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How to sell the basic income

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Utopians often imagined a world without jobs. Some hoped automation would bring a leisure society. Some were afraid machines would do all our work and leave us impoverished.

Canadians are suspicious of technological progress. In a 1983 Decima Research poll 72% agreed automation will lead to “high unemployment.” In a 2016 Angus Reid Institute poll, 63% agreed “new technology is likely to eliminate more jobs than it creates.”

Abacus Data asked about the impact of artificial intelligence and automation on “future economic prospects” in a 2017 poll. While 50% said the impact will be more helpful, 50% said more harmful.

Anxiety over the future of work isn't new. In the early 19th century, the rioting Luddites in Nottingham destroyed the textile machines that were replacing them.

After manufacturers installed the first assembly-line robots, in a 1979 book, *The Collapse of Work*, British union leader Clive Jenkins forecast “tidal waves of technological unemployment.”

Today's employment forecasters expect more technology will mean fewer jobs. A typical outlook, by the University of Toronto's Mowat Centre in 2016, predicts “automation, combined with other trends in employment” will eliminate 1½ to 7½ million jobs in Canada in the coming 10 to 15 years — up to one in every five jobs.

The job-killing potential of new technology has revived interest in having governments guarantee everyone a basic income. The right-wing Fraser Institute commented in 2015 that the idea was receiving “renewed attention” and had support “across the ideological spectrum.”

Polls show that Canadians want only the needy to have a basic income, not everyone. In five surveys between 1975 and 1995 conducted by Lethbridge University sociologist Reginald Bibby, from 84% to 91% agreed “people who are poor have a right to an income adequate to live on.”

In seven polls conducted by Environics between 1980 and 1991, from 66% to 77% favoured “the government providing a guaranteed annual income for all people who have incomes falling below an established poverty line.”

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In 2017, however, when Ipsos asked if the government should pay “all residents” a “basic income in the form of free and unconditional money in addition to any income received from elsewhere,” only 44% agreed. Another 31% disagreed while 24% were unsure.

In the Angus Reid Institute survey in 2018, 59% said giving everyone “a minimum sum of money every month to live on” is a good idea, but only 21% said it’s a “very good idea.”

The guaranteed income is the Godot of Canadian politics. Like the characters in Samuel Beckett's play, people wait for the universal basic income. Some expect it's imminent. Writing for iPolitics in 2017, journalist Susan Delacourt said a guaranteed basic income “could well become the sleeper issue in Canadian politics in 2017.”

But there's no pressure on politicians to enact a basic income because Canadians are deeply ambivalent about it. One barrier is the public's impression that it would cost too much.

In the 2016 Angus Reid Institute survey, 34% were willing to pay “more in taxes” to support “some kind of guaranteed income.” But 59% felt it would be “too expensive for Canada's government to afford.”

The Canadian Centre for Policy Alternatives says a universal basic income “raising everyone's income above the poverty line” would cost \$30 billion a year. The Parliamentary Budget Officer estimated in 2018 it would cost \$76 billion but save the government \$33 billion, so the net yearly outlay would be \$43 billion.

To put that in perspective, the government's projected budget deficit in 2018-19 for all its programs is \$18.1 billion.

The biggest obstacle to a basic income program, however, isn't the cost. It's the public's concern about the work ethic. The Fraser Institute says basic-income experiments prove that giving people money discourages them from working and “could foster long term dependency on government transfers with widespread effects on the economy.” The public generally concurs.

In the 2016 Angus Reid Institute poll 63% agreed that guaranteed income programs “discourage people from working.” And 52% agreed “if you don't work you don't deserve an income.” In the 2017 Ipsos survey, 60% agreed a basic income “will make people reliant on the state for income” while 54% said it would “discourage people from being in or seeking paid employment.”

If a basic income is a disincentive to work, what's wrong with that? With the prospect of technology-driven massive job losses, dissuading people from working would be a good policy.

Stagnant pay and unemployment are the result of too many people chasing too few jobs. Paying people not to work would shrink the labour supply and lift wages. It might force employers to

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automate more jobs, which would rev up innovation and boost productivity (higher productivity, economists say, leads to higher profits and wages).

Advanced economies already pay some people for not working. Millions of retirees in their 60s and 70s live on their employer-based pensions though many are physically able to work.

To convince a skeptical public, advocates need to reconceive the universal basic income to match public opinion. Canadians want a guaranteed income that's earned or deserved. A basic income Canadians would support would be a reward for initiative and effort, like a commission, a tip or a bonus.

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