where is that leadership?*

### ***Ontario's experimental income 'pilot'***

In a speech given in Hamilton, Ontario, on April 24, 2017, Premier Kathleen Wynne made an important announcement. She stated that Ontario would be undertaking a pilot study on the impact of a basic income plan for about four thousand randomly chosen people. This was to start, at the earliest, in the summer for two of the selected cities. This pilot approach would last for three years. An additional pilot would likely start in the fall for an Aboriginal community.

The chosen cities for the basic income pilot were Hamilton, Lindsay and Thunder Bay. Lindsay would come into the pilot picture in the fall. The idea was to find out what impact a steady income would have on people and the community they lived in. In the famous Mincome experiment in Manitoba of the late 1970s, participants had been tracked carefully and had been obliged to respond monthly to detailed questions to determine how they were living their lives and whether they were working while receiving a guaranteed income. Presumably, the idea was to do the same for the experiment in Ontario.

The Ontario programme was to be aimed at single people earning less than \$34,000 a year or couples earning less than \$48,000 a year (note that couples were not to be paid at the same level as two individuals). It was to be specifically targeted and conditional, not universal. And, of course, it would be carefully monitored.

Under the terms of the pilot, single adults 18 to 64 would receive up to \$16,989 annually—couples would receive up to \$24,027 annually. (Treated as individuals, couples would receive \$33,978 a year. Presumably, lower costs for people living together as opposed to their living apart were being taken into account. Still, this opened up an area for potential

abuse, which would have to be ‘policed’.) The amounts on offer were well below the *Low Income Measure* (\$22,633 for an individual). No explanation was given for selecting this low pilot figure, but it likely was meant as an extra inducement to force people to seek work (whether jobs were available or not).

If participants in the pilot earned extra money, their basic income would be reduced by 50¢ for every dollar earned over the prescribed amount. This opened up yet another area for careful policing. Recipients would have to report their income status regularly to ensure that they stayed within the given guidelines. This experimental programme was definitely to be conditional. Further, if people earned money beyond their prescribed individual income, they were, in effect, to be taxed on that extra income at a level of 50%. This was a far higher rate than that levied on multi-millionaires.

People with disabilities were to receive an additional \$6,000 per year under the plan outlined by Premier Wynne. As a flat sum, this appeared reasonable. But it may not have taken into account levels or kinds of disabilities. In some cases, \$6,000 would not be enough. In other cases it might produce a small surplus for the person involved. Of course, to receive this extra amount, people would have to prove that they were disabled and needed to be considered ‘officially’ disabled—another area to be policed. People with disabilities that hampered them in their daily lives, including work activities, could well be left out because their disabilities were not judged to be severe enough—more policing.

Note a couple of important themes here. The pilot income programme was intended to be an alternative means of providing income support. So it was conceived as a low-income relief measure. It was also meant to find out whether people got jobs more successfully. Here we have present-day echoes of the sixteenth-century English poor laws. Right from the start, then, the Ontario experiment in ‘basic income’ would be limited by ideological considerations.

The estimated cost of the pilot programme to the Ontario government was \$50-million. This was affordable. It was also less than the amount of annual income of some top executives these days. Additionally, it kept within the limiting bounds of an austerity-minded government. Neoliberal ideology appeared to be involved and, of course, the interests of the financial community on Bay Street.

Such a low figure for the income pilot was meant to convey to the pub-

lic that the government was being careful with the people's money. So it fell into the centuries-old tradition of making sure the poor did not receive too much.

The amount for Ontario's basic income pilot paled in comparison to the massive amounts of money to be spent on refurbishing old nuclear generating plants. It seemed that old and dangerous nuclear plants were more worthy of money than thousands of people who were less well off. Radioactive structures triumphed over flesh and blood people.

The provincial NDP and Progressive Conservative parties indicated general support for the pilot programme. With a provincial election looming in 2018, this was good to know. Still, there was no guarantee that a different government with a different agenda might not alter some of the provisions of the income pilot. The way the programme was policed, for instance, could be modified in a more limiting way. Or stigmatization of recipients could be made easier.

In her speech of April 24, 2017, Premier Wynne declared that the pilot programme would:

*"... help the government determine whether a streamlined approach to delivering income support improves health, education and housing outcomes for vulnerable workers and those on social assistance.*

*"The plan is also designed to test whether providing an income floor below which nobody can fall improves job prospects for those living on low incomes."*

Premier Wynne noted that about 70% of Ontarians with low incomes had jobs. Their jobs just didn't pay them enough to keep them out of poverty. Her statement refuted the common belief that getting a job was all you needed to escape poverty. Interestingly, by admitting this fact, the Premier opened the door to the idea that the Ontario pilot could form a subsidy programme for those who worked for companies that offered jobs of lesser quality. In that case, would it really benefit the employees or the employers? Time would tell. Perhaps this was a matter that those policing the programme would be on the lookout for.

The Ontario pilots show that the concept of a basic or guaranteed income is taken seriously by higher-level politicians, at least from the standpoint of appearances. That, in itself, is positive. Unfortunately, it also means that a certain type of basic income appears to be taking hold in the minds of those politicians. Clearly, they seem to regard it as a form

of poverty relief, a means of replacing old-style social spending with a new type of social spending, possibly at lesser cost.

‘Framing’ is basically the process of setting parameters around a given issue—of defining what it actually means. The Ontario government has now set a frame for basic income. This frame is meant to be the defining limit for any basic income discussions. Many, including those who consider themselves supporters of the basic income concept, will duly contain themselves within this frame. Prominent members of the BICN (Basic Income Canada Network) have already publicly done so.

Ontario’s basic income approach, as now framed, could actually delay meaningful reform of social programmes in the province for some years to come. Some might question whether the Ontario experiment is worth undertaking at all, given that so much good information has now been accumulated in the world about the concept and benefits of a guaranteed income plan.

Poverty is not being fully addressed, although the ‘basic income’ pilot has been set up as a poverty relief programme. But 4,000 or so people out of a total of close to 900,000 people on low and very low incomes in the province is meaningless. Here we’re dealing with less than .5% of the actual population that could use a decent income boost. Does this mean that the Ontario basic income pilot, promoted with much ballyhoo, is actually a kind of red herring meant to make people think that income inequality in the province is actually being dealt with?

Unless new and more meaningful income initiatives are introduced, gross income inequality seems set to continue in Ontario and in Canada as a whole. Who, exactly, does this benefit?

At the moment, when official discussions about basic income do occur they do not focus on something that would be universal. Nor are they focused on a programme that would ensure all Canadians had an income set above the poverty line. The Ontario pilot programme falls within these limits. By deliberating framing basic income within a tightly restricted and well-policed structure, the Ontario government has sought to limit the very definition of a basic income programme itself. So far, they seem to have been successful in doing so. Their success in this defining process has been reinforced by the public support provided by prominent basic income advocates.

By the fall of 2017, it was clear that the Ontario pilot programme had run into severe teething problems. People were slow to sign up.

People on social assistance or disability support were fearful that they would lose their assistance and support and some linked extras if they signed up. They knew there was a three-year limit on the length of the programme, and they weren't sure what their income sources would be once the programme ended. (Neoliberal planners, of course, would be hoping they would obtain jobs during the three years and not require financial assistance beyond that time.) An added worry was that another party coming into power in the spring of 2018 would not necessarily continue the pilot programme in its originally-designed form.

In February of 2015, a federal election year, the federal Liberal Party voted in its Montreal convention to support the idea of a basic income programme for Canada as a whole. Their support was greeted with some enthusiasm. Once in power, however, the enthusiasm disappeared and the Liberals put basic income, in any form, on the back burner and turned it down low (possibly off). Early in 2017, Finance Minister Bill Morneau, flatly stated that he was *not* considering a basic income programme. It seemed that the earlier enthusiasm for the idea had evaporated.

One of the considerations for the federal Liberals was the impact of the Ontario basic income pilot. They could conveniently sit back and wait for their provincial brethren to prove or disprove the concept without too much political damage.

Subsequently, when the premier of Prince Edward Island asked for federal help in setting up a basic income programme in his province, he was turned down flat. Clearly, Liberal Party resolutions were one thing, Liberal Party actions were quite another.

Far from being enhanced, the prospects for a universal, unconditional, and livable guaranteed income programme in Canada had been dimmed. And the Ontario pilot had played an important role in bringing about that dimming. In essence, it served as a convenient political delaying mechanism. Even so, the basic concept had not died.

### ***A viable and continuing concept***

A guaranteed, universal, and livable income in Canada is not in the cards right now, although elements of support are showing up here and there. Those in power have not seen fit to support the concept except in the limited terms of their definition of a basic income as a poverty-relief measure, and they're applying delaying tactics of one type or another even for their limited version. Indeed, they have seen it as a threat to



their positions of power because it would have a direct impact on the workings of our economy and it would provide meaningful support to millions of people, thereby encouraging them to become more active, socially and politically. It would mean revolutionary change, and some of those in power today might see their positions of power lessened, even removed altogether.

Dr Rick Boettger (*The Deficit Lie, 1994*) set out much evidence concerning the possibility of intelligent wealth distribution in the economy. He underlined the point that democracies, in theory at least, “own” their countries. For this reason, the will of the people should be sufficient to make something like a guaranteed annual income viable and possible. Could it be that the will of the people simply doesn’t support this concept? If so, why would this be? Boettger noted:

*“The truth is that we have enough real wealth as a nation that we can distribute and share it among ourselves, like Social Security, on the grounds of our mere citizenship rather than as a reward for continuing labor. We, the people, own this country.”*

Dr Boettger was speaking about the United States. But his words fit Canada just as well. Do Canadians as a whole “own” their country? If all Canadians have an ownership stake, then they deserve to benefit fully from that stake—they’re shareholders in the national enterprise. (We should note that this question of national ownership may well be threatened by the provisions of so-called free trade deals.)

Is the idea of a proper guaranteed income programme in Canada dead and buried? Not at all. No one can kill an idea once it comes into being, especially if it’s a good idea. It is carried forward in millions of minds and remains in common memory. More than that, many people remain active in promoting the creation of a guaranteed and livable income programme for the country as a whole—for everyone. Those people have not gone away. They have not given up or surrendered.

Poverty, income insecurity, and lack of good opportunities for everyone continue to haunt our society. But times are changing whether we want them to or not. We are now at the point where a wide sweeping shift in the income structure of our society as a whole has become necessary. A proper guaranteed income programme would provide that sweeping change.

Resistance to the concept in its fullest form is still strong and is likely to continue, given our existing political and social realities. But that resistance is slowly crumbling. The blocking forces of negativity hold sway for the moment, but they are weakening. Continued broad-based effort will gradually win through, just as the pounding waves of the ocean will slowly wear away the mightiest and most solid of rocky shores.

## 4 What About Jobs for Income?

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*“With North American workers experiencing little or no growth in their real wages over the past few decades, middle-class families now typically need two earners to keep up the material standard their parents achieved with one. So if they’re holding ground, they’re doing so by working much harder.”*

*Linda McQuaig and Neil Brooks  
The Trouble with Billionaires, 2010*

If people had a legally guaranteed and livable income might they refuse to take a job if one were available? Let’s think about that. An important question here is: *What kind of job?* If you’re talking a shit job, then it should be a quite acceptable for someone to be able to refuse that job. After all, why would it be a good thing for someone to force someone else into lousy work? That’s a step towards slavery.

If you’re talking about a decent job, that’s something else again. For the most part, when it comes to thinking about the willingness to work, we should be considering decent jobs and their availability, not shitty jobs.

Many people are distrustful of those on low incomes. They believe they’re always out to rip off the system. A few continue to believe the old fable about people on welfare sitting back and doing nothing but sipping on beer and maybe enjoying a smoke.

In general, we can say that the great majority of people, rich or poor, want to work. They need the feeling of doing something worthwhile, of making a contribution. Very few people sit around and do nothing. The tiny number that does can be poor or rich. They might drink beer or champagne.

Much depends on the nature of the work available. Shitty jobs are not attractive. But decent jobs certainly are. The question of working, then, is mainly a question of the types of jobs on offer. The late Jim Flaherty as Finance Minister a few years ago, said that any job was a good job. This was and is flat out nonsense. Jobs that violate environmental laws or ruin someone’s health are certainly not good jobs. Such jobs should not even exist. Attempting to force people to take such jobs is unconscionable.

The question of willingness to work has more to do with the nature of

the work provided than with the inclinations of the potential worker. If people already have livable incomes, most of them would still want to work at decent jobs. Idleness, among other things, can be a recipe for boredom. The fundamental point is to make sure decent jobs actually exist.

In our day we cannot provide enough decent jobs for all who are qualified and would like to obtain those jobs. This is another reason why a good guaranteed income programme makes sense. We now have the continuing reality of unemployment (real and not just ‘official’), misemployment, and the slow rise of discouraged workers. We also have too many jobs that are poor jobs and that don’t pay living wages. Willingness to work isn’t the moral problem that so many people like to think it is. The problem is that we’re just plain not providing enough decent jobs for the number of qualified people who now make up a significant proportion of our population.

### **Work and wealth**

For a long time we’ve been able to equate work with building up wealth. If you work you earn money. If you manage your money well, you can become wealthier, possibly even rich. Improving your skills and formal qualifications fitted well with this concept. Graduate from college or university and you’ll increase your earning potential. All these ideas have been perfectly valid for a long time, and they still have some value, but not nearly as much value as they had years ago.

Towards the end of the eighteenth century, Adam Smith (*Wealth of Nations*, 1776) observed that:

*“Labour was the first price, the original purchase money that was paid for all things.*

*“It was not gold or by silver, but by labour, that all the wealth of the world was originally purchased;*

*“... and its value, to those who possess it and who want to exchange it for some new productions is precisely equal to the quantity of labour which it can enable them to purchase or command.”*

In our own age the solid connection between work and wealth has become shaken. Derivatives and various other financial devices such as credit default swaps, have changed how money operates in our world. In fact, we’ve managed to bring in a focus on gold and silver in the form of

different financial ‘products’ that now exist on countless computer systems worldwide. Increasingly, we also have modern versions of gold and silver existing in cyberspace. Cyber-currencies such as Bitcoin are growing all the time. Then too we continue to have old-fashioned gold and silver themselves, with some countries, such as China, working to build up their stockpiles of these precious metals.

Wealth for individuals now includes large and growing amounts of inherited wealth. This is a factor that expert commentators such as Thomas Piketty have raised serious concerns about. The growing amount of wealth from inheritance slowly seems to be rivalling, even outpacing, the growth of wealth through other means.

The traditional link between labour and wealth has been weakened—some would say decisively so. In this grand age of high finance, your ability to manipulate large sums of money or to create ever newer financial ‘products’ has become a viable path to extraordinary wealth. People can work hard and become highly qualified, but if they don’t connect well with the world of finance, their efforts could be in vain. Worse, given the problems of unemployment and underemployment and misemployment, qualified people may not even get the opportunity to earn good money through applying their hard-won skills.

A long-standing social contract, the idea that you just needed to get a good education and work hard, has been badly damaged. Under present conditions there is a risk that this contract may be destroyed altogether.

When people are concerned about the importance of ‘getting a job’, they have a legitimate point. The trouble is that major changes have occurred in our economy and in our society. The notion of getting a job isn’t as straightforward as was once the case. Nor is the idea of becoming educated or highly trained the answer it once was. Education and training can no longer be considered the sure-fire keys to a bright future they were in years past.

Fundamental issues around employment and the rewards for work have changed and show few signs of changing back to the realities of an earlier time. Attitudes change slowly, especially when it concerns beliefs that have held true for so long. But now we’re in a time of needed change—in attitudes and much else.

### ***The impact of technology on jobs***

Given continuing technological advances, we need fewer and fewer humans to provide our goods and services. Robots and automated controls of different kinds are hard at work everywhere. Artificial intelligence often now rivals human intelligence. The need for human workers, for real human beings, grows less every day. What to do with all those flesh and blood people? Does it really make any kind of sense just to ignore them, to let them flounder?

On December 1, 2016, in an article in *The Guardian* entitled *This is the most dangerous time for our planet*, Stephen Hawking said:

*“The automation of factories has already decimated jobs in traditional manufacturing, and the rise of artificial intelligence is likely to extend this job destruction deep into the middle classes, with only the most caring, creative or supervisory roles remaining.”*

As a world-famous physicist, Hawking knows a thing or two about science and technology. In his work he has an intimate connection with where things are going. He doesn't declare that all jobs will disappear. But he notes that there will be fewer jobs because artificial intelligence in all its forms is increasingly capable of taking on jobs that once needed humans. We just need to think of driverless trains, airliners, ocean-going ships, and cars to identify a few areas where humans are no longer necessary (although some would be needed in ground stations of various kinds).

In Japan, experiments are taking place with robot waiters that can move around to tables in a restaurant, take orders, and return from the kitchen with the orders filled. Perhaps robot nurses will soon roll around in hospitals or long-term care homes to check on patients or residents and look after their immediate needs, such as proper medications administered at the right times. People can now check their own blood pressure and heart rates in their local pharmacies using machines. Perhaps machines will soon be able to roll up and take blood samples for testing by other machines.

Computers can now interview patients to find out their symptoms and to identify possible causes, which human doctors can then review and select for diagnosis. In time it's even possible that artificial intelligence will allow machines to become better diagnosticians than humans. Increasingly, computers can pass the Turing test of being indistinguishable for patients from human interviewers. In time, computers will have increased

capability in managing medical issues of one type or another. Perhaps future hospitals will have far fewer human staff running around.

In the legal field, computers are now able to review past court decisions to arrive at selected precedents that lawyers might use in their legal activities. They can also look through vast knowledge bases of laws and regulations to find legal points pertinent to particular cases. It is even possible to imagine a future court where judge and lawyers as well as court recorders are all robots. Perhaps courtroom security will be provided by robots as well.

These days about 80% of trading handled by our stock markets is handled by computers applying pre-set algorithms. When media reporters breathlessly talk about rising stock markets, they should keep in mind that it's computers with their algorithms that are mostly doing the trading, not people like Joe Six Pack sitting in his basement office in Moose Jaw. It seems that robots and automated systems really are everywhere, and their population is growing.

In essence, almost no job we can think of can remain unaffected by the advancing reality of artificial intelligence in robots and elsewhere. This raises an important question about what jobs are left. Where and for what purposes are humans actually needed?

Let loose, artificial intelligence is capable of wondrous feats, dealing with things that were only seen dimly as being achievable a few years ago. Indeed, the possibilities now seem to be limited only by the limits of our imaginations. Some researchers even declare that machine intelligence will soon exceed human intelligence, if it has not done so already. At that point will machines take over to be our rulers? Science fiction might well become science reality. Carbon-based life forms versus silicon-based life forms.

Robots love to work. They rarely complain about their working conditions (although they can be susceptible to excess heat or too high levels of particulates in the air), and they're capable of working round the clock without tiring. Where they can do the jobs that used to be done by people, they will increasingly move into those jobs unless humans act deliberately to prevent this. (Robots might be particularly useful for handling shitty jobs.) But opposition to robots would not likely prevail in the longer run. We can remember that about two hundred years ago the Luddites were crushed and pushed aside by overwhelming armed force. People lost their jobs to machines no matter how much they opposed this kind of 'progress'.

The primary use of new technologies is to replace labour. This gradually leads to more unemployment on a large scale. Karl Marx emphasized the question of the ownership of the “means of production”. Today, that increasingly means robots. In essence, we’re looking at a future where a few people own the artificial means of production, benefit richly from that ownership, and provide fewer and fewer jobs for flesh and blood people.

Technology does put people out of work. Industrialization in the nineteenth century put many people out of work. But the new factories also employed many people in jobs that hadn’t existed before. Overall, people became richer and healthier, although some of the early stages of the world of factories were abysmal in human terms. ‘Dark satanic mills’ really did exist in large numbers for some time.

Some critics, such as Andrew Coyne, a prominent columnist with the National Post (and an invited guest at the Bilderberg meeting in Austria in 2015), scoff at the idea of a dearth of jobs as technology advances. (One is tempted to ask who might know more about the impact of artificial intelligence in our future: Andrew Coyne or Stephen Hawking?) Apparently, we just have to wait for those new jobs to show up—and wait. The types of changes we’re contemplating now, however, are unprecedented. So far, the wonderful new jobs we’re supposed to see are in short supply. Given the astounding and far ranging capabilities of artificial intelligence, many, if not most, of those new jobs are likely to go to intelligent machines.

Gwynne Dyer, the noted historian and long-time media commentator, came out strongly in support of the need for a universal basic income in his blog on June 6, 2016. He scoffed at the notion that new technology will always create more jobs than it eliminates. In his view:

*“The old argument in defence of technological change – that it creates more new jobs than it destroys – no longer holds water.”*

Grimly, the ancient Romans had a kind of equivalent technology situation. In their case it took the form of a massive number of slaves. People forced to work at all sorts of jobs, including knowledge work such as medical practitioners or legal experts, were in plentiful supply. So job openings for paid and free workers were restricted as a result. This meant that many Romans were left unemployed. Many became part of the Roman mob, a drifting mass of unemployed people. Members of the



mob were for hire by the rich for different purposes, including voting, demonstrations, beating up rivals, and riots.

Some historians have speculated that, except for the existence of slavery on a large scale, Rome could have developed an industrial revolution centuries before the age of steam gave us what we now refer to as the industrial revolution that began in the eighteenth century. Steam technology existed in the Roman Empire in the form of Hero's steam engine, and the Romans had some preliminary ideas about division of labour and the early techniques of mass production. But slaves were so plentiful and so cheap! Who needed machines to do the work that was needed?

Will advancing technology become plentiful and cheap in our own time? Will robots increasing become our version of the ancient Roman slaves? Will an increasing number of people remain jobless to form a modern equivalent of the Roman mob? Blind or uncaring political policies could easily lead to such an outcome.

Machines, even highly intelligent ones, need to be built, programmed, and maintained. That means a certain number of jobs for highly trained people. But the number of new jobs created will not replace all the jobs that will be eliminated. Further, there is a kicker. More and more machines are capable of building other machines and programming them and maintaining them. The human factor is becoming less and less necessary even for producing robots and machines with artificial intelligence. Indeed, some now predict that almost all jobs will be done using artificial intelligence by the middle of the twenty-first century. What to do with all those unnecessary people?

Some jobs such as sweeping floors, repairing doorways or stairs, or other such good housekeeping tasks may continue to exist for a while. Still, you can now purchase robot vacuum cleaners that will happily roll around on their own on your floors to pick up dust and other routine bits of small debris. How long will it be before other robots can carry out routine household maintenance and repairs?

Other jobs may continue to exist in the service industry in providing service in fast food restaurants or looking after service stations or parking lots, although these too are also being replaced by technology. Years ago people filled up at gas stations with the help of attendants who came and filled their tanks for them and collected the money owed. Now people routinely fill their own tanks using automatic pumps with no need for attendants. They can also pay automatically if they wish. We're

now well used to working with automatic teller machines instead of human tellers. Our supermarkets are installing automatic checkout aisles where customers are invited to check out and pay for their groceries without the need for a human cashier. The list of such innovations can go on. The basic point, though, is that human beings are being replaced in their jobs by smart machines on all sides.

Many jobs that do continue to exist are precarious; here today, gone tomorrow, along with the employees and often the employers (some of whom may skip town without paying their employees). They also tend to be poorly paid jobs. If people can't earn enough to live on at a modest level through work, what are they to do? Perhaps they can upgrade their skills through education and training endeavours, but that provides no guarantee they will find work matching their new skills. In fact, they may find that they become long-term unemployed even though they may be highly skilled unemployed. The added nasty bit here is that their hard-won and increasingly expensive new skills may well deteriorate over time through lack of use. At the same time they may be faced with a higher personal debt load incurred in acquiring their training and education. Without decent work, they may lack the financial means to pay off their debts.

Entire factories can now produce an amazing number of items with precious few people involved. A large supertanker can be handled at sea by a small crew of perhaps fewer than a dozen sailors. Existing work in countries such as Japan may soon permit such huge vessels to venture out to sea without any human crews at all. Many loading and offloading jobs in different ports can now be handled automatically. Long freight trains can operate without any humans on board. Sizeable factories and distribution centres now need far fewer human beings to make them run, and they produce or deliver many different products. The list goes on and on, and good jobs continue to disappear.

Should our policy makers continue to shrug and say "It will all sort itself out, just as it has in the past". Is it not just possible that this time is different? Is it not possible that this time the nostrums of the past will not work, cannot work, that the technological changes now upon us are of such a nature that they're unprecedented in human history and demand an unprecedented solution?

***What about jobs created directly by government?***

Governments could create jobs directly. This was certainly done in the

past. We still have buildings and other structures from the 1930s that were built with direct government intervention. Under emergency conditions, such as wartime, governments can create jobs, and lots of them.

In keeping with the strictures of neoliberal theory, politicians are now reluctant to allow direct government job creation. Slowly, very slowly, the private sector is supposed to provide the jobs we need. Privatization is the prevailing mantra. Besides, many commentators assert that government jobs aren't 'real' jobs. So soldiers, police officers, fire fighters, teachers, paramedics, food inspectors, and more don't have real jobs. For neoliberals, only the private sector creates jobs that are real.

Most of the jobs that are created by the private sector these days are not particularly secure, nor do they offer good benefits. In many cases they simply add to the number of people engaged in precarious employment. Still, they're entered into the official statistics as proper jobs.

Not all private sector jobs today are safe from a health and safety perspective. Some of them, such as the dumping of toxic garbage such as radioactive or biological waste are dangerous to our health, harmful to the environment, and downright illegal. Nevertheless, many believe that it's right to force people to accept such jobs as "good" jobs.

As the private sector creates the kinds of jobs it values, the government sector now sheds jobs by the thousands. Inspectors and regulators of various kinds are shown the door as are environmental and health experts. In many areas teachers are thrown out of their jobs. The nuclear industry is gradually being placed in private hands. (The Fukushima nuclear plant that exploded so disastrously in Japan in 2011 is privately run and owned.) The mania for privatization continues even as childcare and social work are short-changed, and clinics are left without the funds to hire qualified staff.

Government could directly create jobs, many needed jobs. But the temper and attitudes of our current leaders don't permit this, although the public in general may be in favour. From the standpoint of society as a whole, this is a serious and self-inflicted failure.

### ***It's their fault!***

Right now we seem to have a "blame the victim" approach to the issue of people being able to find good jobs. This approach supposes that if someone can't find a decent job, they're not trying hard enough, they're not being persistent enough, they're not presenting themselves well enough. They just need to keep at it and they will find the job they're

looking for. There is no such thing as unfair discrimination in this view. All is fair, and there are plenty of good jobs for those who will accept them. All of these notions fly in the face of today's reality.

At times, critics in the press and on television or radio will say that people looking for work shouldn't be so fussy. They shouldn't expect to find decent jobs. They should take the jobs they can get despite low pay and no benefits. The claim here is that these types of jobs will lead on to better positions, to decent jobs. This kind of progression does sometimes happen. Most of the time, it does not, and people can end up being stuck in poor jobs for years. At some point, if they dare to quit, they may find that they're punished with a denial of employment insurance benefits.

Some people maintain that there are jobs available that are going unfilled because people with the right qualifications can't be found to fill them. In this respect we can also note that corporations have cut back severely on their own training activities in recent decades. They used to provide a sizeable amount of needed training for their own employees, but in this day and age of precarious employment, they prefer to find people who already possess the skills they need, even if they import them from other countries. At the same time, many top executives like to lambaste the formal education system for not providing them with plenty of people with precisely the right skills for their particular industries. They make these demands even though formal educational institutions can rarely be completely precise in the specific technical issues of designated industries.

Is it possible that there really aren't enough jobs to go around? If that's the case, and it certainly seems to be, then it's a form of cruelty to punish people for not being able to find work. A good dash of reality seems to be in order here—for the critics.

Of course, if people are willing to work for nothing or for less than living wages, they might find some menial kinds of work. If they have good qualifications, they might find higher level jobs if they're willing to accept low pay or no pay at all. The job market these days certainly isn't what it used to be.

Cajoling people into looking for work by various means when too little work is available is no solution for an enlightened society. It's a form of harassment and it's a way of blaming the poor and unemployed for not being able to find work, decent work. At the same time it provides an

excuse for those in power to do little to be helpful, such as making sure real employment opportunities do exist in sufficient numbers.

In particular, the employment situation for the disabled in Canada is far less than satisfactory, most would say it's shameful, and this has been the case for many years. Again, we have here an area where fine and seemingly supportive speeches are made from time to time, yet little changes as the years go by. Raphael and Mikkonen observed:

*“Over 40% of Canadians with disabilities are not in the labour force, forcing many of them to rely upon social assistance benefits. These benefits are very low in Canada and do not bring individuals even close to the poverty line in most cities.”*

*Social Determinants of Health: The Canadian Facts, 2010*

Seven years have now gone by since Raphael and Mikkonen wrote those words, yet little seems to have changed. Why is this? Why would anyone with the ability to read the numbers seek, in effect, to punish the disabled? Is there a message here that people should not become disabled, that they should not even be born that way? Perhaps top politicians and civil servants believe there's a magic potion somewhere that can remove whatever disabilities people must cope with, and that all the disabled have to do is to take the potion and get a job.

Bashing the less fortunate for their circumstances didn't work in the past, and it will not work today. The stigma approach, so favoured by many, is not worthy of the kind of society we claim ourselves to be. And this kind of approach certainly won't work in the future. In fact, persisting with the traditional approach to income inequality and the problem of so many people being left behind economically runs the real risk of our losing cohesion as a society. Significant societal breakdown then becomes a virtual certainty, complete with protest marches, roaming armed gangs, and large-scale rioting, possibly even rebellion and revolution. Sometimes people do reach a point where they can't take it anymore.

### ***Politics and the beliefs of people with decent jobs***

In dealing with the question of the availability of decent jobs, we need to affirm that such jobs do exist, and people with the right qualifications can obtain them. The problem is that not everyone with the right qualifications can obtain them. Many worthy people are just plain left out, and this is especially true of those who face discrimination, including people of colour, the disabled, people from the LGBTQ community, and more.

People in employment, good or bad, are in the majority of the population of working age. Their opinions matter politically. So politicians will put a lot of effort into persuading them of different social and economic ‘realities’.

In the case of people who hold good jobs, persuasion techniques will tend to emphasize that they have good jobs, and they worked hard to obtain them, so why can’t others? This can be a seductive argument and will likely attract a good many adherents.

People with not-so-good jobs may hear a message of hope for their future. If they will only persist in their lousy jobs, they will eventually achieve the kind of job they really want, especially if they continue to work on improving their skills.

Those who are reasonably content with their lives and their prospects might be termed the ‘contented’. They may not have achieved everything they want, but they believe they’re in reasonably good shape. And they form a majority of the population. So if politicians can gain their support, those politicians are likely to obtain political office. A society can have many ills, but if the contented can be persuaded that they’re not doing too badly and that ‘something’ is being done for the less fortunate to ease their consciences, their contentment can continue.

John Kenneth Galbraith noted some years ago (*The Culture of Contentment*, 1992):

*“The first and most general expression of the contented majority is its affirmation that those who compose it are receiving their just desserts. What the individual member aspires to have and enjoy is the product of his or her personal virtue, intelligence and effort.”*

Our society as a whole will continue to function with its existing realities, despite extensive human suffering, as long as our political system works to obtain the consent and support of the contented majority. If that majority becomes sufficiently concerned, however, political change can occur. Here is the crux of the needed effort to bring about the kind of transformative change that would take place with a worthwhile guaranteed income programme. Good information and worthwhile education for the majority of the population are vital. And such information and education must penetrate the mass of fog generated by the powerful network of neoliberal adherents.

### ***A demand for new thinking***

The economic techniques and “solutions” of the past will not continue to serve us in our unfolding future. We need to be working through and applying some radically different economic policies to meet the demands of our radically changing world. Doing little or nothing at all about our continuing socio-technical changes and consequent income problems provides us with no solution at all.

New thinking, daringly new thinking is needed, not calming words from politicians or corporate leaders. Tiny experiments or little adjustments here and there will not suffice. They cannot go nearly far enough. They’re the equivalent of tiny band-aids on gaping wounds. Too much blood will continue to gush, so much that it will simply float the band-aids away.

The kinds of changes we’re now experiencing in the flows of money and the increasing number of people being bypassed by those flows of money is unprecedented. Will people really sit back and not complain as they’re left outside the economy they see moving along all around them? Will they really continue to believe in ‘solutions’ that haven’t worked for over twenty years? Will young people, in particular, continue to tolerate unpalatable income conditions for the sake of the supposed wisdom (and financial comfort) of their seniors? Will the contented continue to sit back in their contentment?

Television commercials for new cars or wonderful vacation spots can be enticing. But for many people they can also be forms of mental torture. These wonderful things are out there, but they’re reserved for the special ones, those who actually have good jobs, decent incomes, generous inheritances, or decent portfolios. Those without the money can just enjoy the sounds and pictures whilst knowing they cannot actually live the lives portrayed by those sounds and pictures.

People with little income can too easily become outcasts in our society. They cannot participate fully and may well be ignored or pushed aside. When that happens to a society, it is no longer inclusive of all its citizens. As Wilkinson and Pickett said in their groundbreaking book *Spirit Level (2009)*: “*Unfairness, inequality and the rejection of co-operation are all forms of exclusion.*” If we think we should exclude many people from the fullness of our society, set up an income apartheid, that’s one thing. But if we value having a society of cohesion, that’s something else.

Advances in technology and the ever-downward pressure on the number of decent jobs available continue. Severe inequality, under present

circumstances, looks set to continue well into the future. Discontent in our society is growing. Election upsets are now giving vent to that discontent in different places. Will that venting go left or right?

So far, much of the reaction by those in power seems to centre on beefing up security in one way or another. The police and military undergo expansion and are equipped with ever more weapons. 'Terrorism' is declared to be the threat of our times, so more police and soldiers are needed. But, we've seen that all that increased security state power can be deployed against different kinds of civil protests, even non-violent ones. Is that power really wielded to keep unruly and discontented people in their place? Is the answer to increasing inequality in our society really one of violent repression? Is that the kind of society most people actually want to live in?

We need to focus on dealing in a level-headed way with the flows of discontent now surging in society. Acknowledging the power of that surge and then working to engage that power in a constructive manner are essential at this point. Otherwise, some brutal developments could take place, and these would not likely lead to happy consequences.

In his 2010 book, *Freefall*, Joseph E. Stiglitz emphasized the point that the world had a productive capacity that wasn't being fully utilized. In part this meant that the skills of hundreds of millions of people were not being utilized either. People and their skills were being wasted.

*"The world's productive capacity is being underutilized, in a world in which there are huge unmet needs."*

If we are not using as much of our productive capacity as we could, this means that jobs are not being created, even though equipment and plants exist that are simply not being used. Goods will not be produced or services provided if the consumer demand for them is not there. And the consumer demand will not be there if the consumers or would-be consumers lack jobs or decent incomes.

When a significant amount of our productive capacity lies idle, yet too many people lack good jobs and many people could use the products that the unused capacity could provide, something has definitely gone wrong. Our economic system is unbalanced. More income and a more equal distribution of that income would definitely help.

We can do better than to ignore people with low or no incomes. We can do better to support people with jobs who cannot make ends meet financially. We can do better in developing the necessary infrastructure



to cope with a changing climate. And we can do better for our economy by ensuring that economic demand is strong enough to buy all the goods and services we can now produce, taking better advantage of our real productive capacity.

If decisive measures were taken to make our activities in the world more sustainable and climate friendly, many more jobs could be created. Already, in the United States, the number of jobs in the solar and wind power industries outstrip the number in the coal industry. These may be different jobs from the ones we're used to, but they're generally good jobs and healthy jobs, and they're certainly worthwhile.

A more inclusive society would give us the groundwork for a robust economy, one that would benefit everyone and not just a pampered or chosen few.

### ***Do people really want to work?***

Cost is an important consideration when it comes to a proper guaranteed income programme. So is the question of 'willingness to work'. Would people refuse to take a job because they already had a livable income? Perhaps they would if the job being offered were not a good one. And people should be in a secure enough financial position to make such a choice. They shouldn't be forced to take shitty jobs. That kind of forcefulness has too many overtones of slavery.

Suspicion about anyone who needs social assistance is still widespread. The traditional notions of people having to work for their money remains strong. This passes over the point that many people inherit good sums of money to become independently wealthy and so don't need to work. Should such people work to show that they 'deserve' their inherited incomes? If people win a lot of money in a lottery, should they demonstrate to the world that they deserve that money?

If people receive a guaranteed, universal, and livable income, they would still be further ahead financially if they took paid work. Work pay would add to their total income. And they would have a good chance of moving up in the middle class. This would apply even if they experienced a rise in their income tax levels.

Some people like the idea of 'means tests' for government payments of any kind. The basic income pilots announced by Premier Wynne of Ontario in April of 2017 included a 50% claw back feature on income amounts earned beyond the prescribed basic income payment. Why is such a means tested claw back

approach needed? Are those in positions of power worried that people on low incomes aren't paying sufficient income tax?

People report their incomes on their income tax forms each year. If a progressive income tax system exists, then they'll pay taxes accordingly. No means test or claw back is necessary, nor is it necessary to have the extra bureaucratic structure to police the basic income system. (But then, perhaps the 'bureaucrats' involved are actually robots.)

Means testing smacks of the ancient idea of attaching conditions to any payments that may be interpreted as being welfare payments. It's like someone teasing a jumping dog with a treat that the dog may earn for being a 'good boy'. Why do people think it's a good idea to treat human beings this way?

A lot of people worry that if some people have incomes made available to them that will allow them to live their lives at a modest level, they will simply become idle layabouts. In reality, very few people are inclined to sit around and do nothing.

Ironically, one of the pitches that financial advisers of various types will use is to encourage people to save enough or invest enough to build up sufficient wealth so that they don't have to work. In this case, not working is held up as a virtue. A similar idea comes through with the enticements advertised to get people to buy lottery tickets. "Look! Win lots of money in our lottery and you won't have to work!" Again, not working is held up as an ideal to aim for, not something to be avoided. It seems that some people deserve not to have to work, whilst others must be made to work. Work is removed from some, but is imposed on others. What kind of judgment is being reflected here?

*"The advantage of owning things is that one can continue to consume and accumulate without having to work, or at any rate continue to consume and accumulate more than one could produce on one's own."*

*Thomas Piketty, Capitalism in the Twenty-First Century, 2014*

Work at a decent job has important psychological dimensions. It can bring personal satisfaction. It can bring real and personal recognition from others along with a sense of accomplishment. It might bring good relations with others, possibly new friends. And it should bring a decent paycheque!

Deciding what's actually a job is not always straightforward. If

you're a caregiver for someone close to you, do you have a job? If you regularly volunteer at a food bank, do you have a job? If you drive people to appointments for medical treatment do you have a job? If you do volunteer work at a blood bank, do you have a job? If you produce wooden furniture from your workshop because you enjoy doing so, do you have a job? If you work on bringing an idea into some sort of real form, do you have a job?

When you think about it, a lot of people do a lot of work without having jobs or being paid. Yet they produce things and they provide services. At the same time, their efforts, their work, will not count as part of GDP. Quite often they produce things or provide services that are needed, so they become valued contributors to society if not the economy. But for all their effort, their hard work, they're not recognized 'officially' as working at all and, of course, usually receive no pay.

When people volunteer to work with a given non-profit organization, they normally receive no pay. They work for free. Yet they make a contribution to their society through their work. All the same, they're not likely to be thought to have jobs.

Fiona Duguid, Bonnie Slade and Daniel Schugurensky presented a paper at the 36<sup>th</sup> Annual SCUTREA Conference (Standing Conference on University Teaching and Research in the Education of Adults) in Trinity and All Saints College in Leeds, England on July 4-6, 2006. In that paper they stated:

*"The recognition of the economic and social contribution of volunteer work, compounded with the new awareness of the impressive nature and scope of this contribution, are helping to recognise that volunteer work is indeed 'real work'."*

They directly refuted the notion that volunteering was somehow a kind of leisure activity that didn't count as real work. This opens up the question of pay. Not paying people who work as volunteers is held up as a virtue. Could it be that this virtue is actually, in many cases, yet another form of inequality in our world? Some volunteers would likely reject this notion. But what about the others?

Our society depends on many useful workers who are unpaid. In some cases they're 'interns', lured into working for free by the prospect of possibly gaining a paid job later on. Through their labour they contribute billions to our economy. At times, however, volunteers end up with insufficient money for their own needs. Young interns may well find that, after

months of hard work, no full-time and paid jobs open up for them. So they're thanked for their free labour and cut loose. They may well end up with the feeling of having been conned.

Should we encourage the employment of people for no pay? Is this fair? Does it help to solve the problem of inequality in our society? Might we not apply some fresher thinking to this whole area?

Too often, when political leaders of an austerity cast of mind are looking to cut the costs of government, they will think of using unpaid volunteers to do what paid employees did before. Technically, this is 'job substitution' and really amounts to an ugly and craven way of paying nothing for a job that used to have proper pay attached to it.

The assumption almost always is, of course, that volunteers are not paid. If people question this assumption, they're regularly informed that people should want to work for nothing as it provides a worthy contribution to the community. It becomes a 'convenient social virtue' (a phrase originating with John Kenneth Galbraith in connection with the fact that women have traditionally been expected to take on good work while being paid less than men or not being paid at all).

It seems that we must repeatedly emphasize the point that money is a product of productivity, just as Adam Smith tells us. If people are doing things, needed things such as caregiving and cleaning up the environment, they're working. And if they're working they should have money to compensate them for their efforts. Their productivity in itself justifies the provision of money for their efforts.

Sitting back and saying that only activities designated by the private sector can be considered jobs, real jobs, is not good enough. After all, many of the things the private sector might want to do could be harmful to society as a whole through the handy mechanism of "externalities". The air can become polluted, fresh water can become contaminated, river banks can be rendered unstable, but these might be treated as externalities and so left to the public sector to clean up and provide the money for that clean up. In effect, you have corporate welfare at work.

When making lots of money on the part of individuals or corporations is elevated to the level of being the only thing to be concerned about, evil abounds and people suffer. At the same time, the money that is made may not benefit the broader society. It may simply be spirited away quietly to some other location. It may even end up being used for

less than worthy purposes.

Most people are perfectly willing to work at a good job, one that fits their skill set and temperament. But they're interested in decent work, not drudge work that pays too little. If they've gone to the trouble and expense of being educated and trained to fulfil the requirements of a good job, why shouldn't they expect to obtain decent work?

In our economy we can ask: *Do we have sufficient decent jobs?* At the moment we do not. Given the realities of technological change, it seems that we will not have enough decent jobs emerging in our future. Hoping the invisible hand will appear and make it all happen, as though by magic, is not good enough.

We might note, by the way, that shortened workweeks could help to some degree. Perhaps we should be aiming at a fifteen-hour workweek (as 'experts' were predicting we would see by now fifty years ago), with appropriate adjustments in pay levels to meet actual living costs. Shortened workweeks could blend well with a good approach to a guaranteed income system.

Work has important meanings for people. Consider these ingredients of a good job:

- A good job involves work conditions that are safe, fair, and supportive.
- It provides a pay level that allows the jobholder to maintain a decent standard of living.
- A good job builds a person's self-respect.
- It includes reasonable benefits (pension plan, vacation pay, medical and dental plan, etc.).
- A good job provides worthwhile training opportunities.
- It provides long-term employment (not a precarious work situation).
- It has good career prospects.

If jobs, good jobs, really will increasingly be unavailable, and that certainly seems to be the case, we should take notice and plan accordingly. Plenty of people are willing to work at decent jobs. But if those decent jobs are not there and will not be there, new, better, and even radical thinking is needed—urgently.

It's plainly useless for people in high places to say nothing can be done. Federal Finance Minister, Bill Morneau, said, in early 2017, that young people would just have to get used to short-term jobs with no benefits. That's not good enough. As a member of the one percent, he is

comfortably set financially. This does not entitle him to speak down or appear to speak down in a haughty way to those of lesser means.

In principle, all human beings can make good contributions in some way to the quality and wellbeing of our society. They could also be paid properly and provided with reasonable employment security, decent access to housing, proper medical care, and all the other things we should be able to expect in a truly civilized society. Modern technology makes it possible for almost everyone to do productive work for proper compensation and much shorter work weeks. And yet, this does not happen. We still have too many people who are discarded and left to rot economically by our laissez-faire system.

If the provision of decent jobs in our society is a serious problem, and that seems to be the case, better research and planning on the part of government is called for. Simply leaving people to their fate, especially young people, is unfair. Here is where true creativity and innovation on the part of top leaders in our society could make a difference. A proper guaranteed and universal income programme would be such a creative and innovative solution. Despite continued nay saying by some, it is affordable if we truly want it to be affordable.

Money problems form a major source of stress for people in today's society. Family doctors regularly report that a large proportion of the illnesses their patients suffer from (perhaps 40%) are directly related to stress. When people are worried about where their next dollar will come from, they're susceptible to stress and potential illness.

A decent income and good health are closely related. Consider this statement about stress from the Mayo Clinic:

*“If your mind and body are consistently on edge because of excessive stress in your life, you may face serious health problems.*

*“That’s because your body’s ‘flight-or-flight reaction’ — its natural alarm system — is constantly on.”*

Stress is a major issue for Canadians these days. It cries out for some sort of meaningful solution, something much more meaningful than our politicians have contemplated in recent years. Just think of the cost savings for our healthcare system alone if economic stress and its health consequences in this country were dealt with properly.

Alan Broadbent in an article called “The Cost of a Bargain” published by the *Maytree Foundation* in May of 2013 stated:

*“About two-thirds of Canadians live under economic stress, usually paycheque to paycheque.”*

Forcing people to live paycheque to paycheque may appeal to unreformed neoliberal minds. But it seems a poor condition for a society that likes to think of itself as being compassionate, generous, healthy, and fair.

Over a period of time, stress will bring on difficult ailments, mental or physical. Unless the people who develop such ailments are simply left to rot on their own, looking after them will cost the system money, in some cases a lot of money, and that money will likely come from the public purse. Sometimes, the illnesses that arise will scar people for life, possibly rendering them disabled. Wouldn't it make sense for our society not to let matters get to that stage? Why would we want our economic system to make people ill or to damage them physically or mentally for life?

Do people really want to work? Of course they do. But they want to work at meaningful jobs. And sometimes they want to work at jobs they create for themselves. Working at something that is worthwhile can bring a deep sense of satisfaction. It also promotes better health.

In *Capital in the Twenty-First Century* (2014), Thomas Piketty affirmed that inherited wealth was a massively growing form of individual wealth in society today. By mid-century it could be the dominant form. That would take us back to earlier times in our history, to feudal times. Increasingly, your financial position in our society is dependent more on the wealth you may receive through inheritance than on the wealth you may be able to build up through formal qualifications of various kinds and the work you engage in.

In her 2001 book *All You Can Eat. Greed, Lust and the New Capitalism*, Linda McQuaig observed that:

*“... any claim that the distribution of resources in our society is closely linked to effort and hard work has to deal with the blatantly contradictory fact of inherited wealth.”*

The traditional Horatio Alger idea of working hard to build your personal wealth has lost much of its truth. Some would say all of its truth. Publications such as *The Economist* (April, 2010), have noted that the United States has now become a harder nation in which to bootstrap yourself through hard work into a higher class status than in most

nations of Europe. This point has not stopped leading American politicians from continuing to boast about the possibilities of upward mobility in their society. Boasting is one thing. The truth is another. The situation in Canada at this point is similar to that prevailing in the United States.

The widespread idea that people don't have jobs because they don't want them or refuse to look for them should long since have been discredited. But it persists and is often fed by different media commentators who seem to speak with authority when they mouth this demeaning idea. Facts not opinions (even loud and well spoken opinions) should drive our thinking and acting when it comes to such an important matter.

### ***What needs doing in our world?***

We know that meeting our needs for coping with a changing climate will mean more jobs related to environmental issues. Different kinds of natural disasters such as vast forest fires, flooding, heat waves, windstorms, tornadoes, storm surges, hurricanes, and typhoons are already delivering messages about what is to come. We even have earthquakes linked to fracking for oil and gas.

Many people would gladly take on jobs that would help in mitigating or forestalling these kinds of climate change events. And in taking on such jobs they should be paid properly and not at miserly rates that suit someone's desire for profits or someone else's desire to impose austerity measures. Campaigns for a livable minimum wage do make sense. (We can note that a good guaranteed income plan could modify the level needed for a proper minimum wage.)

Canada's "infrastructure deficit" continues to grow. Our bridges, roads, hospitals, tunnels, sewage systems, water distribution systems, and other public structures are not being maintained sufficiently to keep them in a good state of repair. This backlog deficit is now estimated at being worth over \$350-billion. Obviously, there are a lot of good jobs that could be created here. Or do we prefer to wait for bridges to collapse or roads to crumble? Perhaps we need more people to fall ill or die from contaminated water.

When it comes to infrastructure, properly maintaining roads, bridges, and so forth is much less expensive than having to rebuild collapsed structures, not to mention the added risk of causing human injuries, even death.

Many jobs that don't exist now could be created to meet real needs



that aren't currently being met. Staffing for hospitals needs to be increased in many places. And social and health outreach programmes could be expanded. Properly trained health workers are needed more than ever. We lack enough clinics to help the addicted. Mental health continues to lack sufficient attention. We need more caregivers as well as properly qualified and properly paid early childhood educators. The list goes on, but wrong-headed policies over the years have deliberately cut back on the number of such jobs available. Too many people in authority see them as being 'unproductive'.

All the kinds of jobs we actually need for a healthy society will not be created by the private sector on its own. Even P3s (public/private partnerships) will not provide the answer. To a significant extent, P3s are about profits for private corporations with financial support and guarantees from the government—in a sense, guaranteed profits. Government, working on its own, can create jobs that meet the human needs of the population, just as it can create the jobs needed by a wartime economy. And it can do this less expensively than by using the P3 approach.

If any society has work that needs doing for the benefit of that society, then provisions must be made to meet those needs. Sitting back and assuming that someone somewhere will do what's needed if they can figure out how to profit from it is not good enough. And moaning long and loud about the cost of meeting such needs is definitely not helpful. The marketplace can decide a lot of things, but its decision making power when it comes to ensuring the health of a society is questionable to say the least. A properly functioning society looks after all its needs, the needs of all its people, not just the needs of those anxious to make themselves richer, too often at the expense of others.

### ***A guaranteed income and jobs with meaning***

While some scope for more job creation does exist for the time being, the number of such jobs remains limited. This means that real unemployment and poor working incomes will continue to be a problem. Further, many of the additional jobs that could be created will likely be replaced through automation in the not too distant future.

If people have guaranteed incomes that allow them to meet their living needs with some dignity, they will retain some interest in what goes on around them. They may use their security of income to gain more education or training. They may research personal possibilities more thoroughly. And, if jobs are available and sufficiently attractive,

they will apply for those jobs. Some will create their own jobs because they will feel freer to become more creative and more entrepreneurial.

A guaranteed and livable income would be an important backstop measure. It would remove stress and allow people to look for and explore different opportunities. It would remove the need to take on drudge work. (Really nasty drudge work should probably be handled by a machine anyway.)

A good guaranteed income programme would make for a healthier and happier society. It would free people to pursue matters of genuine interest to them, and it would encourage more imaginative thinking and innovation.

The question of jobs and the availability of jobs is really a question of work itself. People will work if decent jobs exist or if they can create decent jobs for themselves. They need that fulfilment, despite what the lottery ads may proclaim. One way or another, people will find work that needs doing and in the process they will automatically create jobs—for themselves and for others. Having proper guaranteed incomes will enable them to do these things. It would enable them to thrive. And that would be good for all of us.

## 5 Providing Money for Our Needs

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*“In the modern economy, most money takes the form of bank deposits. But how those bank deposits are created is often misunderstood: the principal way is through commercial banks making loans.”*

*The Bank of England  
Quarterly Bulletin Q1, 2014*

Without doubt we always have to address the affordability question when it comes to any major government initiative. Good programmes of any kind have to be properly supported financially. And among other things, that includes various types of taxes. When contemplating a good system of universal income, we must consider all possible revenue sources as well as available cost savings.

In becoming concerned with costs for any kind of worthwhile programme, we should note that if costs, such as those for healthcare, remain constant, but taxes are decreased sharply, then the costs as a proportion of tax revenues as a whole will rise. This can give the appearance of the costs growing faster than is truly the case. Also, we need to take into account the growing needs of a growing population. In many cases, the costs for programmes aimed at the general population are not as overwhelming as some commentators like to make them appear. In fact, when commentators become too overwrought about costs, we should question exactly whose agenda they may be serving.

When the financial burden is shared widely and fairly, many things become affordable, even if they're very costly. It's important also to consider the benefits and not just the costs. Large costs may be involved, but large benefits could flow from those costs. Canada possesses and generates a lot of wealth. In thinking of all that wealth: *Do we wish to spread that wealth fairly among all our citizens? Or do we wish to focus its flow only into the accommodating pockets of the rich?* We also need to think about having large sums of money stay within the country as opposed to seeing large sums flow out of the country for the convenience

of a few. Such outflows can easily end up in large amounts in a wide variety of offshore accounts. This is one of the dangers, by the way, posed by the increasingly-popular cyber-currencies.

Making sure every Canadian has a decent income is possible and desirable. The likely benefits are many. Given our major problems of poverty, income inequality, significant reliance on unpaid voluntary work, diminished career prospects and more, we should be doing everything within our power as a nation to provide a fundamental benefit to our people, which would be a fundamental benefit for the whole nation.

Careful consideration of credible income sources for government, will show that the cost of a universal and livable basic income guaranteed income for all Canadians comes within reasonable bounds. It would take some detailed work to restructure various regulations and budget allocations, and the necessary work would be opposed strongly by some vested interests. But the essential point is that such work is entirely possible—although it would need good and determined leadership.

### ***A lot of money***

At first people may be aghast at the sheer cost of a universal, and guaranteed living income programme. But this cost needs to be considered in terms of the size of our population and the widespread benefits that would be obtained for the country as a whole. And those benefits would include health benefits as well as financial benefits.

In essence, when it comes to paying the cost of a good and universal guaranteed income programme, the main issue is political, not economic. Good and effective political stick handling is critical. The right political approach will produce the needed money. After all, if a major war suddenly came along, we would find massive amounts of money to pay for that war just as we did back in the 1940s. More recently, we quickly found massive amounts of money to pay the financial sector after the 2007-2008 financial meltdown.

At some point we must to ask ourselves the question: *Do we really want to afford a decent guaranteed income programme?* If we do, we have the ability to pay for it. If we don't, then we can go on ignoring the possibilities. We can go on ignoring the millions of Canadians left behind by the kind of economy we now support. That course of non-action might satisfy the few, but it would condemn the many and it would continue deep divisions in the country and sow the seeds of popular turmoil.

Various groups, such as think tanks like the conservative Fraser Institute have declared a universal guaranteed living income to be unaffordable. Some such groups may place the cost of a full programme at about \$300-billion. That is certainly a lot of money. It is double the amount of the entire Ontario budget for 2017.

High estimates for the cost of a good guaranteed income programme can certainly cause many to back off the idea. This was certainly a factor in the Swiss rejection of a guaranteed income plan for that country in the summer of 2016. But is something in the order of \$300-billion truly an impossible amount? We should look into that.

A sum like \$300-billion would blow an enormous hole in the federal budget. But we're not just considering the federal budget. The provincial and territorial budgets come into the picture as well, as do the budgets of large municipalities such as Montreal or Calgary. Meeting the cost would be something that would involve the nation as a whole, not just the government in Ottawa, although the federal government would (or should) take the lead. Getting all these governments involved would be complicated, but not impossible.

Existing social expenditures in Canada are now in the area of \$185-billion a year. Much of that money, but not all of it, would be made available to a guaranteed income system. That would provide a good start for meeting the cost.

### ***Giving birth to money***

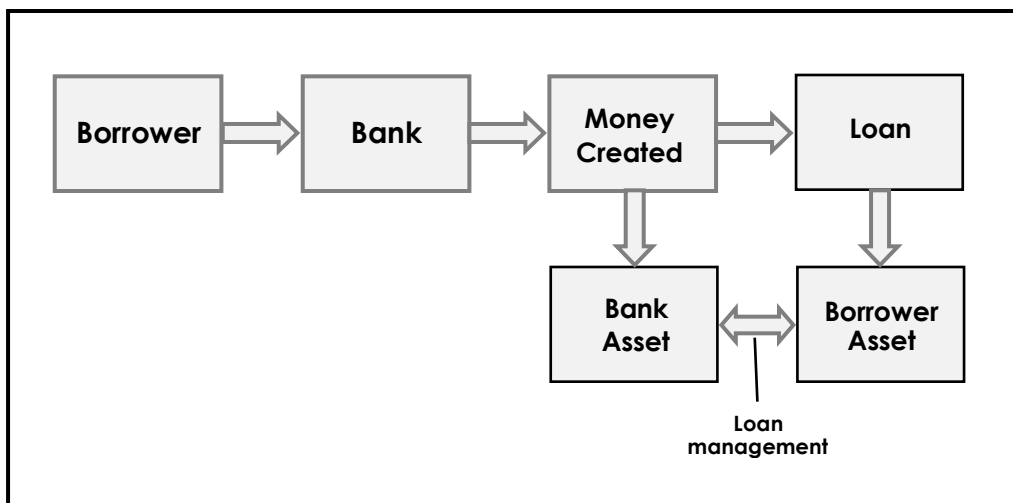
Early in 2014 the Bank of England in its quarterly bulletin noted: "*Whenever a bank makes a loan, it simultaneously creates a matching deposit in the borrower's bank account, thereby creating new money.*" In essence, the process of borrowing creates money, virtually out of thin air. This apparently simple process is how most of the money in our economy comes into existence. It is not produced on government printing machines; it comes to life in bank computer systems. In a real sense, most of our money is digital; it exists only on our computer systems, so it's computer-based, not paper-based. Most financial transactions now involve computer-based exchanges.

For some people the notion of creating money out of thin air seems absurd. Yet, it is true. This is the origin of most of the enormous amounts of money (hundreds of trillions of dollars) now circulating in the world's financial system.

If a government entity lent \$100-million to a given organization, that money could be created automatically as part of the loan in the same way as a private bank would handle such a loan. It would not impose added debt on the government's finances. That is how the massive financial demands of a major war can start to be met.

In many cases government takes on debt it doesn't have to. It could create money in the same way private banks do. In effect, a good deal of government debt is unnecessary debt. When government takes on debt this way, it's actually providing a valuable subsidy to the private financial sector. At the same time, however, it's limiting financial flexibility for the government. From a neoliberal standpoint, this is seen as a good thing because it weakens government. From the point of view of benefitting society, though, it is a negative.

In mentioning government debt, by the way, we should highlight the possibility of 'debt audits'. Such audits examine debts to determine their accuracy and legitimacy. In some cases debts may already have been paid but are still carried on the books because of errors. In other cases the debts may actually be illegitimate or mistakes might have been made in their calculation. Some may be outright fraudulent. Rolling over debt from year to year in an unthinking way can in itself be very expensive as compounding interest builds and builds. Accumulated interest can easily expand to an amount far in excess of the amount of the original loan.



**Fig. 3 The Debt-Dependent Money Creation Process**

Our simple diagram at Figure 3 illustrates the basic money creation

process based on debt. Private banks routinely create money this way. Other financial institutions such as brokerage firms may also create money in this fashion. In the economy as a whole, this kind of money creation occurs on a massive scale. This is why government today is not in a position to manage the supply of money by itself. Overwhelmingly, the supply of money in the economy comes into existence from the private sector. Things could become even more complicated when it comes to money supply as cybercurrencies expand and come into use.

The ‘loan management’ function shown in Figure 3 is crucial. The amount of a loan remains as an asset as long as the loan management process occurs successfully—in other words, the borrower succeeds in paying down the loan. If the borrower runs into serious financial difficulties, the asset recorded by the bank (or other financial institution) connected to that loan may end up being termed a ‘troubled asset’.

Troubled assets may be carried by a financial institution for a long time. They may indeed be ‘bundled’ with other assets and sold off to other financial parties as part of a collateralized debt obligation (CDO). So the ‘trouble’ can be spread around, much like a hot potato being tossed around in a group game, only the people catching the potato may be wearing gloves and not realize how hot the potato really is.

We know that if troubled assets become really bothersome to the banks (liquidity problems), the government will step in. This is where the “too big to fail” concept comes into play. As the final guarantor, the government may take troubled assets off the hands of banks at full face value, thereby taking on the financial deadweight of borrowers who cannot fully pay back their outstanding loans and adding to government debt.

Another feature of our diagram at Figure 3 that’s worth mentioning concerns the money paid back to the bank by the borrower. This will normally accord with a payment schedule and will involve compounding interest. The interest portion is noteworthy. Where does the money to pay for it come from? Basically, it comes from the activities the borrower may undertake in the economy to earn money by working at a job or, in the case of businesses, providing goods or services at a profit. So, in effect, money created by the bank out of thin air brings back money to the bank from what some would term the ‘real economy’. One might argue that it amounts to a drain on the *real economy*.

While we’re talking about loan management, we should recognize the possibility of loans needing to be extended. If the borrower runs into

some difficulty, the terms of the loan may need to be modified. So the schedule of payments may change, or the amount of those payments may change. A new and larger loan may be extended to absorb the old loan and apply a new payment schedule. In effect, a loan may be rolled over into a new arrangement or a new loan. In such financial manoeuvring, compounding interest continues. So the original loan based on money created out of thin air could well end up being dwarfed by an ever-growing mountain of interest that also forms an ever-growing mountain of money being drained from the overall economy.

When a loan is successfully paid off, the money created out of thin air to provide that loan disappears back into thin air. But the interest paid on that loan over time remains. Its value as an asset remains—with the bank or other financial institution.

Given the government's own capabilities for raising money and creating money, private investors are not the only potential source of investment for major undertakings, especially if those undertakings are clearly in the interest of the nation as a whole.

Government doesn't have to operate at the beck and call of private investors. For political and ideological reasons, however, (predominantly neoliberalism) our rulers avoid the idea of governments making direct investments. Invest in something directly with government money? That's socialism! Yet governments in Canada, the United States and other countries successfully made direct economic investments from the 1930s to the 1970s. Major projects such as building up armaments for war, building new public buildings, improving airports, building vast highway networks, and much more were undertaken as government ventures.

Joyce Nelson (*Beyond Banksters, 2016*) points out that from 1974 to 2015 Canada has paid out over \$1.1-trillion to private banks in interest payments. The national debt is now well over \$600-billion compared to less than \$30-billion in 1974. The overwhelming majority of the national debt is owed to the private sector with consequent compounding interest. These high levels of payments and debt have arisen directly from the decision in 1974 (in line with a Basel accord) to switch government borrowing from the Bank of Canada to the private banking system.

Importantly, government does not have to go deeply into debt to provide the sums of money needed for major and worthwhile projects. When government debt builds up it is predominantly a matter of politi-



cians making the decision to become indebted to the private financial system through the mechanism illustrated in Figure 3. It is a deliberate choice based on ideology, not a necessary choice. In effect, government becomes channeled into spending on activities or projects using debt-based money, which also necessitates providing a constant stream of interest payments from public funds to private financial interests over an extended period of time.

Harnessing the skills and knowledge of people is not dependent on the preferences or whims of investors. It is a question of will and leadership within and for the population concerned. The kind of leadership needed does not depend on receiving a green light from investors of any kind. People can go ahead and do things on their own, provided they are not prevented from doing so by the authorities.

If a group of people in a neighbourhood become fed up with asking city hall to build a proper stairway to reach their community garden at the top of a hill, they might get together and build the stairway themselves without obtaining any kind of private investor. A perfectly good stairway could be the result. That's people exercising their own power to bring together the necessary labour and materials.

The old community practice of "barn raising" testifies to what people can do on their own volition. People would come together, bring along equipment and materials, have picnics and some entertainment, and work together to build a new barn. No outside finance needed. Local 'sweat capital' and local materials were more than sufficient.

Money truly is a strange thing. Basically, it's a unit of exchange that you are prepared to accept in payment for a service or good that you produce. If you're willing to accept a pack of cigarettes in payment for a bushel of wheat, the pack of cigarettes serves as money. If I offer you a pile of Canadian Tire coupons for your snow shovel, the coupons become money. In the past such things as sticks, seashells, playing cards, or precious stones have served as money. As long as people believed these things were money, they were money. If I make out an IOU for a certain sum payable to you, the IOU may serve as money (perhaps you could use it in a poker game). There is a mystique about money; it's almost magical. But it does lie at the heart of our economic system because it's convenient for enabling economic exchanges among people and among businesses.

What we often call money, the government bills and coins in our

purses or pockets form but a tiny portion of the money in our economy as a whole, perhaps as much as 5%. The rest takes the form of book entries or, more correctly, computer entries. And most of those entries relate to debts or obligations owed by one party to another.

Cyber-currencies, such as *Bitcoin* are increasing in popularity. At present these currencies mainly operate outside the regular financial system, yet they can be used in an increasing number of cases to pay for goods or services or to facilitate large-scale transfers of money across borders. They might come into use for money laundering or to provide financing for criminal or terrorist activities. But they might also come into use for legitimate purposes. We need to keep a sharp eye on this form of money as it develops. In the future it might well have a good role to play in providing a proper living income to everyone.

In his foundational 1776 work, *Wealth of Nations*, Adam Smith insisted that labour was the fundamental and original price of all things. He stated that silver and gold had not purchased the wealth of the world—it was labour. In other words, it's the productive things that people do and accomplish that build our wealth. They don't need to go to a bank or the government, they can build wealth themselves.

Because most of the money in our economy now comes into existence through loans (about 97%), we can be called a debt society. But almost all of this debt money is created by the private financial sector, mostly the private banks, because the government has, in effect, delegated to the private sector the important task of creating most of the money we spend and try to save. This fits with neoliberal thinking and is a consequence of political decisions past and present.

Naturally, given their freedom to create money, virtually without limit, the banks and other financial institutions feel free to make a great deal of it. This is especially true of the big banks, because they know the government will back them up almost regardless of how recklessly they handle their money; they're seen as being too big to fail. This puts them in a unique, almost impregnable position in our economy. In commenting on this state of financial affairs, James K. Galbraith (*The End of Normal*, 2014) has said, "*They [the banks] are very efficient at making money — for themselves.*" Wealth created by the banks may be good for the banks, but it is not necessarily good for the nation. Many may suffer as a few prosper.

Despite the virtual worship of private investors, a sovereign gov-

ernment always has the ability to invest money using its ability to create its own money (unless it passes laws to prohibit such a possibility). For many people this sounds dangerously like a sure-fire prescription for out-of-control inflation. Such dangers do exist, but they're not automatic. A healthy economy needs money and the supply of money should balance with all the transactions taking place within that economy. This can include paycheques for lowly employees or investments in the construction of large buildings. If the supply of money balances with productivity in the economy, inflation is kept at bay. Conversely, if the supply of money doesn't keep up with productivity or potential productivity, the economy suffers. A tight money policy can be a strangulation policy.

The fundamental issue is to keep the money supply in proper balance with the productivity in the economy—not too much, not too little, the Goldilocks position. Right now in Canada this balancing act is mainly carried out by the Bank of Canada with its interest rate policies. But such policies do have their limits. If necessary, the government can act directly to affect the supply of money in the economy. Most of the time the government's actions in this regard involve the budget and planned spending activities—fiscal policy. In emergencies, governments may resort to rationing to deliberately limit how much buying and selling people or businesses can engage in.

Governments at any level have their influence, but the federal government is the most important when it comes to matters financial because the banking sector is governed by federal laws. Provinces do have some financial manoeuvring room. They could, for instance, set up provincial banks as publicly-owned operations. These would need to work within federal rules or with federal permission, but they could be very helpful in managing finances at the provincial level. This possibility could even extend to the municipal level.

Suppose you want to build a new rapid transit line. The government could create the money needed as a direct investment. It could take the form of a loan to a municipality. No debt to private financial interests would be necessary. Income generated by the new line would provide the money to pay back the loan. If the line then resulted in people being able to get to work more efficiently and perform their own jobs at a lesser level of stress, the economy as a whole would benefit. Society would benefit. Additionally, any interest or fees paid would go back into government coffers, not the balance sheets of the private banks, there to be compounded in ever increas-

ing ways over time.

Until 1974, the Bank of Canada, which had been formed in the 1930s in the midst of the Great Depression to help deal with that depression, served as a mainstay of government finance. It was a key factor in Canada's financing of its major war effort in the 1940s. It also played a crucial financial role in the building of the Trans-Canada Highway and the St. Lawrence Seaway. The Bank could have continued to play this role, but constraint was applied in the mid-1970s.

In 1974 the Basel Committee of the Bank for International Settlements (BIS) based in Basel, Switzerland, recommended that governments should confine their borrowing activities to private banks and not their public central banks. Canada was and is a member of the BIS and takes part in its decisions and generally supports the implementation of those decisions (Basel accords).

The Trudeau government of the 1970s accepted the Basel agreement and recommendation as implemented by Bank of Canada Governor, Gerald Bouey. Ever since, government borrowing in Canada has gone through the private banking sector leaving the Bank of Canada on the sidelines of money creation and lending for public purposes. Since that time, government debt in Canada has ballooned. At the same time the profits of the big banks have skyrocketed along with the pay levels and benefits for the top executives of those banks.

The BIS is essentially a creature of the central banks of the member nations. Gradually, however, it has made significant provision for private investors, so the world's major private banks have direct influence. Many of the national central banks have now been privatized. So the private banking sector at this point is pre-eminent within the BIS. Today, it seems fair to say, the large private banks of the world actually control the BIS and its accords. This supports the widespread opinion that bankers rule the world. It also supports the opinions of more than a few critics that bankers should be called "banksters" because they're benefiting so lavishly from the financial arrangements that now exist globally and that reward them so handsomely.

For over forty years now, governments in Canada have become dependent on private banks and other private investors for their borrowing activities. Almost all the large amounts of compounding interest on government debt now go into private pockets, not public ones. There now exists

what amounts to an enormous conveyor belt that carries vast sums of money from public funds into the private financial sector. This conveyor belt moves along day in and day out around the clock every day including Sundays. Public money being siphoned away in a never-ending stream to the private financial system.

Ellen Brown (*The Public Bank Solution, 2013*) points out that:

*“A functioning economy needs bank credit to flow freely. What impairs this flow is that the spigots are under private control. Private banks use that control to their own advantage rather than to serve business, industry, and societal needs.”*

When bank credit flows freely, it provides good funding for many private and business needs. When the Bank of Canada provides large sums of money to the banks, virtually for free, the intent is to encourage the banks to increase the flow of credit into the economy. This is supposed to help the economy thrive. But if the private banks use their control of the money flow spigots for their own purposes, the purposes of society at large may not be served properly. Indeed, it's even possible that the banks can impede economic activity because of their choices, which will almost certainly be self-serving.

Canada's move into continuing compliance with different Basel Accords fits with the neoliberal concept of lessening the role of government in our lives. At the same time, of course, it increases the role of large private corporations in our lives.

*“With proper revenue sources, Canada's governments could pay down their deficits, protect our health and safety, and hand our children a more equal, fair and harmonious Canada — a country where no one gets left behind and everyone has the chance to get ahead.”*

*Stephen Dale and Trish Hennessey*

*The Canadian Centre for Policy Alternatives, 2010*

A catch question in the Dale and Hennessey quote is: *Do Canadians actually want an equal, fair, and harmonious Canada?* All being logical, if they do, they should vote for those politicians who would actively do something substantive to bring about that kind of Canada. As we know, however, all is not logical in politics or the actions of politicians once in office. The challenge is to force more logic into the process, and that logic should be for the good of all Canadians, not just a select few. And it should

enter the minds of Canadian voters so they can cast their ballots in elections more mindfully to obtain better results for themselves.

We could, through the actions of our own government, invest directly in worthwhile projects and reap the benefits as a society. This means, if the choice were made, we could afford a full guaranteed income programme through public funding. In much of its functioning, this is what quantitative easing is all about. What we've seen since the financial crisis of 2007-2008 is a massive feeding of public money into the financial sector, the top of the income pile. That kind of feeding could also be applied to the people sector—quantitative easing for the people.

When it comes to worthwhile purposes, there is little value in starving government for money. In fact, there is a lot of damage if the starvation is too severe and goes on for too long. Deliberately damaging a society through fiscal measures designed to cut government spending and supposedly 'encourage' enterprise does little more than blunt human prospects on a large scale. A few corporations may cheer and some rich investors may see good things happening to their portfolios, and political parties may see increased flows of money into their party funds, but more ordinary people will be left behind. In effect, it's a nihilistic, even suicidal policy for a nation to follow.

Creating money and using it for public or private purposes can appear to be a complicated business. At times, though, this process is deliberately made more complicated through the creation of different financial processes or 'products'. These may go by different names, but they're variations on a similar and central theme. At heart, creating money and using it for specific purposes is quite simple, glaringly simple. From a government standpoint it comes down to a question of will. If the will is there, the money can flow. Similarly, if the purpose is worthy, it can be paid for.

Public investment is not some mysterious phenomenon presided over by alien creatures or powerful gods consenting to bestow money on us. It is a process of ensuring that sufficient money is available to provide for the needs of a specific purpose. That money can take different forms as long as it provides what's required to make sure the purpose is fulfilled. Much of the investment could take the form of labour. It could also take the form of a variety of instruments that might be acceptable as money, including cyber-currencies such as Bitcoin. And it certainly could take

the form of direct government investment.

Somehow, we need to understand that we can actually help ourselves when it comes to paying for worthwhile purposes. We don't need the gods of finance. We don't need to live with massive and growing inequalities or debts. We're not as helpless as some would have us believe. We can invest in ourselves virtually at any time and build what we need using our own strengths and our own created money. The path forward is there for us to follow. We just have to decide to do so and make sure that our leaders move properly in the direction we've decided they must follow on our behalf.

### ***Counting our national wealth***

Canada is so routinely described as a wealthy nation that we rarely stop to think about what that really means. We know that not everyone in this country is wealthy or even financially comfortable. Millions are downright poor, some desperately so. Yet we continue to describe Canada as being wealthy. Why is that?

These days the wealth of a nation is regularly assessed using the GDP. This measure supposedly tells us how well a nation is doing economically. The initialism stands for *gross domestic product*. Economists and financial commentators of various stripes regularly refer to the GDP as a means of gauging how well an economy is performing. All sorts of economic and political calculations and actions derive from the GDP. Yet, as many knowledgeable observers have affirmed, the GDP has serious flaws. Among other things, it does not give us any information about the wellbeing of a society.

The basic definition of GDP is that it measures: "*The total value of final goods and services produced in a country in a given year.*" So it's about production in an economy. But it's only about 'official' production as reflected in officially-produced statistics. Ordinary people might consider much of what they do to be productive, such as transporting a sick relative to a medical appointment or planting a tree in a vacant lot in the city. But such activities, productive at the human level, do not count for GDP purposes.

When politicians and journalists say the economy is strong, they generally mean that GDP is high. This is a simplistic view of the economy and it can be seriously misleading. It can lead many to believe that everything is looking good economically while unemployment may be far too high. Millions of people may be left out of the proclaimed economic

strength. They're just plain ignored (the disposables).

When the economy is declared to be "good", that generally means it's good for a select part of the population. The members of that select group may well feel contented with economic conditions, happily buying and selling stocks and looking for other money-making opportunities. And they might be puzzled about why they're hearing voices of discontent. At the same time politicians and most media people will be hastening to reassure the contented in their comfort and will consciously or unconsciously shield them from any murmurs of discontent that may be bubbling up in some parts of society at large.

When politicians focus only on the needs and concerns of the 'contented' and that gets them into office and keeps them there, they find it easy to ignore the needs of those living in poverty. Low taxes and less government help to keep the contented, well, content.

A high GDP could represent massive destruction within a society. Clear cutting of forests, paving over of good farmland, depletion of fish stocks, displacement of populations, pollution of air and water, and more could all count officially as being productive. But what is the impact of such destructive productivity on ordinary people and on the state of our country in the future?

The *quality of life* in society may well go down as the GDP goes up. It's entirely possible that a good GDP number could mean good times for a few, but harsh or worsening times for many, even for most.

A few years ago, the president of France, Nicolas Sarkozy, appointed a commission to look into the possibility of coming up with a national measure other than the GDP. Joseph E. Stiglitz, the noted economist, chaired this commission. In the fall of 2009 they produced a 300-page report.

The commission didn't come up with an easy numerical measure, but they did note that metrics should be established for employment, material wellbeing, interpersonal connectedness, health, education, environment, and political engagement. These metrics, taken together, in their view had much more meaning than the GDP as it now stands.

The Stiglitz Report came out almost eight years ago. There is scant evidence today that its findings and recommendations are now being acted upon in a meaningful way. In fact, it's quite likely that most politicians don't even know it exists, or know that a lot of highly-informed and intelligence work went into it.



The continued insistence by politicians, economists, and the media on using the GDP as our central economic measure has many implications. It drives policies at high levels, and it directly affects the way various programmes are conceived and delivered. It carries a sense of economic ‘truth’ that is not reflective of our economic reality.

If the GDP measure is as seriously flawed as so many top-notch economists and social analysts believe, why are we still using it? Why is it still so central in the pronouncements delivered to us from on high? Well, it’s easy to use and many of the people working in the field of government, economics, or finance are used to working with it. It’s become a convenient language to use when talking about the health of the economy, a kind of talisman. In this sense it’s become a false god for those who contemplate and plan our economy. Think about that for a moment or two. Our entire economy is now founded in large part on a false measure. What does that say about our economy, our society?

In an interesting 2009 *Boston University* study, Robert Costanza, Maureen Hart, Stephen Posner and John Talberth stated:

*“Economists have warned since its introduction that GDP is a specialized tool, and treating it as an indicator of general well-being is inaccurate and dangerous.*

*“However, over the last 70 years economic growth— measured by GDP—has become the sine qua non for economic progress.”*

Our policy makers at the highest decision-making levels continue to ignore study after study concerning how we measure economic health, and they continue more or less in a zombie fashion to impose the same strictures on the way our economy is managed based on a fundamentally flawed measure, no matter how many people get hurt in the process.

One is tempted to say that a malign process of groupthink appears to be at work at the highest levels.

Important areas left out by GDP include:

- volunteer work;
- costs imposed on society by criminal activity;
- depletion of natural resources;
- costs to the healthcare system from more illnesses;
- caregiving by family members;
- costs to society of workplace accidents;
- damage to the environment;

- the output of family projects of different kinds;
- housework;
- spontaneous acts of kindness.

This list could include more activities that people might consider productive at the human or societal level. Still, all are left out of GDP. They literally don't count, even though they involve productive work. When so many people express concern about work and the need for work, leaving out so many areas of work in our society becomes a serious matter. It also provides some refutation of the screams of those who insist that people receiving public benefits must work for those benefits. In fact, people receiving benefits may already be working and working hard, but their efforts are simply not counted when GDP is invoked. They're simply not considered to be working.

### ***Gambling for wealth***

We've become accustomed now to the idea of gambling wherever we go. Convenience stores, pharmacies, shopping malls, and other places offer multiple and colourful gambling opportunities. Radio and television commercials blare out the wonderful gambling possibilities with various types of lotteries. You too could be a millionaire! You can gamble to your heart's content almost anywhere you go.

We have a gambling ethic these days that has permeated our lives as never before. In a sense, this is fitting for our world, because in a super-competitive economy, we're supposed to gamble all the time on the various things we buy. Have you paid too much for your insurance? Is that the best deal you could get on those new shoes? What about booking into a hotel somewhere? Have you selected the one that's most reasonably priced? No matter where you turn, you're invited to make choices, to gamble on buying the right thing or selecting the right thing. And boy, at times you can get it wrong!

People will say, *Well, life is a gamble*. So it is. But is it a gamble to the nth degree? Is there nothing we can rely on that will work for us without our having to gamble on whether we made the right choice? When you think about it, of course you can find such possibilities. Or at least you can chop down the negative possible outcomes to a reasonable degree. The problem is that you have to put a lot of time and effort into the thinking required and having to do this over and over again for multiple possibilities is exhausting. People really do have other things to do with their lives.

We know people can become addicted to gambling. They can lose large sums of money and sometimes engage in criminal acts to try to replace their losses. Given this reality, perhaps it would be a good idea to put warning notices on advertising aimed at encouraging people to gamble. These would be similar to warnings included with advertising for different drugs, including nicotine. The notices related to gambling might set out the realistic odds of winning big. They might warn about the dangers of addiction and advise when to seek professional help.

Government-supported gambling in the form of various lotteries became popular as part of the dominance of neoliberal thinking in recent decades. You were freed up to make choices that could net you a big score. At the same time, however, you paid out money to a government operation. In effect, government revenues from lotteries, slots, horse racing, and casinos have become another stream of taxation. This kind of taxation now yields significant sums of money to government. Unfortunately, as a tax it tends to fall disproportionately hard on those with lesser means.

Gambling can be fun. It can even be innocent. But for it to remain fun and innocent, it must be kept within bounds. When government promotes it as a form of unfettered money generation, it loses its innocence. It becomes a major financial entity in its own right. And, even though some of the proceeds may go to good causes, it is a deliberate sidetracking of large sums of money that could be used more effectively and fully for better things.

### ***Potential taxes to consider***

The word “tax” has become a bad word for many people. Some actually consider taxes to be a form of robbery from ordinary people. At times in the past it has certainly earned a nasty reputation. Still, taxes are a mainstay of government finance. Taxes can be good or bad for the population as a whole. Everything depends on what they’re used for. If they’re used for the general good, they serve a good purpose. If they’re progressive, with those who can afford to do so paying a higher percentage of their income in taxes than those of lesser means, so much the better.

It’s generally recognized today that the tax system in Canada is complicated, too complicated. Now and then people will call for tax reform, for a reconsideration of exactly what taxes people must pay, what deductions are legitimate, and what purposes may be served by government spending. Special interests, good or not so good, may obtain special benefits from the system. In more than a few cases those benefits are

undeserved and should not continue.

Efforts at tax reform in the past have usually resulted in marginal changes at best. Full tilt tax reform seems to be beyond our capabilities at present because of the power and demands exerted by a variety of interest groups. Nevertheless, we can consider possibilities for the tax system that might be feasible, at least partially. Such possibilities would help a great deal in meeting the costs for a worthy guaranteed income programme in Canada.

In the following list we see some tax and transfer possibilities that would be feasible with the right political will and determination. These possibilities would not be overly onerous for most people, but they would make a significant difference for government revenues, although they would inevitably meet with strident resistance from some quarters. Many of these possible taxes are based on figures estimated by the *Canadian Centre for Policy Alternatives*. In general, these estimates are on the conservative side. In a few cases, such as the retrieval of money from tax havens or a wealth tax, the potential amounts would be much larger.

	Billions
Eliminate capital gains tax breaks	9.0
Eliminate TFSA (Tax Free Savings Accounts) tax breaks	6.0
Retrieve revenue from tax havens	10.0
Increase taxes for high incomes	2.5
Legalize marijuana sales	5.0
Eliminate subsidies to fossil-fuel industry	34.0
Bring in a new inheritance tax	2.5
Impose a wealth tax	3.0
Set up a financial transactions tax (Tobin tax)	5.0
Establish a carbon tax (not cap-and-trade)	15.0
Achieve savings on healthcare	22.0
Realize savings in the justice system	2.0
Transfers from regular social spending	145.0
<hr/>	
Total	261-billion

The potential taxes and transfers suggested in our listing give us one area for good revenue enhancement. But there are certainly other areas to consider as well.

Many billions of dollars are spent on the justice system and the correctional system in Canada each year. Additional billions represent the costs involved in losses to the victims of crime. *The Toronto Star* found that

Canadians incurred a cost of about \$70-billion as a result of crime in this country in 2003. That was the estimate determined fifteen years ago. No doubt it has increased since. In our list we've just shown a saving of \$2-billion resulting from a proper guaranteed income plan. This illustrates our conservative approach to the numbers involved. But we can see that substantial savings are possible in this area alone.

In addition to the taxes in our list we could consider sales taxes, luxury taxes, land taxes (particularly in urban areas), and fees for different kinds of licenses. Then too, in many cases much more could be collected in the form of royalties for different minerals such as oil and gas.

In considering potential government revenues, we should note the revenues that would flow from the income tax system in larger amounts as people with good existing incomes paid taxes on the increased income they received from a universal guaranteed income programme. Those extra taxable amounts would be large and would shrink the overall cost of a good guaranteed income programme considerably.

A large number is set out in our list for savings from existing social spending levels. This total is significantly lower than the actual amount for such spending in order to allow for continued spending for social issues necessary for some people. Again, we don't want a system that simply replaces existing social spending. Nor do we want to frame a guaranteed income programme as a poverty elimination programme.

Obviously, putting through beneficial changes in the government's revenue system and in our social spending system would take some work. Would the work needed be impossible to apply? Only if those with the power to make these changes chose not to make them. And the power holders would certainly come under pressure from different sides not to make such changes. Some degree of gumption and clarity of vision on the part of our political leaders would definitely be needed. Political leadership, real leadership, would be called for. Also, and crucially, a majority of public opinion would need to be in support.

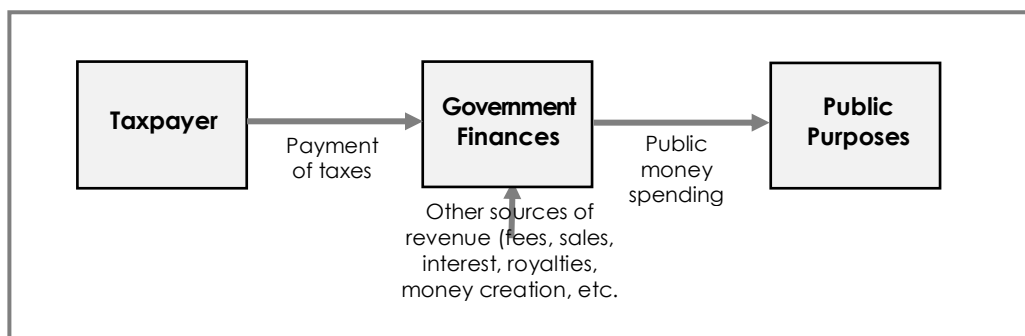
If our top politicians are members of the one percent, they will be particularly sympathetic to the idea of disturbing tax issues as little as possible. After all, their own financial advisers will be looking to establish the best policies to keep the one-percenters wealthy and, if possible, increase the wealth they already have.

Those people who are truly wealthy along with large corporations,

would likely oppose the suggested taxes in our listing, although they might be accepting of a few at lower levels. They might particularly be keen on the idea of replacing all social welfare programmes with a guaranteed income programme. Such keenness should warn us, though, that a complete replacement of existing social welfare programmes could be dangerous for many people.

The opposition of wealthy vested interests would likely be vigorous and full of threats. In other words, they would defend their existing wealth privileges, even at the cost of continuing unfair and severe income inequality in our society. Many of the threats would likely involve cutting off investment. As we've noted, however, the threat of non-investment can be countered by the judicious use of *public investment*. Politicians with gumption can nullify the threat of non-investment by the private sector.

By the way, in considering the question of taxes, let's take a look at those terms: 'taxpayer' and 'taxpayer money'. Journalists and politicians love to use these terms. In doing so, they appear to think that they're emphasizing the point that government is taking money from taxpayers and then using that money for whatever purpose is being discussed. This is a favourite term for those who like to fight the very idea of taxation at every turn. They may even proudly call themselves tax fighters. They're actually working within the overall paradigm of neoliberalism.



**Fig. 4 Government, taxes, and public spending**

We can make something crystal clear. Taxpayer money really refers to money held by the taxpayer in some sort of account. The taxpayer then uses that money to pay his or her taxes. Once the government receives that money and confirms that it is correct, it becomes 'public money'. It no longer belongs to the taxpayer. The government's financial resources now include money gathered from different taxpayers, including corporations. But these resources also include revenues from the sale of government goods

and services, license fees, interest payments on loans from the government, royalties on such things as minerals being mined, and more. If it so chooses, the government can even create money out of thin air to add to its financial resources.

Taxpayers are an important source of revenue for government. Of that there is little doubt. But they are not the sole source of that revenue. And when governments spend money for a public purpose, they're spending money that belongs to *everyone* in our society. They're not rushing back to spend money held by the taxpayers.

When we use the phrase 'public money' we're not only being more accurate, we're helping to lessen the use of the term 'taxpayer money' for pejorative purposes. We're also opening up the possibilities for public activities of various kinds.

Writing in a *Canadian Press* article *Redistributing wealth through taxation not a drag on economic growth: IMF paper* (February 26, 2014), Julian Beltrame reported that a recent study at the IMF had shown that raising taxes as a means of addressing income inequality was not harmful to an economy; quite the opposite: it was helpful. The IMF study, according to Beltrame also noted that, "economies where incomes are more equally distributed tend to grow faster and have growth cycles that last longer." The IMF study apparently contradicted the traditional neoliberal argument that taxes, any taxes, are bad for the economy.

In talking about taxes, by the way, we should also talk about collecting taxes that are owed in substantial amounts. The tax authorities could certainly be more vigorous in collecting these taxes. And that doesn't mean going after the little guy to ramp up collection statistics. It means going after much larger sums of money, even if the tax delinquents involved can field lots of lawyers.

In looking to collect significant sums in unpaid taxes, the government should certainly become much more active in seeking out and bringing back to Canada the billions of dollars in unpaid tax revenue now being sheltered or hidden in the offshore banking system. That system has been treated far too leniently for far too long.

Working more deliberately and effectively with our tax system would meet most of the costs necessary for a good guaranteed income programme in Canada. Other measures, such as the direct creation of money by the government would complete the financing picture. In the end, cost is not a barrier to a proper guaranteed income programme in

this country unless people want it to be.

Decent tax measures to support a decent society would benefit our society as a whole. Far from being toxic, good taxes would help to pay for tangible measures that would make lives better for millions of people. In a truly democratic society we can do that and we should want to do that.

***Financial benefits people already receive from government***

Taxes now bring benefits to all of our society. These benefits from our tax system provide a good starting point for added benefits, which could include a guaranteed income system. The existence of these benefits shows that public funding isn't just a one-way street from the population to the government. Significant amounts of money do flow in the opposite direction, and the existence of these benefits demonstrates that a good guaranteed income plan could be set up to function effectively along similar lines.

A 2015 report (Taxes for the Common Good) by Citizens for Public Justice stated:

*“Overall, the average Canadian’s benefit from all public services in Canada was \$16,592 in 2009. Over half of this (56%) comes from expenditures on health care, education, and income transfers. Indeed, more than two-thirds of Canadians receive a benefit from public services that is greater than 50% of their average incomes.”*

People often don't realize how much they benefit from government expenditures. Instead, many media people and politicians work to convince them that they only experience net losses because they pay taxes. Each year the media ballyhoo the idea of a “tax freedom day” to make the point that people are paying taxes up to that point and only after that point are they in charge of their own money. This is nonsense. It's an example of agnotology at work. But the media and the right-wing think tanks continue to engage in this kind of misinformation, so helping to fuel a general hatred of taxes of any kind.

Left to their own devices, people could not afford the same level of services on their own that government provides for them through a variety of programmes and benefits. If you have to pay your own way for health care, for instance, you'll be out of pocket to a greater degree than by obtaining free health care through a government-run system. Further, with our publicly-run system you won't run the same risk of being cut off from private insurance or having to pay much higher out-of-pocket



expenses if you come down with a major illness. Money paid in taxes does not just go down the drain. It buys many things that are worthwhile. It contributes strongly to maintaining a decent society.

When some people clamour loudly about “tax freedom day”, are they really calling for a society that is not decent, one that is more of a dog-eat-dog world? Unfortunately, they’ve managed to push down our level of decency for some years now. That’s an important part of the reason we now have such a high level of inequality. This is not something we must continue to tolerate or promote.

A proper approach to providing a universal, and livable guaranteed income would certainly serve the common good. It would boost the wellbeing of Canadians in general and it would eliminate almost all cases of poverty. (A few might remain poor because of specific circumstances such as ignorance about personal financial management, severe addiction problems, or mental health issues.)

A livable guaranteed income for all Canadians offers genuine hope for our society as a whole. It would be far-reaching in its positive impact and is something that can be achieved in a realistic way despite the doubts of some about affordability. Given the realities that surround us today, we need a substantive rebalancing of economic wellbeing now, not in some indeterminate future. This rebalancing is necessary and it is possible.

### ***Different models for a guaranteed income***

Up to this point we’ve dealt mainly with one model of a universal and guaranteed income programme. This model would deliver a set amount of money to everyone at a livable level. It might make use of the tax system to provide payment or it might involve direct personal grants. Lesser amounts would be provided for children. We consider this model to be the preferred model, the complete model.

There are other models. Some of these other models are incomplete, lacking universality or livability, or plain not meeting good basic income standards at all.

An unusual model has received some attention in Spain. It’s worth a further look because it shows what’s possible at a lesser cost than the total cost for the complete kind of guaranteed income programme we’ve been considering.

Daniel Raventós and Julie Wark set out some good work about the realities of providing a guaranteed income in an article in *Truth Dig* (*The*

*Case for Universal Basic Income, Aug 27, 2015*). In their article they described a study conducted in Spain on costing out a potential basic income programme in that country.

The Spanish study, based on two million income declarations from 2010, hypothesized a basic income that would be: (1) self-financing and not interfere with other important social programmes; (2) distributed progressively to 80% of the population; (3) set above the poverty line; (4) not subject to income tax; (5) not affect welfare payments up to a specified amount. The Spanish researchers worked with a possible flat tax rate of 49% on all incomes. The potential basic income as hypothesized would be progressive so, in effect, the tax on total received income would be progressive. In the end, researchers reckoned that 35-billion Euros would be transferred from wealthier Spaniards to the less wealthy, and 80% of the population would gain.

The population of Spain is 46-million people. So the end estimate for a programme in Spain would be a bit higher than what could apply in Canada. A flat tax rate of 49% in Canada, however, might be a hard sell.

The Spanish study does not envision a universal approach. It does apply to 80% of the population, so the stigma problem is much reduced. Because it would be distributed progressively, it would need some sort of means test for the existing incomes of the recipients.

The Spanish study demonstrates the feasibility of a livable guaranteed income, and it could be established at a reasonable cost on a national basis. Because it is not universal, and its conditional, it might not, in the end, be the best choice for Canada, although there might be some potential for modifying it appropriately to fit Canadian needs.

In an article in the *Globe and Mail* (Aug 4, 2015), Noralou Roos and Evelyn Forget declared flatly:

*“Bottom line, whether it’s our calculations or those done by other organizations, a GAI is definitely doable.*

*“And it is clear that the potential benefits are substantial.”*

Those substantial benefits should definitely not be ignored because they’re benefits for real people, not just faceless corporations or financial institutions. And these benefits really are doable in financial terms.

A universal and unconditional model, the complete model we prefer at

this point, would provide a guaranteed income to everyone and would rely on the tax system for its progressive nature. People with good existing incomes who receive a universally provided guaranteed income in addition might, following a universal plan, pay more in taxes. But they *could* pay more. In the end they would still be ahead financially. Revenues from the taxes they would pay would be considerable and would go far towards helping to pay for a full guaranteed income programme for all.

In choosing a particular model, we must not choose one that is seen as a substitute for all existing social welfare programmes. That would be a trap and could worsen things for too many people. Further, it would not be economically transformative for society as a whole. Whatever model is chosen, a good guaranteed and livable income programme is financially feasible. It would just take the right legal and administrative changes to make it so.

### ***Taxes help to pay for a decent society***

Taxes are too often portrayed as something onerous or bad—the government is stealing from us! Propagandists on the right will talk about people having more money in their pockets if only the government were not so mean as to tax them. This is a favoured angle of those who call themselves ‘libertarians’. Cut government down to size! Don’t let them have your tax money! If people are not members of the top ten percent of the income earners, however, they would, in effect, shoot themselves in the financial foot by yielding to the anti-tax arguments and voting in favour of widespread tax cuts.

If successive governments in the past have refused to tax properly and have, instead, brought in tax cuts, often at unaffordable levels, then the wounds of revenue shortages have been self-inflicted. Tax cuts were supposed to ‘unleash’ the forces of the free market, which were to create lots of jobs and benefit everyone. Unfortunately, those unleashed market forces have too often crashed around all over the place, including into corporate share buy-backs and tax havens outside the country, without bringing much good to ordinary people.

In the first century CE (Common Era), a prominent and wealthy Roman businessman and politician named Marcus Licinius Crassus built up a sizeable personal fortune. One of his techniques for building this fortune involved the use of strategically placed watchtowers that enabled his people to spot fires in Roman buildings. Crassus would then send his own fire brigade to the scene. He would find the owner and negotiate a

cheap price for the burning building—an early form of fire sale. Only after he'd bought the building would Crassus order his firemen to put out the fire. In this way he acquired quite a lot of valuable property. He also demonstrated what could happen if a public fire service, paid for through taxation, did not exist.

In the eighteenth and nineteenth centuries insurance fire marks were used. These small plaques were placed on buildings covered by fire insurance. Fire insurance companies would maintain their own fire brigades and these brigades would put out fires on duly marked buildings. Slowly, this approach to fire fighting faded as it became obvious that, among other things, fires in uninsured buildings could spread to insured buildings. Public fire departments gradually formed and came into prominence—funded with public money.

In 1829 Sir Robert Peel, as Home Secretary of England, established the Metropolitan Police Force in London. This was effectively the first publicly funded police force and became a model for establishing police forces elsewhere. Prior to that time, police protection of any kind had been a chancy business. Wealthy individuals would retain armed bodyguards to accompany them through the dangerous streets, night watchmen would watch over cities through the night and call out if something seemed to be amiss, and soldiers would be sent out to arrest people accused of crimes or intervene when violence broke out. The 'bobbies' or 'peelers' brought a more effective law and order presence to the streets.

We noted earlier that as a society we expect volunteers to work for nothing (unless they're military volunteers). What if we paid volunteers? In an article in Yahoo! Finance Canada (*Volunteering worth \$50 billion to Canadian economy*) on April 24, 2013, Brenda Bouw stated that a report by TD Canada Trust showed that volunteering in Canada was worth \$50-billion a year. A good guaranteed income programme would ensure that those volunteers actually received reasonable incomes along with their volunteering. Pay for work—what an idea!

We can also consider the position of interns for various managerial or professional positions. Sometimes they're paid at a token level. But sometimes they receive no pay at all. In too many cases they're actually exploited in cynical ways by unscrupulous employers. Sheryl Smolkin, in an article in *The Toronto Star* (*Toiling for Free*, July 19, 2011), ex-

plained that “... *the vast majority of internships offered in Ontario are illegal.*” The Ministry of Labour was investigating, but no one knew what the consequences, if any, might be for the employers concerned.

Were those interns receiving a livable guaranteed income, they could afford to work at their internships for free. Without such an income for all, interns with good independent incomes (perhaps from an inheritance) would be at a distinct advantage. Here is another area where the issue of inequality in our society would be addressed in a fairer way with a proper guaranteed income programme.

Public spending usually occurs for worthwhile purposes. It provides us with the infrastructure and services which most of us would be hard pressed to provide for ourselves. Healthcare, education, policing, roads, bridges, public transportation, food inspection, and much more come from public spending, and that spending relies heavily on the taxes we pay. As Tony Coulson of Environics said in an article in the Globe and Mail (Dec 10, 2016): “*Most Canadians are accepting of taxes in principle, because they are used to paying for public services that they value.*”

We can consider further also the idea of taxing capital or of capital gains taxes.

*“A progressive tax on capital is a more suitable instrument for responding to the challenges of the twenty-first century than a progressive income tax, which was designed for the twentieth century (although the two tools can play complementary roles in the future).”*

*Thomas Piketty, Capitalism in the Twenty-First Century, 2014*

Piketty’s assertion is worth deep consideration. Governments have tended to tax capital lightly in the belief that this would open up more investment money and so stimulate the economy. This may happen to a degree, but only to a degree, an insufficient degree. Various specific taxes such as those on capital gains, wealth, or inheritance should certainly come into consideration for significant tax purposes.

For those concerned about finding private investors to fund various things, we need to remember that government has the ability to act as an investor if the politicians so choose. This was done routinely in our past. It could be done again.

Historically, people fought and died so we could have democracy, government that involved a real say for ordinary people, including how

the people's money is spent. They didn't fight and die to make sure a few people in the future could make as much money as possible. If government is thought of as the enemy, then all those people fought and died for nothing. But if they fought for something we think of as worthwhile, then government is the means ordinary people can use to achieve important personal goals.

When people think about the tax system, they're looking for it to be fair. If the wealthy and large corporations are not seen to be paying their fair share of taxes then people will question the fairness of the tax system—and they're right to do so. Too often, when wealthy individuals or corporations have managed to avoid paying taxes, the money they divert finds its way out of the country, forming a serious drain on the nation's finances.

One popular destination for money that should have gone to pay taxes is the offshore banking system. The vast sums of money held in that system (at least thirty-trillion dollars on a global basis at this point) does not go for the benefit of Canadians. Lax government oversight and inadequate law enforcement have allowed this flow of money out of the country to grow increasingly large in recent years. And that's not fair to ordinary Canadians.

### ***Why wouldn't we be able to meet the cost?***

Have we foregone important possibilities in the past, such as pharmacare or adequate childcare because we shrank before the cost? Is this the reason why we still have atrocious conditions on Aboriginal reserves as well as massive affordable housing needs, a glut of poorly paid jobs, and outright conditions of poverty right across the land? Is it really true that all we can afford as a nation is to have millions of our people living in conditions of outright distress? If that is the case, why would anyone say that Canada is a wealthy nation?

The truth is that we could afford decent programmes in different areas with the right will and the proper financial structuring. We don't have to borrow deeply from the private sector to afford what we need. We don't have to lure private investors of various types with ever more costly breaks. We can use the Bank of Canada and other public financial resources to make money available for the types of programmes we need, and this can be done responsibly, as it was in the past.

If Canada is truly a wealthy country, a member of the G7 since its

inception in the 1970s, why wouldn't we be able to afford a proper guaranteed living income programme for all our citizens?

Ellen Brown has noted (*The Public Bank Solution, 2013*):

*“Private investors demand the highest possible private profit, which is not consistent with providing financial security, equitable service, and ready credit to the population.*

*“If the banks are to serve the people, they need to be publicly-owned.”*

Private bankers are not usually happy with the idea of public banks and would almost certainly lobby furiously against the idea. After eighty years of existence, the Ontario Savings Bank, a public bank, was forced out of existence in 2003. If public banks would serve the public purpose as the Bank of North Dakota has done for that state for many years, then they deserve serious consideration and not quick dismissal.

For a start, Ontario could bring back its savings bank and give it powers beyond handling customer deposits. (When it came into being in 1922, it had the right to make loans to farmers and small business owners. That right was removed by a Conservative government a couple of years later.) Governments can do much in Canada with public banking if they could break free of the grip of neoliberal thinking and refrain from signing onto 'free' trade deals that may specifically outlaw public financing of important projects.

Public financing, as we've noted earlier, is possible. It just requires government action to provide it. In a country such as Canada, where great wealth exists, a public financing approach could quickly produce a lot of money. Naturally, proper safeguards would need to be in place to guard against inflation. Still, sufficient money for a decent guaranteed income programme could be provided.

Setting up the financing for a universal and livable guaranteed income programme would take some work. But that work would produce a good and economically sustainable outcome. Is the will there to do the work that's needed? Can Canadians push their politicians sufficiently hard to achieve a good outcome? Do they want to? Those are important questions. For most people the answers to them should be obvious.

## 6 Building the Good Society of Our Future

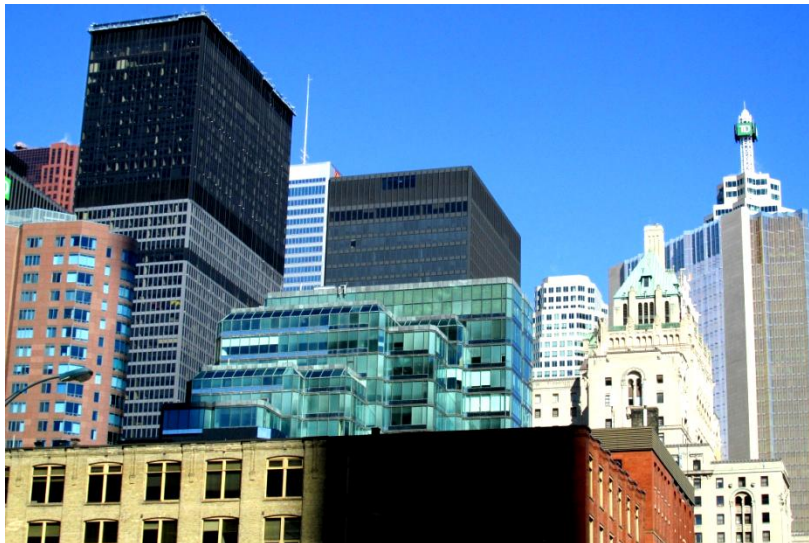
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*“To do well is in part about the ability to give and receive love, to enjoy the respect of your peers, to contribute useful work and to have a sense of belonging and trust in the community. In short, an important component of prosperity is the ability to participate freely in the life of society.”*

*Tim Jackson*

*Prosperity Without Growth, 2009*

**W**hat kind of world do you want for yourself, your family, and others? Are you looking for a world of threat, struggle, endless competition, strife, and turmoil? Or do you want a world of peace, order, sustainability, and fairness? The choice you make today will help to build the world of tomorrow. That world might not be a utopia. But it could be a lot better than the world we have now. A proper guaranteed income for everyone would play a significant role in bringing that world about.



**Is there room for people?**

People are concerned about their future these days. Many now believe their children will not have as prosperous a life as they have had. In our prevailing system, that belief will almost certainly come true. People



who lack income worry that things could get even worse for them as policies, such as austerity, continue to have wide support. The American Dream or the Canadian Dream seems clouded. For some people that dream is now lost.

Intellectual arguments about how realistic people are in their hopes and expectations will not cut it. Being asked to take a calm and detached view of the world while bills are piling up and not enough money is coming in is plain unhelpful and too often cruel. Besides, who gets to decide what's realistic and what's not?

If enough people get together in common cause they can forge their own reality. Deciding what that common cause should be is the fundamental question. Things never have to remain the same, although those who benefit from prevailing circumstances may insist on no major changes at all. History demonstrates time and again that if enough people want change, significant change, that change will inevitably come about, even if it means a lot of turmoil.

### ***What might we become?***

If people had the dignity and fulfilment of sufficient money to spend on their needs and some of their wants, they could more effectively engage in developing the kind of society we could all honestly enjoy. Building that good society is up to all of us.

The positive elements of the society we could construct together would include: good housing for all; an expanded public healthcare system (including dental care and pharmacare); assured access to education, including higher education; a legal system properly accessible to everyone; enhanced reflection of voter wishes in our elections; increased transparency for government actions; a comprehensive and practical approach to keeping our environment better managed for climate change; better-enforced health and safety provisions in the workplace; a determined approach to ensuring full employment; better concern and support for the aged; humane reform of our fragmented welfare system; less emphasis on forceful policing and mass incarceration; and more emphasis on clinics and treatment of illnesses such as addictions and mental disorders in general.

A transformed and enlightened society would provide a livable guaranteed annual income for everyone. Given the realities of our world today, it has become a necessity, and it is an affordable necessity. A proper

guaranteed income system would go far towards rebalancing the wealth in our society and to creating many more opportunities for everyone. Our wellbeing as a nation, a whole nation, would be enhanced.

When public healthcare came to Saskatchewan in the 1960s, predictions about massive doom bellowed out on all sides. The doom did not occur, and Canadians now feel pride in their publicly supported healthcare system. In the nineteenth century predictions abounded about the folly of providing free public education, including meeting the cost. That concept has now become so established we accept it as normal (although neoliberals are now using ‘charter schools’ to undermine public systems). We have other areas such as free public libraries that are now well established. The doom-sayers can sound prescient and authoritative at times, but the horrors they predict for broadly based public programmes never come to pass. The basic problem is dealing with the doomsayers and getting past them to establish the kind of public programme most people actually want.

Political and social changes don’t just happen in our world. They arise from our thinking, deciding, and acting. But what happens and how it unfolds also depends on our reflections about what we’ve done in the past and what we should do in the future—what is actually possible. We can learn and move on to a better life, or we can blindly let things take their course and hope for the best. Unfortunately, passivity, though it may be comfortable for a time, invariably leads to social suffocation. Action, definite and directed action must take place to make change, truly productive change, happen.

### ***Governing for the benefit of everyone***

Democratic government exists to benefit all citizens, not just a privileged and well connected few. Government is not the enemy in a truly democratic society. It is the chosen tool for all people to express their views, protect their interests, and achieve their goals in life. It is a powerful tool and needs to be used wisely.

We know there are examples in this world of countries that have not used the government tool wisely and have experienced serious social calamities. In such countries the usual problem is that a small group of people have managed to seize control and enrich themselves at the expense of everyone else, with lavish use of police and military to get their way. Despite the potential turmoil, harsh autocracy or dictatorship are not inevitable when governments are more active and people are engaged in a beneficial way.

That is the point of democracy: people ruling themselves and their own destinies.

When people insist on taking part effectively in their own government, that government is held to account and must respond in ways that actually provide what the people want. If people don't take part effectively, then opportunities open up for those who seek to benefit only themselves or those they work for at the expense of everyone else.

Are Canadians capable of using their government effectively for the public interest without creating calamity? Our historical record demonstrates that we are. Sometimes, however, we may need to be reminded of that record and what we can achieve when we get together to achieve a clear purpose.

Linda McQuaig has commented (*The Cult of Impotence*, 1998):

*“It’s not that governments are powerless, it’s that they have ceased to use their power to defend the public interest.”*

From the 1940s to the 1970s, government in Canada did much to serve the public interest. Generous grants helped returning members of the armed forces gain meaningful training and higher education. People received significant help in buying homes. The St. Lawrence Seaway was built. The Trans Canada highway system came into being, and much more. Since the 1970s, however, we've seen government pull back from accomplishing great things. Neoliberalism decreed that government was bad, by definition, and shouldn't be allowed to initiate new and large-scale programmes on its own. The disciples of this virtual religion have duly and dismally followed through.

The deep economic upheaval that started to hit Canada towards the end of 2008 revealed many underlying weaknesses. Among other things, it clearly showed that the marketplace does not always function well when left to its own devices. In fact, when left to its own devices, the marketplace can become a happy hunting ground for all sorts of charlatans and cheats. Ordinary people can and do suffer—too often quietly and alone. Can we now say that all the charlatans and cheats have been dealt with? Or do they continue to prosper at the expense of society?

When politicians believe that something is important enough, even though it represents a significant change in the way things have been done before, they can do what's necessary to bring it about. Transformation can happen. They can find the money that's required to support

change, even large-scale change, if they choose to do so. Members of society must work to make the politicians choose what is right, not what is profitable for politicians and their friends.

***The threat to reason, belief, and social wellbeing of ‘agnology’***

Many of us like to think of ourselves as being thoughtful, well informed, and capable of making good decisions. In many ways we are. After all, we’re bombarded on all sides with ‘news’ and information and sales pitches that seek to build our knowledge and, not incidentally, persuade us into given ways of thinking and buying.

In all that mass of daily information we are subjected to a lot of conditioning. Buy this product or that. Vote for this politician, not that one. Think about important matters in certain ways. Build your opinions slowly in certain directions. Sophisticated communication techniques in commercials or regular broadcast shows and movies have a deep impact on our thinking. So the people in charge of our media have an important role to play in shaping what we do and how we think. They seek to condition our responses to the events in our lives at home or at work. Those conditioned responses will support our existing system, our existing power structure, in many ways.

Those with products or services to sell can make use of the power of media to shape our thinking and actions in the right direction—for them. At election time the media will also come into play in persuading us to support or oppose certain politicians.

In the 1950s there was a lot of concern about ‘subliminal advertising’. This was a form of advertising that could flash super quick messages on a screen at the same time as the planned programme was being broadcast. These flash messages were invisible to the conscious eye, but could be picked up unconsciously. So your brain received the message even though you didn’t realize it at the time. Later, you might act on that message, such as buying a certain brand of soft drink, without realizing that you were fulfilling the message your brain had received without your being consciously aware.

Subliminal advertising led to a lot of controversy. Some simply refused to believe that it could work. But some jurisdictions actually passed laws against it. Still, all that fuss occurred sixty years ago or so. We’ve heard little about it since. Did that mean it went away, that it was no longer used? Well, probably not. What’s happened since is that a whole

lot of advertising techniques have been developed, many of them quite subtle. Think of an action movie. What types of cars are used in the chase scenes? Typically, you will see certain models of cars from a particular manufacturer, and those models will show up because the manufacturer paid good money to have them show up—product placement. This technique occurs for many different products and services in many different types of shows. And it continues because it works.

To a remarkable extent, we're programmed daily into given patterns of thinking and acting. Our leaders, political and corporate, continually seek to guide us in our thinking and to provide rewards for following what they consider to be the correct paths in our voting and buying. We think we have free will, but too often it is a conditioned will that may be far less free than we like to believe. There really are forces about that would, in effect, turn us into zombies, creatures unthinkingly willing to do the bidding of others no matter what that bidding might lead to.

In published articles or public discussion you will, from time to time, hear authoritative figures pronouncing the impossibility of a decent guaranteed income programme. They will cite cost and willingness to work and other apparently worthy matters of concern. Most likely, though, they're engaging in agnotology, consciously or unconsciously.

'Agnotology' as a field of study is relatively new. It focuses on the techniques used to deliberately foment ignorance or doubt in society. It is a detailed strategic concept designed to shape the thoughts and actions of large numbers of people. Different universities now have programmes focusing on this area. Professor Robert N. Proctor of Stanford University is particularly involved in studying this kind of communication distortion, its practitioners, and its implications.

An important technique of agnotology is not to challenge certain evidence directly, but to sow seeds of doubt or confusion about the information concerning an issue. Some of the information provided may be false or misleading. This deliberately creates controversy. Even downright lies can come into use if these are dressed up in plausible language.

Agnotology involves the intentional spread of ignorance or the clouding of knowledge about important issues. It occurred, for example, with the decades-long denial of harm from tobacco products. According to Naomi Oreskes and Erik M. Conway in *Merchants of Doubt*, (2010), the handful of old scientists (very well paid for their contrarian opinions)

who created doubts about the dangers of tobacco, moved on to create doubts about climate change. In the end, many members of the public became convinced that the whole climate change issue was completely in doubt. Donald Trump went so far as to declare it a hoax—and many agree with him. These results were triumphs for agnotology.

We can be sure that the workings of agnotology will be brought to bear on the subject of a livable guaranteed income for everyone. Prominent media figures will solemnly pronounce its impossibility. And top political figures will seek to spread misinformation designed to create doubt in the minds of people in general.

Given the continuing dominance of neoliberal thinking in our society as we cope with ongoing economic problems, we might wonder about how much of what we see and hear from those who promote neoliberal concepts actually fits the category of agnotology. Very likely it's much more than we think. Our beliefs are being shaped continuously and relentlessly all the time.

Over ten years ago global warming was seen as a major issue by many people. Al Gore's 2006 visual production, *An Inconvenient Truth*, had a significant impact. It featured slides showing with graphs and pictures facts related to our changing climate and, unusually for such a production, it won two Academy Awards. In many ways it seemed to herald a significant awakening in the public mind, and many people thought it would give rise to widespread and decisive action aimed at forestalling or mitigating the impacts of our warming climate. Changes did occur, but not nearly to the degree that so many had hoped for. In fact, doubts crept in on a large scale fairly quickly. The spreaders of mistruths and doubt went to work with a vengeance. Powerful interests were being threatened by the implications flowing from the reality of climate change. Big money, very big money was at stake.

In an article in *The New York Times* (July 25, 2010) called *Who Cooked the Planet?* Paul Krugman explained:

*“If you want to understand opposition to climate action, follow the money. The economy as a whole wouldn't be significantly hurt if we put a price on carbon, but certain industries — above all, the coal and oil industries — would. And those industries have mounted a huge disinformation campaign to protect their bottom lines.”*

The purveyors of dark money had produced a collection of willing scientists and other commentators, such as late night talk show hosts, who had thrown cold water on the theories being advanced by the overwhelming majority of the world's climate scientists. Climate change deniers appeared everywhere and made their views known with skilful use of the media. Agnotology worked on a grand scale for the benefit of the few and the confusion of the many and the continuing damage being suffered by our planet.

When it comes to a concept such as a universal and livable guaranteed income, agnotology will be a factor, a major factor. Dark money will give significant support to opposition and will get behind efforts to persuade the general public of the folly of such a concept and its sheer impossibility. Just as occurred with tobacco and climate change, many will be led to believe the idea is completely unworkable. Nevertheless, the idea remains, and it is not unworkable—far from it.

More than ever, alert citizens need to think deeply about what politicians and business leaders are saying. Are they simply pushing their own interests or do they have some *objective* information to share? You can never be certain whose agenda might be at work. And the real agenda might not be to your liking at all. Critical thinking and probing questions are essential in our age of widespread doubt, confusion, and deliberate falsehoods.

### ***Greed is Good Isn't It?***

We know that greed is very much a human trait. We like to acquire things. Often we can be entranced by shiny new objects that seem to offer new and exciting possibilities, especially if they give off satisfactory electronic beeps and blurps. Quite often we like to show off our newest acquisitions to friends and neighbours.

In our society many people and organizations make it their business to bring out and enhance our sense of greed. Commercials blaze out at us in a continuing and inescapable cacophony of offers, complete with compelling sights and sounds. You really want to be the first in your neighbourhood to have ... don't you? Politicians add in their approval of greed. They routinely stoop to electoral bribery by promising lower taxes, more free services, and as much as possible of what you might wish for (except for things that might actually be substantial in human terms).

At the municipal level, one of the continuing phenomena of our

times is that of people demanding ever more services and structures from their local governments while pressing for no tax increases or outright tax cuts. Very often local politicians will oblige and cut spending, especially on matters of social welfare such as affordable housing.

Clearly, powerful conditioning processes are at work in our society to encourage us down the path of greed. High-ranking figures may actually say, "Greed is good." (As one of Prime Minister Brian Mulroney's senior ministers, Barbara McDougall, did in Toronto in the late 1980s.) At all costs, it seems, you must throw aside any feelings of guilt that may linger and indulge your greed. After all, that's what makes a consumerist society successful. The overwhelming message appears to be, "We can't succeed without greed."

Is greed really as important a part of our human make-up as we're told it is? If so much effort must go into helping us indulge our greed, does this mean that we have some reluctance about being greedy, that we're not naturally or automatically as inclined to satisfy greed as the powers-that-be say we are? Perhaps we're more inclined to be compassionate to others. What's the balance?

Alfie Kohn in *No Contest* (Houghton Mifflin & Company, 1986) writes:

*"So-called 'prosocial behaviors' – cooperating, helping, sharing, comforting, and so on – occur in almost every child..."*

Sure, there are children who will grab things from other children. Generally, though, children show quite a bit of generosity in the way they deal with each other. Sharing and helping activities are common. To some extent it may be that excessive greed and acquisitiveness may be something we build into children as they grow. Perhaps we condition them in greed from a young age.

The greed component of the human make-up may need deliberately to be stoked over time to push it into prominence. Even so, in times of disaster, such as severe storms, floods, fires, or explosions, people are quick to help neighbours and others in distress. This speaks to a deeper urge in humanity to have concern for others and to act on that concern. People have a built-in capacity to treat their fellow humans with compassion. After all, except for a few, we are fundamentally social beings. Historically, human beings have succeeded in different environments by working together not by working apart or, worse, working against each other.



If our values come to give more prominence to our innate compassion for others, we would encourage the flourishing of a different kind of society, a more humane society. In such a society, widespread and wilful destruction of the surrounding environment would become much less acceptable. This kind of society would also avoid stigmatizing people for being poor or disabled or being of the wrong religion or colour. In such a society people would be much more free just to be.

Just think what would happen if we put as much effort into convincing people to indulge in compassionate behaviour as we put into urging them to fulfil their feelings of greed. What a concept! More sharing, more flourishing, less greed! Can we make that possible?

### ***The deadening effect of continuing neoliberal realities***

In the first chapter we spent some time in describing the ins and outs of neoliberalism and the widespread grip of this socio-economic philosophy on our world today. Its concepts touch almost everything we deal with in our daily lives, from the drugs we're allowed to have access to for dealing with our health issues to the price we must pay to ride on public transit. In thinking of building a better society we must continue to bear in mind the reality and pervasiveness of neoliberal dictates in our world. These must be recognized and then rooted out or at least put in their place if we are to change our world for the better.

One dangerous claim of neoliberal thought is that financial freedom is similar to democratic freedom—shareholders vote just as citizens vote. The trouble is that this claim is bogus, even though it may seem to have some validity in a spurious kind of way. Shareholder votes are based on the number of shares a shareholder may own. So the shareholder with 1000 shares has 1000 times the voting power of the shareholder with just one share. Money buys shares, so the wealthy, including fund managers, can buy many more shares than ordinary folk, thereby acquiring substantially more power in corporate affairs. Nowadays, corporate affairs have a major and direct impact on political affairs. So those with money can wield their strength in government matters to a significant degree.

Given a long history of popular struggle and sacrifice, ordinary people still have the right to vote in elections. The vote cast by the poor person is just as potent as the vote cast by the rich person. Still, elections can be swayed in various ways, such as through the use of attractive media campaigns or the use of sincerely spoken but false promises by politicians seeking public office. Even hackers can affect voting outcomes

when electronic voting machines are used. Wealth buys election power and, at times, it even buys election manipulation or outright fraud. All of this fits well with the neoliberal agenda of rendering government less effective, deadening its purpose.

Despite all the well documented difficulties associated with neoliberal policies, influential people still believe in neoliberalism. They continue to prescribe policies such as austerity and the cutting of costs in different important areas as though these policies will actually have the effect desired for society. They engage in widespread agnotology and may even produce numbers that seem to show their policies working. The trouble is that such numbers seldom hold up under close scrutiny. Under neoliberal dominance, the relentless rise in inequality has continued.

James K. Galbraith observes (*Inequality and Instability, 2012*):

*“In general, increasing inequality is a warning sign that something is going wrong — and a pretty good indicator throughout history that untoward developments may be on the horizon.”*

We don't know exactly what kinds of “untoward developments” may lie in our future. The fact is, though, that many responsible people are now predicting them. It seems all too possible that such developments may mean upheaval and nasty consequences. In an enlightened society, we should, of course, seek to avoid them or lessen their impact as much as we can before they hit. Just waiting for the dam to break once we spot water trickling through in small cracks is a prescription for disaster.

Neoliberal thinking has led us to create a society fit for the wealthy and their ‘wealth management’ activities. The less well off are left behind with only the occasional sop to soothe them. Virtually by decree, we now have the ‘deserving’ and the ‘undeserving’, the beginnings of a feudal society.

As we consider the possibilities of a guaranteed and livable income programme in our society, we must take into account the degree to which neoliberal thinking and policies now dominate, how they dominate, and how they've worked to entrench their domination. The kind of society we now have is not exactly primed for a proper guaranteed income approach, although it may well entertain a limited basic income approach that is more of a social assistance programme than an economic transformation programme.

Neoliberalism promises much and delivers far too little for the majority of people. Worse, it seems to have blocked large-scale social programmes that could have done much good, such as expanded mental health care, pharmacare, or the provision of sufficient affordable housing.

Neoliberalism, with its deadening impact, has given us a sharp rise in inequality and it has dashed the hopes of many hard working people. It is high time that it is not only challenged, but replaced. That would benefit society as a whole, not just the privileged few.

### ***The need for a strong and active civil society movement***

The Wizard of Oz broadcast lies to the people and terrified them from behind a dark curtain. When the curtain was suddenly thrust aside, he was exposed for the miserable, grasping charlatan that he was. Citizens, in pushing for their rights, must continually strive to thrust the curtain aside and reveal what's really going on at the top. That's what transparency means. And we need real transparency in politics, society, business, and economic activity. Is that an impossible dream? It is if we do nothing to make it happen.

As citizens we are responsible for the political world that exists. If there's something about that world that we don't like, then we need to think about what we're doing to create it or sustain it. If there's something we believe is needed and worth fighting for, we must make that known in no uncertain terms.

*“We need to have an adult conversation about income distribution before we're forced into an unruly one.”*

David Olive wrote those words in a column entitled *Widening Income Gap Hurts Us All* in *The Toronto Star* of July 22, 2011. He was highlighting the fact that incomes for the middle class had stagnated and that the proportion of low-income people in our society was increasing. Fundamentally, he wanted to underscore the point that the question of income disparity wasn't just a question that concerned 'them'. It concerned everyone.

In the fall of 2011, unruly behaviour occurred as protesters in New York staged a demonstration in Wall Street that they termed “occupying” Wall Street (sometimes called OWS for short). They decried the financial power of the top 1% of Americans and referred to themselves as the 99%. They spoke to the enormous gap that has shown up in the United States, Canada, Britain and other countries between the few at the top and the

many beneath them. Severe income inequality was being opposed as never before, at least in recent times.

The actions of the Wall Street Occupiers were soon copied in cities across the United States and then in other countries, including Canada. Something had shifted in the temper of the people around the world, and it was making itself felt..



**Occupy demonstrators in Toronto – Fall 2011**

A key point made by the Occupiers was that the overwhelming majority of people had not seen their paycheques increase in real terms in over thirty years. Linked to this was the concern that the middle class was being cored out, with many middle class people dropping down into a poorer class. Further, Occupiers felt that the financial community had distorted the whole economy with their manoeuvrings and super-complicated financial structures and ‘products’ and now had far too much influence on government itself. (High-ranking officers from the big private banks routinely receive high positions in government.)

In time, the forces of repression started to react. In different cities the police moved in to force the Occupiers out. In some cases, they made generous use of swinging batons and pepper spray as they invaded. Tents and makeshift kitchens, meeting places, medical aid centres, and libraries were trashed. In many places brute force became the order of the day. This was the apparent answer to popular objections about income inequality and the dominance of the financial sector in our world. People suffered physical injuries to add to their economic injuries. No need for the subtleties of agnotology when brute force could be applied freely.

As winter came in 2011, no one knew the exact outcomes for the Occupy movement, but they did know that something had changed and that new possibilities might become available if people paid closer attention to the world they actually lived in. At the same time, people were more aware that if they organized to demand their rights and better conditions, those in power were prepared to use massive brute force to suppress them.

The Occupy movement was and is something more than a bit of disturbance caused by good-for-nothing layabouts. Many of the people involved in this movement clearly had and continue to have specific objections to what they see happening in their society.



**At what point might the troops be called in to stifle dissent?**

Many of the economic decisions made in our society today are made in the interests of a small number of people. They are too seldom made in the interests of society as a whole. And they're definitely not some sort of immutable ordinance sent down from on high (such as by an 'invisible hand' hovering over us?).

Robert Reich, in a 2010 article in the *New York Times* – *How to End the Great Recession* declared that, “Policies that generate more widely shared prosperity lead to stronger and more sustainable economic growth—and that’s good for everyone.” So we should ponder the idea of sharing prosperity more widely and of reducing income inequality significantly. These are things that a proper guaranteed income programme addresses directly and fairly.

When it comes to the idea of producing a better distribution of

wealth in our society, some people charge that socialism or communism is being advocated, that a lot of people just want a free lunch. For many people, such a complaint has immediate effect. They will reject the possibility of something that might be termed socialism simply because, in their view, it is socialism. They may well be acting on a conditioned response to the word. The old arguments about capitalism versus socialism can certainly continue. Merits exist for both. Equally, misunderstandings exist about both.

In *The Monthly Review* of May, 1949, Albert Einstein published an article called *Why Socialism?* In the article Einstein talked about the “predatory phase” of human history, the capitalist phase, a phase that emphasized conquest and the forceful assertion of rights and privileges for the few. He asserted that we needed to get beyond this latter phase.

Einstein described capitalism as “economic anarchy” and believed it was a source of much evil. He declared:

*“A planned economy, which adjusts production to the needs of the community would distribute the work to be done among all those able to work and would guarantee a livelihood to every man, woman, and child.”*

In making such a statement in 1949, Einstein was taking a bold stand indeed. The Cold War was underway, China had come under almost complete communist rule that year, Senator Joseph McCarthy was looking to ‘out’ and publicly smear people he considered to be communists wherever he thought he could find them, and the Soviet Union exploded its first atomic bomb, thus ending the American monopoly on atomic bombs. Fear of the ‘Red Threat’ was very much present in the Western world. Still, Einstein took his stand without apology.

Einstein felt that a proper socialist economy would have to provide reasonable protection for individuals. He thought more work needed to be done by socialists to ensure this protection. Since 1949, of course, neoliberal ideology has come to the fore and now dominates our economic and social thinking.

It’s remarkable that two world-renowned scientists, Albert Einstein and Stephen Hawking, set out heartfelt appeals for much more fairness in our world. In his December 2016 article in *The Guardian*, Hawking said, “... *our species needs to work together.*” This tunes in with Einstein’s emphasis on meeting “*the needs of the community*”. Is our

financialized world now so full of cleverness that we should simply ignore the wisdom of Einstein and Hawking? Such ignorance would be the pinnacle of elite arrogance, the arrogance of the super rich and the politicians who slavishly follow and support them.

People are gradually waking up to what's going on in their world. But they still experience a lot of confusion, much of it promoted by supposedly authoritative voices as they engage in the workings of agnotology. Even so, ordinary people are slowly seeing through the morass of deliberate obfuscation, misinformation, or deceitful concealment to understand the deeper, darker forces that are at work.

### ***A logical and needed role for government***

*“... at whatever stage of political and economic development a country is, government makes a difference.”*

*Joseph E. Stiglitz, Globalization and Its Discontents, 2003*

Each one of us, as a matter of living in a democratic country, is supposed to be able to rely on our government as the key instrument for the condition of our lives in this society. Further, as citizens, we're supposed to have a significant say in our government and what it does. Unfortunately, in recent years powerful interests have managed to bypass the popular will and limit the effectiveness of government. A large array of lobbying companies now infest our capitals. In effect, they form another branch of our government, but they're an unelected branch. They rely on high level contact networks and the strategic placement of large amounts of money to achieve their goals. Lobbying interests sway elections (to a far greater extent than the Russians managed in the 2016 US presidential election) and undermine the fundamental processes of democracy.

Government, especially national government, is the only body with the resources and reach to make a fundamental difference for society as a whole. Whatever else may be said, government remains the one institution that is supposed to be dedicated to the wellbeing of everyone in the country, the poor as well as the rich. That is why so many people have fought so hard over the centuries to establish democratic rule. Government is not tasked with enhancing shareholder value—or at least it's not supposed to be.

If government is supposed to exist and act on behalf of everyone, then politicians and high officials who deliberately mislead or abandon those without power or connections fundamentally betray their duty as servants of the people. It's a betrayal of the most elemental duty of

elected officials: to work faithfully on behalf of the people, all the people. When this responsibility is evaded to the point that many are left in deplorable, even life-threatening conditions, it betrays the very essence of a good and caring society.

When legitimate power is weakened or disappears, there are always powerful forces ready to step in and take over or, at least, make life very unpleasant for ordinary people. And the powerful forces ready to serve their own interests are rarely benign.

Citizens united for a cause can still force politicians to tremble and agree to lay out more productive paths for everyone into the future. Democracy is on the side of those who actively seek to use it—in sufficient numbers. Real democracy in action with a large number of like-minded people is a truly awesome force. It can achieve breakthroughs, and it can bring about changes once thought to be impossible. All this in the face of noisy and strong opposition.

We're now supposed to allow the very rich and the super rich to continue in the vast endeavours they choose for their own benefit, no matter how destructive those endeavours may be. And, naturally, we're not supposed to be too concerned about human rights anywhere in the world.

James K. Galbraith (*The Predator State, 2008*) declares that: “... *today we live in a corporate republic, where the methods, norms, culture, and corruption of government have become those of the corporation.*”

The degree to which Galbraith's statement is true is the degree to which government has abandoned its proper role as the guardian and promoter of the public interest—the entire public. In a country that is supposed to be a democracy, people are right to push for government to be accountable to everyone in society, not just those with plenty of money to disburse (or engage in outright bribery). Otherwise, we will be forced to admit that we're actually living in an oligarchy or plutocracy or worse.

A sovereign government always has the ability to invest money through its own sovereign ability to create money. Governments can actually create money out of thin air without the need for borrowing from the private sector. As long as the money supplied in this way is kept within proper balance with the actual productivity of the economy—not too much and not too little, government money creation and investment can work well and for the benefit of the population as a whole.



*“The nation-state is still the right level at which to modernize any number of social and fiscal policies and to develop new forms of governance and shared ownership intermediate between public and private ownership, which is one of the major challenges in the century ahead.”*

*Thomas Piketty, Capitalism in the Twenty-First Century, 2014*

Canada historically engaged in some large-scale projects through government efforts. This included building an extensive canal system early in the nineteenth century for easier transportation of goods (and troops). It included government leadership in the building of a transcontinental railway. It included a massive house-building project during the Second World War. And it included projects such as the St. Lawrence Seaway and the Trans Canada Highway system. Such projects were deemed to be in the public interest. Were those undertakings examples of socialism at work? Or were they examples of the government acting for the common good and in the fundamental interest of the nation as a whole? Perhaps they were examples of both.

If we continue passively to accept a corporate worldview as the worldview that government must follow as well, we will throw away the chance to build the kind of society that would eliminate most of the ills that are now so pervasive.

In his work, Ha-Joon Chang, a well-regarded economist at the University of Cambridge, has carefully studied the economic development of his native South Korea. That country went from a situation of widespread poverty and misery in the 1950s and 1960s to one of widespread prosperity today. That didn't come about as a result of the government sitting back and letting the private sector do whatever it wanted. It occurred with the definite leadership of the government. The remarkable development of China's economy in recent decades also involved a significant government role—and still does. We can note that those countries developed well despite the neoliberal advice given to them by foreign advisers and not because of that advice.

*“Economic theory shows that there are circumstances under which public enterprises are superior to private sector firms.”*

*Ha-Joon Chang, Bad Samaritans, 2007*

The prominent and well-respected Nobel Prize winner in economics, Joseph E. Stiglitz has stated in no uncertain terms (*Globalization*

and *Its Discontents*, 2003) “... there is broad agreement that government has a role in making any society, an economy, function efficiently – and humanely.” His words contrast sharply with those libertarians and anarchists who wish to push aside the very idea of government, who proclaim the end of the nation state. The nation state may need to change in many important ways, but it remains with us and, with the right policies and the right will, it continues as an important mechanism for the future of people living in a nation such as Canada.

For democracy to do the job that’s needed for the population as a whole, it must function clearly and effectively in democratic terms. People need to be part of higher-level decision making in convincing ways. That sounds obvious. Still, the kind of government that we refer to as democratic can be perverted. But an alert and informed population can do much to prevent any perversions.

### ***Implementing a good guaranteed income programme***

Partly because of the severe opposition that a good guaranteed income programme would stir up, a successful implementation would require a careful strategy. Simply proclaiming it would not be enough. The amount of money involved is too great, and the tax implications too widespread. A sufficient number of people would have to be won over beforehand.

Given that a little over half the population appears to support the general idea of a guaranteed income, the prospects for successful persuasion for most of the population are good, provided government leaders are in favour and express their support publicly, along with good and believable reasons..

Perhaps it’s useful at this point to provide a reminder from the Faculty of Applied Health Science at the University of Waterloo. They noted in 2016 that, “A *universal basic income is, in essence, a government policy that guarantees a regular income to all Canadians to help them live a basic and dignified life.*” That is fundamentally what we’re looking for. The important thing for us to consider at this point is: *How do we achieve this?*

First, perhaps, we should re-dedicate ourselves to the covenant agreements related to human rights that we agreed to as a nation in the 1960s and 1970s. Those agreements, grouped within *The International Bill of Rights* and ratified by Canada in 1976 were not intended as some sort of joke. They were intended to declare this country’s acceptance of full human rights within our own borders—for everyone, including our Aborigi-

nal population.

Now, over forty years later, can we live up to the courage of the words we then pledged to fulfil? As we've shown, there's no real financial reason for us not to. Is there a moral reason? Did our forebears make a mistake in signing onto *The International Bill of Rights*? If we believe our past commitments were valid, then it's high time we honoured them.

### ***Transformation for a transforming world***

Our world is changing. This is a truism, but it is also a significant fact in our twenty-first century context. Major forces are at work all around us, not the least of which is a changing climate and its consequences. We will have to find ways to cope and prosper more effectively in this changing world. Among other things, this means we will have to become used to challenging and dispensing with some of the verities we've become used to in our lives. Ideally, as we change, we will find ways to provide more and more benefits for the many, not the few. We will experience a real and comprehensive transformation.

In thinking about a better future for our society, Wilkinson and Pickett make the observation that:

*“Modern societies will depend increasingly on being creative, adaptable, inventive, well-informed and flexible communities, able to respond generously to each other and to needs wherever they arise. Those are characteristic not of societies in hock to the rich, in which people are driven by status insecurities, but of populations used to working together and respecting each other as equals.”*

So a transformed society would be more creative, adaptable, inventive, and flexible. People in that society would have a high level of information available to them. Given the kind of income levelling produced by the existence of a guaranteed, universal, and livable income, people could be more open and generous with each other. People would have a decent level of income security and would feel better respected. That kind of society is one we can look forward to if we're prepared to work to build it.

A truly and beneficially transformed society would be quite different from today's society. It would not be as commercial. It would not put so much emphasis on personal acquisition of things. It would lessen frenzied and destructive competition. It would not see large profits for

the few as a vital necessity regardless of the consequences for society as a whole, including our environment. And it would be quick to deal effectively with price gouging or excessive profit-taking.



**We can choose our destination**

Introducing a guaranteed, universal, and livable income by our government would be transformative for society as a whole. It would change things radically. It would not simply be a poverty relief measure. It would directly affect everyone, and it would have a major and positive impact on the economy.

A society transformed by a good guaranteed income programme would:

- Improve the health and wellbeing of the overwhelming majority of people (an important consideration for everyone, rich or poor, given the decline in effectiveness of our antibiotics and the rise of adapting forms of old diseases such as tuberculosis and gonorrhoea, and newer and deadly diseases such as Ebola).
- Help people to improve their education (including providing them with worthwhile activities for increased leisure time).
- Enable more people to engage in self-fulfilling activities (including creative activities and possibly the invention of new and useful items).
- Increase opportunities for people to work on community projects of different kinds—including environmental projects (preventative and remediation measures will increasingly be needed).

- Increase grassroots political activity (people will have more time to take part in meetings or help with events of different kinds).
- Reduce the level of criminal activity in society (people with decent incomes are less likely to look for desperate ways to get more money).

If we are to have a good society, one in which dire lack of income or savage levels of income inequality become a sad memory, we need a true transformation. This means working to deal with the thinking and attitudes of a broad swath of people, especially those who might be benefitting from our society as it is. It also means working to counter the impact of the enormous influence of most of our media, which too often continue to spread the message that everything is fundamentally all right and will turn out for the best (prominent news presenters and commentators are members of the one percent); so you can just look away and be entertained and perhaps do a bit more shopping while the ‘adults’ continue doing what must be done.

Climate change is slowly but surely bringing about changes we cannot ignore. Floods, massive fires, severe storms, rising oceans, and more are with us now and will continue. We are in for radical changes in the years immediately ahead, although we cannot yet identify exactly what all those changes will be. Are we prepared? Or have we now been lulled into a comfortable sense of complacency as deniers on all sides work to keep us reassured and comfortable..

The cure for the ills of democracy is ... democracy, true democracy. When people push to be heard and to put into office people they really trust to have their interests at heart, things start to happen. Money talks, but so do people. In recent times we’ve seen the power of the social media to spread information and bring people together. That power has affected elections and can enable a popular push back against the interests and demands of the powerful.

Laissez-faire thinking says that everyone is on their own and can sink or swim freely. For the strong and well placed this notion is convenient, possibly invigorating. For the weak or disabled and not so well connected it is an uncaring and disparaging notion. If government is supposed to exist on behalf of everyone, then abandoning those without power or connections becomes a fundamental evasion of civic responsibility. When this responsibility is evaded to the point that many are left in deplorable, even life-threatening conditions, it betrays the very essence of a good and caring society.

In thinking about the need for intelligent public policies, perhaps we can heed the words of James K. Galbraith writing in *The Predator State* (2008). He declared that:

*“The point of public policy is public welfare, not to make rich people as rich as they might possibly be.”*

We live in a world in which fewer than a dozen white men have as much wealth as the bottom three billion people on our planet. That speaks to the degree of inequality we have nurtured and continue to support. Is that what most people want? Or do we want something that supports more equity, more concern for real human beings and the quality of their lives?

Many things need to be done when it comes to our environment and preparing for a changed future. Among other things, that tells us that a lot of necessary jobs are waiting to be done. Waiting for the private sector to tackle these jobs could take a long time—how would they make a profit? We have a lot of wealth in this country, but in too many ways we seem to be squandering that wealth in a negligent, uncaring, and damaging way. Funneling it into a proper guaranteed income system would produce beneficial and needed results for everyone.

### ***Positive social change for our future***

Are we nurturing the right values to take us successfully and sustainably into a good future? If selfishness and greed remain dominant, the answer to this question is obvious. The personal gains for the few will receive emphasis even though the many may suffer from increasing deprivation.

If our values come to emphasize compassion for others, we encourage a different kind of society, a more humane society. In such a society, widespread and willful destruction of the surrounding environment becomes much less acceptable. The compassionate society would emphasize real sustainability, not just the tokenism of arranging different bins for different kinds of waste.

Active measures that made our activities in the world more sustainable and climate friendly, would lead to the creation of many more jobs. Many of these jobs would be quite different from the ones we're used to and they might not create quite so many opportunities for a few people to become super rich through massively destructive activities such as careless open-pit mining or the clear-cutting of mature forests in the

developing world.

We're going into a new age. We can do so blindly, even carelessly, or we can open our eyes to new possibilities. With the right approaches we can thrive in this new age. An increasing world population and the increasing effects of a changing climate are clearly in prospect. Without careful thought and action, we could set ourselves up for some grim times. There is a risk that the new age could bring us a dystopian world of upheaval and even more wars, mass migrations, and human suffering. With sufficient popular will and assertion, however, it could be a much better world than we know today. Will we be wise enough to achieve that better world?

Thomas L. Friedman (*Hot, Flat and Crowded*, 2008) notes:

*"We're going to need both massive breakthroughs in clean power and a deeper respect for the world's forests, oceans, and biodiversity hot spots if we're going to thrive in this new age."*

There is nothing pre-ordained about the kinds of income disparities we see today. We do not have to accept these things, especially if we want a society that we can honestly consider to be civilized. We just have to make the decision, as caring citizens, that we want our society to be a good society for everyone. In making this decision, we have to get rid of the poisoned thoughts that have become so pervasive, and which blame people for their own misfortunes.

Robert Reich maintains (*Inequality for All*, YouTube 2013): *"History is on the side of positive social change."* A proper guaranteed income programme would bring that kind of change. It would be a sweeping change, and it would definitely be positive for the great majority of Canadians.

A guaranteed and universal livable income programme is feasible and affordable, despite what the naysayers may say. This is the only measure that will ensure more equitable incomes for all. It will ensure that we can cope effectively as a society with the severe dislocations and upheavals caused by increasing automation, including more and more use of artificial intelligence and robots.

The Canadian dream should not be a delight for the few and a nightmare for the many. Canada can provide for *all* her people—honourably and respectfully. We owe it to ourselves and to future generations, our own children, to act in support of a better future for everyone, one that truly fulfils our promises of the past.

With the right decisions and the right actions, Canada could move well beyond her brilliant past successes to emerge as a true beacon of enlightenment for the world. We could show what a fair and just society looks like. We already like to think of ourselves that way. Let's make sure we're true to our best hopes. That would be a worthy contribution to the global reality. It is there for us. It is not impossible. That prospect is before us, and we can make it happen. We can make sure everyone has the economic means to live a fulfilling and productive life.



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## Author

Robyn Peterson has taught many courses over the years. These have included classes at the secondary school level, mainly in history, but also in economics. She has also taught many short courses in corporations and community colleges related to management, including issues in human motivation. More recently she taught stress management courses at Centennial College in Toronto.

Robyn has an honours BA in history from the University of Toronto as well as an MA in adult education, also from the University of Toronto. She retains an abiding interest in history and in developing the historical perspective in our society. The adult education perspective brings into focus the needs and aspirations of people in general. Those needs and aspirations need respect and support.

In the early 1990s Robyn wrote two books published by Kogan Page in London, England: *Managing Successful Learning* and *Training Needs Analysis in the Workplace*. The latter book came out in a new edition in 1998 and sold so well that it went into a new printing in the autumn of 1999. Over the years she has published many articles in different publications.

Throughout her career she has looked for fairness in the way people deal with each other and has been quick to identify instances of poor or inconsiderate behaviour by higher ups. This, at times, has caused her to ask questions that sometimes make others feel awkward, even hostile. Too often she has found that people in positions of authority quite often do not want to hear questions, let alone respond to them, especially if those questions might lead to awkward answers. Still, she always remembers the inscription written in stone above the entrance to Victoria College in Toronto: *"The truth shall make you free"*. When enough people believe in the truth and act on that truth, things can be changed for the better.

Robyn hopes her learning and teaching background as well as her life experience will continue to enable her to reach out to different people and, perhaps, enable them to think in new and better ways about our world and what each of us can do to bring more enlightenment and compassion to our world for the benefit of all. Certainly, we can all do much to change our world for the better.