

How other countries fight the war on poverty [CA] ^[1]

Poverty rates are lower in countries with high taxes and free or subsidized child care, says Sid Ryan

Author: Ryan, Sid

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EXCERPTS

I grew up poor in a family of 10 children in the Republic of Ireland. At the time, Ireland had one of the highest poverty rates among industrialized countries. That was five decades ago, well before the Ireland of today where progressive government social and economic policies have improved the standard of living for many people there.

While policies like free post-secondary education, a living wage (not a minimum wage) for low-income earners and co-operative job/economic strategies between labour, business and government have set Ireland on a better course, the child poverty rate remains stubbornly high (it is on par with Canada's at about 15 per cent).

That's because, according to recent studies measuring poverty, both Canadian and Irish government spending on family and social benefits falls far short of where these investments can mitigate the growing gap between rich and poor in global market economies, and show meaningful results in decreasing poverty rates.

Where we should be looking for a socio-economic model that benefits the majority of citizens and where poverty rates are lowest - between 2 and 5 per cent - is Denmark, Finland, Sweden and Norway.

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Conscious that the income gap between rich and poor in a booming Irish economy was growing, Ireland tackled the problem of low incomes on several fronts.

These policies included raising the minimum wage to a living wage - about \$16 an hour as of this January - taking low-income earners off the income tax rolls, increasing child care, housing and heat subsidies, and pumping more money into workers' training programs.

Ireland even increased welfare rates for those between jobs and targeted economically depressed communities for job-creation programs.

Without this aggressive government intervention, poverty rates in Ireland would be much higher than they are.

The naysayers in Canada, opposed to raising the minimum wage and government policies like social housing and universal child care, should take heed that the economic sky did not fall in Ireland. Rather, economic growth skyrocketed, and the standard of living of many people has increased.

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Of the OECD countries, only Mexico, with a 28 per cent child poverty rate, has a higher rate of child poverty than the United States at 22 per cent.

Marked by low taxes, low unionization rates, for-profit health care, low minimum wage rates, and great income disparity, the U.S. is not the socio-economic model Canadians should aspire to.

Yet, it is the model promoted by Prime Minister Stephen Harper who in the last election campaign said he believes "all taxes are bad," who has fronted organizations vehemently opposed to labour unions that help raise workers' wages and who favours tax cuts to investments in social spending.

In the coming federal election, voters can give Harper a strong message Lower child poverty and improve the quality of life for poor and middle-income earners or else we will give the heave-ho to you and your "new" government.

- reprinted from the Toronto Star

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