



Foundations for Action
Basic Income Guarantee
for the NWT Report

Summary for Policy-Makers



Alternatives North

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By Alternatives North
for the Government of
the Northwest Territories



Foundations for Action

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Alternatives North is a Northwest Territories social justice coalition based in Yellowknife. Members include churches, labour unions, environmental organizations, women and family advocates, anti-poverty groups, and individuals with an interest in our work. <https://alternativenorth.ca>



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We dedicate this report to the young people of the NWT, with the aim that they grow up in a beautiful, sustainable land, free of poverty, full of hope and opportunities for all.

SUMMARY FOR POLICY-MAKERS

At a time when many people in the Northwest Territories (NWT) are struggling, a basic income guarantee could lift almost everyone out of poverty. But this policy goes beyond poverty reduction with its transformational potential. A basic income guarantee can allow people to go back to school, retrain for a new job, or start their own business. It can allow others to care for aging or sick loved ones, volunteer in their community, find appropriate housing, recover from stress or trauma, and put healthy food on the table. This report emphasizes the importance of broad consultation and detailed modelling. Alternatives North is calling for the following steps to move forward with design and delivery:

- 1 **Public awareness, education and dialogue should be supported by NWT government and non-government organizations and must include diverse voices from across the territory.**
- 2 **Basic income guarantee design options should be studied and modelled to show their impacts on people in the NWT and to weigh benefits and costs.**
- 3 **The Government of the NWT (GNWT) should take concrete steps towards the implementation of a basic income guarantee through pilots or program development.**
- 4 **The federal government should be encouraged to invest in a basic income guarantee.**
- 5 **The GNWT should be encouraged to move programs in a direction consistent with a basic income guarantee.**
- 6 **The relationship between a basic income guarantee and Indigenous self-determination should be fully explored.**

What is a Basic Income Guarantee?

A basic income is a regular government payment to people - enough that everyone can meet basic needs, live with dignity, and participate in society, with no requirement to meet certain conditions, including paid work.

In the basic income *guarantee* model the income is there when you *need* it. This is how seniors' and children's benefits work. Not everyone gets a cheque for the same amount. With an income guarantee, if you have a great job with a living wage or more, you get a smaller payment, or maybe none. If you're struggling and need more help, your payment is bigger, up to an income floor that you can't fall below.¹

The Timing is Right for Transformation

This project explored the specific needs of the NWT in the design of a basic income guarantee, based on:

- Basic income principles and evidence from literature on a range of design elements
- Literature on income security and related policy and program issues in the NWT
- Conversations with experts inside and outside government in the NWT and other parts of Canada
- Discussions during a virtual public forum on February 15, 2023²

The detailed design of a basic income guarantee for the NWT must be grounded in the realities of life and public policy in the territory. We can and should set out to improve on the current income security framework as called for in several GNWT Reports.³

The GNWT Minister of Education, Culture and Employment, R.J. Simpson, recently announced “the most significant changes to the income assistance program in a generation”.⁴ The Minister’s announcement shines a light on the urgent need to lower barriers and simplify access. The GNWT is ready to take action. A constructive next step would be for the GNWT to recognize how effectively and dramatically a basic income guarantee would move the territory towards sustainable solutions.

This process must be flexible to ensure fairness and effectiveness, and be inclusive of diverse Indigenous voices and values. The design and delivery of a basic income guarantee will need to be accompanied by a public education campaign because knowledge of this approach to income security is highly variable (within the territory and beyond).

Design Considerations for the NWT

Modelling and program design for a basic income guarantee must address the following key features within the NWT context, as explored throughout the full report:

Indigenous Leadership and Values: Program designers must seek guidance from Indigenous leaders, knowledge keepers and communities to ensure a culturally appropriate and trauma-informed.

Cost of Living: A basic income guarantee must factor in the higher cost of living in the North, and the wide variations in living costs across NWT communities.

Level of Adequacy: Program design must address the question of whether a basic income guarantee should go beyond helping people to barely meet basic expenses, towards participating in community and traditional activities - living with dignity.

Residency: The program must specify a minimum residency period for potential recipients to qualify.

Family/Household Size and Composition: Benefits delivered to an individual adult under a basic income guarantee typically depend on the number of adults in a household and on family relationships. A program designed for the NWT must consider situations of multiple adults and extended families in a single household.

Income Changes: The system must be responsive to significant changes in residents' incomes over the course of the year.

Benefit Reduction Rate: Program modelling will help clarify the impacts of different benefit reduction rates to maximum incentives to work and gain other sources of income.

Necessary Additional Supports: Income calculations used to reduce the benefit should not include sources such as housing and disability benefits, mental health supports, and job creation programs.

Delivery: Designers must consider options for issuing payments to people who can't receive direct deposits, and/or don't have access to computers or the internet.

Paying for a Basic Income Guarantee: Options for funding a basic income guarantee affect how people receive and pay into the tax/transfer system, and must be included in the program modelling and design.

Streamlining Administration: The GNWT should anticipate and articulate the benefits of combining some existing income supports under a single umbrella.

Program Training and Navigation: Field staff will require training to help residents navigate the new system.

“We offer food vouchers to families, and we're finding that it's not enough. There isn't enough access to healthy food—they can get canned goods and basic staples, but they need fresh fruit, vegetables, meat, and fish. If a basic income guarantee gets off the ground, it has to be more than something that just helps them get by. If there's an interest in post-secondary education and the family can afford that, that would be wonderful to see.”

Basic Income Guarantee for the NWT Forum Attendee, February 15, 2023

What We Learned

The discussion throughout this project delivered a wealth of granular detail and advice on how the design of a basic income guarantee should best reflect the complex, varied realities of living in the NWT. The overall conclusion - that everything depends on getting the details right - reinforces the need for the additional research and modelling that will hopefully begin in 2023.

One of the toughest questions in designing a basic income guarantee, and often one of the biggest stumbling blocks, is how much money each household will receive. The amount of the basic income guarantee must be

set high enough to break the cycle of poverty, giving people real autonomy and control over their own lives, so that everyone in the NWT can live with dignity.⁵

The Northern Market Basket Measure (MBM-N) is based on one definition of basic needs. But a basic income guarantee is meant to deliver on a wider range of values, including human dignity, community involvement, and leisure. At the same time, the MBM-N is a useful baseline to work from, since it's updated on a regular basis. The question of how to account for the variable costs of living in the NWT is explored in detail in Chapter 2 of the full report.⁶

Towards Delivering a Basic Income Guarantee in the NWT

There are several options the GNWT can pursue for design and delivery - on its own or in cooperation with the federal government, as a pilot project, or as a full program. One way or another, the next steps are to listen to people and communities, model the details of varying options for a basic income guarantee in the territory, and start generating direct experience. These steps will tell us how best to deliver a basic income guarantee that meets the unique needs of people in the NWT.

Please read the full Foundations for Action: Basic Income Guarantee for the NWT Report to learn more about this transformational opportunity for our territory and its diverse peoples.

Summary Endnotes

1. For definitions and background discussion see the Basic Income Canada Network website, https://basicincomecanada.org/what_is_basic_income/; and the Coalition Canada website, <https://basicincomecoalition.ca/en/what-is-basic-income/>, last accessed Feb 4, 2023
2. This Alternatives North webpage describes the Basic Income Guarantee for the NWT Forum, Feb 15, 2023, <https://alternativenorth.ca/2023/01/12/what-could-a-basic-income-guarantee-for-the-northwest-territories-look-like/>, last accessed on Feb 18, 2023
3. See, for example, "Income Security Forum What We Heard Report", GNWT, Jan 2019, https://www.ece.gov.nt.ca/sites/ece/files/resources/income_security_forum_what_we_heard_report_final.pdf; "What We Heard Report: Income Assistance Program Review - Engagement", GNWT, Dec 2022, https://www.ece.gov.nt.ca/sites/ece/files/resources/2022_-_12_ia_program_review_wwh_report_0.pdf, last accessed Feb 20, 2023
4. Ministers' Statements, Northwest Territories Hansard, Feb 27, 2023, pp. 1-2, <https://www.ntassembly.ca/sites/assembly/files/hn230227.pdf>, last accessed on Mar 20, 2023
5. For detailed program modelling examples see Pasma, Chandra and Sheila Regehr, "Basic Income: Some Policy Options for Canada", Basic Income Canada Network, 2019, https://basicincomecanada.org/wp-content/uploads/2021/04/Basic_Income_-_Some_Policy_Options_for_Canada.pdf, last accessed Feb 15, 2023
6. A range of sources are considered in Chapter 2, including: "Poverty Indicators: Northwest Territories", NWT Bureau of Statistics, 2021, <https://www.statsnwt.ca/Poverty%20Indicators/Poverty%20Indicators%202021.pdf>; Devin, Nancy, B. Gustajtis, K. Lam, and S. McDermott, "Construction of a Northern Market Basket Measure of Poverty for Yukon and the Northwest Territories", Statistics Canada, Nov 2021, <https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2021007-eng.htm>; last accessed Feb 15, 2023