

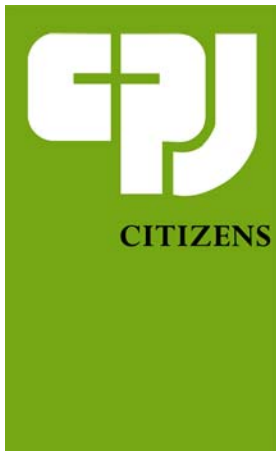
Vision to Action: Canada Without Poverty

*Submission to the Standing Committee on Finance
Pre-Budget Consultations*

August, 2008

CITIZENS *for* PUBLIC JUSTICE





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Our Vision

- CPJ is committed to seek human flourishing and the integrity of creation as our faithful response to God’s call for love, justice and stewardship.
- We envision a world in which individuals, communities, societal institutions and governments all contribute to and benefit from the common good.

Our Mission

- CPJ’s mission is to promote *public justice* in Canada by shaping key public policy debates through research and analysis, publishing and public dialogue. CPJ encourages citizens, leaders in society, and governments to support policies and practices which reflect God’s call for love, justice and stewardship.

Public Justice

- Public Justice is the *political* dimension of loving one’s neighbour, caring for creation and achieving the common good, and is particularly the responsibility of government and citizens.

The CJL Foundation
operating as CPJ.

Charitable registration
89438 3512 RR0001

309 Cooper Street
Suite 501
Ottawa, Ontario
K2P 0G5

T 613-232-0275
F 613-232-1275
cpj@cpj.ca
www.cpj.ca

Summary

Citizens for Public Justice believes that the government's priority for Budget 2009 should be a national poverty reduction strategy. 1 in 10 Canadians currently live in poverty. This persistent poverty has a serious negative impact on individuals, on Canadian society and our economy.

More important than the social and economic costs of poverty, however, is the fact that poverty is a serious injustice perpetuated against individuals who are all created in the image of God. God's vision is a society without poverty. We need to create policies that ensure people have the means to exercise a sustainable livelihood that provides a livable income, including access to adequate income and necessary resources even when paid work is not sufficient or not possible.

In 1989, the House of Commons passed an all-party resolution calling for the end of child poverty by 2000. As we approach its 20th anniversary, Budget 2009 should make good on that promise.

Countries like the United Kingdom and Ireland have successfully used poverty reduction strategies, providing the framework and accountability for effective anti-poverty initiatives. Four of Canada's provinces are demonstrating leadership through their own poverty reduction strategies. A federal poverty reduction strategy is necessary to support and build on these efforts to create a Canada where no one is left behind and everyone has the opportunity to participate.

Canada's national poverty reduction strategy should adopt the four cornerstones identified by the National Council of Welfare as components of successful strategies around the world: a long-term vision with measurable targets and timelines, an action plan and a budget that coordinates within and across governments, mechanisms of accountability, and a set of agreed upon poverty indicators.

Within this framework, various policy initiatives can be adopted to focus on all aspects of poverty, not just income insecurity. Opportunities for federal initiatives include: action on affordable and adequate housing; build on existing federal programs to ensure income security; support for the working poor by means of a living wage, tax credits, reform of the Employment Insurance system and a national child care plan; and targeted support for aboriginal peoples and new Canadians who face higher rates of poverty.

Recommendations for Budget 2009:

1. Budget 2009 should announce the federal government's commitment to designing and implementing a **federal poverty reduction strategy**, based on consultations with citizens.

2. Policy initiatives the federal government should undertake in Budget 2009 to demonstrate a serious commitment to reducing poverty should include:

- Renew and extend the existing **housing programs** due to expire March 2009.
- Commit to long-term strategic planning with **appropriate funding on affordable housing**.
- Double the **Working Income Tax Benefit** and raise the cut-off for access so that someone working full-time, year round for minimum wage would qualify.
- **Reform EI** to give access to people engaged in precarious or non-traditional employment.
- Create a genuine **national childcare and early learning plan**.
- **Re-commit to the 1989 resolution** on child poverty, and extend the commitment to ending all poverty in Canada.

Introduction

Citizens for Public Justice is pleased to participate in the Standing Committee on Finance's pre-budget consultations. CPJ is a national, faith-based organization with members across the country. As a Christian organization, CPJ's work is rooted in God's call to do justice and to love our neighbours.

We believe the government's priority for Budget 2009 should be a national poverty reduction strategy. Poverty is a significant challenge to citizens and governments concerned about public justice. The 1 in 10 Canadians who currently live in poverty struggle to live in dignity, to attain sustainable livelihoods and maintain health and well-being, and to participate in the life of their communities and of our country.

We can choose to do something about poverty. Anti-poverty strategies have been used successfully in other countries to lower their poverty rates. In Canada, provinces like Quebec, Newfoundland and Labrador, Ontario, and Nova Scotia are showing leadership in their efforts to eradicate poverty. So are many Canadian communities. A national poverty reduction strategy would support and build on these efforts to create a Canada where no one is left behind and every one has the opportunity to participate. Canada without poverty would be a country where every citizen could flourish, economically and socially.

A Canadian Priority: Action on Poverty

In 1989, the House of Commons passed a unanimous resolution calling for child poverty to be eliminated in Canada by the year 2000. As we approach the 20th anniversary of that occasion, with the introduction of Budget 2009 next spring, sadly not much has changed in Canada.

Despite the fact that Canada is a financially prosperous country with many resources, poverty still persists. In fact, the National Council of Welfare (NCW) recently noted that poverty rates have not altered significantly in the past 25 years in Canada, with the exception of seniors.¹ They benefited from targeted programs that succeeded in lowering their rate of poverty. For the rest of Canada's poor, the past 25 years have not made a difference except to increase the depth of poverty.²

We all experience the impact of this poverty. For the 3.3 million Canadians living in poverty,³ the high personal costs include making difficult choices between paying for heat, rent, food and clothing, a detrimental impact on health and education, a sense of anxiety and hopelessness, and the awareness of being excluded from their community. For Canadian society, there is an impact on overall well-being related to higher inequality, strains on the social fabric including an increase in crime, and the financial costs of dealing with poverty indirectly through the health care system, the criminal justice system, and shelters and foodbanks. Nobody benefits from poverty, but we will all benefit from collective action to *eradicate* poverty. Eliminating poverty would strengthen our social contract and contribute to the vitality of our economy.⁴

A Call to Jubilee

More important than a question of costs and benefits is the issue of justice, however. For CPJ, the goal of reducing poverty and inequality stems from our belief that every citizen, together with our governments,

¹ National Council of Welfare, "Solving Poverty: Four Cornerstones of a Workable National Strategy for Canada," National Council of Welfare Reports, Winter 2007, p. 1.

² Lars Osberg, A Quarter Century of Economic Inequality in Canada: 1981-2006, Canadian Centre for Policy Alternatives, April 2008, p. 30.

³ In 2006, 10.5% of the population was under Statistics Canada's Low Income Cutoff Rate.

⁴ For more information on poverty, poverty reduction strategies and policies to combat poverty, visit our website: www.canadawithoutpoverty.ca.

has a responsibility to work for justice in our society. We believe that poverty is a serious injustice perpetuated against the dignity of human beings, created in the image of God. Poverty and inequality rob people of access to basic resources necessary for life, marginalize them from community, create insecurity that can erode people's spirit and emotional health, and eliminate people's ability to carry out their own responsibility to participate in society.

Persistent poverty is not God's vision for society, as the Bible makes clear in Deuteronomy 15. God's vision is a society without poverty. The Jubilee laws of the Old Testament called for a periodic redistribution of the means of production, ensuring that no one was permanently left behind and no one became wealthy at the expense of the poor. This vision for society suggests that we need to go beyond individual actions to create policies that ensure people have the means to exercise a sustainable livelihood that provides a livable income. We must also make sure everyone has access to an adequate income and the resources necessary for well-being, even when we are not able to secure all we need through paid work.

Leadership on poverty: A national poverty reduction strategy

When it comes to a problem like persistent poverty in a wealthy country like Canada, everybody has a role to play. The federal government has the opportunity and the responsibility to lead by example, identifying poverty as a significant problem, consulting those with experience of poverty, and enabling citizens, communities and others to become active in the fight against poverty.

Canada's experience in reducing poverty among seniors suggests that government action on poverty can be very effective when it is carefully developed and strategically implemented. Ireland and the United Kingdom have proven that anti-poverty strategies can provide the framework and accountability that could make Canada's anti-poverty initiatives more successful.⁵

A poverty reduction strategy would provide us with new ways to rethink our entire approach to poverty – it is neither a tax cut approach nor a simple spending program. Instead, it is an integrated plan that involves multiple initiatives in a targeted and coherent way. By developing strategies in consultation with citizens, decision makers are able to identify needs that are related to poverty but not necessarily focused on income and respond with a wide assortment of measures that will have a very direct impact on quality of life. Poverty reduction strategies can also focus on those Canadians who are disadvantaged in particular ways, such as recent immigrants, aboriginal peoples, or single parents.

Four Cornerstones of an Effective Poverty Reduction Strategy

The strategy, or framework, is very important in demonstrating the commitment and providing the accountability for the fight against poverty. Various policy aspects can then be adopted within this strategy. In 2007, the NCW identified key components of successful anti-poverty strategies. The four cornerstones they identified are:

1. *A long-term vision and measurable targets and timelines.*

The long-term vision serves as a guiding purpose and commitment for the strategy, directing policy effort and providing a benchmark for accountability. It is an important symbolic statement of commitment, but also a clear target for policy efforts. Putting a timeline on the vision is necessary for accountability and to measure progress. But it also recognizes that it may take

⁵ Library of Parliament, "Poverty Reduction Strategies in the United Kingdom and Ireland," Library of Parliament Research Publications, November, 2007.

some time to develop a wide-range of policies that will have the full impact expected. The timeline should not be an excuse to delay action, but should provide space to consult with poor Canadians over what works and what doesn't, what is missing and what could be expanded.

2. *A plan of action and budget that coordinates initiatives within and across governments and other partners.*

Because poverty is complex and multi-faceted, it cannot be dealt with by one federal government department alone. Departments will have to work together, as will Cabinet, to ensure that priorities are identified and policy efforts are coordinated and achieved. Otherwise, programs with different goals can have unintended consequences on each other. Within Canada's federal structure, levels of government will also need to communicate and collaborate. As nearly half of Canada's provinces already have poverty reduction strategies, the federal government will need to work with them to make a national plan supportive of these provincial efforts, in order to ensure their full success.

The federal government's budget is the strongest statement of its values and priorities. Making poverty reduction a genuine priority must include budgetary initiatives. Some of the financial commitments will be permanent, others will be short-term. Over time, as poverty decreases, the federal government will spend less money on dealing with the symptoms of poverty.

3. *Accountability structures for ensuring results and for consulting Canadians.*

Good poverty reduction strategies begin on the ground, talking to Canadians about what their needs and priorities are. Mechanisms to ensure ongoing accountability are also important, with public reporting on progress. Accountability does not need to be practiced in only one way; several mechanisms are a good way to ensure everyone is involved and invested.

4. *A set of agreed upon poverty indicators that will be used to plan, monitor change and assess progress.*

Poverty indicators are necessary to understand what we're trying to change and how much progress is being made. Canada has no official definition of poverty, but we do have a number of poverty indicators that could be used to give a richer, fuller understanding of how poverty manifests itself in Canada. These poverty indicators can also be used to track where poverty is located, the depth of poverty, and the most significant challenges confronting Canadians living in poverty. More specific, localized poverty indicators and indicators of well-being can also be developed while the plan is in process.

Policy areas for Canada's Poverty Reduction Strategy

Poverty is more than lack of income. While focusing on incomes (the aim of ensuring every Canadian has a sustainable livelihood) is an important goal, a poverty reduction strategy would also need to address other aspects of poverty, including affordable housing, support for the working poor, and targeted support for aboriginal Canadians and newcomers. Opportunities for federal involvement include:

- *Affordable and adequate housing*

Approximately 1 in 6 Canadian households currently experiences housing affordability challenges. Many Canadians face dual challenges of the rising costs of housing and insufficient income. Meanwhile, Canada's affordable housing policy has eroded with the lack of a national strategy and a decline in annual investment from all levels of government. It is time for long-term, sustainable measures.

- *Income insecurity and social transfers*
10.5% of Canadians have after-tax incomes lower than the poverty line. Government programs and transfers currently don't ensure all Canadians have enough income for well-being. The federal government has tools like individual tax credits and transfers, but they also contribute to social assistance through their financial transfers to the provinces.
- *Support for workers*
Many Canadians living in poverty receive most or all of their income from paid employment. For example, in 2003 more than 50% of two parent families living in poverty received their principal income from employment and received no welfare or Employment Insurance payments. Not all jobs pay a living wage. And for workers who lose their jobs, not everyone will receive EI payments, even if they paid premiums. Those who are cut off from EI payments are also cut off from EI training programs. Finding appropriate, accessible and affordable child care is also a significant challenge for many Canadian families.
- *Targeted support for Aboriginal peoples and newcomers*
In the wake of the recent federal apology for residential schools, 2009 is the time to demonstrate the seriousness of our commitment to reconciliation with Aboriginal Canadians with concrete measures. **Aboriginal Canadians experience significantly higher rates of poverty than other Canadians,** whether they're on reserve or in one of Canada's cities. **New Canadians also face higher poverty rates and chronically low incomes.** Both are disproportionately hurt by housing challenges. They need strategies that address their specific situations and needs.

Recommendations for Budget 2009

Because we believe action on poverty is necessary both for the sake of justice and for the well-being of our country and our economy, Citizens for Public Justice offers the following recommendations for Budget 2009:

1. Budget 2009 should announce the federal government's commitment to designing and implementing a federal poverty reduction strategy, based on consultations with citizens.
2. A poverty reduction strategy doesn't need to be fully designed from day one to be successful. However, there are certain policy initiatives the federal government could undertake in Budget 2009 to demonstrate that its commitment to reducing poverty is serious. These policies should include:
 - Renew and extend the existing housing programs due to expire March 2009.
 - Commit to long-term strategic planning with appropriate funding on affordable housing.
 - Double the Working Income Tax Benefit and raise the cut-off for access so that someone working full-time, year round for minimum wage would qualify.
 - Reform EI to give access to people engaged in precarious or non-traditional employment.
 - Create a genuine national childcare and early learning plan.
 - Re-commit to the 1989 resolution on child poverty, and extend the commitment to ending all poverty in Canada.