

Punishing Costs:

Budget Priorities and Guaranteed Annual Income

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Executive Summary

Critics of guaranteed annual income allege that the program costs too much. However, despite the claim that the era of big government is over and the call for austerity measures, government spending is increasing. As a way of understanding the outcomes and opportunity costs of the current government budgetary priorities, this paper explores two guaranteed income programs and their outcomes.

Prison is a guaranteed income program that provides all food, clothing, housing and educational programs for its recipients. The average provincial prisoner costs the Canadian taxpayer \$84,225 a year. The average federal prisoner costs the Canadian taxpayer \$147,467 a year.

Since 2006, the Conservative government has pursued a tough-on-crime agenda that is increasing both the number of prisoners and the length of time they spend in prison. They are pursuing this agenda despite the fact that both the crime rate and crime severity in Canada have been steadily falling. Major changes include elimination of the two-for-one credit for time served before sentencing, elimination of conditional sentences for certain crimes, rule changes to make it more difficult to achieve parole, and new mandatory minimum sentences for a range of crimes.

The government has not been very transparent about the costs of its crime agenda. It tabled documents in Parliament stating the total cost will be \$2.75 billion. However, estimates from other organizations suggest that the government's estimates are too low. For instance, the Parliamentary Budget Officer has calculated that the cost of the Truth in Sentencing Act will be \$1.8 billion in capital costs for the federal government and \$5.1 billion in annual operating costs. Provinces are already committed to spending \$2.7 billion on new prisons, with a \$300 million increase in annual operating costs. Together with the elimination of the Accelerated Parole Review, mandatory minimum sentences for drug crimes and the elimination of conditional sentences, the total cost estimates come to \$8.9 billion over five years for capital costs and \$5.8 billion annually in operations and maintenance costs by 2015-16.

Increasing the number of people in prison and the length of time they spend there has important consequences for both individuals and Canadian society. These outcomes include increased recidivism, over-representation of the poor, mentally ill and Aboriginal Canadians, spread of infectious diseases, a negative impact on children and families, lower earning potential, fueling of public fears and emotions of revenge and vindictiveness and a reduction in spending capacity for other priorities.

An alternative guaranteed income program is a guaranteed annual income for all Canadians that provides a modest but decent standard of living. In 2008, the poverty gap in Canada was \$13.1 billion. If the \$5.8 billion of federal and provincial revenue that will be spent on prison operation and maintenance annually by 2015-16 were to be invested in a Negative Income Tax to low income Canadians, we could nearly halve poverty in Canada. If we wanted to fund a more generous guaranteed annual income that not only got Canadians to the LICO line but put them \$2000 above it, this \$5.8 billion would represent 30% of the \$19.2 billion required.

Unlike prison spending, the social outcomes of investing in a guaranteed annual income are positive. They include greater well-being and social cohesion because of better income equality, lower costs associated with poverty, and the possibility of a reduction in crime.

The choice is ours: we can continue to pay to lockup an increasing number of Canadians at a high cost to our budgets and to our social fabric, or we can invest in a guaranteed annual income for all Canadians that would pay dividends in social benefits. We cannot argue that guaranteed annual income is unaffordable and continue to pay ever increasing amounts on incarceration. We can choose dignity, improved well-being and social solidarity, or we can choose punishment, fear and marginalization. The upfront cost is not that different.

Introduction

In 2008, 3 million Canadians lived in poverty.¹ They confronted difficult choices, such as whether to pay the rent or buy food, to go into debt to pay the bills or to fall behind and risk having the utilities shut off. An old idea that is gaining new momentum would see every Canadian paid a guaranteed annual income that would provide a modest but decent standard of living. No Canadian would have to make these difficult choices anymore; there would be no more poverty.

Critics allege that a guaranteed annual income costs too much money. The days of big government, of the welfare state, are passed, they suggest. Particularly in the wake of the recession, with government deficits and growing debt, there is a need to cut spending. We can't afford a big, new government program. Even some who are sympathetic to the plight of the poor believe that a guaranteed annual income is beyond our means. In 2008, Toronto Star columnist Carol Goar concluded that "It would be an expensive way to fight poverty."²

However, despite the claim that the era of big government is over and the call for austerity measures, government spending is increasing and has increased steadily throughout the Conservative government's term in office.³ In addition to an expanded public service, government spending has increased on areas the Conservative government considers its priorities: the Canadian Forces, criminal justice, and border safety. These priorities have consequences and opportunity costs. There are particular social and economic outcomes related to the Conservative priorities, just as there are other possible opportunities for investment that are foregone by focusing on these priorities.

As a way of understanding the outcomes and opportunity costs of the current government budgetary priorities, this paper explores two guaranteed income programs and their outcomes. One of the guaranteed income programs already exists. It provides all food, clothing, housing and educational programs for its recipients. There is no work requirement associated with this program. The only catch is that there's also no discretion in how the income is spent – recipients must take the food, clothing, housing and educational options provided. These recipients are federal and provincial prisoners. The other guaranteed income program is a guaranteed annual income. It would ensure that no Canadian would live in poverty, and would provide a variety of social benefits by reducing income inequality. What are the respective costs and outcomes associated with these programs?

Prison: An expensive guaranteed income program

The average provincial prisoner costs the Canadian taxpayer \$84,225 a year. The average federal prisoner costs the Canadian taxpayer \$147,467 a year.⁴ This money covers the costs of housing, clothing and feeding prison inmates, in addition to providing for educational and rehabilitative programs, and paying for the salaries of prison guards and other Correctional staff. In 2007-08, the average annual headcountⁱ was 23,025 people in provincial prisons and 13,304 people in federal prisons in Canada.⁵

Any society that wants to deal seriously with crime, keeping citizens safe, rehabilitating offenders and preventing crimes from taking place, will need to spend money on justice and corrections. But how much money is spent and how it is spent are both policy choices that have important implications. The current Conservative government is pursuing a policy agenda that will increase both the number of prisoners and the length of time they will spend in prisons.

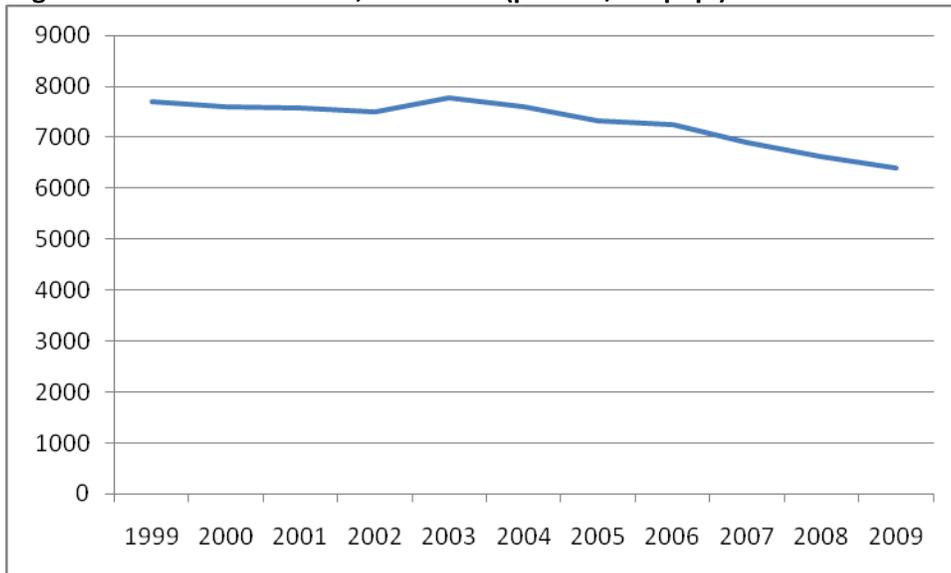
Since 2006, when the Conservatives took office, they have introduced 41 different bills on crime (some of them introduced multiple times since the government killed its own bills by proroguing the House of Commons). 16 of these bills have now been passed and have received Royal Assent. Of the 41 bills, 17 directly affect the

i Average headcounts refer to the average number of prisoners housed in a given year, as opposed to the inflow of all prisoners through the system.

number of inmates or the length of their sentences.

The Conservative government has pursued this agenda despite falling crime rates and a decrease in crime severity. In 2009, the crime rate was the lowest recorded crime rate in 25 years, 17% lower than a decade earlier in 1999.⁶ (See Figure One.) Within the overall crime rate, most kinds of crime have also been dropping. Property crimes have declined 50% since 1991, while violent crimes have gone down 14% since 1992.

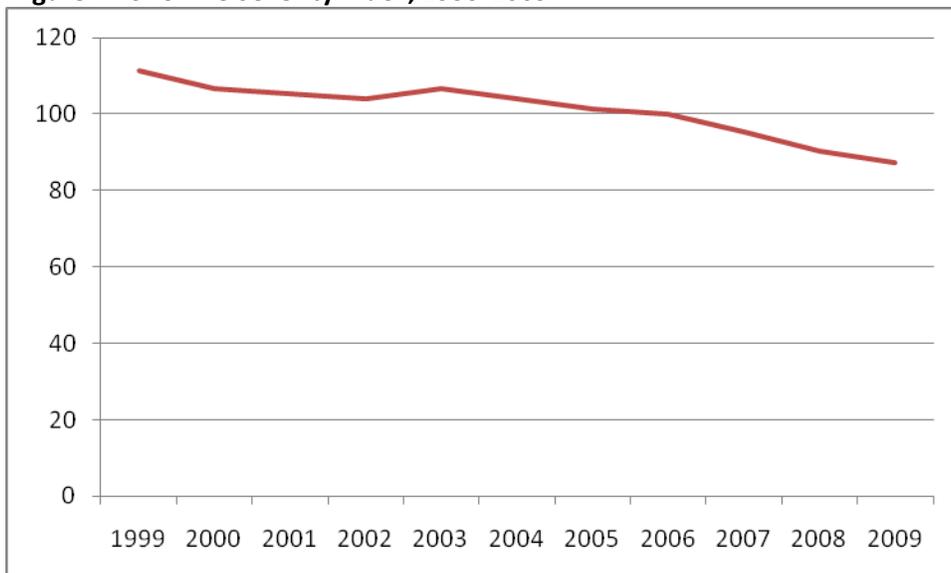
Figure One: Total Crime Rate, 1999-2009 (per 100,000 pop.)



Source: Juristat, "Police Reported Crime Statistics in Canada, 2009," Statistics Canada.

Crime severity has also been falling. The Crime Severity Index, which was developed in collaboration with the police, tracks changes in the relative seriousness of crimes reported to police. In 2009, the Crime Severity Index was 87.2, 22% lower than in 1999. (See Figure Two.)

Figure Two: Crime Severity Index, 1999-2009



Source: Juristat, "Police Reported Crime Statistics in Canada, 2009," Statistics Canada.

Major changes of the Conservative government's "Tough on Crime" agenda include:

- Bill C-25 "Truth in Sentencing Act": adopted in October, 2009, the Truth in Sentencing Act eliminates two-for-one credit for time served before sentencing. The two-for-one credit was a recognition of the dismal conditions inmates generally faced in remand, as well as the utter lack of programming available to inmates before sentencing. The Truth in Sentencing Act allows for credit of one and a half in unusual circumstances, but in most cases limits judges to one-for-one credit for time served.
- Bill C-2 "Tackling Violent Crime Act": adopted in February 28, 2008, the Tackling Violent Crime Act creates 2 new firearm offenses and provides a series of escalating mandatory minimum sentences for firearms offenses. It also reverses the onus for bail on firearms offenses (essentially requiring the defendant to prove that he/she is safe to release on bail) and makes it easier for someone to be declared a dangerous offender, who can then be locked up indefinitely. Additional provisions create new penalties for impaired driving and raise the age of sexual consent from 14 to 16.
- Bill C-9 "Conditional Sentencing Reform": adopted in May, 2007, Bill C-9 eliminates conditional sentences such as house arrest or community service for indictable offenses with maximum sentences of ten years or more.
- Bill C-39 "Ending Early Release for Criminals and Increasing Offender Accountability Act": currently before a House of Commons committee, Bill C-39 makes eligibility for parole tougher and increases the number of prisoners who do not obtain statutory release once two-thirds of their sentence has been served.
- Bill S-10 "Penalties for Organized Drug Crime": passed in the Senate and introduced in the House of Commons in December, 2010, Bill S-10 creates new mandatory minimum sentences for drug offences, including a mandatory six month minimum sentence for those caught growing 6 or more marijuana plants.
- Other changes: more mandatory minimum sentences for other crimes and rule changes to parole to make it more difficult to obtain parole.

The cost of this tough-on-crime agenda is not well known. Since 2005-2006, when the Conservative party assumed power, federal prison spending has increased 54%. But it is difficult to calculate the impact of individual measures and the impact of measures currently before Parliament are not well understood either.

The government has not been very transparent with Parliament, resulting in a *prima facie* contempt ruling by the Speaker of the House of Commons and a report by a House of Commons committee that found the government in contempt. The government has tabled cost estimates for some of their crime bills, which they project to be \$2.1 billion over five years for the Truth in Sentencing Act and \$650 million over two years for six other bills:

- \$386.3 million for Bill C-39, "Ending Early Release for Criminals and Increasing Offender Accountability."
- \$200 million for Bill C-59, "Abolition of Early Parole."
- \$103.3 million for Bill S-10, "Penalties for Organized Drug Crime."
- \$91 million for Bill C-52, "Investigating and Preventing Criminal Electronic Communications."
- \$61.5 million for Bill C-51, "Investigative Powers for the 21st Century."
- \$3 million for Bill S-9, "Auto Theft and Trafficking in Property Obtained by Crime."

The government claims there will be no additional cost for 11 other crime bills currently under consideration by Parliament.⁷ The government did not provide details on how it arrived at these cost estimates, however.

Estimates from other organizations suggest that the government is low-balling the costs of the tough-on-crime agenda. For instance, the Parliamentary Budget Officer (PBO) has pegged the cost of the Truth in Sentencing Act at \$5 billion over 5 years for the federal government, with total annual spending for federal, provincial and territorial governments rising by \$5 billion by 2015-16. The PBO's calculations project that the federal government will need to spend \$1.8 billion constructing new prisons and new prison cells over the next five years in order to house the increase in prisoners. The increase will also cost the federal government \$618 million a year in annual operating, maintenance and capital costs. However, the Truth in Sentencing Act is projected to cost the provincial and territorial governments even more, with the annual cost of prisons rising from \$2.15 billion in 2009-10 to \$5.289 billion in 2015-16. Total annual costs for federal, provincial and territorial governments are projected to rise from \$4.4 billion in 2009-10 to \$9.5 billion in 2015-16.⁸

The reason this bill is so expensive is that the cost of constructing a new cell is very high, from \$260,000 for a new low security cell up to \$600,000 for a new high security cell. Thus, while a new provincial prisoner can be expected to cost \$84,225 per year and a new federal prisoner costs \$147,467, for a new inmate who requires a new cell, the cost for the first year of incarceration rises considerably, from \$344,225 at the low end to \$747,467 at the high end.⁹ (See Table Two).

Table Two: Cost for First Year Per Prisoner Requiring New Cell

	Low security	Medium security	High security
Provincial inmate	\$344,225	\$484,225	\$684,225
Federal inmate	\$407,467	\$547,467	\$747,467

There are a number of caveats regarding the total cost projection, however. The cost estimates are based on the projected rise in inmates resulting from the Truth in Sentencing Act, but there are a number of possible impacts that cannot be calculated. For instance, the police might decide not to press charges for minor crimes or judges might take the elimination of time served into account when sentencing.ⁱⁱ Accused persons might also be more likely to plead guilty than to go to trial to eliminate a lengthy pre-sentencing period. The government has also indicated that it will rely more heavily on double-bunking, despite the fact that double-bunking contravenes its own official policy regarding humane and safe treatment of offenders.

But there are also reasons to believe that these cost estimates are conservative. For instance, the cost of building new prisons and cells does not include the cost of buying new land to build prisons, it only incorporates the cost of actually building the prison. There could also be an increase in Charter challengesⁱⁱⁱ or appeals, which would lead to an increase in court-related costs. And finally, an increase in double-bunking could also lead to a rise in costs associated with violence and disruptions. Also, regardless of whether or not new prison cells are built, operating and maintenance costs would rise with the number of prisoners.¹⁰

While provincial and territorial corrections spending is also not clearly known, Justin Piché, a doctoral student at Carleton University has added up figures gained through Access to Information requests to reveal that

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- ii This has already happened in one case in Ontario, where an Ontario Court Judge gave a lesser sentence than the one agreed upon by the Crown and the defence to ensure that the convicted man would immediately be released on parole.
 - iii The same Ontario Court Judge who gave a sentence short enough to ensure parole also ruled that the law was constitutional.

provincial governments are currently spending \$2.7 billion on new prisons, including at least 22 new prisons. The operating costs of maintaining these new prisons and prison cells will be \$300 million annually.¹¹

The elimination of the Accelerated Parole Review, which allowed some offenders to receive a parole hearing after one-sixth of their sentence had been served, is estimated by the Church Council on Justice and Corrections to cost \$1 billion in new construction and \$156 million for annual operations, based on an increase of 2,310 prisoners annually.¹²

Bill S-10, meanwhile, could have a considerable cost for the provinces. In British Columbia alone, 825 people are arrested annually for growing marijuana, but only 125 currently receive jail sentences.¹³ Mandatory minimum sentences for growing even six plants could therefore increase the number of prisoners in BC by as many as 700 per year. As BC's prisons are already close to capacity, this move could cost as much as \$241 million for BC alone, \$182 million for new prison cells and \$58.9 million in operational costs. Other provinces would also see cost increases to incarcerate more marijuana growers.

Elimination of conditional sentences for certain crimes could also come with a hefty price tag, as 15 conditional sentences save the corrections system \$1 million a year.¹⁴ In 2008-09, there were 18,400 conditional sentences handed down.¹⁵ If just one quarter of these were eliminated, the cost would be \$306 million a year.

The total cost then for just four measures is \$8.9 billion in capital costs over 5 years and \$5.8 billion a year in operation and maintenance costs by 2015-16. This is the cost to both federal and provincial governments – a cost the provincial governments have had no say in. But the money comes from the same taxpayers, and represents the amount the Conservative government is willing to spend on locking more people up for longer periods of time.

Outcomes

Increasing the number of people in prison and the length of time they spend there has important consequences for both individuals and Canadian society. These outcomes include increased recidivism, over-representation of the poor, mentally ill and Aboriginal Canadians, spread of infectious diseases, a negative impact on children and families, lower earning potential, fueling of public fears and emotions of revenge and vindictiveness and a reduction in spending capacity for other priorities.

Recidivism

Harsher punishments have been shown to increase the rate at which people re-offend once released. One study showed that harsher punishments resulted in a 3% increase in recidivism. While short sentences had no effect, sentences of more than two years led to a 7% increase in recidivism. This effect was present across all types of offenders.¹⁶ Similarly, a study of the youth and the criminal justice system found that contact with the criminal justice system in any form led to an increase in the likelihood of being arrested as an adult of nearly 7 times compared with other youth with the same criminal background but no contact with the system. When these youth were incarcerated, the likelihood of being arrested as adults was even greater.¹⁷

This effect seems to arise in part because jails serve as crime schools, in which non-violent offenders are locked up with violent offenders. In a US study, a 10% increase in imprisonment led to only a 0.5% decrease in crime. The study's authors, Bert Useem of Purdue University and Anne Piehl of Rutgers University, argue that in the states with the highest rates of incarceration, greater imprisonment would likely result in more crime.¹⁸ Another reason is that prison can reduce future opportunities through stigmatization associated with ex-convicts, reduced earning potential and fewer community ties. Harsher sentences can also foster a sense of defiance rather than deterrence.

Over-representation of the poor, mentally ill and Aboriginal Canadians

While only 1 in 10 Canadians lives in poverty, the vast majority of inmates in Canadian prisons are poor.¹⁹ Many suffer from chronic unemployment. According to Statistics Canada, 47% of provincial prisoners in five provinces were unemployed prior to incarceration, despite being able to work. Only 41% were employed.²⁰ 70% of offenders have never held a steady job.²¹ 80% of women are imprisoned for economic-related crimes.²² While not all economic-related crimes are motivated by poverty, many are. A report in Alberta noted that 74% of women incarcerated in the province did not have enough income to meet their basic needs prior to incarceration.²³ A study of homeless men in Toronto found that 73% of them had been arrested and 49% of them had been imprisoned at least once.²⁴

In addition to poverty and unemployment, many inmates have struggled with literacy and low educational attainment. Nearly 45% of prisoners in five provinces did not finish high school according to Statistics Canada. Other studies have calculated the total number of offenders in Canada who have not finished high school to be more than 70%.²⁵ Prison inmates are three times more likely than the general population to have literacy problems. Low literacy can create difficulties for problem-solving, making someone more likely to become frustrated and less likely to benefit from rehabilitative programs.²⁶

The number of prisoners with substance abuse and mental health issues is also very high. 91.8% of provincial prisoners in five provinces and 73% of federal prisoners needed treatment for substance abuse 2008-09.²⁷ 86% of federal prisoners needed treatment for personal or emotional issues.²⁸ In 2009, 13% of men and 29% of women had mental health problems at the time they entered prison.²⁹ Nearly 15% of male prisoners and 30% of female prisoners experienced a psychiatric hospitalization at some point before they were convicted, and 21.3% take prescription anti-psychotic drugs at the time of incarceration.³⁰ As a result of the high proportion of mental illness, the rates of suicide and self-harming are seven times higher inside prison than outside.³¹

Aboriginal Canadians are also vastly over-represented in Canadian prisons. Aboriginal Canadians have an incarceration rate nine times higher than the rate for non-Aboriginal Canadians.³² In 2008-09, Aboriginal Canadians represented 3% of the Canadian population but 26% of all prisoners in Canada.³³ The Correctional Investigator of Canada, Howard Sapers, has suggested the corrections system is one of "institutional discrimination," as Aboriginal Canadians are not only more likely to be incarcerated, but also more likely to be in maximum security, kept in segregation, and given inadequate programs and support to help them leave successfully.³⁴

Health

Because prisoners are kept in very close quarters and are more likely to engage in high risk behaviours, prisons are breeding grounds for infectious diseases. According to the Correctional Investigator of Canada, HIV rates are seven to ten times higher in prisons than outside prisons, while the Hepatitis C rate is 30-40 times higher for inmates than for the general population.³⁵ As a result of these higher rates of infectious diseases, prisons can represent a threat to public health.

Impact on children and families

Incarceration has a very negative impact on families. Children with a parent in prison have "much higher than normal incidences of lower academic achievement, truancy, gang involvement, substance addiction, mental illness, crime, and incarceration."³⁶ Children of female prisoners are more likely to experience significant disruption, as they are far more likely to be placed in informal care arrangements while their mothers are in prison.³⁷ 66% of women in prison have children, but only 5% of children of female prisoners stay in their original household while their mother is in prison. In comparison, 90% of children of male prisoners live with their mother both before and during their father's incarceration.³⁸ According to a US study, children of incarcerated parents are six times more likely to be incarcerated themselves some day.³⁹

Lower earning potential

Many former prisoners find it harder to find employment after incarceration. Incarceration has a long-term impact on wages, reducing annual wages by 40%.⁴⁰ Because of this, imprisonment also has a significant impact on life-term earnings, representing an earnings loss of as much as \$179,000 for men by the age of 48.⁴¹ Incarceration also affects economic mobility, as former inmates do not experience the same promotions and pay raises as the general population.⁴² This lower earning potential has negative consequences for families. One study found that average income for families with children and one parent in jail fell 22% during the period of incarceration, and incomes remained 15% lower than before incarceration once the parent was released.⁴³ The increased likelihood of poverty and loss of family income affects children's economic mobility in adulthood.

Fueling of public fears

Promoting the tough-on-crime agenda requires a narrative of constant and immediate threat of violent crime. On several occasions, government officials have insisted that crime is rising and becoming more violent, despite official statistics that say otherwise. As a result, Canadians are more afraid. Despite the fact that crime – including violent crime – has consistently been going down in Canada, an Angus Reid poll found that half of respondents believe that their communities are unsafe and that the prevalence and severity of violent crime are rising.⁴⁴ The prevalence of fear and the narrative of crime as a threat also stokes emotions of vindictiveness and revenge. 30% of respondents to a 2010 Ekos poll said that the principal purpose of the justice system should be punishment, not prevention or rehabilitation, an increase compared to 22% a decade ago.⁴⁵

Reduction of spending capacity for other priorities

Increasing spending on prisons means less money is available for other priorities. Because the US has the highest rate of incarceration in the world, it provides a good example of what can happen to budgets when tough-on-crime policies incarcerate more people. 1 in 100 adults in the US is now in county, state or federal prison, compared to 1 in 400 in the 1970s.⁴⁶ As a result, spending on prisons has significantly increased. In 1987, the 50 states spent \$10.6 billion of their general funds on corrections; by 2007, they were spending \$44 billion, an increase of 127% when adjusted for inflation.⁴⁷ One in every 15 state dollars is now going to corrections, leading to cuts to other programs to accommodate prison spending.⁴⁸ California, which has the highest prison budget at \$8.8 billion in 2007, spends only one-seventh the amount per pupil in its education system that it spends per prisoner.⁴⁹ Some states are now reaching bipartisan consensus on new responses to crime that are more cost-effective and at least as effective in preventing recidivism simply to provide some relief for their budgets.⁵⁰

The Alternative: A Guaranteed Annual Income for all Canadians

A guaranteed annual income for all Canadians would ensure that all Canadians had a modest but decent standard of living by ensuring that no one had an income below the poverty line. A guaranteed annual income is an unconditional cash transfer from government to citizens. It can be delivered through a Negative Income Tax model, in which everyone below the poverty line receives enough income to bring them above the poverty line, or a Universal Demogrant model in which all citizens receive a lump sum. Guaranteed annual income has been receiving increased attention recently as an alternative to welfare and inadequate income security programs in Canada.

In 2008, the poverty gap in Canada was \$13.1 billion.⁵¹ This is the amount of money needed to bring every Canadian's income above the poverty threshold, as defined by the after-tax Low Income Cutoff (LICO). If the \$5.8 billion of federal and provincial revenue that will be spent on prison operation and maintenance annually by 2015-16 were to be invested in a Negative Income Tax to low income Canadians, we could nearly halve poverty in Canada. If we wanted to fund a more generous guaranteed annual income that not only got Canadians to the LICO line but put them \$2000 above it, this \$5.8 billion would represent 30% of the \$19.2 billion required.

Outcomes

Unlike prison spending, the social outcomes of investing in a guaranteed annual income are positive. They include greater well-being and social cohesion because of better income equality, lower costs associated with poverty, and the possibility of a reduction in crime.

Greater well-being and social cohesion

The social benefits of equality have been well-documented by two British epidemiologists, Richard Wilkinson and Kate Pickett. They present a comprehensive comparison of wealthy, industrialized countries showing that more equal societies have better outcomes than more unequal countries in a wide range of areas. More equal societies have more community trust, lower rates of mental illness, less illegal drug use, better physical health and longer life expectancy, less obesity, better educational outcomes, lower levels of violence, and fewer teen pregnancies. These benefits hold for every income level in a more equal society compared to a less equal society.⁵² A guaranteed annual income reduces income inequality by raising the incomes of the lowest income group. When coupled with a progressive tax, it can be very effective in lessening income inequality. A guaranteed annual income can therefore be expected to improve outcomes related to social well-being and solidarity.

Cost-savings

A 2008 study pegged the cost of poverty in Ontario at \$32 billion to \$38 billion a year. Because one-third of low income Canadians live in Ontario, we can project the cost of poverty in Canada at three times Ontario's cost, or more than \$90 billion a year. This cost includes social assistance and other programs for the poor, health care, poverty-related crime, and lost productivity and taxes related to poverty. They estimate that poverty adds \$2.9 billion to Ontario's budget and \$7.6 billion to the federal government's budget every year. Poverty-related crime adds between \$1 billion and \$2 billion a year to the federal budget.⁵³ By raising the incomes of the poorest Canadians, a guaranteed annual income would result in cost savings by reducing and eliminating poverty-related health, crime and productivity costs.

Less crime

Poverty is a root cause of crime. Some crimes are crimes of desperation, motivated by poverty. In Alberta alone, there were 21,165 people incarcerated for failure to pay a fine in 2000.⁵⁴ Most theft committed by women is theft of items less than \$5000, and usually consists of items that women reported they needed for themselves or their children but could not afford to purchase.⁵⁵ Sometimes incarceration is a police response to lack of services, such as arresting someone for public drunkenness on a cold night because there is not a shelter to take them in.⁵⁶ Sometimes crime is the result of a rough childhood in a poor neighbourhood, because poverty can exacerbate problems that can lead to crime, such as low literacy or poor educational achievement.⁵⁷ By reducing poverty and inequality through a guaranteed annual income, we could reduce crime in Canada.

Conclusion

The choice is ours: we can continue to pay to lockup an increasing number of Canadians at a high cost to our budgets and to our social fabric, or we can invest in a guaranteed annual income for all Canadians that would pay dividends in social benefits. We cannot argue that guaranteed annual income is unaffordable and continue to pay ever increasing amounts on incarceration. We can choose dignity, improved well-being and social solidarity, or we can choose punishment, fear and marginalization. The upfront cost is not that different.

This is only one example of an opportunity cost created by current government spending priorities. There are other examples which could provide an interesting comparison. For example, the government is committing to spending \$16-30 billion on 65 new fighter jets, foregoing up to \$14.9 billion in 2013-14 in corporate taxes, and \$300 million a year on the mission in Afghanistan. By aligning current spending priorities, we could easily pay for a guaranteed annual income and reap the social benefits.

End Notes

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