

## Standing Committee on Finance (FINA)

### Pre-budget consultations 2012

# Canada Without Poverty

## Responses

### 1. Economic Recovery and Growth

*Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?*

xFour Recommendations for the 2013 Federal Budget 1) Direct resources for creating and implementing a federal plan for poverty elimination that complements provincial and territorial plans, and that sets targets and timelines for poverty reduction and elimination 2) Establish a low income refundable tax credit equal to the gap between a person's total income and the value of the Low Income Measure for applicable households 3) Create an anti-poverty competitiveness taskforce and an anti-poverty impact test similar to the business impact test now done by departments to evaluate regulations and regulatory burden 4) In anticipation of a significant spike in food prices due the catastrophic 2012 North American drought, establish a special, national emergency food security fund to assist low-income individuals and families in meeting their food requirements

### 2. Job Creation

*As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?*

xIn 2011, we recommended to the committee that the federal government (1) set targets and timelines for poverty reduction and elimination; and (2) study all fiscal mechanisms, federal as well as intergovernmental, available to help reach these targets and lay out options for the committee's consideration. Our recommendation was unfortunately not accepted. Another year was thus lost in terms of the opportunity for visionary leadership by the federal government to act on poverty. 3) It has now been 41 years since the seminal Special Senate Report on Poverty called poverty "the great social issue of our time" and stressed that "unless we act now, nationally, in a new and purposeful way, five million Canadians will continue to find life a bleak, bitter, and neverending struggle for survival."<sup>1</sup> In a macro sense, little has changed since these words of 1971. 2. 4) It has been almost three years since the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (HUMA Committee) adopted the following motion on November 17, 2009, a motion that the House also unanimously supported: That, with November 24th, 2009 marking the 20th anniversary of the 1989 unanimous resolution of this House to eliminate poverty among Canadian children by the year 2000, and not having achieved that goal, be it resolved that the Government of Canada, taking into consideration the Committee's work in this regard, and respecting provincial and territorial jurisdiction, develop an immediate plan to eliminate poverty in Canada for all. 5) And it has been nearly two years since the HUMA Committee also completed its major report on the federal opportunity for leadership on poverty, including dozens of recommendations for practical action.<sup>2</sup> That in turn followed a similar major report from the Special Senate Committee on Cities, released in December 2009.

### **3. Demographic Change**

*What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?*

x14) Consider, as well, just three key demographic realities for Canada. First, baby boomers are retiring in large masses, many with some wealth but many as well who rent rather than own housing, who haven't saved enough for retirement, and whose pension will not meet their basic needs. This is a large bulge in the Canadian demographic and the force of the sheer number of vulnerable boomers demands attention. The relative inability of this large group to consume will exacerbate recessionary impacts as well as anger at the polls. 15) Second, many who have come to Canada for a better life haven't found it. Many are skilled and want to work but can't easily fit into the job market. They naturally want to keep their family units as together as possible. Finding accelerated ways to ensure belonging and contributions from Canada's rising tide of immigrants, and to prevent or combat the poverty of this high-risk group, is critical. 16) Third, children and youth born into poverty often never have a chance and sometimes only the lucky escape deprivation. In a nation as wealthy and seemingly as creative, innovative and determined as ours, there is no excuse not to have achieved the 1989 resolution to eliminate child poverty by 2000. The children in poverty in 2000 are now, 12 years later, youths or young adults with, in all likelihood, the odds still stacked against them, and with the costs of their poverty rippling into the greater society – as youth gang violence reflects. 17) Consider, in addition, that by many accounts another recessionary wind is blowing which suggests that things will get worse before they get better. Premiers have sounded the need to ensure against the uncertain times in which we live. In their communiqué arising from their Council of the Federation meeting this past July, they said: Canadians also expect governments to protect their lives and livelihoods in times of extreme adversity. Immediate action is required by the federal government to finalize a stand-alone national disaster mitigation funding program so that provinces and territories can better protect Canadians against the effects of natural disasters and other catastrophic events. 18) We genuinely hope that our governments can help protect vulnerable citizens from the winds of difficulty beyond their control. Citizens do need to prepare for the worst, but so do the governments that citizens elect. The federal government has natural disaster plans. It has emergency funds for international catastrophes such as the 2010 earthquake in Haiti. It even has a national plan for the conservation and management of sharks. It is way past time it had a national plan to prevent and eliminate poverty.

### **4. Productivity**

*With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?*

x20) Before we close with our recommendations for the 2013 budget, we remind the committee of the federal government's constitutional obligation for the equality of Canadians. Under Part II (Equalization and Regional Disparities) of the Constitution Act, section 36 (1) it is stated that: Without altering the legislative authority of Parliament or of the provincial legislatures, or the rights of any of them with respect to the exercise of their legislative authority, Parliament and the legislatures, together with the government of Canada and the provincial governments, are committed to (a) promoting equal opportunities for the well-being of Canadians; (b) furthering economic development to reduce disparity in opportunities; and (c) providing essential public services of reasonable quality to all Canadians. 21) Simply put, we don't see the promotion of equal opportunity, the furthering of economic development to reduce disparities in opportunity, nor the provision of essential public services of reasonable quality to all Canadians. The federal government is failing those who through no fault of their own, were born

into poverty and therefore a lack of well-being. The government is failing those who face the greatest level of disparity in opportunities, and more head there as middle income earners struggle with stagnant wages, shrinking purchasing power, and mounting job insecurity. The government is failing in its legal commitment to provide essential public services, causing many Canadians, especially those with disabilities, to fall into poverty. 22) These are constitutional requirements – not simply a debate over political will or the role of the federal government. Canadians have already seen that political will doesn't work, witness the House not keeping its own promise to eliminate child poverty by the year 2000. 23) And we would be remiss by not pointing out that, in addition to the government's constitutional responsibilities, it has a duty to act on poverty because of Canada's international human rights commitments, including to the rights to food, housing, social security, an adequate standard of living and more.

## **5. Other Challenges**

*With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?*

in recognition of the human right to food and in specific anticipation of significantly higher food prices due the 2012 North American drought catastrophe, that the federal government, in cooperation with provincial and territorial governments, establish a special, national emergency food security fund to assist low-income individuals and families in meeting their food requirements. Emergency food support payments – sufficient for covering the likely coming price spike – could be supplemental to welfare, disability and employment insurance benefits. This recommendation would be consistent with the Premiers' recommendation noted above in point #17. And in response to a suggestion that the federal government cannot afford to contribute to such an emergency fund, we only have to point to one seriously misguided allocation of public funding – for the ever-mounting, tens of billions cost of unproven, not-needed F-35 fighter jets – as an example where public priorities need to be revisited. 28) In closing, to govern in Canada today is to govern in seemingly ever more difficult times. We fear that we may end up representing an ever-growing population cut loose from stability. If our recommendations are taken up, the government would help to keep our constituency's growth at a lower rate of expansion. But if our constituency gets too large, it will not necessarily be interested in the discourse of Parliament, many members of that constituency will do what they need to survive, and you may not like their decisions. 29) On the upside, parliamentarians, you have the opportunity to leave a magnificent legacy. Bold vision is needed and specifics are required. The provinces and municipalities cannot do it on their own, as we believe you know. As our vision of a poverty-free Canada expresses, all levels of government, as well as business and civil society, have key roles to play. And if we truly all come together around this urgent national purpose, there ought to be no future need for some special parliamentary report on poverty, as there was in 1971, 2009 and 2010. Let those reports be the last ones written about "poverty as the great social issue of our time." Let not future generations write "too late" as the epitaph for the history of now. \_\_\_\_\_ About Canada Without Poverty Canada Without Poverty is a registered charity founded in 1971 as the National Anti-Poverty Organization, and seeking to eradicate poverty in Canada for the benefit of all by educating Canadians about the human and financial cost of poverty, and by identifying public policy solutions. Canada Without Poverty is governed by a Board of Directors who individually have experienced poverty first-hand. Their lived experience of poverty helps to anchor how we approach poverty issues and the solutions we seek. Our name expresses the end we seek – a Canada in which no person need suffer what Gandhi called "the worst form of violence." Our logo symbolizes rising above one's poverty line towards a brighter future. We believe that poverty is a violation of human rights with reference to the Canadian Charter of Rights and Freedoms and the International Covenant on Economic, Social and

Cultural Rights. We believe that poverty is an affront to the values of fairness, justice and the inclusion of all persons in Canadian society. Our vision is for a Canada without poverty. This vision will be reached through collaboration among governments, businesses and civil society. Policies, laws and programs will ensure sufficient income and social supports for everyone. Canada will have built a strong social foundation, such that everyone can pursue opportunities for achievement and fulfillment, embrace the responsibilities of citizenship and community opportunities, and live with a sense of dignity. We value conducting ourselves with humility, honour and integrity, being caring, inclusive and respectful of others, and being responsible and accountable for our decisions and actions. Canada Without Poverty is supported by individuals, faith groups, labour unions, professional associations, corporations, and foundations. We rarely pursue and do not depend upon government funding. Board of Directors Derek Cook (at-large) Vilma Dawson, AB Debbie Frost, SK Rosa Jamal, BC Georges Lessard, NT Ruth MacDonald, NL Wayne MacNaughton, NS Harriett McLachlan, QC Reanna Mohamed, YT Sarah Sharpe (at-large) Brenda Thompson (at-large) Peter Thurley, ON Catherine Wirt, MB