

PRESENTATION ON POVERTY

to the

Standing Committee on

Human Resources, Skills and Social
Development and the Status of Persons with
Disabilities

June 2, 2009

**Standing Committee on Human Resources, Skills and Social Development and the
Status of Persons with Disabilities**

Canadian Pensioners Concerned Inc. (CPC), founded in 1969, is a national and provincial voluntary, membership based, non-partisan organization of mature Canadians committed to preserving and enhancing a humanitarian vision of life for all citizens of all ages.

We wish to thank the Committee for taking the time to talk directly to Canadians about the challenge we all face in trying to reduce, and ultimately eliminate, the presence of poverty among the citizens of this country. We apologise for the late submission of our brief but we only learned on May 21st that we had been given standing to appear before you. We will address the questions you have raised in the order that they have been posed to witnesses appearing before you.

What poverty measure(s) do you or does your organization currently use and how do you think poverty should be measured?

Poverty is measured in every society based upon its own values of the society it wants and the people that are excluded from the social and economic life expected to be there for all. A child in Canada does not have to be in the identical social and physical situation as a child in Darfur to be deemed to be poor. Most Canadians recognize that we have many people who are poor but because we have failed to agree upon a definition as a nation we do not agree on what the count is of (or even how to count) those living in poverty. Canada and the provinces have failed to develop a national strategy to end poverty but at least a number of the provinces have begun to recognize that they must develop their own strategy for their own population regardless of what the federal government does – or doesn't do. **The time for the Federal Government to develop a national strategy is long overdue. We need action now.**

Some economists have argued that there is an absolute dollar amount that can define those who are poor, that poverty is not a condition that is relative to the rest of society. If we were to make this argument then the poorest people in the world are to be the same with the same income and living conditions no matter where they live, in Africa, Asia, South America, Canada or Europe. This is clearly an absurd approach and one that has been rejected by the vast majority of those concerned with the issue of poverty.

The best measure we have is the Statistics Canada Low Income Cut-Off (LICO). LICO has been used by policy activists, analysts and the public as a reasonable and reliable measure to show those who are substantially worse off than the rest of Canadians. An individual or family that spends at least over 50 percent of its income on food, clothing and shelter is deemed to be substantially worse off than the majority of Canadians. They would fall below the LICO and thus be suffering from serious poverty. The ideal situation would be for Canada to use the measures adopted by the European Union and the United Nations so that effective international comparisons could be made. Canadians would then be in a position to judge whether their governments have been successful or not.

Governments must stop debating how to measure poverty, and use the measures we currently have. We must get on with the task at hand – the development of targets and strategies that will lead to the absolute reduction of poverty in Canada.

What role should the federal government play in reducing poverty in Canada and how can it partner with the provinces and community organizations?

The federal government must be engaged in tackling this serious and economic issue. No government or Aboriginal leadership can stand outside this issue. The policies, programs and practices of the federal government have both a direct and indirect impact on all citizens and all communities therefore it and its agencies must be engaged in poverty reduction strategies. The federal government cannot use the pretence that the constitution limits its capacity to act, that the primary responsibility falls on the provincial and territorial governments. This is patently incorrect.

The question asks “how it can partner with the provinces and community organizations. “ One part of the answer is to act like a partner and not try to dictate or confront all those currently involved in this issue. The federal government must clearly state its commitment, its goals and objectives and be prepared to listen and respond to other governments, communities, and especially the Aboriginal communities and their leaders. The federal government must commit to a process that is informed by those living in poverty. It needs to recognize that its policies, practices and programs either directly or indirectly have an impact on the poor and it needs to ensure that when it funds community initiatives those funding initiatives are based on community needs, needs identified by the community and not by remote decision-makers.

What mechanisms could facilitate federal-provincial-territorial cooperation to reduce poverty?

The process that led to the Kelowna Accord had the potential to be a very good model for the creation of an intergovernmental cooperative approach to the reduction of poverty. We will never know if it would have worked once it was put into action as it never came to fruition. However, it was a negotiated partnership between the key actors essential to the reduction of poverty among our Aboriginal communities.

The federal-provincial-territorial and Aboriginal meetings are a model that can and must be used if a poverty reduction strategy is going to work. The basis for action, however, must come from the bottom up, from the people and the communities themselves that are living in poverty. Governments must listen to the facts and the potential solutions from the people themselves and those who are working with them in their communities. We need to have the public and policy-makers informed about practices working now that will move people out of poverty. Why waste time and effort when we know that there are models in Canada and around the world that have made a difference? An example is the Grameen Bank - a very simple but effective model that has improved the lives of the very poor around the world.

Federal-provincial-territorial cooperation is essential rather than work at cross-purposes. We already have an example where the federal government has come up with a beneficial program, a taxation benefit for low income families with children, and our province, Ontario, taxes it back. This is mean and senseless!

Is a joint federal-provincial-territorial response necessary to meet poverty reduction targets? What should the targets be?

We must have clear plans of action that are national, provincial, territorial, municipal and Aboriginal, with budgets and human resources allocated. The plans must ensure collaboration across all levels of government. The national, provincial, territorial, municipal and Aboriginal actors whose policies, practices and programs affect poverty in society must be brought into the plans for action (the private, public and nonprofit sectors are included). Yearly budgets must be set with clear allocations established to meet each of the target programs.

The plans must look at and take into account all the factors that are critical in determining poverty - gender, disability, illness, age, racism, immigrant status, etc.

The action plans at all levels of government must target, as a basic minimum:

1. Raising social assistance/income support program levels to at least the Low Income cut-off Level of Statistics Canada. (Ultimately a Guaranteed Annual Income).
2. Raise the minimum wage to at least \$10 an hour with cost of living increases built in.
3. Ensure the availability of affordable housing in all communities to meet the needs of low to moderate income people and families. Bring Canada Mortgage and Housing Corporation (CMHC) back into the creation of social and affordable housing including support for the cooperative housing sector that targets mixed income units.
4. Subsidized housing must be available and supports must not be set to penalize individuals as they re-enter the labour force by raising the cost of their housing with each increase in income.
5. Provide access to education and training (including retraining) for all adults and subsidize transportation and other costs associated with employment for low income families and individuals.
6. Provide access to health and dental support programs so that the transition into the work force does not penalize people as they move into the paid labour force.
7. Create a national child care program with subsidies for low income families.
8. Invest in public transportation systems – both urban and rural – that will bring help to all citizens but most particularly, those living on low incomes.

We need targets and we need to agree on how to measure whether we have achieved those targets. The target, at a minimum, should be **25 in 5**, a reduction of twenty five percent of the poverty rate over the next five years with a commitment to five year renewals after that.

What more should the federal government do to reduce poverty among children, lone parents, women, Aboriginal people, persons with disabilities, recent immigrants and unattached individuals?

To begin to answer this question we would add a qualifier to “unattached individuals” and include a particular reference to older unattached women whose poverty rate is very significant and distressing given their extreme vulnerability.

We are troubled by the word ‘more’ as we see very little being done by the federal government at the moment. However, in response to the question we would tell the government to look at each identified group, use the knowledge we have now about the determinants of poverty and put action plans in place to eliminate them. We find it hard to believe that the federal government does not have all the information needed to address these particular populations. For years, all the anti-poverty groups and their supporters across the country have been telling parliament, the provincial, territorial and municipal governments what actions are needed. It isn’t “rocket science” to figure this out, we know the causes and what we need is action.

We have made some suggestions of strategies in an earlier response that would apply to this question as well. We would add also that when we have excellent federally-funded programs that work – the Community Action Plan for children from birth to age 5 – why cut it? This doesn’t make sense especially when we are talking about the needs to help individuals and families struggling with issues arising from poverty.

How should the federal government’s contribution to reducing poverty be measured and reported? Which indicators should be used for this purpose?

Every policy, program and practice should be reviewed through an anti-poverty policy lens.¹ This can help to ensure that all existing and new policies, practices and programs will contribute to the reduction of poverty rather than its exacerbation. Examples we would give would be taxation policies that target people with capital but do nothing to help those without; home renovation policies that help those with homes but do nothing for those who are homeless or living on the margins of society, infrastructure programs that fail to give high priority to public transportation.

If we were to adopt the measures used in Europe we would be able to compare our results with those of other industrially developed nations. We could learn from our failures and benefit others from our successes. Statistics Canada could adopt those measures and report regularly on what is happening on the ground. At the very least, we can use the LICO measure and use it to judge how well or poorly we are doing.

We are concerned by our sense that this question separates the actions taken solely by the federal government from those taken by other critical actors. Poverty is a national problem and anti-poverty programs and policies require cooperation and collective action

¹ We can provide you with a model that has been developed to deal with the prevention of Elder Abuse and which could be adapted to tackle the issue of poverty and the vulnerability of special populations.

by all levels of government, by the public and private sector, by all communities. Indicators must therefore be broader than just the measure of one government's actions. Policies, practices and programs overlap and directly or indirectly affect those of other actors. We would suggest the investment in the development of an anti-poverty policy lens and its mandated use across the federal government would be a very useful step in this regard.

Clear accountability mechanisms must be in place with yearly public reporting on progress made in meeting the targets and timelines. Independent agencies with similar powers to the Auditor General nationally and the provincial and territorial auditors should be created and empowered to report to the public on the success or failures of our collective anti-poverty strategies.

Can current federal resources for reducing poverty be deployed more effectively? If so, how? What additional federal resources are needed for reducing poverty in Canada and what sources of funding are available to pay for these additional resources?

We suggest that our responses to earlier questions have provided some response to this question. We suggest that the quick development of the anti-poverty program, policy and practice lens would give some very quick and practical answers to these questions. We are not in a position to go further. However, a review of all current practices, policies and programs through this lens would highlight those activities that are not productive and those that have potential with perhaps minor improvements. We would also learn where we as a society are failing and where we must develop new and more effective policies, programs and practices.

What strategies and solutions are you or is your organization currently providing to reduce poverty? What part of your program works best?

We are working with anti-poverty groups such as Campaign 2000 and the Anti-Poverty Coalition to cajole, pester and engage governments at all levels t