

Intelligence MEMOS



In this special edition of Intelligence Memos we present the opposing arguments made at the C.D. Howe Institute's inaugural Regent Debate earlier this month. Four prominent voices sparred over the following question: Should Western democracies establish a universal basic income? Today: the rebuttals presented by Paul Begala, CNN commentator and former senior policy aide to President Bill Clinton and by Janice MacKinnon, former Saskatchewan finance minister.

Begala: It seems to me Conrad (Black) and Janice (MacKinnon) raised two points, essentially: that a universal basic income will erode a work ethic; and second, that it will cost too much.

I am amused by the first because we're never told when we cut taxes for the rich that that will decrease work. By the way, if you want to see how getting money for nothing decreases work I can introduce you to trust fund babies I know who are lazier than the slowest sloth of the Amazon rainforest. But it's only when we talk about poor people, that somehow they're different. They don't have the work ethic that we do. That is nonsense. They want to work. They just have jobs that don't pay, and more and more they will have jobs that don't pay.

In Canada, 335,000 Canadians, almost all of them men, work as truck drivers; another 50,000 as taxi drivers. All of them will lose their jobs in the next 10 years. All of them. The number one employment for women in your country is retail, and that is 371,000 workers, most of them women. 92 percent of them will lose their jobs in the next 10 years.

They need something, and what universal basic income will do is top off low-wage work, which is a very good thing. It will also reward socially beneficial but economically unremunerative work, like raising children, like caring for an elderly ... like community and national service.

MacKinnon: First of all, a universal basic income isn't a top-up. It's money to everybody in the society.

You had a point. You hit a sensitive nerve there when you said, "Just find the money." I was the finance minister of a province where for years, for all kinds of good reasons, governments just found the money.

And I happen to be the finance minister who came when our province hit the wall. And I'll tell you, when you get to that point, all of this, "Just find the money. Don't worry, it's going to be there," the first people to suffer are the people at the bottom. You try desperately to protect them. But you cannot just find the money.

I think we all want to deal with poverty. It's just the best way to do it. But when you're dealing with poverty, the models show that if you're going to actually increase the income of people at the bottom by 50 to 60 percent, it's the middle-class taxpayer that's going to pay. People at \$55,000 a year are going to lose money and that isn't fair.

I think the other point that I would make is we have the basic foundations of a reasonable social safety net. We actually do have a workers' benefit that tops up the income of low-income people. I think we should build on that, streamline what we've got, do a better job. But \$300-400 billion is going to take so much money away from other programs that benefit everybody, including the poor people, that I can't conscience it.

I actually started this research thinking I supported it but as a former minister of social services and finance this is just not the right answer for where we're at now.

(Comments edited for length.)

The Regent Debate series is generously sponsored by Aaron and Heather Regent.

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