



Foundations for a Canadian Poverty Reduction Strategy

Submission to the House of Commons
Standing Committee on Human Resources,
Skills and Social Development and the
Status of Persons with Disabilities

Submitted by Maytree

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To the members of the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities:

Maytree has been dedicated to creating solutions to poverty since 1982. We work with governments, researchers, the non-profit sector and community organizations to build strong and vital communities.

We are pleased to provide comments and recommendations for consideration in your study on poverty reduction strategies. In our view, the government's commitment to develop a Canadian Poverty Reduction Strategy presents a critical leadership opportunity to commit to a pathway to ending poverty in Canada. We welcome the attention of this committee and of the government to this fundamental obligation. To that end, we offer advice on the principles that should underpin the strategy, how the strategy can be designed to maximize the federal leadership opportunity, and priority areas for the use of federal policy levers to reduce poverty in Canada.

Beginning with principles

A Canadian Poverty Reduction Strategy can make an important contribution by establishing foundational principles that will inform the policies of current and future governments at all levels, as well as civil society. Even with ambitious commitments, the systemic change needed to end poverty cannot be achieved in the course of a short-term strategy or by the federal government alone.

Our universal health insurance system was built on the clear foundational principle that access to health care should not be dependent on a person's ability to pay. This led first to hospital insurance, then to broader medical insurance, and continued to develop into the integrated provincial systems we rely on today (though the absence of mental health, drug and dental coverage mean we still fall short of living up to this principle). The ongoing development of Canadian health care systems has occurred in large part

because the right to health care has become an established Canadian value with widespread support from across the political spectrum, even among those who differ strongly on the best approach to achieve it.

The Canadian Poverty Reduction Strategy presents a similar opportunity to reinforce the principle that people in Canada have a right to live free of poverty. The Charter guarantees our rights to life, liberty, and security of the person. We believe that, in practice, protecting that right means we have a responsibility to ensure that people have the means to meet their needs and opportunities to participate fully in society. That includes access to health care, housing that meets their needs, nutritious food, public education, and decent work. Building the Canadian Poverty Reduction Strategy on a commitment to protecting the right to live free of poverty recognizes that, while people may differ on the best policies to accomplish these goals, the focus of those policies should be continuous progress towards ending poverty.

Approaches to a Canadian Poverty Reduction Strategy

While a Canadian Poverty Reduction Strategy would be the first of its kind at the federal level, it will follow poverty reduction strategies in most provinces and many municipalities. Many of the direct policy and program interventions to reduce poverty also fall within provincial/territorial or local jurisdiction. Yet the federal government has important roles to play in leading efforts to reduce poverty in Canada through its strategy.

In addition to clear principles, the federal government can provide leadership through the strategy by establishing clear, measurable targets with accountability and reporting attached. The value of political commitments to targets can be seen in experiences with other complex social challenges. Targets paired with reporting have been important motivators for a range of policy goals, from reducing greenhouse gas (GHG) emissions to increasing high school graduation rates to cutting wait times for medical procedures. To increase accountability, these targets and reporting could be embedded in legislation, such as a Canadian Poverty Reduction Act.

As it stands today, the measurement and reporting that is needed to monitor our progress on poverty reduction is not possible because of meaningful gaps in our data. To that end, a strategy should be anchored by an investment in the infrastructure to make that measurement and analysis possible. Just as the Canadian Institute for Health Information (CIHI) provides us insight into the performance of our health care systems, establishing a new Canadian Institute for Social Information could allow us to understand whether our social and economic policies are delivering their desired results, and how to improve them. Given the responsibility for Statistics Canada and the work of federal departments, leadership of this infrastructure should naturally rest with the federal government (working in partnership with provinces and territories).

The way that people are engaged in the poverty reduction strategy and related policy processes is also important to the success of the strategy. Too often, policy decisions affecting the lives of people experiencing poverty are made without giving those people a voice in how those decisions are shaped. Meaningful engagement means building in an active role for people who experience poverty in shaping and evaluating the strategy.

Priorities for the strategy

For a poverty reduction strategy to be effective, the federal government must use the important policy levers that it controls in a coordinated fashion. These areas should be priorities of the poverty reduction strategy as well as broader statements of the government's agenda including speeches from the throne and budget plans.

HOUSING

We strongly agree with the committee's decision to place an emphasis on housing in your study. The most obvious reason to make housing a priority is its impact on household budgets. Housing is the most substantial expense facing people with low incomes in Canada; when rent takes up half or more of someone's income, it leaves very little for other needs. Beyond the price tag, housing plays a central role in people's lives, influencing their

health, safety, educational outcomes and economic opportunities.¹ To overcome these challenges, we call for housing that meets three minimum standards: affordability, quality and security.²

- **Affordability** - Housing available at a cost that *leaves people with enough money to meet their needs* and participate in society (no more than 30 per cent of gross household income).
- **Quality** – Homes that provide *safe and healthy living conditions*, including physical accessibility and connections to local transportation, employment and community services.
- **Security** – The opportunity to confidently build *a home for the long term* without the risk of eviction. Security includes both legal arrangements and financial predictability.

Housing pressures are a significant driver of poverty in Canada today. Approximately 1.5 million households across the country find themselves in core housing need. In many markets, the cost of housing is rising much faster than incomes. As operating support dries up for the social housing built with federal investment, these rare affordable options may also disappear.

The National Housing Strategy offers an important opportunity for the federal government to return to a leadership role in housing. Investments in preserving and expanding existing public and non-profit housing as well as instruments to encourage more affordable market housing should be priorities. The federal government is also uniquely positioned to introduce a portable housing benefit that would ensure that people can afford housing that meets their needs — a potentially transformational program that could serve as the foundation for an ambitious poverty reduction strategy.³

1 Noah Zon, Matthias Oschinski and Melissa Molson. September 2014. *Building Blocks: The Case for Federal Investment in Social and Affordable Housing in Ontario*. Mowat Centre. <https://mowatcentre.ca/building-blocks/>

2 See Maytree's submission to the *Let's Talk Housing* consultation on the National Housing Strategy. October 2016. "Foundations for a National Housing Strategy." <https://maytree.com/wp-content/uploads/National-Housing-Strategy-Consultation-Maytree-submission-lowres.pdf>

3 Noah Zon and Hadley Nelless. February 2017. "Policy Brief: Should the National Housing Strategy include a housing benefit?" <https://maytree.com/publications/national-housing-strategy-include-housing-benefit/>

INCOME SECURITY

Poverty is not only about a lack of money. But low income is still the most tangible and pressing need to address in a poverty reduction strategy.

Recent action by the federal government to introduce the Canada Child Benefit and to enhance the Guaranteed Income Supplement for the lowest-income seniors are examples of how federal income support programs can reduce income poverty and provide greater security. Similarly, the upcoming expansion of the Canada Pension Plan should improve future retirement income security for many.

The federal government is responsible for the largest suite of income security programs in Canada. Improving the design, adequacy and reach of these tools should be a priority for a poverty reduction strategy. The Canada Child Benefit should be enhanced over time for lower income families, beginning with removing the freeze on benefit rates and thresholds currently in place until 2020.⁴ Child benefits and other income security programs should be indexed to ensure they keep up with need. The Working Income Tax Benefit is another tool that has the potential to have a significant contribution to poverty reduction; however, today its design only allows for a modest boost to workers with very low earnings. Other federal income security programs (such as Employment Insurance) need significant overhaul to address growing gaps, addressing, for example, the fact that only a shrinking minority of unemployed workers are eligible for EI.

INDIGENOUS PEOPLE

Any poverty reduction strategy should give distinct attention to the needs and circumstances of groups that disproportionately face poverty and barriers to participating fully in society. For the federal government in particular, a poverty reduction strategy should prioritize reducing poverty for Indigenous people in Canada.

The obligation to place a priority on the needs of Indigenous people in a poverty reduction strategy goes beyond the disproportionate experience of poverty both on-reserve and in urban settings. It reflects a recognition of

⁴ See our joint letter to the Minister of Finance with the Caledon Institute of Social Policy, “Dear Minister: Help low-income families by acting now, not in 2020.” <https://maytree.com/publications/dear-minister-help-low-income-families-acting-now-not-2020/>

the obligations of the Crown towards Indigenous people. It also recognizes the active contribution of federal policies towards systemic poverty faced by Indigenous people, including the role of residential schools and the continued underfunding of essential social services. The federal government should urgently address these shortfalls, including supports for children and families, housing, and infrastructure for Indigenous peoples, particularly for the remote First Nations communities that feel this neglect most acutely. The Canadian Poverty Reduction Strategy should ensure that Indigenous voices play a role in shaping the strategy and in designing appropriate solutions for their communities, respecting constitutional obligations and the principle that poverty reduction strategies should be shaped in part by the people whose lives are most affected.

RENEWING THE SOCIAL CONTRACT

In crafting a poverty reduction strategy, the federal government should look more broadly towards an updating of federal policy frameworks to renew the social contract for modern needs. For example, reforms to Employment Insurance and to the Canada Pension Plan cannot be seen in isolation from the changing nature of employment relationships, in which employers are less likely to offer traditional full-time work with employer-sponsored retirement savings and health insurance programs. To be successful, public policies that address the symptoms of poverty need to be paired with policy reforms that address its causes, by renewing the social contract to guarantee well-being, dignity, and opportunity.

In practice, this means examining the full suite of federal policies as well as the relationships between employers and workers to ensure that these policies reflect changing labour markets and demographics and are not leaving people behind. It also means addressing gaps in the social safety net where we have not yet built effective policy responses, including measures to support the role of caregiving and access to prescription drugs and mental health care. These challenges are complex, and require the participation of all levels of government, employers, and civil society. The Canadian Poverty Reduction Strategy should be built on a commitment to strengthening these foundations for well-being, rather than focusing strictly on ameliorating the effects of the erosion of our social contract.

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