

**CASW Pre-Budget Submission
to the Standing Committee on Finance:**

Promoting Equity for a Stronger Canada

2014-2015 Pre-Budget Consultation

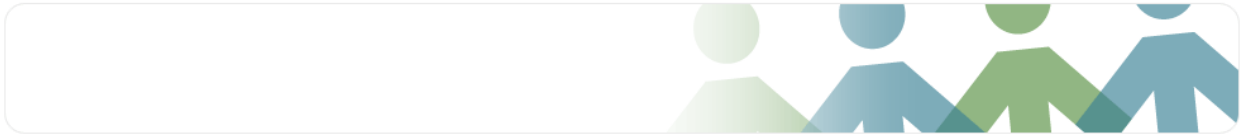
August 6, 2014



Social Work – The Profession of Choice

Travail social - La profession de choix

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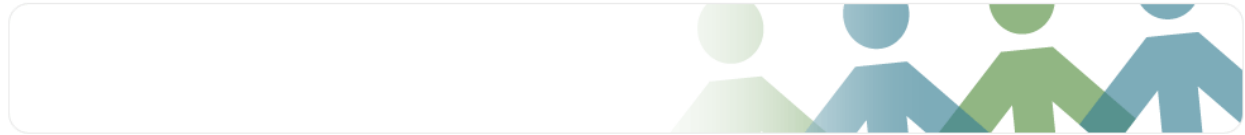


Founded in 1926 the Canadian Association of Social Workers (CASW) is the national association voice for the social work profession.

CASW has adopted a pro-active approach to issues pertinent to social policy/social work. It produces and distributes timely information for its members, and special projects are initiated and sponsored. With its concern for social justice and its continued role in social advocacy, CASW is recognized and called upon by both nationally and internationally for its social policy expertise.

The mission of CASW is to promote the profession of social work in Canada and advance social justice. CASW is active in the International Federation of Social Workers (IFSW).





Introduction

Since the 1990s, tax cuts and restrictive federalism have diminished the federal government's role in social programming, and federal fiscal contribution to provincial social programs is expected to decline.

The decentralization of social policy which this implies will reduce the federal government's accountability to the provinces and create discrepancies between provinces' services. Furthermore, it undermines a social contract between the federal government and the Canadian people based on a notion of shared rights and responsibilities. There is, in short, no pan-Canadian vision for social policy in this country. CASW is deeply concerned about the impact these 'hands off' policies and practices will have on the health care, social inclusion, and social protection of Canadians.

Given these concerns, CASW reaffirms the importance of a pan-Canadian vision of social policy based upon a concept of coordinated federalism in which the federal government negotiates with the provinces and territories and helps to finance social programs under certain guiding principles. It is a vision ensuring that all Canadians have basic rights to a common minimum standard of service across the country.

While the constitution of Canada clearly gives the provinces primary responsibility for social, health and educational services, it does not preclude the involvement of federal government in promoting pan-Canadian equity. A fairly well defined social contract between government and citizens developed in the twentieth century and is partially enshrined in the Charter of Rights and Freedoms as well as the Constitution Act of 1928.

In this pre-budget submission, CASW will outline the importance of pan-Canadian income, social and health equity in three social policy areas: basic income security; the Canada Social Transfer; and health care. The recommendations, if adopted, provide the basis to support families and vulnerable Canadians in reaching their potential and evolve Canadian society to meet its Charter and Constitutional responsibilities.

Visit www.casw-acts.ca to access [Promoting Equity for a Stronger Canada: The Future of Canadian Social Policy](#); the CASW report in which this pre-budget submission is grounded.



Income Equity

CASW recommends that the federal government initiate a process to review and renew the income security system in Canada with a view to the possibility of developing a targeted and affordable basic income.

It should be targeted initially to provide income support for all individuals who are economically insecure and vulnerable because of age, labour market status or disability. It would serve to increase income equity in the country and social inclusion of members of society who are currently excluded from the mainstream.

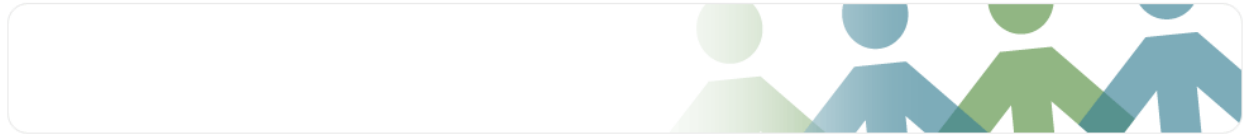
A comprehensive basic income could build upon existing negative income tax mechanisms such as the Guaranteed Income Supplement for seniors, the Canada Child Tax Benefit for families with young children, the Working Income Tax Benefit, and the Goods and Services Tax/ Harmonized Sales Tax Credit.

A more comprehensive, integrated, and seamless negative income tax based benefit system for Canadians would have to address issues of income insecurity and precarious employment that affect working age Canadians. Such a system of benefits would also have to introduce improvements to benefit levels and ease of access to our existing program for seniors and children.

A revamped architecture of income security in Canada could be introduced incrementally to preserve fiscal integrity, but should also be planned and implemented as an ‘overhaul’ rather than tinkering at the margins.

A basic income would largely supplement, but not replace completely, the need for provincial and territorial financial assistance to those in immediate and dire need due to circumstances beyond their control. Some sort of social assistance will still be necessary in those cases. However, the bulk of people currently on social assistance would be eligible for a basic income.

In designing a comprehensive basic income, it would also be essential to determine how it would link with other programs at the provincial/territorial level (such as job training and child development services) or federal level (such as employment insurance and the Canada and Québec pension plans). Such a review would be guided by the principle that benefit amounts paid out must not be reduced but, where possible, enhanced in amount and that the overall benefit ‘system’ should be simplified and streamlined in regard to application and take-up procedures. As a targeted program, a basic income administered through a negative income tax mechanism would ensure an efficient expenditure of public revenue. A targeted basic income would also be partially funded by existing federal programs for children, the disabled, and seniors, as well as by federal contributions to provincial social assistance through the Canada Social Transfer (CST).



As a measure that would significantly reduce poverty in Canada, a targeted basic income would also reduce the long term social and financial costs of poverty in areas such as health care, education and criminal justice.

Key Recommendation

1. *The federal government initiate a process to review and renew the income security system in Canada with a view to the possibility of developing a targeted and affordable basic income.*

It should be targeted initially to provide income support for all individuals who are economically insecure and vulnerable because of age, labour market status or disability.



Health Equity

The health care system is one of the hallmarks of equitable social policy in Canada. Without ongoing federal leadership and funding, its future is at stake.

The question of how to fund and address growing health costs is the topic of significant debate and discussion across the country. In response to that debate, the federal government has drawn a line in the sand and unilaterally announced that its contribution to health care spending will substantially decline over the next 30 years.

CASW proposes that this position is fundamentally flawed, not only because it passes the burden of health care funding to the provinces and territories, but also because it undermines the capacity to achieve national health care standards that enable Canadians to be treated fairly and similarly across the country regardless of where they live.

Most worrying to CASW is the recently announced shift of the burden of health care costs from the federal to the provincial and territorial governments. If federal contributions to health care were maintained at the rate of increase provided in the 2004 health accord (6% annually), the Parliamentary Budget Officer estimated that the federal cash transfer would average 21.6% of provincial territorial health spending from 2011 to 2035 and even higher after that.

By contrast, the federal government's unilateral decision to change the cash transfers means that the share of federal funds to the provinces and territories will only grow 3% to 4% annually and payments to provincial-territorial spending will decrease substantially from 20.4% in 2010-11 to an average of 18.6% from 2010-2011 to 2035-36 and even less (13.8%) over subsequent years.

In the long term, CASW recommends that the federal increase its portion to 24% of total public health expenditures, a level that was achieved in the 1980s, and a target that is realistically manageable if the federal government were to continue the 6% escalator beyond 2017. At the same time, the proportion of public spending to total spending on health care could be increased to 72% - the current average for OECD countries.

Key Recommendations

- 2. In terms of overall funding, the federal portion of health care costs cover, in the short term, 20% of total public expenditures and that the proportion of public spending to total spending should remain around 70%. Both targets are realistic within the current economic environment. They have been achieved in recent years and surpassed in earlier years.*
- 3. The federal government take the lead in providing financial incentives for the provinces and territories to transform the health care system into one that is patient centered, community-based and cost efficient. One way to do this is to fund a pan-Canadian*



initiative to provide benchmarking indicators that will support accountability and stimulate change



Social Equity

CASW recommends that the federal government follow the lead of the European Union and initiate discussion about the future of the Canada Social Transfer using a technique such as the Open Method of Coordination to ensure some level of convergence of programs across the country.

To move in this direction, the federal government should initiate meetings with the provinces and territories to discuss the future of the Canada Social Transfer. This means not only a discussion about the amount of money transferred, but the way in which it will be transferred.

In other words, without initially setting any conditions on the Canada Social Transfer, both orders of government need, first of all, to decide whether they can find common objectives and agree on a policy framework for income security and social services programs.

They then need to build an intergovernmental knowledge base through the development of common indicators and quantitative benchmarking, as is currently being done in health care. The development of indicators could also involve experts and non-government stakeholders in the process in order to be as inclusive as possible.

Finally, CASW recommends that a technique such as an Open Method of Coordination in modernizing income security and social services programs be guided by the following principles: need; comprehensiveness; accessibility; fairness; portability; universality; and public or non-profit administration.

- A principle of **need** presupposes income security and social programs will be made available according to a personal and/or financial assessment of an applicant;

A principle of **comprehensiveness** means that an agreed range of income security and social programs are available within each province and territory and funded through public expenditures. Any province or territory is free to initiate new programs that are beyond an agreed range of programs;
- A principle of **accessibility** means that an agreed range of publicly funded income security and social programs will be available to all Canadians when they need them;
- A principle of **fairness** presupposes that all citizens have the right to apply for any publically supported program, and to have their application reviewed by an appropriate body within a reasonable period of time. Applicants have the right to a written decision within a reasonable period of time and the right to appeal any decisions, to have an appeal heard within a reasonable period of time and to receive a written decision within a reasonable period of time. During the period of appeal, applicants have the right to temporary financial support and/or services.



- A principle of **portability** means that all Canadians are covered by publicly funded income security and social programs wherever they travel or live within Canada.
- A principle of **universality** means that income security and social programs will be available to all Canadians in need of them.
- A principle of **public and not for profit administration** presupposes that publicly funded income security and social programs will be managed by a public agency on a not-for-profit basis and delivered by either public or private organizations on a not for profit basis.

Key Recommendations

4. Social services programs, including income security, be guided by the following principles: need; comprehensiveness; accessibility; fairness; portability; universality; and public or non-profit administration.
5. The federal government follow the lead of the European Union and initiate discussion about the future of the Canada Social Transfer using a technique such as the open method of coordination to ensure some level of convergence of programs across the country.