

STATEMENT
ON
PRE - BUDGET PLANNING

TO
STANDING COMMITTEE ON FINANCE AND
ECONOMIC AFFAIRS

LEGISLATIVE ASSEMBLY

FROM
CANADIAN PENSIONERS CONCERNED, INC.

ONTARIO DIVISION

JANUARY 2008

Canadian Pensioners Concerned, Ontario Division

Canadian Pensioners Concerned, Ontario Division, was founded in 1969, part of a national voluntary organization of seniors committed to promoting issues such as pensions, health care, housing and transportation. We are concerned not only about those matters which involve older citizens but about all of the factors which make for a just, caring, compassionate, civil society for all age groups.

We appreciate the difficulty of planning in the midst of changing social and economic times. There is growing concern about the strength of the economy, and our industrial sector in particular is under great pressure. Globalization requires communities and economies to adapt rapidly to new circumstances and new challenges. The provincial government has to confront these challenges and provide a vision of how the province and people can respond and build a stronger economy and an equitable and cohesive society.

Poverty is an issue that affects the health and well-being of all citizens and carries an economic cost. We will therefore begin with the issue of poverty and link it to all the other key factors we look at in our brief. We acknowledge the steps taken by the government as it works to strengthen our economy and build a better society but there is much more to do. We must aggressively tackle this issue if we hope to achieve a high level of social cohesion and to have a globally competitive economy.

Poverty

The province must set realistic targets for poverty reduction. The United Kingdom government under Prime Minister Blair set such targets and achieved results. Society will respond when it understands the goals and measures. Public opinion polls have shown this is a priority for Canadians. Poverty costs society and the economy. We cannot afford the loss of our human resources by trapping people – individuals and families – in poverty. It is a cycle than we can break and the government must mobilize all Ontarians to join in this essential target. If a country the size of the United Kingdom can set a target for poverty reduction of 25 percent over a short period, why cannot we?

The improvements to the Child Benefit Plan is a good step forward but it is only a first step. The province must immediately stop the “clawback” of federal benefits from low-income families. We must not condone children and their families living in poverty. Quebec has shown that the provision of a universally accessible childcare program is a critical factor in the reduction of poverty. Money spent on early child development has long-term economic and social benefits. The province has started to improve its policies in this area but a higher level of investment needs to take place. Employers have a crucial role to play and there are taxation tools that the province should consider employing to induce employers to pick up more of the costs.

We fully support the extension of health benefits on a graduated scale to working low-income individuals and families to help them remain in the workplace. It is of particular benefit to those moving off Ontario Works. We must not penalize workers for returning to work.

We are pleased to see the increase in the minimum wage – though here too we need to get the minimum raised to \$10 an hour very quickly if we really intend to reduce the number of individuals and families living in desperate poverty. Unfortunately, we know there are some abusive employers who take advantage of their workers and do not pay even the minimum wage. This abuse must end – more labour inspectors backed by clear criminal charges will help to end this practice.

Income support programs must be increased – Ontario Works and the Ontario Disability Support Program. It is criminal that we keep people in need well below the low income cut off. (LICO). How can people develop to their full potential and contribute to society if they have to live from day to day?

We are fully aware that Employment Insurance is a federal program but research has shown that the majority of workers who pay into the plan are not eligible to receive benefits. Ontario workers face greater hardships than any other Canadians do. We would like to work with all parties in the Legislature to mount a campaign to restore the role of EI to what was intended originally -Unemployment Insurance. This action, if successful, will have a positive impact on the costs of Ontario Works and on the workers concerned.

Accessible, safe and affordable housing is essential to the elimination of poverty. Individuals and families must not pay over 30 percent of their income on housing costs and far too many are paying over 50 percent. We need housing for all, and must ensure that shelters are only short term; that everyone can count on a safe and secure place to live. We will join in putting pressure on Ottawa to return to the funding of social housing. In the meantime, the province must work with the municipalities, the cooperative housing movement and other community institutions to get new safe and affordable housing built now. We cannot wait.

Shelter funding needs to be re-directed. Children, in particular, should not be raised in shelters but need to have a stabilized environment. Investment in homelessness prevention programs must be in place, especially for youth coming out of care who run the risk of being homeless.

Governments need to give developers and designers better incentives to develop creative housing solutions. We hear of many that wish to do so and are doing this in underdeveloped countries. Municipalities have to look at their restrictive criteria for developers, such as parking needs, zoning restrictions that tend to force costly Ontario Municipal Board hearings. (The OMB needs to be restructured or eliminated. We no longer need an unaccountable body that can override the wishes of the people and local councils.) Materials that will improve the environmental impact of buildings need to become less costly for builders to use. Perhaps tax incentives may be one policy to be used.

Education and Training

We have been pleased to see the increasingly positive environment brought to the public education policy sector though more needs to be done. High school retention rates need to be strengthened and strong support systems for students need to be in place, i.e. guidance counselors, classroom assistants, librarians, English as a second language teachers, social workers etc.

School boards need to strengthen physical education programs to prevent obesity and enhance well-being. They also need to help communities understand and respect the religions of countries and peoples around the world.

The province is also receiving very large numbers of immigrants who need supportive resettlement programs – programs that the federal government should be providing in addition to the province. Studies have shown the close relationship between culture, ethnicity and “minority” status and levels of poverty, lower educational achievement and work place opportunities. Our governments at all levels must work with communities to develop strategies to end this growing divide between our peoples. Employment and educational equity policies must be in place to stop this from happening. Targeted programs may be required to ensure everyone is able to contribute and share in the economic and social benefits of Ontario.

Unfortunately, we are not fully engaging thousands of new citizens who bring education, skills and a strong desire to work. They are forced to confront closed professions and skilled trades that limit their capacity to work at the level of their educational attainment. Some important steps have been taken to address this problem but far more needs to be done - and quickly - before the economy and social cohesion of the province declines. The regulation of the professions and skilled trades is clearly under the jurisdiction of the province and it must shake up the system, provide some basic funding and demand speedy action on the delivery of programs that will integrate this rising underclass of new immigrants and citizens. How can we justify the fact that recent immigrants (since 1981) as a whole are far worse off financially than those who preceded them just a few decades ago?

There are residents of Ontario excluded from full and equal access to the advantages open to others because of racism, religious prejudice, disability or other “justifications” for social and economic exclusion. The legislature must take a leadership role in educating the public and private institutions that such acts of exclusion are unacceptable. We must all understand that these acts of exclusion hurt the individual, society and the economy. We need a clearly targeted program with measurable outcomes to ensure that this behavior is changed.

We must develop programs that help newcomers navigate through the complexities of the Canadian workplace. We believe that there has to be two-way training for the immigrant and for the employer. Immigrants must understand the expectations of employers and the culture of the workplace in Canada. Employers must be aware of cultural diversity and develop the capacity to work with the experience and skills that newcomers bring to the work place.

The demands of the workplace are changing at a very rapid pace. If Ontario is to succeed as a strong economic engine of the country, the province must ensure that life-long learning and training is available to all workers. This is in the interest of employers and employees. Adjustments to the tax regime might be the stimulus needed to make employers embrace this whole-heartedly. Stronger apprenticeship programs, mentoring of new workers, supportive programs for worker education while on the job, regular reviews of credential requirements are also strategies that can help to improve the skills and knowledge of the labour force.

Economic Growth and Productivity

Ontario must improve the productivity of its business sector. Global competition requires increasing levels of productivity. Unfortunately, many sectors in Ontario lag behind the global competition. We must produce higher value goods and services and not continue to rely on the commodity market. In order to bring this kind of development to our northern and rural communities we must invest heavily in the high-speed electronic infrastructure now – not years down the line!

The government has correctly put an emphasis on innovation for the business sector. We believe that it is a failure on the part of business leaders that our economy is lagging behind our global competitors. We need to develop a culture of investment in innovation and risk capital. All too often Canadian business leaders seem risk averse and are prepared to allow others to buy them out rather than aggressively pursue international markets. This attitude is failing the province, the workers and society. Our universities and colleges must insure that the culture of business education fosters innovation and risk taking.

We are pleased to see the government's significant investment in research and development. Once again, we believe that the private sector can do far more and call upon all parties to bring in legislation that can and will increase pressure on the private sector to pick up its share of responsibility. Unfortunately, Canada does not compare well with other industrialized and industrializing countries. This has to change and governments alone cannot do it.

Economic success for Ontario will depend upon a skilled, educated labour force. Lifelong learning is essential. We need strong and up-to-date apprenticeship programs, universities and colleges that welcome the older learner and programs that serve to integrate new immigrants into jobs that reflect their skills and education.

The government needs to tackle the growing problem of "illegal" workers. The province cannot do this alone but it must bring pressure on the federal government to insure that this abuse of workers is resolved quickly. Clearly, the economy needs the skills of these people but by keeping them in the hidden economy, we are enabling their exploitation by unscrupulous employers. Companies that need their skills should be able to promote and accelerate their immigration status. We should not be deporting people who have established themselves and their families for a number of years and who have contributed to our economic well-being.

Other Issues – Infrastructure development

Our urban communities are in desperate need of help. We look forward to the report of the committee established by the government to look into what services ought to be “uploaded” to the provincial government. The downloading of services by previous governments was a terrible mistake – one that has cost both the economy and the people alike

We are pleased to see the government’s commitment to a targeted program of infrastructure development and renewal. An accelerated infrastructure program – from hospitals, to public transportation – will bring much needed employment and improve the social and economic environment of the province. We must tackle the issue of environmental damage and climate change by taking action on a variety of fronts. The improvement in public transportation systems will reduce the province’s carbon footprint, improve the quality of life for citizens, reduce air pollution and the resulting sicknesses and deaths while, at the same time, help the economy.

Modernizing the health care system infrastructure will enable it to use the new technologies and improve patient outcomes. However, we are faced with an aging population and the government and service providers must invest in public health programs, disease prevention and, perhaps most importantly, health promotion.

There are many more issues needing attention but we have touched on those that we see as in the most need of urgent attention. We hope that we have added some ideas that will be of interest to you, the committee members, as you deliberate on the economic future – both short and long term – of the province.