C-BIG PEI

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

Nelson Mandela
Poverty in PEI

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

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

Source: Canadian Centre for Policy Alternatives
Globally

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

- Economic/political systems
- Conflict
- Climate Change
- Poverty > Hunger > Poverty
Basic Income Guarantee for PEI

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

by any other name . . .

- Basic Income
- Citizen’s Income
- Guaranteed Annual Income
- Guaranteed Adequate Income
- Livable Income
- Universal Basic Income
Has Basic Income Been Tried?

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

- **ReCivitas (NGO), started 2008**
  - 100 people receive small monthly payment
  - 25% of basic income goes to food
  - Improved nutrition
  - Microenterprise

- **Bolsa Família (since 2003)**
  - Conditional – prenatal/postnatal care, school attendance
  - Poverty reduced by ~ 1/3
  - Improved health
  - School attendance
  - 75% adults employed
India

Madhya Pradesh Unconditional Cash Transfer (2011)

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

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

- Historical:
  - Manitoba MIncome, 1974-1979

- Similar programs today:
  - Old Age Security
  - Guaranteed Income Supplement
  - Universal Child Care Benefit
  - Child Tax Benefit
  - Working Income Tax Benefit
  - GST Tax Credit
Does Basic Income work?

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

Source: Follow-up studies on Manitoba Mincome
The BIG Idea for PEI

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

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

BIG is based on three elements:

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

- We are advocating for a 5-year pilot program to show that a Basic Income Guarantee is the right way for PEI to invest in people and eradicate poverty.
Our Vision: We C-BIG!

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