

# ***Beyond Productivity***

## ***Promoting the Well-being of Canadians in Budget 2018***

Submission to the Standing Committee on Finance

August 2017

CITIZENS FOR  
PUBLIC JUSTICE



***Citizens for Public Justice*** seeks human flourishing and the integrity of creation as our faithful response to God's call for love and justice.

***We envision*** a world in which individuals, communities, societal institutions, and governments all contribute to and benefit from the common good.

***Our 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 the flourishing of Creation.

## Executive Summary

Budgets reflect values and priorities. They express what is worthy of attention and determine how resources are allocated. In doing so, budgets have the power shape the future.

It is essential to start budget discussions with what matters most: personal well-being, social cohesion, and a healthy environment. This is the essence of public justice: the *political* dimension of loving one's neighbour, caring for creation and achieving the common good.

[Citizens for Public Justice](#) (CPJ) is a faith-based policy organization that believes federal policy can and must serve the public good. Our research, policy analysis, education, and advocacy work are grounded in an understanding of the sacredness of creation and the dignity of all people.

From this perspective, we have serious misgivings about the questions suggested to frame these consultations. Focusing the budget discussion narrowly on productivity and competitiveness diminishes Canadians to our economic "value" as workers. This framework fails to account for personal fulfilment, community well-being, and ecological integrity. And, it ignores the importance and benefits of connection, culture, and creativity.

It is worth noting that a society in which citizens and residents are valued as whole people – for their role as citizens, parents, neighbours, and friends – is also a more productive society. *The opposite, however, does not hold true.* If we only strive for productivity, our society will not necessarily foster health, happiness, and security among its citizens.

Social and environmental concerns must determine our economic goals – and our methods of achieving them. The success and strength of society should not be measured solely by economic indicators. It needs to include personal well-being, social cohesion, and a healthy environment.

Drawing on CPJ's recent submissions to consultations on [climate change](#), [housing](#), and [poverty reduction](#), and our work on [refugees](#), we have developed a number of recommendations for Budget 2018 focused on human and ecological flourishing:

1. Allocate **\$5.59 billion annually** in new spending as a downpayment on **the Canadian Poverty Reduction Strategy**, beginning in 2018.
2. Address the long-standing inequities in funding models for **First Nations, Métis, and Inuit peoples**, with an **annual** investment of **\$2.2 billion** for education, infrastructure, and professional development.
3. Immediately **end all subsidies to the fossil fuel sector** for a **savings of \$1.5 billion annually**, make strategic investments in renewable energy, energy efficiency, and skills development; and set a course for decarbonization by 2050.

4. Devote **\$385 million** in 2018 to **accelerate the processing of private refugee sponsorship applications**, and make adjustment to other policies and programs to better support refugee resettlement.

## Poverty

[One in seven people in Canada live in poverty.](#) Poverty is a complex reality that exists when people do not have their basic needs met and cannot fully participate in economic, political, social, and cultural life. It involves social isolation and an erosion of a sense of self-worth and spiritual vitality.

Poverty involves social relationships, structures, systems, and institutions, some of which exclude and marginalize people. Some populations are particularly vulnerable to poverty, including: Indigenous people; recent immigrants, refugees, and asylum seekers; children; single-parent families; people with disabilities; and seniors.

The federal government is currently developing a Canadian Poverty Reduction Strategy (CPRS). It is imperative that this strategy address *at minimum* the six policy areas outlined in the [Dignity for All model anti-poverty plan](#): income security, housing and homelessness, health, food security, jobs and employment, and early childhood education and care.

Poverty is more than a matter of low income, but it always includes low income. Some of the income security measures we see as key include:

- immediately indexing the Canada Child Benefit to inflation (700m/yr);
- setting a national eligibility threshold of 360 hours for Employment Insurance (\$2b/yr);
- increasing the Guaranteed Income Supplement by the amount required to lift seniors out of poverty (\$1.99b/yr);
- reinstating a federal minimum wage at \$15/hour;
- enhancing the Working Income Tax Benefit; and
- developing a focused income benefit for working-age adults and people with disabilities (\$900m/yr).

Additional measures essential to addressing the complexities of poverty include CPRS integration with the National Housing Strategy, the development of a National Pharmacare Program, a National Food Policy, and a national Early Childhood Education and Care Program.

It is key that the CPRS be a 'living document' that is responsive to shifting needs. It must address how poverty impacts communities differently and involve ongoing opportunities for review and input from people with lived experience of poverty.

The success of the CPRS requires the Government of Canada to establish clear targets and timelines, put in place robust accountability measures, and commit adequate resources to ensure the plan's full implementation and evaluation.

Given that poverty is estimated to cost Canada between [\\$72 billion and \\$86 billion annually](#), there is also a strong economic case for investing in poverty reduction.

**Recommendation 1: Allocate \$5.59 billion annually<sup>1</sup> in new spending as a downpayment on the Canadian Poverty Reduction Strategy, beginning in 2018.**

## Indigenous Reconciliation

In June 2015, the [Truth and Reconciliation Commission \(TRC\) issued its historic report](#). Since then, the Government of Canada has stated its unqualified [support for the UN Declaration of the Rights of Indigenous Peoples](#) (UNDRIP) and a commitment to nation-to-nation relationships with First Nations, Métis, and Inuit peoples. Still, a chasm remains between the rhetoric of reconciliation and the reality of Indigenous rights.

Appalling living conditions are the norm in many First Nations communities. Inadequate infrastructure is failing against the pressures of climate change. And, despite rulings of discrimination from the [Canadian Human Rights Tribunal](#), children's services continue to be chronically underfunded.

Far-reaching policy change and significant budget allocations are required. A few key pieces include:

- Measures equivalent to those identified as key to the CPRS made available to Indigenous peoples along with additional immediate funding of [\\$923 million to address safe housing and water](#).
- Partnerships between the Government of Canada and Indigenous governments and organizations to develop focused, resilient Indigenous infrastructure development strategies responsive to the unique needs of Indigenous communities especially in ecologically vulnerable areas.
- A further \$255 million per year – beyond the \$3.4 billion in new money already committed for Indigenous communities over the next three years – for investments in ecosystems that function as natural infrastructure. Another \$525 million per year should be provided for green infrastructure.

The [TRC Call to Action #7](#) calls on the federal government to work with Indigenous organizations to develop a “joint strategy to eliminate educational and employment gaps between Aboriginal and non-Aboriginal Canadians.” The federal government will continue [investing \\$50 million in 2017](#) in the Aboriginal Skills and Employment Training Strategy. Meaningful consultation and additional funding in the order of \$500 million per year over

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<sup>1</sup> Author calculations based on “High Stakes, Clear Choices: Alternative Federal Budget 2017” by the Canadian Centre for Policy Alternatives <https://www.policyalternatives.ca/afb2017>, indicate that the full suite of policies necessary to effectively reduce poverty require \$16.77 billion annually. Recognizing the enormity of this figure, we recommend that to demonstrate its commitment to addressing poverty, the Government of Canada begin with an investment of \$5.59 billion in 2018.

five years, are needed to ensure that improvements are made for the program to respond to community needs.

**Recommendation 2: Actively work towards reconciliation with First Nations, Métis, and Inuit peoples by addressing long-standing inequities in funding models and investing \$2.2 billion annually for education, infrastructure, and professional development.**

## Climate Change

Climate change is causing serious [human and environmental impacts](#) in Canada and internationally.

Despite Canada's ratification of the Paris Agreement, greenhouse gas emissions in key sectors are still growing. The *Pan-Canadian Framework on Clean Growth and Climate Change* is a good starting point. Well-designed measures to address poverty and promote meaningful reconciliation can also be important pieces of a just transition from fossil fuels to renewable energy.

Still, it is long since time to eliminate all subsidies to the fossil fuel sector, make strategic investments in renewable energy, and set Canada on a course for decarbonization by 2050.

Putting an end to fossil fuel subsidies and related tax breaks would result in a budget [savings of \\$1.5 billion annually](#).

These recovered funds should be invested in programs that will reduce Canada's GHG emissions.

Investments of \$1 billion to renew the Clean Energy Fund, \$400 million in energy efficiency, and follow-through on the [\\$20 billion committed in Budget 2017](#) for public transportation would [create large numbers of diverse, well-paying jobs](#), markedly reduce GHG emissions and enhance Canada's competitiveness in international clean energy markets.

The [Organization for Economic Cooperation and Development](#) estimates that every dollar we fail to invest in clean energy now will cost us more than four dollars after 2020.

In addition to investments in Indigenous infrastructure development (noted above), funding for skills development, retraining programs, and job creation is required for workers in the traditional energy sector in renewable energy, energy efficiency, building retrofits, green manufacturing, and public transit.

**Recommendation 3: Eliminate all subsidies to the fossil fuel sector for a savings of \$1.5 billion annually, make strategic investments in renewable energy, energy efficiency, and skills development; and set Canada on a course for decarbonization by 2050.**

## Refugees

Canada has a long history of responding to those in crisis and welcoming the stranger. We are a multicultural society that has benefitted greatly from the cultural, social, and economic contributions of refugees and other newcomers.

To uphold this rich tradition, the Government of Canada must address the [impediments to resettlement that refugees face](#), notably processing delays, the repayment of travel loans, and limitations on access to legal counsel.

Private sponsorship groups contribute to Canada's international humanitarian efforts, and long wait times limit Canadians' engagement in sponsorship. The government must provide an additional \$385 million<sup>2</sup> to processing centres, to ensure that all private sponsorship applications are processed more quickly.

The government's [Immigration Loan Program \(ILP\)](#) is another aspect of resettlement policy that must be reconsidered. Having to repay travel loans upon arriving in Canada precludes refugees from engaging in meaningful professional and educational development activities intended to enhance the productivity of Canadian society. [Paying this loan significantly hinders refugees from becoming self-sufficient.](#) To ensure that the ILP treats all refugees fairly, the government must waive the loan repayment requirement for all refugees.

And finally, proposed provincial cuts to legal aid funding risk further marginalizing refugee claimants and migrants who require such services for their proceedings. While [Ontario has decided not to cut legal aid funding for now](#), other provinces like British Columbia, save for last minute emergency funding provision, still have their operations threatened by budgetary constraints. Refugee claimants without financial security – even those on social assistance – cannot afford to hire a lawyer. Their well-being depends on the success of their cases, and legal representation increases their chances of success. The federal government should therefore expedite current Immigration and Refugee Board hearings and provide funding to the provinces commensurate with changing demands for legal aid services.

**Recommendation 4: Devote \$385 million in 2018 to policies and programs that support the resettlement of refugees, especially for processing applications and reducing wait times.**

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<sup>2</sup> This calculation is based on federal expenditure toward the Syrian refugee resettlement program in 2015 and 2016. See [http://publications.gc.ca/collections/collection\\_2016/sen/yc32-0/YC32-0-421-5-eng.pdf](http://publications.gc.ca/collections/collection_2016/sen/yc32-0/YC32-0-421-5-eng.pdf) for more information.

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