



CANADA WITHOUT POVERTY  
CANADA SANS PAUVRETÉ

**Canada Without Poverty Submission to the Finance Committee's Pre-Budget Consultation**

**August 3, 2018**

<b>i.</b>	<b>Canada Without Poverty</b> .....	<b>1</b>
<b>ii.</b>	<b>Poverty and Economic Insecurity in Canada</b> .....	<b>1</b>
<b>iii.</b>	<b>Economic Growth &amp; Competitiveness: Recommendations for Budget 2019</b> .....	<b>2</b>
<b>iv.</b>	<b>Moving Forward on Canada's Human Rights Obligations</b> .....	<b>3</b>

**i. Canada Without Poverty**

Canada Without Poverty (CWP) is a non-partisan, not-for-profit, and charitable organization dedicated to ending poverty in Canada. The organization was created in 1971 as an outcome of the Poor People's Conference, a national gathering of low-income individuals, as the National Anti-Poverty Organization (NAPO). For nearly 50 years, CWP has been championing the rights of individuals experiencing poverty and marginalization through research, awareness-building campaigns, public policy development, educational programming, and the advancement of human rights.

**ii. Poverty and Economic Insecurity in Canada**

High levels of poverty, food insecurity, and homelessness significantly impede Canada's economic growth. Socio-economic disparities account for 20% of total annual health care spending,<sup>1</sup> and poverty has been consistently linked with poorer health, higher health care costs, greater demands on social and community services, reduced productivity, and diminished educational and economic activity and output.

In Canada, 4.8 million—or 1 in 7—people live in poverty, including 1.2 million children.<sup>2</sup> Poverty, homelessness, and food insecurity disproportionately impact marginalized groups across the country, particularly persons with disabilities, single parents, women, racialized persons, Indigenous peoples, and LGBTQ2S youth, as evidenced by available statistics:

- 25% of people living in low-income households are people with disabilities;<sup>3</sup>
- 21% of single mothers in Canada raise their children while living in poverty;<sup>4</sup> and

<sup>1</sup> Public Health Agency of Canada (2004), Reducing health disparities – Roles of the health sector: Discussion paper. Ottawa. <http://publications.gc.ca/collections/Collection/HP5-4-2005E.pdf>

<sup>2</sup> Statistics Canada. Table 111-0015-Family characteristics, Low Income Measures (LIM), by family type and family type composition, annual, CANSIM

<sup>3</sup> DAWN-RAFH, "Women with Disabilities and Poverty", available here: <http://www.dawncanada.net/issues/issues/fact-sheets-2/poverty/>.

<sup>4</sup> Williams, Cara, "Women in Canada, A Gender-based Statistical Report. Economic Well-being", (2010), Statistics Canada p.9.

- Half of status First Nations children live in poverty.<sup>5</sup>

Canada is also experiencing an increase in socioeconomic insecurity. Food bank usage has increased year over year, and in 2016, food bank use rates were 28% higher than in 2008.<sup>6</sup> 2016 census data shows an increase in seniors living in poverty, particularly senior men, though senior women are still disproportionately likely to live in poverty.<sup>7</sup>

### **iii. Economic Growth & Competitiveness: Recommendations for Budget 2019**

Eradicating poverty is key to strengthening the Canadian economy and increasing competitiveness.<sup>8</sup> It is also crucial to advancing gender equality and women's empowerment—central pillars of Canada's G7 Presidency.

As noted in previous United Nations treaty body reviews of Canada, federal social spending as a share of Gross Domestic Product (GDP) is at its lowest level since 1949.<sup>9</sup> Every year between 1950 and 2007, federal expenditures exceeded 15% of GDP. However, in recent years, federal expenditures have dipped below 15%.<sup>10</sup> In 2016-2017, program expenses represented only 14.2%.<sup>11</sup> As a result, Canada ranks 24<sup>th</sup> out of 34 countries on social spending compared to its OECD peers, and falls well below the OECD average.<sup>12</sup>

If Canada were to inch towards a similar percentage of GDP in government spending as eleven years ago, even by a single percentage point, this would make available \$21.6 billion to invest in Canada's international human rights obligations.<sup>13</sup>

There is strong evidence that increasing female labour force participation and reducing gaps between male and female labour force participation results in faster economic growth, increasing the competitiveness of the overall economy.<sup>14</sup> The lack of access to affordable, adequate childcare is the main barrier to women in Canada entering and remaining in the workforce. With the increase of only one percentage point of GDP in increased investment, the federal government could invest in an affordable and universal early childhood education and care framework. This would allow significantly more women to enter and remain in the workforce, as reflected in the labour force

<sup>5</sup> Canadian Women's Foundation, "Fact Sheet Women and Poverty in Canada", Available here: <http://www.canadianwomen.org/facts-about-women-and-poverty>.

<sup>6</sup> Food Banks Canada, "Hunger Count 2016", Available here: [https://www.foodbanksCanada.ca/getmedia/6173994f-8a25-40d9-acdf-660a28e40f37/HungerCount\\_2016\\_final\\_singlepage.pdf](https://www.foodbanksCanada.ca/getmedia/6173994f-8a25-40d9-acdf-660a28e40f37/HungerCount_2016_final_singlepage.pdf)

<sup>7</sup> Statistics Canada, "Household income in Canada: Key results from the 2016 Census", Available here: <https://www150.statcan.gc.ca/n1/daily-quotidien/170913/dq170913a-eng.htm?HPA=1>

<sup>8</sup> Poverty costs the province of Ontario an estimated \$10.4 billion to \$13.1 billion per year, or between 5.5 and 6.6 per cent of Ontario's total GDP: Ontario Association of Food Banks, "The Cost of Poverty" (2008), available here: <http://www.oafb.ca/assets/pdfs/CostofPoverty.pdf>

<sup>9</sup> Statistics Canada, "Fiscal Reference Tables – 2015: Part 2 of 9", available here: <http://www.fin.gc.ca/frt-trf/2015/frt-trf-1502-eng.asp#tbl8>

<sup>10</sup> Statistics Canada, "Historical Statistics of Canada", available here: <http://www.statcan.gc.ca/pub/11-516-x/3000140-eng.htm>

<sup>11</sup> Government of Canada "Fall Economic Statement 2017", available here: <https://www.budget.gc.ca/fes-eea/2017/docs/statement-enonce/toc-tdm-en.html>.

<sup>12</sup> OECD, Social Spending table, available here: <https://data.oecd.org/socialexp/social-spending.htm>

<sup>13</sup> For example, with the additional \$21.6 billion, Canada could invest in the following social expenditures: on-reserve housing (\$1 billion), on-reserve drinking water (\$0.5 billion), on-reserve schools (\$2 billion), improvements to health care (\$5 billion), national pharmacare (\$4 billion), improvements to homecare (\$3 billion), a national housing and homelessness strategy (\$3 billion), a national poverty strategy (\$2.6 billion) and a violence against women strategy (\$0.5 billion).

<sup>14</sup> Organization for Economic Cooperation and Development (OECD), Gender Equality in Education, Employment and Entrepreneurship: Final Report to the MCM 2012. <http://www.oecd.org/employment/50423364.pdf>. p. 17.

participation rates of women in Québec—the only province with a fully subsidized and accessible childcare program.<sup>15</sup>

Equally, through the implementation of a national pharmacare program, it is estimated the federal government could save upwards of \$7.3 billion annually.<sup>16</sup> Even increasing taxes to cover the cost of such a program would result in a net major competitive advantage for employers, and could lead to increased labour participation by some of the one in ten people in Canada who are currently unable to afford necessary prescription medication.

#### **iv. Moving Forward on Canada's Human Rights Obligations**

While Budget 2019 must look towards solutions to the staggering rates of poverty in the country, Canada also has a legal obligation to address the violations of human rights that poverty, homelessness, and food insecurity represent. As signatory to the *International Covenant on Economic, Social and Cultural Rights* and other human rights treaties, Canada is obliged under international human rights law to meet the rights to housing, food, work, health, and an adequate standard of living. Adherence to these human rights obligations would also be an important step forward towards the commitment and further realization of the UN's Sustainable Development Goals—including the key goal of the complete elimination of poverty by 2030.

This year, Canada has undergone its third Universal Periodic Review. Recommendations from the review included key economic steps, such as that the forthcoming CPRS address socioeconomic disparities for marginalized communities and that the federal government guarantee universal access to a high standard of living.<sup>17</sup>

While these rights may be progressively realized, poverty can only be completely eradicated through strategies which implement immediate actions alongside long-term goals. Canada must contribute its maximum available resources to fulfilling these human rights obligations.

With this in mind, CWP calls on the federal government to take the following steps:

- Implement a **human rights approach to Budget 2019**, which requires an analysis of the effects of spending on marginalized groups and concrete measures to ensure equality and non-discrimination;
- Ensure that the forthcoming **Canadian Poverty Reduction Strategy** is enshrined in legislation, is built on a human rights framework, and has dedicated and adequate funding in the 2019 budget;
- Increase the amount of transfer payments to provinces and territories with earmarked sufficient funds for **social assistance**, and designate that payments are conditional on rates being set at levels that meet an adequate standard of living;
- Reinstate the national standard protecting refugees from a **minimum residency requirement** before receiving social assistance benefits;

---

<sup>15</sup> Statistics Canada, "Fertility rates and labour force participation among women in Quebec and Ontario", available here: <https://www150.statcan.gc.ca/n1/en/pub/75-006-x/2018001/article/54976-eng.pdf?st=KXZO7CAY>

<sup>16</sup> Steven G. Morgan, Michael Law, Jamie R. Daw, Liza Abraham and Danielle Martin, "Estimated cost of universal public coverage of prescription drugs in Canada", March 16, 2015, available here: <http://www.cmaj.ca/content/early/2015/03/16/cmaj.141564>

<sup>17</sup> United Nations Working Group on the UPR, "Recommendations to Canada under its Third Universal Periodic Review", available here: <http://www.cwp-csp.ca/wp-content/uploads/2013/04/Recommendations-to-Canada-under-its-Third-Universal-Periodic-Review-Th....pdf>

- Set **national wage standards** to meet a living wage indexed to the Consumer Price Index, including instituting a **federal minimum wage**;
- Increase federal **spending on childcare** with the ultimate goal of achieving the international benchmark of spending at least 1% of GDP on early childhood education and care by 2020 and develop a **national affordable childcare framework**;
- Complement the indexation of the **Canada Child Benefit** by ensuring **conditions** are made to prevent provinces and territories from clawing back the benefit;
- Develop a universally-accessible **national pharmacare** program that provides cost-effective prescription drugs at little or no cost;
- Dedicate adequate funding to implement a National **Right to Food Strategy** that contains a human rights-based approach to food, with particular collaboration with First Nations, Inuit, and Métis peoples;
- Increase capital gains tax on profits from selling secondary residences;
- Address gaps in services for people living in low-income in rural communities by developing a **national transportation plan**;
- Increase and track **core funding** for organizations comprised of and led by women from diverse and marginalized communities that continues to grow in line with GDP;
- Implement a tax on foreign investment in property to be funnelled into affordable housing options to address the **financialization of housing** and the perception of housing as a commodity rather than a human right; and
- Expedite the implementation of the Canada Housing Benefit outlined in the **National Housing Strategy** prior to the current timeline of 2020.
- Implement a **federal disaggregated data collection program** to ensure the universality of access to social programs such as healthcare and education for Indigenous peoples and racialized persons, as well as other marginalized communities;
- Address rising senior poverty by increasing **the Guaranteed Income Supplement (GIS) top-up** for low-income single seniors and senior couples by \$1,000 and increasing the income exemption by an additional \$3,000 for each and **indexing the Old Age Security (OAS)** to the average industrial wage and salary instead of the CPI all-items.