

Responding to Common Objections to Basic Income

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Preamble

Many are the objections to basic income. They come from a wide range of people and perspectives, and are often based on various understandings or assumptions that can be shown to be false or faulty. How to effectively respond to various objections is a perennial challenge for basic income advocates. In many if not all cases, there is no “right” response. However, certain points may be more effective than others in helping defend a *progressive* vision of basic income (i.e., an adequately funded basic income, coupled with other economic and social supports, that ensures people are better off than before).

Below are point-form responses (some explicitly within the Canadian context) to a number of common objections about basic income. These responses are not the “last word” on the subject but rather points from which advocates can cherry-pick and modify.

This document does not include references for evidence-based responses. To explore the evidence in favour of cash transfer policies and programs, generally, and basic income specifically, the reader is referred to the websites of Basic Income Earth Network (www.basicincome.org) and Basic Income Canada Network (www.basicincomecanada.org).

This is a “living document” subject to periodic updating and improvement. If you have suggestions for other responses or alternative wording around any of the responses below, please forward them to Rob Rainer (rob@robbrainer.com).

“Basic income is too costly. We can’t afford it.”

- We are already paying an enormous financial cost—in Canada in the high tens of billions of dollars at least—for the poverty, income and wealth inequality, and the economic insecurity in our midst. These costs pertain to health care, justice, lost economic productivity, and more. Basic income is an investment in people’s social security and wellbeing and, for many as well (notably the young), their social development and potential. This “upstream” investment bears substantial “downstream” returns concerning physical and mental health, education, labour, creativity and entrepreneurship, community economic development, civic engagement, and more.
- The argument that we can’t afford basic income is meaningless in the absence of a concrete basic income proposal. There is a range of possible gross and net costs, depending on how basic income is structured and depending on how costs and benefits are accounted for, such as downstream savings in the health care system. Ultimately, the net cost of a decent basic income available to almost everyone in Canada may well amount to a few percentage points of Canada’s gross domestic product. Moreover, there are many ways in which a basic income can be feasibly funded.

- Canada is already partly there in terms of funding basic income. Programs such as the Canada Child Benefit, Old Age Security, and the Guaranteed Income Supplement are variations of basic income and support families with pre-adult children and seniors, respectively. (Each of these programs has also been shown, via empirical evidence, to yield impressive benefits e.g., food security and health improvements for lower income seniors.) The biggest gap in Canada’s basic income architecture is that concerning working-age adults for whom there is not any comparable program.

“Basic income encourages people to avoid work and makes them dependent on the state. We need people to be independent. Some people will free load if they get a basic income. People shouldn’t be paid to do nothing. And besides, people need to work for their own sense of wellbeing.”

- Relying on paid labour is in itself a form of dependency—dependency on the job market which has become radically unreliable over the last two decades, with too few jobs, inadequate and stagnating wages, and growth in part-time and gig work (i.e., precarious labour). Dependency on the job market is the real problem now but that market is unreliable. True financial independence is a pipe dream for all but the “independently wealthy.”
- Work that is meaningful has great intrinsic value. However, why should one’s economic and social security depend on whether one engages in “work” that happens to be compensated in the labour market? The idea that people are doing nothing or being lazy if they are not participating in paid work ignores or dismisses the value of constructive activity that takes place outside of a market. It suggests that the only things worth doing in life are things that other people are prepared to pay money for. But the measure of what is worthwhile is not necessarily to be found in the paid labour market and, ironically, much “work” in the market negatively impacts people and nature.
- Based on a growing body of evidence, there is a general correlation between people’s increase in economic security and their pursuit of self-improvement. There is evidence that basic income, where it has been tried, tends to support people’s pursuit of education, training, or work rather than the opposite. It stands to reason that those with basic needs met have the time and energy to pursue paid labour whereas those living on very low incomes have neither. As well, in the field of international development in recent years, there has been a shift from providing “expert” external assistance to providing direct monetary support. The reason? Those who are poor know better what is needed to improve their lives and what to spend money on than those who wish to help them.
- Many people who are economically secure need not continue to work but do because they derive satisfaction from it. With basic income, more people are able to pursue the work they most wish to do. As the saying goes: “Freedom from work equals freedom to work.”
- From a positive view of human nature, we can be confident that the vast majority of people who receive basic income will use it to better themselves and others. It is not a solution to leave people in poverty just because some people who receive basic income may not engage in contributing in positive ways to society.

- People who lack basic needs are unable to move vigorously and confidently forward to create a meaningful life for themselves. When choices have to be made every day whether to pay rent or buy food, wash laundry or get school supplies, take the bus or walk; when there's never enough money to put anything aside, never enough time to plan ahead, never enough hope to gather strength, it is just not possible to "bootstrap" oneself out of poverty. People who have never known the stress of living on a low income may find this difficult to imagine or understand.

"The best way out of poverty isn't basic income. The best way is a job or to simply work harder."

- If this were true, then we should expect all hard-working people to be free of poverty. However, many people living on low incomes have at least some paid labour, even full-time labour. The fact is that wages have not kept pace with inflation, nor with productivity. More and more people are experiencing income stagnation despite, in many cases, working longer hours than ever before. The notion of "hard work" no longer correlates with "getting ahead." As well, we may be facing an unprecedented disruption/elimination of jobs as artificial intelligence and automation (including robotics) surge into all sectors. Jobs and the skills required to perform them are changing, with new skills and technical competencies key to finding and holding on to jobs. And, there is often the problem of supporting oneself (e.g., via training) while living in between jobs.

"Basic income is a nice idea in theory. In practice, though, it is too complicated to be a realistic policy option. Basic income is a utopian dream."

- Democracy was once a utopian dream. Women owning property and having civil and legal rights was once a utopian dream. Abolishing slavery and apartheid were once utopian dreams.¹ Lesbians and gays being able to marry was once a utopian dream. Universal health care in Canada and some other countries was once a utopian dream. Utopian dreams are only that until they're achieved. Aspirations of fairness and justice cry out for their pursuit, even if the struggle is messy and takes a long time for dreams to be realized.
- Canada already has a number of basic income-like programs, notably the Canada Child Benefit which is based on the refundable tax credit model of basic income, Old Age Security which is almost like a universal demogrant for seniors, and the Guaranteed Income Supplement for seniors, also based on the refundable tax credit model. These programs, though not perfect, are well-established. Empirical evidence attests to the benefits they yield for families and for seniors. The challenge in Canada is how best to build on this existing basic income architecture including ensuring basic income availability for working-age adults, and how to generate the political will to make it happen.

¹ Neither slavery nor apartheid have been fully abolished worldwide: forms of slavery (e.g., economic, sexual) and apartheid (i.e., institutionalized, race-based separation and discrimination) yet exist in many places.

“Poverty isn’t just about money. Basic income distracts us from tackling other facets of poverty.”

- Poverty is a multi-faceted problem requiring a multi-faceted approach to its prevention and alleviation. Many forms of social and economic supports, including in the form of public services, are needed. However, everyone needs money even in the context of the broadest and most generous provision of such supports and services.
- Basic income is one tool in the toolkit and can go a long way to addressing poverty and its consequences. And, on balance, once people have access to greater income security and are better able to meet their basic needs, their physical and mental health and their potential to develop themselves improves, more opportunities become available for them, and they have greater capacity to make decisions that focus on the longer term. Such positive changes also reduce or eliminate the need of some people for certain social and economic supports they required when they were living in poverty. In these various ways, basic income not only addresses the circumstances of the lives of those now living on low incomes, but works to prevent future poverty.

“We do not need basic income, we need work that pays a living wage. Basic income distracts us from fighting employers for higher wages, which is where the real struggle for equality lies.”

- This isn’t an either-or situation: we need both—basic income as the foundation of social and economic security, and legislated living wages to ensure that those with jobs are earning at least enough to support a decent standard of living. Basic income must not subsidize the cost of labour that employers ought to bear. Basic income can also help combat unfair working conditions by giving workers a viable alternative, thus obliging employers to consider how to improve conditions, including wage levels to encourage people to take the jobs offered. Basic income thus shifts the balance of power, even if only slightly, in favour of workers.
- All work should pay a living wage or better, whether paid by employers voluntarily or by legislated living wage levels. (An exception to this principle may be made concerning the pay of work of pre-adult youth undertaking entry-level employment, the main value of which is often to gain work and life experience.) However, even if all wages were living wages that would support only those who have full-time or high paid part-time jobs, left behind would be people not in the workforce due to age (children and seniors), caregiving responsibilities, disability, illness, discrimination, training and higher education pursuits etc.

“Basic income isn’t the answer to problems in the labour market. Investing in education and training is much more important.”

- Yes, education and training are vital for bettering the odds for people’s social security development. And basic income is probably the best way to allow people to pursue the education and training that is best suited to them, and that enables them to better navigate transitions in the economy and the labour market. After all, people “need to eat” while engaged

in education or training: if they have no source of or inadequate income, basic income is necessary.

- Education and training, however, are not necessarily sufficient for ensuring social security and development. Working-age adults today face major structural problems in the labour market (e.g., many fewer full-time jobs are being created than in the past, and many full- and part-time jobs being created come with few if any benefits or protection from layoffs). The global human population also continues to rise, meaning that more and more people are competing for the jobs that do exist or that can be created. Further, the pace of new occupations and new jobs being created may soon fall substantially behind the pace of occupations and jobs being lost or significantly changed by artificial intelligence and automation (including robotics).
- Education and training are also not keeping pace with labour market requirements needed today and in the near future. (This is not to say that all education should be oriented solely to these requirements.) Education and training specifically designed to lead graduates into work in their fields must be better aligned with the realities of labour market requirements developing now and into the foreseeable future, as opposed to what was needed in the recent past. And, in some cases it would be wiser for training to be offered on-the-job through paid, living wage apprenticeships.

“Artificial intelligence and automation may displace many jobs but that’s the story of technology: new jobs always arise to replace the old ones and therefore basic income isn’t necessary.”

- It is generally true that jobs lost in the Industrial Revolution due to technological change were by and large replaced by other jobs. However, this transition was neither quick, smooth, or easy: the replacement occurred only after a long and painful period during which countless people lost their homes, livelihoods—even lives—as jobs lost due to technological change gave way to other jobs.
- What’s different in “The Second Machine Age” today is that technological change is moving at an exponential rate and penetrating across virtually all sectors. Thus, whereas in the Industrial Revolution machines were essentially tools in aid of the manual labour of people, in The Second Machine Age machines are becoming ever-more capable “workers” (outperforming humans in many tasks, including highly sophisticated ones as well as repetitive menial ones). The Second Machine Age is also in its infancy. As it matures through the 21st century and into the 22nd and beyond, there will very likely be ever-more truth to the phrase: “humans need not apply.” And, the decreasing number of new jobs created will tend to be highly specialized. To help people transition in The Second Machine Age, basic income can support our engagement in socially essential and constructive activity (e.g., caregiving, creative pursuits) that also helps redefine the meaning of “labour.”

“Instead of basic income we need to invest in public services that benefit more people in more and better ways.”

- This isn't an either-or situation. We need both: properly funded and well-functioning public services including hospitals and other health care services, schools and universities, public transportation systems, urban parks, and much more; and basic income at the foundation of social and economic security—because people need enough money to live modestly, no matter how free and widespread public services happen to be.
- Strong public services are essential for a high quality of life for all. However, they cannot do what basic income can do in some respects, and vice-versa. For example, public services are not strongly linked to food security whereas basic income greatly aids a person's access to sufficient, nutritious food. On the other hand, basic income does not substitute for direct investments in public education, mental health supports, recreational services, and much more. Both basic income and public services are needed and fit within a modernized system of social security and social development investment.
- Not everyone needs mental health supports, or public transportation for example. Generally, individuals and families are best positioned to determine what they need for their wellbeing, rather than government deciding for them. Moreover, as basic income improves wellbeing, predictably there will be reduced demand for certain public services like health care and emergency or crisis supports (e.g., transition housing/services for women). With basic income, many public service providers (e.g., schools, hospitals) will not have to carry the burden of people's poverty on top of the work they are meant to do.

“Basic income promotes gender inequality and particularly disadvantages women.”

- In fact, the effect is likely the opposite. In Canada, low income women (particularly lone mothers with children) are the predominant recipients of means-tested social assistance which keeps them in grinding poverty and their actions scrutinized by welfare program administrators. Basic income would provide them with sufficient income to meet their and their families' needs without overbearing oversight of their daily lives and without stripping them of their financial assets, as provincial and territorial welfare programs generally do.
- Basic income is like other forms of economic or social policy: it can either promote greater gender equality or promote inequality—depending on how it is designed. Well designed, basic income helps to “level the playing field” in terms of opportunities available to women.
- Basic income provides more options for achieving economic security and this may apply more to women, who historically have been and remain disadvantaged in the paid labour market.
- Basic income may result in more women remaining at home to care for young children, or the elderly. It may also result in more men doing the same. The key is that, with basic income, people of any gender identification have greater time-use choice.

“Basic income is supported by people on the political ‘right’ who wish to dismantle the welfare state and who have an agenda of economic austerity. Basic income will be used by neoliberal governments as an excuse to eliminate valuable social and economic supports.”

- Motivations for support for basic income span the political spectrum and do not easily or necessarily align with notions of the political “left,” “centre,” or “right.” For example, someone who identifies as “conservative” may value basic income for its poverty-fighting potential, an interest often associated with the “left.” Someone who identifies as “progressive” may value basic income for its potential for local economic stimulus, an interest often associated with the “right.” And, basic income is being seen by people across the political spectrum as necessary in the transition to a more widely automated future, to help uncouple social security from labour market attachment.
- A basic income program which replaces valuable economic and social supports and that leaves people worse off than before is possible. Some on the “right” support basic income as a way to shrink the welfare state and to minimize government intrusion in private life, by substituting basic income for a wide range of economic and social supports. However, any such proposal must be resisted. Good basic income design—*progressive* basic income—is one that leads to a range of positive outcomes, from the individual to the societal.
- Politicians or governments determined to shrink the welfare state do not need basic income as an excuse to eliminate economic and social supports—there are plenty of other opportunities and rationales for them to do so. Governments of various political stripes in Canada have shrunk social assistance programs or at the very least failed to ensure that income support programs have kept pace with inflation.
- Proponents of austerity believe that governments are severely constrained by their budgets and ability to raise revenue. However, governments have many options for raising and distributing revenue: the generation and allocation of public revenue comes down to public values and political will.
- Advocates for a *progressive* basic income want to eliminate programs requiring civil servants to decide whether people receive income support, how much income, and what they can spend it on. Basic income should be an entitlement and rest on the view that people are the best decision makers about how to deploy their income to meet their needs.

“Basic income will drive inflation.”

- Fears about inflation are sometimes raised to argue against basic income or living wages or increases in welfare benefits. However, there is no correlation between Canada’s existing major social security programs (e.g., Canada Child Benefit, Old Age Security, Employment Insurance) and inflation, nor is there inflation correlation linked to other types of major infusions of money into people’s pockets or economies (e.g., via major new income tax credits, substantial new public works projects, significant increases in defense spending).

- Canadian monetary policy and the Bank of Canada’s setting of interest rates, along with its mandate to monitor inflation and potential drivers of inflation, is a result of many drivers both within Canada and external to it. The influence of basic income on inflation could be neutral depending on the design of the intervention and the Bank of Canada’s management of other policy drivers over the roll out period.

“Basic income is too hard to implement in a federal system.”

- It is certainly easier to introduce policies in a unitary system where one government alone can make a decision and implement it, than in a federal system. However, Canada has many policy areas where federal, provincial, and territorial governments cooperate, often with First Nations and/or municipal governments as well. Canada also has federal programs (e.g., Canada Child Benefit, Old Age Security, Employment Insurance) where the federal government has a well-established responsibility and has taken the lead on income distribution. A federally-administered basic income for working-age adults fits well within Canada’s existing income security architecture, sandwiched between existing children and seniors’ basic income programs. The economies of some provinces (e.g., Ontario, Québec, British Columbia, Alberta) are also large enough to enable these provinces to on their own establish at least a partial basic income for working-age adults.

“Canada already has many basic income programs. We do not need any more but to improve the ones we have.”

- Although it has been stated that Canada has some 30 basic income programs already, most of these are small in terms of dollars available to recipients and thus for practical purposes have little impact. The exceptions are the Canada Child Benefit (CCB) and Old Age Security-Guaranteed Income Supplement (OAS-GIS) programs, which provide a partial basic income for pre-adult children and for seniors, respectively. Empirical evidence shows that the CCB and OAS-GIS yield a range of benefits although improvements to each program are yet warranted. The biggest need of all is to introduce a full basic income guarantee for working-age adults.