

# Beyond the Basics: Guaranteed Livable Basic Income & Bill S-233

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## Will Guaranteed Livable Basic Income Discourage Work?

The [Parliamentary Budget Officer](#), in consultation with David Green, reviewed the empirical evidence and concluded that a guaranteed livable basic income (GLBI) might reduce the number of hours worked by, at most, 1.5%. The recent [basic income experiment in Finland](#) showed no significant difference in hours worked between those who received a basic income (BI) and those who did not. Many basic income trials have shown that GLBI has [little negative impact](#) on labor supply. In fact, [a recent review](#) shows that BI actually increased labor supply globally among adults, men and women, young and old. The slight but insignificant reduction in labor supply was found in workers who were children, the elderly, the sick, those with disabilities, women with young children, and young people who continued their schooling after receiving BI.

This is entirely consistent with experimental evidence in Canada. A survey conducted in the wake of the cancellation of the [Ontario Basic Income](#) experiment suggested that recipients who were working before participation, continued to work while receiving support. Some took the opportunity to seek better jobs. Those who were not working used the opportunity to hone job skills.

The Canada Emergency Response Benefit (CERB) offered income support during the recent pandemic. While it differed in many respects from a GLBI, its impact on work is telling. A [survey](#) conducted by the Canadian Centre for Policy Alternatives suggested that the program allowed 66% of those who returned to work to re-enter the workforce on terms that worked for them. 62% took the opportunity to re-examine career choices, and 57% were able to find better work rather than settling for the first opportunity that arose. In addition, 37% of recipients invested in job training or education.

The fear that a GLBI might discourage work is not consistent with empirical evidence. The aggregate level of employment in Canada is strongly influenced by the monetary policy of the Bank of Canada, rather than the attitudes of individual Canadians.

## Key References

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