

television and in print. That is neither mean nor irrelevant, it is the essence of the human condition.

While George Bernard Shaw was absolutely right when he said that envy was the worst of all sins, because it meant one was always unhappy as long as someone else had more resources or

are doing far worse than is acceptable or sustainable on an intergenerational basis; it is also a reason not to dismiss the effectiveness of many of the programs and tax measures now in place.

The problem with programs and measures now in place is that they are condition specific. As I have argued

capacity to generate any income; she may be poor because she is a part of a Christian minority left permanently out of aid distributions by a central Muslim government caught up in some regional civil war.

In the end, in terms of her prospects, her child's rights, the impact of her poverty on others, why she is poor and lacks the basics essential for her child's survival and her own is interesting but not that important. It is in the end not about corruption, or promiscuity real or imagined, about the civil war or about a local warlord who ran off with the cash. It is not even about the Swiss

It is passing strange that we have a tax system that merely takes a higher percentage of your income as it rises without asking many questions about whether you worked harder, took more risk or earned more degrees to increase your income, yet, when your income collapses our governments have a myriad of questions about how and why that collapse took place before ensuring you have something approaching what is required to meet basic requirements where you and your family live.

more power; surely when one begins with and lives with a truly economically depressed range of prospects, assessing one's own comparative context is neither narrow nor excessive.

If that produces tensions at home on issues like the homeless, on issues like access to university education, on issues like aboriginal economic development and the pathology of those diseases experienced more regularly by the poor, it is surely just as easy to reflect on the tensions these large and relative gaps produce abroad.

Whatever the different views on the nature of the gap at home, the hard truth is that over the last twenty years the Gini coefficient for Canada, the measure that reflects the rate of divergence between rich and poor, has not widened very much when the effect of social programs and redistributive taxes are worked in. The gap has widened when only market incomes are tabulated; when other tax and social policy effects are worked in, the gap has not moved very much at all, except as between the tiny percent of the super-rich and the tiniest percent of the poorest among us. Canadians simply do not have the income disparities of other countries, especially the disparities of the United States. There is no reason for complacency, to be sure, as specific groups of Canadians

before, and consistently since 1969, it is passing strange that we have a tax system that merely takes a higher percentage of your income as it rises without asking many questions about whether you worked harder, took more risk or earned more degrees to increase your income, yet, when your income collapses our governments have a myriad of questions about how and why that collapse took place before ensuring you have something approaching what is required to meet basic requirements where you and your family live.

And the only way to ask all these questions is to have a myriad of case workers, rules, conditions, programs and fraud protections that radically increase the real cost of transferring one dollar between economic classes through a progressive taxation system.

Looking abroad in this same vein may help us understand the real policy problem and moral conundrum. An African single mother who has lost her husband to AIDS may be poor because her husband was promiscuous before marriage; she may be poor because her village chief ran off with funds from the central government or an aid agency aimed at helping her; she may be poor because drought has eviscerated her village's

bank accounts of previous political leaders in her country. It is about the fact that she is a human being, she shares the planet with us, and we have a duty, along with folks elsewhere to find the simplest way and most effective fashion of getting her the resources she needs. The chances of Africa being able to move ahead without a core engagement on the issue of poverty are nil. The chance of any meaningful global security accord that truly protects against terror, weapons of mass destruction, virulent and aggressive disease and viral risk is also nil.

Let's move to all the challenges of the Middle East. Without dismissing the cancerous effect of radical Israeli annexationists at one extreme of the Israeli democratic spectrum or the nihilist mayhem advocated by extreme "drive the Jews into the sea" terrorists at the far right of the so-called "Arab street," the hard truth is that the Middle East has been an area particularly inept at managing regional income disparities, disparities that cannot, if the sweep of history is to count for anything at all, but produce war, hatred and the racism especially associated with class anger.

Israel's political roots were highly social-democratic with ensuing entitlements for European settlers reasonably



The Gazette, Montreal

Anti-poverty demonstrators march silently through the streets of Montreal. Low-income Canadians do not measure poverty against Asia or Africa, writes IRPP President Hugh Segal, but against their neighbours in Canada. The notion of a guaranteed annual income, for which Segal has long argued, "is neither doctrinaire nor insouciant."

even-handed. And while Israel has worked diligently to bridge economic gaps within Israel between different groups who came respectively with vastly different educational and capital resources, its willingness to work on the larger regional income distribution issue beyond her borders has been largely nil. Israelis will argue that with so much devoted to defence, with the cost of preventing terrorism and security so high, and with governments in the neighborhood largely committed to her destruction, options for creativity or generous multi-state policy options were few to non-existent.

Which, on the face of it seems quite reasonable. And, to be fair, Israeli governments of all persuasions have always argued that real peace and mutual recognition would allow the benefits of economic and social development to be

widespread in the region. To go back to our African example, this is all very interesting, but not that relevant. The wider the gap between the average Palestinian and the average Israeli in terms of income, prospects, employment and economic security, the higher the incentive for hatred and fear. History seems pretty clear here — those without, hate those with, and the larger the gap the deeper the enmity. Expand this to the greater Arab heartland of the Middle East, and the gap between poor Arabs everywhere and the average Israeli helps fuel the dynamic of hate.

That Arab governments have to answer for failures in terms of economic progress, democratic reform or income distribution is interesting but not all that relevant. Some governments have made more progress than others.

But as long as Israel and Israelis are light years ahead of their counterparts in Arab countries in terms of wealth and per capita income, which translates into measures of hope and opportunity, it will be easy for Arab governments so disposed and terrorists always disposed to blame Israel, and its Western supporters and guarantors for any and all unhappiness in the region.

There are many reasons the historic Oslo accords failed — expansionist excess on the side of the settler crowd in Israel and Palestinian duplicity at Yasser Arafat's level are among the most salient. But no roadmap to peace that leaves the highways littered with the inter-generationally poor and hopeless will lead anywhere. Centuries of hatred and anger cannot be dissipated by any Middle-Eastern guaranteed income program — not even the most

determined proponent of such a plan could be so naive — but the notion that grinding poverty and unemployment in countries where more than 50 percent of the population is 25 years old or younger can lead anywhere but to violence and mayhem is equally naive. The Middle East is no place for any naivety, especially with the stakes as high as they are now.

Canadians would also do well to look at our own hemisphere. While NAFTA and the FTA advanced discretionary income for Canadians and Americans in some measure, Mexicans have experienced almost no discernible progress in that measure. In other parts of the western hemisphere, there are some Caribbean states on the cusp of breaking into the developed economic world and most that are making precious little progress. Jamaica, in extremis could evolve into a failed state. Central and South America has a range of problems — to wit, political instability, inflationary and solvency pressures, IMF constraints either imposed too late or badly imposed overall. The bottom line of course is that if the country is large enough, economic setback means either new pressures on Canadian and American banking systems, or the migratory and drug trade pressures produced by failing economies or potentially failing states.

Canada has meaningful diasporas from a host of hemispheric neighbours — French-, English- and Spanish-speaking — so this is not a sidecar issue. The rich-poor gap here is real, within countries and between them. The Hispanification of large parts of the United States is one kind of response to that reality.

Reflecting on what a basic income floor would mean for hemispheric development and growth, both social and economic, is another far more promising and far more realistic option.

The economic growth in Asia, while not without its problems, reflects the majesty of the Indian democracy, the largest in the world, and the determination and depth of the economic instinct in China. The unpredicted return to power of the Congress Party in last month's elections, is an indication that India's poor, numbering in the hundreds of millions, have not shared in the subcontinent's economic miracle.

It is surely instructive to reflect on South Korea and Taiwan and the impact, in stability and steady social and economic progress in those two countries, of narrowing gaps between rich and poor. It is an issue that China will have to face as a more open economy produces both winners and losers in stark contrast to each other.

It is one thing to understand the Communist proletariat and manage resources from the centre accordingly.

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Capitalism brings with it not only the benefits of wealth creation and hard work, but also the challenge of social stability and equality of opportunity as gaps open up based on earnings and profits. This is a looming challenge of China's transition from a command to a market economy.

My belief in a guaranteed annual income (or basic income floor if that offends the purists less) is neither doctrinaire nor insouciant. I do not believe that some people are poor because some people are rich. Arabs are not poor because Israelis are relatively well off; Canadians are not relatively well off because some Brazilians live in shanty housing; global manufacturing does not create poverty as the ideo-

logues of the No Logo left would have us believe; people do not die of AIDS in Africa because insured auto workers in Detroit or Windsor have access to life saving cardiac drugs. These are the shibboleths of those who believe that even more divisions between peoples, cultures, countries, classes and economies will actually help this old world of ours move ahead.

Nor can we be insensitive to the fact that state corruption, civil wars, the proponents of hate and violence for their own sake will, indeed, stand in the way of people getting access to even the most generous income floor programs embarked upon on a national or international basis. The issue here is not obstacles but rather outcomes. How much more we will all pay in wars, disease, migration, terrorism and mayhem if we do not face the obstacles head on. This is surely one of

those policy areas where the costs of inertia broadly outstrip the costs of even high-risk steps forward.

Of course the "what" of such a program can be dwarfed by the "how" very quickly. The complexity of international relations makes the "how" potentially quite corrosive of the "what."

But how should we seek to engage? How? Well, Canada played a major role in NEPAD (the New Partnership for Africa's Development) under Prime Minister Chrétien. Canada could now develop a specific proposal for a global annual income floor that would focus first on the countries at the lowest end of the

development list and work its way regionally and hemispherically up the list. We could invite our allies in Scandinavia and the Netherlands to join with us in a joint proposal, along with the UK, France, Germany and Turkey. We could test the waters with the UN, but if the bureaucracies of the UNESCOs, UNICEFS and others were too hidebound or anxious about state sovereignty (which often translates into siphoning off of direct grants targeted at people in need) we should sidestep those impediments.

In the same way as Canada and others enunciated a position against state sovereignty as a immunization against international action when ethnic cleansing, genocide or state-sponsored mistreatment of minorities was under way (as in the Balkans) so too could we fight for the principle that when it comes to abject poverty, state sovereignty does not make governments immune from sanction.

Grinding poverty kills more people than car accidents or terrorist acts and leads itself to more wars and terrorism and crime. Grinding poverty helps fuel the drug trade and destabilize democratic regimes. It fosters hatred between nations and between ethnic groups. In the same way as we have a World Health Organization and a World Food Organization — which in a sense deal with the grinding results and causes of poverty in some regions — we could seek to establish a world opportunity fund that would bring the best of UNESCO and UNICEF together in a single-purpose organization that focused on the establishment of a basic income floor for every region of the world and for all the residents thereof.

I know that this kind of measure, especially if supported by Americans, Canadians, the UK and others, will evoke principled opposition from those who will say that there are a series of serious principles that makes this kind of commitment and

approach impossible. It has been my experience in public life and in policy debates generally that when people say that the real problem “is not the money but the principle,” it is almost always the money.

In Canada, domestically, we might reflect on that refrain when we consider the third world economic circumstance, with the ensuing disease, life span, substance abuse and penal overrepresentation profile of our Aboriginal fellow citizens. They are not poor because other Canadians are rich; they are not poor because they are Aboriginal peoples; they are not poor because some band councils have been less than competent or totally financially prudent.

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They are poor because they do not have enough money to meet their basic requirements or work their way out of inter-generational poverty. It is not only about the money, but it is largely about the money.

Between the GST tax rebate, which Paul Martin would continue and Stephen Harper has promised to enrich, the Old Age Security, the Guaranteed Income Supplement, the Child Tax Credit and various other pieces of the patchwork in place, we have rudimentary pieces of a basic income floor in place, however afraid political leaders on all sides are to call it that. If the next worldwide frontier is a global basic income floor managed by a

world opportunity fund, then here at home our next social policy frontier should be a regional income floor that pulls welfare, GST rebates, child tax rebates and universal family allowances into one cohesive guarantee endorsed and backstopped by provincial and federal governments.

There is no evidence that it would cost more than the billions now in circulation through discrete social programs that sees Employment Insurance being used to facilitate paternity leave and compassionate leave or daycare aimed at low income working people ending up helping upper middle class families who earn well above any realistic “meet legitimate needs” level. Quebec’s Charest government has begun to move in this direction, and its recent provincial budget built constructively on the Landry government’s initial engagement toward a basic income floor. One other major attraction of a unified approach to income security, especially through the use of confidential tax filings of taxpayers, is that as the payout to those beneath the regional quality of life margin would be made through the tax system, there would be no embarrassing means test or extra civil servants required to manage these tests; the privacy of the recipient would be protected and there would be an incentive for those with low incomes or non-earners to file their income taxes regularly. The cost of transferring funds between economic classes would come down.

Relative poverty — globally and at home — can never be cured or eradicated. But it can be reduced. Despair can be marginalized by hope. The pathology of failure and despair can be replaced with the infrastructure of civility. It is our generation’s most compelling challenge and most promising opportunity. The risk of failure is simply dwarfed by the cascading costs of inertia.

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