



UNIVERSITY OF
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School of Public Policy

Basic Income Design Options for Modelling

Modelling Options for a Basic Income to Support
Nunavummiut

11 January 2023

Dr. Gillian Petit and Dr. Lindsay M. Tedds
School of Public Policy, University of Calgary

Dan Perrin
Perrin, Thorau & Associates

Molly Harrington
Victoria, B.C.

<https://www.policyschool.ca/research-teaching/fiscal-and-economic-policy/>

Contact Author

Dr. Lindsay M. Tedds
Associate Professor, Economics
Scientific Director, Fiscal and Economic Policy, School of Public Policy
University of Calgary
906 8th Avenue S.W., 5th floor
Calgary, Alberta
T2P 1H9
lindsay.tedds1@ucalgary.ca

This research paper was produced as background material for BluePrint ADE in relation to Government of Nunavut Request for Proposals RFP 2020-60 Feasibility Study—Guaranteed Basic Income for Nunavut. We gratefully acknowledge the funding from BluePrint ADE that it received from the Government of Nunavut that helped support this research. All inferences, opinions, and conclusions drawn in this paper based on the data collected and the literature consulted are those of the authors, and do not reflect the opinions or policies of BluePrint ADE or the Government of Nunavut.

Executive Summary

The purpose of this report is to outline, discuss the potential, and the next steps forward for four high-level basic income design options that emerged from the background work in Phase 1. It is meant as a starting point to begin discussions on a tangible form of a basic income cash transfer in Nunavut. The design options we will use as our starting point are:

1. a tax system administered and delivered basic income cash transfer;
2. transforming and enhancing the existing Income Assistance program in Nunavut to move it closer to a basic income;
3. a decentralized community administered and delivered basic income cash transfer; and
4. an open option for a basic income-style cash transfer program that is informed through the lens of Inuit values, principles, and well-being and informed by the Advisory Council and the work of Inuit Solutions.

Option 1, we outline is a classical/main-stream basic income often proposed in Euro-centric and (southern) Canadian-based basic income literature. It is a basic income cash transfer that is administered and delivered by the tax system (e.g., the Canada Revenue Agency). Given that it uses existing institutions—albeit colonial—for administration, it is relatively easy to administer; however, it does pose access issues for potential recipients which may be particularly salient in Nunavut. It is also not responsive to in-year fluctuations in income—both issues will need to be considered in Phase 3 if this option moves ahead. In evaluating this option, we will simulate (detailed in a separate report) various basic income designs. We will examine those designs’ impact on outcomes including income poverty and cost and conduct an optimization exercise to identify which basic income design parameters are economically feasible and efficient, and examine economic feasibility. The results of the simulation exercises will be completed as part of Phase 2.

Option 2 considers transforming and enhancing the existing income assistance program in GN—is based on the recognition that the GN Income Assistance (IA) program in Nunavut. The Income Assistance program does not currently meet basic income principles (Tedds, Cameron, Petit, et al., 2021). The current IA program is complex, stigmatizing, fosters social exclusion, and is not adequate for addressing income poverty. However, it is an already existing program with existing infrastructure that is well known and could be transformed into a program that is more in line with basic income—or perhaps more appropriately IQ—principles. We will conduct a complete and detailed review of the Income Assistance program to identify a suite of reforms based on basic income principles (detailed in a separate report). These proposed reforms would be ‘incrementally radical’—they would move the program towards a basic income style cash transfer in a significant way. These reforms could be implemented in the short run on the pathway to a full basic income model in the long run.

Option 3 considers a basic income based on the Australian Community Development Employment Program (CDEP) and the Government of Canada’s 10-year block grant to eligible Indigenous communities. In these, a cash transfer is provided to a community where the community then is responsible for designing, administering, and delivering the cash transfer. We suggest that this

decentralized model is not a model that GN should pursue over the short-term given the need to co-develop various legislative, regulatory, and policy guidance with the respective communities and thus we will not immediately be further evaluating this model. However, the principles of co-development of design and implementation that underpin these examples are worthy features of public policy design and implementation in Nunavut.

Finally, a comprehensive review of the literature related to a basic income revealed that there is very limited literature which reflects the perspectives of Inuit, particularly in the context of colonialism. Given this, we have left option 4 as an open option to be developed through a consultation process. Option 4 is for a design option we have not identified but which consultations may bring to light. It may be uniquely different from the other options, or it may combine aspects of the other options outlined here.

These four high level options provide a starting point to begin discussing what a basic income for Nunavut may look like and how would we get there.

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Introduction

In Phase 1 of this project, several reports were produced to provide background information to the Government of Nunavut (GN) on Basic Income (Pfeifer & Redfern, 2021; Tedds, Cameron, Petit, et al., 2021), assessing the state of well-being in Nunavut (Tedds, Cameron, & Atherly, 2021), providing an overview of existing income supports programs in Nunavut (Petit & Tedds, 2021), as well as an interim report that brought the findings of these reports together into a comprehensive piece (BluePrint ADE, 2021).

As detailed in these documents, there were several key findings that are relevant to developing basic income design options.

1. A basic income, as represented in the western-European dominated literature, is a class of cash transfer programs focused on individual autonomy.
2. There are 14 identifiable basic income design elements that must be specified to design a basic income cash transfer program, which are shared with all cash transfer models.
3. There are four guiding principles that embody the basic income autonomy approach to cash transfer design: simplicity, respect, economic security, and social inclusion.
4. The four guiding principles are what separate a basic income style cash-transfer from other cash transfer programs.
5. The four basic income guiding principles can be used to not only design a basic income, but also to transform and enhance the current income and social support system.
6. The current system of income and social supports available to Nunavummiut consists of 105 different programs offered by the federal government, GN, or Nunavut Tungavik Inc. (NTI). GN predominantly offers in-kind programs whereas the federal government largely offers cash transfer programs.
7. There are significant barriers to Nunavummiut in accessing this suite of programs, the benefits offered by these programs remain below any known poverty line for Nunavut, and interactions between these programs create a significant welfare wall for beneficiaries.
8. Material and well-being deprivation is a serious policy concern in Nunavut that goes well beyond the lack of income.
9. Because of the historical context of relocation, residential schools, cultural trauma, and the ongoing tensions between the wage economy and land-based activities, a basic income framework for Nunavummiut needs to be re-envisioned to overcome colonialist aspects of its existing framework.
10. Nunavummiut, and particularly Inuit, need to lead and determine an Inuit-specific basic income framework that incorporates their world views to prioritize community confidence and self-determination rather than individual poverty.

The purpose of this report is to outline, discuss the potential, and the next steps forward of four high-level design options for various basic income models that emerge from the background work in Phase 1. The design options include:

1. A tax system administered and delivered basic income via a refundable tax credit;
2. Transforming and enhancing the existing income assistance system in Nunavut to move it closer to a basic income;
3. A decentralized community administered and delivered basic income cash transfer; and,
4. An open option for a basic income-style cash transfer program which may not fit into the previous three options but which we may learn about during the consultation process.

These options are designs suggested by the Phase 1 background work. Phase 2 focuses on presenting these options (this report), modelling and costing various basic income scenarios, and presenting recommendations for reforming the Income Assistance system in Nunavut. While this report lays out four potential options for a basic income cash transfer, different aspects of the different options can be combined to create a wholly unique program for Nunavut, specific to the Nunavut context. It is also possible that different aspects of the different options may be implemented at different times (e.g., short-run versus long-run) on a pathway to a basic income. Ultimately, the intention is to move toward greater Inuit well-being and self-determination, and to fulfilling the spirit underlying and commitments laid out in the Nunavut Agreement.

We should also note that the high-level design options presented here are focused solely on various ways to approach a cash transfer model. Based on the analysis detailed in Petit and Tedds (2021); Tedds, Cameron and Atherly (2021); Tedds, Cameron, Petit, et al. (2021), poverty and well-being in Nunavut are much more complex than can be addressed with one program and the design options presented here should not be interpreted as recommending, in any way, that a cash transfer program can replace any of the social support programs in place for Nunavummiut. The design options presented here are solely in relation to either transforming the existing income assistance program along basic income lines or replacing it with another form of cash transfer with basic income qualities.

Option 1: Tax Administered Basic Income

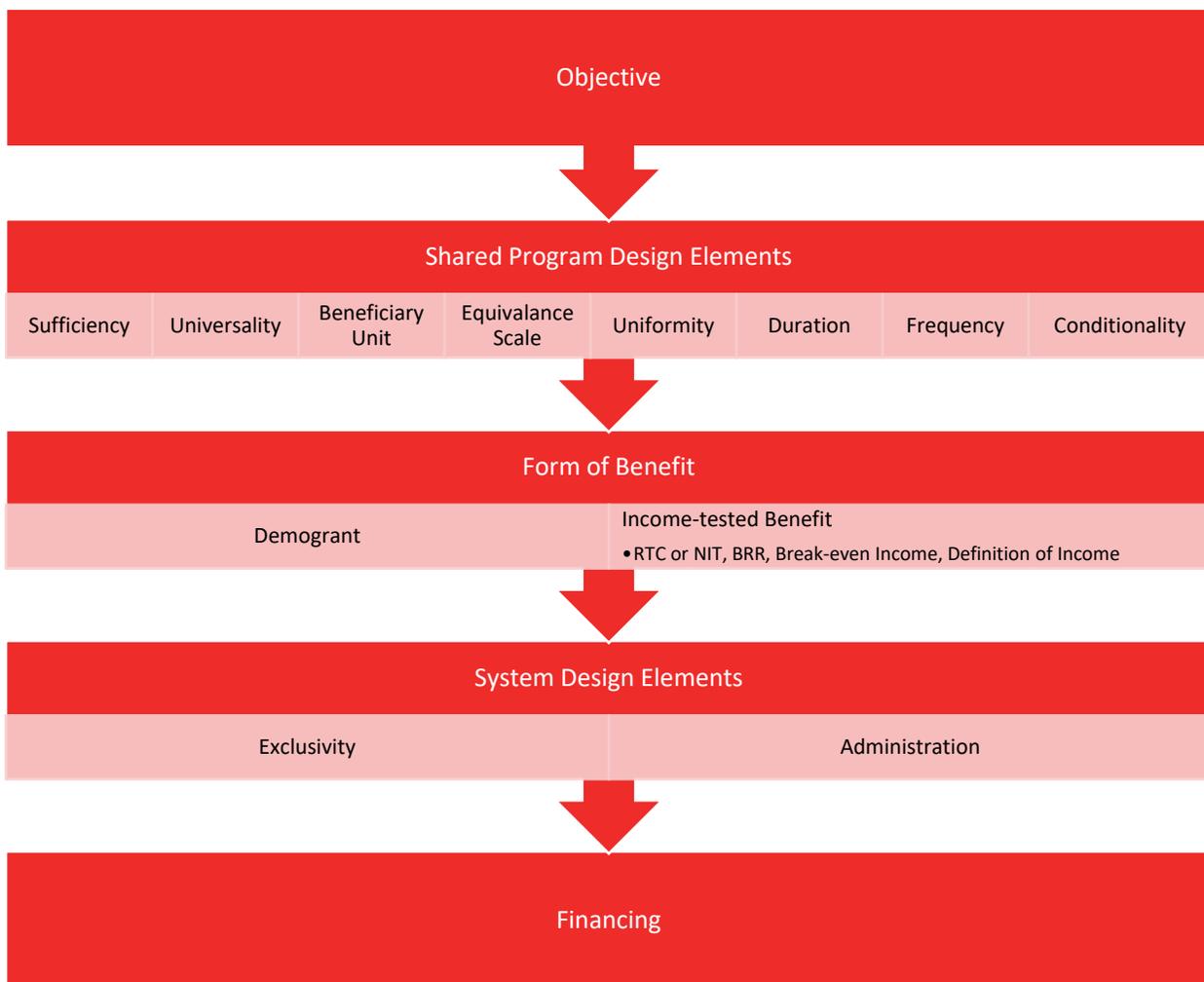
In the Euro-centric and (southern) Canadian basic income literature, a tax administered and delivered basic income is often the form of basic income proposed (Tedds & Crisan, 2020). In this option, we examine this classical/main-stream basic income cash transfer that is administered and delivered by the tax system (i.e., the Canada Revenue Agency). This form of basic income can be of various designs but is largely dependent on information collected by the CRA and is administered and delivered within the structure of the CRA, usually as a refundable tax credit. This means that eligibility for a basic income would be assessed annually when taxes are filed only for those who file their taxes (i.e., non-filers would not receive the basic income). While this may be administratively straight-forward and may be easier/less stigmatizing to access for some persons, this also has the potential to create access issues for those who do not file taxes and it may negatively affect those who experience in-year changes in income (e.g., seasonal workers and those who lose employment). Careful consideration would have to be paid to these issues in further evaluations of this form of basic income.

Regardless, the design elements of a basic income must be determined. Tedds, Cameron, Petit, et al. (2021) outline that at its core, basic income proposals are nothing more than a regular cash payment provided to people by the government. In other words, designing and implementing a basic income

follows the same process as any cash transfer program. Figure 1 provides a visualization of that process. Designing a basic income involves specifying 14 different design elements. These design elements apply equally to every cash-transfer program, whether it be a basic income or a traditional welfare program. That is, whether you are designing a basic income, an earnings replacement program, a child benefit, a pension program, or a basic income these are the elements that must be tackled to turn the policy idea into an implementable program. Recognizing this reinforces the point that “basic income” simply refers to a class of cash-transfer programs that share “basic income principles.”

In order to provide a starting point in evaluating this option, we will use microsimulations models to examine the outcome of various basic income designs, systematically altering the various design elements. The intent of these simulations is to identify the potential impacts and financial implications for Nunavummiut of different variants of a basic income. Assuming the objective of a basic income program is to reduce poverty, the potential impacts include changes to both the incidence and depths of poverty in the territory where possible. In this report we outline how these microsimulations will be conducted and the results will be detailed in a separate report.

Figure 1: Design Element of a Basic Income



Typically, in Canada such microsimulations of basic income models are conducted using Statistics Canada's Social Policy Simulation Database and Model (SPSD/M) (Statistics Canada, n.d.). The SPSD/M is a tool developed by Statistics Canada that allows for the modification of existing taxes and transfer programs and enables one to test proposals for new programs. SPSD/M statistically represents Canadian individuals and their families (excluding individuals and families in each of the three territories) not only with detailed demographic information, but also their income, their transfers, and their taxes, along with various federal and provincial program data. However, a key limitation in the territories is that the SPSD/M does not include any information for people in the territories and cannot be used to simulate basic income models in the territory of Nunavut.

An alternative data source is administrative tax records. Administrative tax records are not publicly available and are only confidentially available through either the GN Ministry of Finance (MoF) or Statistics Canada. There are three different tax administration datasets that could be used to simulate a basic income in Nunavut.

1. The Canada Revenue Agency (CRA) makes tax records available to each jurisdiction once the data has been verified. The CRA provides this data to each jurisdiction for which it administers taxes via tax collection agreements. The data, which is the data provided by tax filers on the T1 tax form, is provided in very raw form and it is up to each jurisdiction to compile the data into an analyzable data set. We have worked with the GN MoF to run basic income modeling simulations using this data.
2. Statistics Canada makes a sample of tax records available through the Canadian Research Data Centre Network. This data is called the Longitudinal Administrative Databank (LAD). The LAD is a longitudinal data file that is comprised of a 20% sample of the annual T1 Family File (T1FF) ¹ and that includes many demographic variables. Records for any individual are linked not only to the families, but also for the individual and families across tax years. We have accessed this data via the Prairie Research Data Centre (PRDC) to run basic income modeling simulations.
3. Statistics Canada has created the annual T1FF. It is not publicly accessible but could be accessible through an arrangement with Statistics Canada where an analyst is granted deemed employee status that allows remote access to this data set.² Under the necessary agreement with Statistics Canada, the terms and conditions related to access require that the person accessing the information to be appropriately screened, take an oath of office, attend training, submit all results for vetting by Statistics Canada, and Statistics Canada retains ownership and copyright of the output, meaning that they can publish any version of the output, among other conditions.

¹ The T1FF is a dataset that is only available to employees of Statistics Canada. It is a dataset that includes information on all individuals who filed an individual T1 return in a given tax year and to which information on the delivery of the Canada Child Benefit is added. From these records, additional tax filers, non-filing spouses, partners, and children are determined to produce a family component to the T1 data. Additional details are outlined here: <https://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=4105>.

² This option was not pursued as part of this research project as reliable estimates were produced in a timely fashion using the two other data sources. Further, the terms of the necessary agreement with Statistics Canada are at odds with the master contract for this project.

None of the three data sets are ideal, with each having different costs and benefits. Details of the data, their strengths and weaknesses, will be provided in the subsequent reports summarizing the simulations results based on accessibility of the data sources.

Using data from tax administrative records, we will simulate various basic income models, allowing for the following permutations and combinations:

- Form of Benefit: consider both a universal basic income (UBI) benefit or demogrant and an income-based basic income (IBI) that is conditioned on income.
- Sufficiency: consider a basic income guarantee ranging from \$1,000 to \$40,000 annually in increments of \$1,000.
- Beneficiary unit: consider a benefit that is delivered to individuals and to fiscal units.³
- Equivalence scales: consider a per capita scale and a square root scale.
- Conditionality: for IBIs we condition on net income (line 23600 on the tax form). This definition of income is commonly used to means test various refundable tax credits that already exist (e.g., Canada Child Benefit, GST/HST tax credit).
- Benefit reduction rates (BRR): for the income conditioned basic income, consider BRRs from 5% to 100% increasing in increments of 5%.
- Universality: consider a benefit that is delivered just to working-age persons (ages 18-64) and a benefit that is delivered to children (where possible), recognizing that child poverty rates in Nunavut are quite high.
- Uniformity: consider a benefit that is uniform across recipients, scaled only for age (e.g., children versus adult), family size, and/or income. We will *not* consider a top-up for persons with extraordinary needs, e.g., persons with disabilities, due to data limitations.⁴

There are two important limitations of using administrative tax records. First, is that we are only able to simulate immediate program impacts—that is, it is very difficult to factor in behavioural responses.

³ As detailed in Milligan, K. (2022). *All in the Family: Assessing Need in the Fiscal Unit*.

<https://sites.google.com/view/kevin-milligan/home/research/all-in-the-family> the definition of the family used for tax purposes is the fiscal unit, which is similar to a nuclear family. There are concerns with using this definition of the family in Nunavut due to the presence of both vertical and lateral extended families. Unfortunately, there is no way to model any other family type using tax data.

⁴ Only persons with disabilities who are receiving the federal disability tax credit (DTC) are identifiable as persons with disabilities in tax filer data. Given that the take-up rate of the DTC is about 40% Dunn, S., & Zwicker, J. (2018). Policy Brief – Why is Uptake of the Disability Tax Credit low in Canada? Exploring Possible Barriers to Access. *The University of Calgary, School of Public Policy Publications: SPP Briefing Paper, 11(2)*.

<https://doi.org/10.11575/sppp.v11i0.43187>, any simulations of a basic income with a top-up for persons with disabilities would significantly underestimate the top-up. There is also the question of how “disability” should be defined for the purpose of a basic income disability top-up as well as how “disability” is proven.

Potential behavioral responses include changes to income-earning behavior due to a basic income and changes to tax filing behavior due to a basic income. Behavioural responses can be modelled separately, but they require a significant number of non-trivial assumptions in order to be able to wholly factor in all responses. There is insufficient evidence related to such behaviour responses for people in Nunavut to allow for such behavioural responses to be modelled.

The second limitation is that tax records only include information on and is only representative of tax filers. While the degree of non-filing is not known in Nunavut, there are reasons to be concerned that tax records may underrepresent the population in concerning ways (Tedds, Cameron, & Atherly, 2021).

These simulations will serve as a **starting point** to begin the discussions in the Government of Nunavut on tax-administered and delivered basic income in Nunavut.

Option 2: Income Assistance Reform

As detailed in Petit and Tedds (2021), the Income Assistance program offered by the GN is the largest cash transfer program delivered by the territory. The Income Assistance program in GN has undergone some significant changes in recent years that were based on the results of community engagement. These reforms include changing asset test limits, a disability top-up, increasing earnings exemptions, and simplifying benefit calculations, among others. These important changes should not be overlooked or minimized. However, as detailed in Petit and Tedds (2021); Tedds, Cameron and Atherly (2021), despite these changes, income assistance benefits still do not enable recipients to meet basic needs in the territory and continue to be inconsistent with the basic income principles— simplicity, respect, economic security, and social inclusion—in important ways. The motivation underlying the basic income concept is to create a cash transfer program that does not suffer from the paternalistic and funder of last resort approach, approaches that are inherent in all Canadian welfare programs, including the GN’s Income Assistance program. All such programs are based on the “funder of last resort” principle, which imposes constraints and requirements on recipients that are inconsistent with all four principles.

In particular, the GN Income Assistance programs is complex, and it is creating significant stigma for recipients—the negative social attitudes towards ‘welfare’ recipients that lead to recipients being degraded relative to non-recipients. The benefits delivered under the program do not foster financial stability and financial security for clients, in large part because the maximum available amount is far below any measurable poverty line for the territory and because assets are used to determine eligibility. Features of the program, including how benefits are phased-out with earned and unearned income and the lack of consistency in how the pursuit of cultural and caregiving activities are treated, cause recipients to be socially excluded. The program does not provide the needed support for those who engage in vital unpaid work, not only because of the stigma and administrative discretion, but also because benefit levels are inadequate.

These features of the existing Income Assistance program could be addressed by using basic income principles to reform the program. Doing so would move the program away from being a ‘funder of last resort’ and a program that may not be well suited to the Nunavut and Inuit context towards a program

that trampolines people upwards with a commitment to helping their whole person. Such reforms would reduce complexity and stigma, improve adequacy of benefits, and enhance opportunity for both recipients and the community and be informed by Inuit and Nunavummiut. Taken together, reforms based on basic income principles and community consultations would make Income Assistance a more inclusive program tailored for the Nunavut and Inuit context that recognizes the worth of people and helping those caught in the poverty trap.

While the transformation of income assistance along basic income lines may not be what some people consider a basic income, it should be examined as a potential basic income-type program. On the one hand, the administrative structure for income assistance already exists and it is a well-known program in Nunavut: there is no need to start from scratch and reforms could be quick to implement. Further, such Income Assistance reforms could be made in isolation or could be made in the short-run to help move benefit delivery in GN towards a full-fledged basic income in the long run; it could be one step on the pathway to a basic income. Further, a key advantage of the IA program is that it is responsive to need, taking applications anytime during the year.

To provide greater detail for reform options to the Income Assistance program that are informed by the basic income principles and consultations, we will conduct a review of the IA program to identify a suite of reforms that, if implemented together, would move the IA program towards a basic income type program and which would be ‘incrementally radical’—that is, they would radically move the program towards a basic income style cash transfer in a significant way. What could such reform look like? In the box below we outline the changes that were made in B.C. using a similar approach.

WHAT KEY INCOME ASSISTANCE REFORMS DID THE PROVINCE OF BRITISH COLUMBIA UNDERAKE?

The following reforms undertaken in BC have not fully implemented basic income principles but illustrate what some of the steps already taken by a major Canadian jurisdiction look like.

1. Changing the Culture of the Ministry to Help People:

- The Ministry’s “Funder of Last Resort” approach was replaced with a “We are here to help” commitment.
- The Minister went to offices to talk to staff to reinforce this new approach and give staff permission to help clients as best they could within the ministry’s legislation.
- The Ministry created a New Client Integration Specialist (CIS) position (over 100 new positions across BC) and redeployed ‘fraud prevention’ staff to help clients. These new CIS staff were recruited where possible from population groups representing the client base.
- The Minister established advisory committees composed of clients, advocates and Indigenous representatives—“Poverty Advisory Committee” and “Disability Advisory Committee” to give advice on Ministry policies and operational priorities.
- A client satisfaction survey regime was established, and annual surveys of clients were conducted and posted on-line for public review.
- Government released a poverty strategy, *Together BC*, that reinforced an ongoing commitment to improving income assistance.

Policy Shifts to Help People:

- Significant rate increases:

- Rates were increased by over 30% over a three-year period to make up for a long period of rate freezes prior to 2016. Rates increased to \$935 for single person on income assistance, \$1358 for a single person on disability assistance.

- Easing access:

- Eligibility eased for clients with disabilities as an 'automatic-in' was created for people with disabilities who had already qualified for other provincial and federal disability programs.
- Eligibility eased for returning clients with an 'automatic re-instatement' for clients who left for a short time, with no need to re-apply.
- The Ministry created a more generous ID supplement that paid for clients to obtain ID to access both Ministry programs and access any other provincial program.

- Better supports for women fleeing abuse:

- The Ministry followed the advice of West Coast LEAF to support changes to its spousal policies to support women fleeing abuse.
- This included recognizing that couples separate but cannot often afford to set up two separate households. The ministry allowed women separating from spouses to establish themselves as a separate income assistance file with the full higher single rate even if they continued to live in the same residence. Previously women had been forced to leave the residence to become an independent income assistance recipient.
- As well, the period of time before a couple living at the same address were forced to combine two single income assistance files into a couple file (with the corresponding rate reduction) was increased from three months to a year. This allowed women a longer time to be independent income assistance recipients, to try out a new relationship and make a safer decision to commit.

- Better supports for children:

- All child related benefits were exempted from being 'clawed back' from income assistance, including family maintenance payments, the Canada Child Benefit, etc. This ensured that families with children were allowed to keep every dollar of child benefits in addition to their income assistance. The Ministry also actively supported families with children to file income tax to ensure they received these child benefits.
- The Ministry established the Single Parent Employment Initiative to support single parents to pursue meaningful labour market employment. This included allowing single parents to stay on income assistance for up to two years while receiving labour market training with full tuition support, support for school costs and childcare for their children. All tuition, school costs and childcare were paid for by the Ministry.

- **Recognizing mental health and substance abuse issues:**
 - The definition of disability was modernized to ensure that those clients with mental health and substance abuse conditions could access disability assistance and health supplements.
- **Allowing people to keep more assets and income while on assistance:**
 - Asset levels were doubled for income assistance (\$5K for individual, \$10K for couple) and increased substantially for disability assistance (to \$100K).
 - Earning exemptions were increased substantially to support clients to work as much as possible (\$400 a month for income assistance, \$15,000 a year for disability).
 - The requirement to apply for early Canada Pension Plan at age 60 was eliminated to ensure clients could have full CPP at age 65.
 - Emergency employment benefits were exempted, including the Canada Emergency Relief Benefit.
 - Clients on income assistance were allowed to hold one vehicle regardless of value, recognizing the need of clients who live in northern BC to have a safe substantial vehicle.
- **Better support during a crisis:**
 - Crisis supplements for food and utilities were increased and annual caps were eliminated.
 - Supports to relocate and move were made easily accessible in recognition of the risk that clients faced from eviction and/or the need to move to a more affordable residence given BC's high housing costs.
 - During COVID the Ministry established a COVID relief benefit of \$300 a month to support clients with the greater costs and needs of living through the pandemic
- **Recognizing how much support is really needed to enter the labour market:**
 - The Ministry expanded access to the Single Parent Employment Initiative providing tuition, living supports, child-support etc. for up to two years for all clients to get labour market certification and training. Clients were allowed to stay on income assistance during this labour market training.

Option 3: Decentralized Basic Income Program

As detailed in Tedds, Cameron, Petit, et al. (2021), the basic income literature details one pilot that was designed and delivered by Indigenous communities themselves that replace government delivered income assistance. The program was the Australian Community Development Employment Program (CDEP). The CDEP saw the government provide block grant transfers to eligible Indigenous communities and the Indigenous communities led the design and implementation of their own income support program(s). It replaced the standard state-run 'welfare' program. Communities received the equivalent

to a community's welfare expenses plus additional funding to cover administrative and capital costs. Recipient Indigenous communities were able to determine for themselves the design and delivery of the programs these funds would support according to local preferences and needs. In nearly all cases, communities designed programs that would build community through community participation requirements, which included cultural and caregiving activities along with traditional paid work. Subsequent evaluations of the CDEP found the program to be highly successful, with participation in hunting, fishing, recreational, cultural, and ceremonial activities, time spent at work activities, earned income, and reports of well-being all increasing while criminal activities decreased.

The CDEP design and delivery is somewhat similar to the Government of Canada's approach to on-reserve funding of income assistance programs. The Government of Canada provides a 10-year block grant to eligible Indigenous communities to fund several on-reserve service delivery programs, including income assistance. While historically this has generally meant that the income assistance programs on reserves matched that provided by the province in which the reserve was located, there have been and are ongoing changes to this program that are the outcome of a two-year consultation process (Indigenous Services Canada, 2019, 2022). These changes are to better reflect the realities of on-reserve communities, unique barriers faced by Indigenous people, as well as the constraints associated with living in on-reserve communities that are rural and remote. Indigenous Services Canada (ISC) has also acknowledged that the on-reserve income assistance programs cannot operate successfully without meaningful and robust involvement of the Indigenous communities themselves and that paid workforce attachment may not be the desired objective of on-reserve income assistance programs, at least in the short-term.

These two models, the CDEP and the ongoing revisions to the ISC on-reserve Income Assistance program, provide a potential model for the Government of Nunavut to consider allowing for greater flexibility in the design and implementation of income assistance that is responsive to individual community needs, move towards undoing the existing colonial process in the income assistance program, as well as increasing Inuit self-determination. In terms of program design and delivery, such a model is not unusual in federal/provincial/territorial relations, and this concept seems to have a great deal of merit in supporting work to advance a new social contract between the colonial state and Indigenous peoples.

That said, these models apply only to Indigenous communities that are essentially self-governing and are subject to the whims of the funding government. In the territory of Nunavut, the territory itself is the self-government for Inuit and Nunavummiut. The on-reserve/off-reserve model that applies to Indian Act First Nations within which these agreements and approaches unfold do not exist in Nunavut. Such a decentralized model would require communities to establish administrative and delivery institutions, which, as MINECOM showed, is complex (Crest et al., 1979) and it would impose additional administrative burdens on each of the communities that may overwhelm already stretched capacities, especially in smaller communities. Further, if the receipt of basic income funds of a community are tied to the ability of the community to meet administrative and reporting requirements, and over-stretched communities cannot meet these requirements, this has the potential to negatively impact basic income recipients, further compounding problems in the community. Finally, the need to co-develop various

legislative, regulatory, and policy guidance with each of the respective communities makes a decentralized basic income a long-term strategy as opposed to a short-term strategy.

This decentralized model is not a model that GN should pursue over the short-term given the time it would take to implement and the potential administrative issues. However, the principles of co-development of design and implementation that underpin these examples are worthy features of public policy design and implementation in Nunavut and the consultations conducted by Inuit Solutions will provide further guidance with respect to this option.

Option 4: Open Option for a Unique Nunavut Basic Income

As noted in Tedds, Cameron, Petit, et al. (2021), a comprehensive review of the literature related to a basic income revealed that there is very limited literature which reflects the perspectives of Indigenous peoples, particularly in advanced economies and in the context of colonialism. The material that does exist argues that settler-colonial societies, such as Canada, approach their relationship with Indigenous people from an extremely paternalistic and assimilative perspective. Existing social assistance programs targeted at or delivered to Indigenous people are disempowering and culturally biased programs, which control and manage the lives and affairs of Indigenous people and place Indigenous people in a position of dependency on colonial governments. These factors are reinforced by historical and ongoing colonial policies that have displaced Indigenous people, robbed them of their beliefs, language, culture, and traditions, imposed neoliberal work requirements, marginalized their lives and livelihoods, and created, exacerbated, and entrenched poverty in Indigenous communities. In this literature, basic income is seen as a way to promote Indigenous peoples' sovereignty and self-determination.

There are some important aspects of a basic income that need to be raised in this context. The existing basic income literature and proposed models are very much derived from a Euro-centric worldview. The key principles that arose from a review of this literature—simplicity, respect, economic security, social inclusion, and autonomy—and the associated design elements and choices may not align with other worldviews. In particular, individualism is a central feature of the Euro-centric worldview, and as a result, individual autonomy occupies a core position within the basic income framework of principles. This framework is unlikely to resonate with cultures and worldviews that value collectivism. In fact, the two cash-transfer programs that were reviewed by Tedds, Cameron, Petit, et al. (2021) and which are delivered by Indigenous Communities themselves, the Australian CDEP and the Cree ISP explicitly challenge the Eurocentric notion of a basic income by including clear participation requirements, conditionality, and monitoring into a system of community-designed and delivered support programs.

In addition, if a basic income benefit is delivered through the existing colonial administrative structures, such as the income tax system, it is challenging to see how it would dismantle these existing colonial, paternalistic, and assimilative perspectives. As outlined in option 2 above, there are many choices that must be made to design and implement a basic income and it is possible the resulting program would simply mirror the existing problems in the relationship between the colonial state and Indigenous

peoples. That said, it is possible to envision developing a unique basic income that addresses these concerns and which represents Inuit and Nunavummiut values and ideals. For example, such a framework may be centred around the autonomy of communities rather than individuals.

This option is an open option that could be developed through a consultation process. This option 4 is for any design options we have not identified but which consultations may bring to light. It may be uniquely different from the other options, or it may combine aspects of the other options.

Conclusion

In this report, we have laid out four policy pathways towards a basic income: reform of income assistance, a tax-based basic income, a community-based basic income, and an open option for a uniquely Nunavut basic income. These are not the only options available when considering a basic income and the pathway forward. They are merely the starting point for a discussion on what would a basic income for Nunavut look like and how would we get there. Beginning from this starting point, all options would then need to be informed by inclusive community consultations.

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