

Conference Board findings on poverty, inequality should spur change: Editorial ^[1]

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EXCERPTS:

Canada may bask in its five-star image as a nation where the roads are paved with silver, if not gold. But for many of us the reality is less rosy, the Conference Board of Canada finds in its latest report on How Canada Performs. In fact, our national performance is downright "troubling for a wealthy country" when it comes to some key social indicators including the rich/poor gap, and the number of working-age adults and children living in poverty.

"Canada's middle of the pack ranking means it is not living up to its reputation or its potential," the board found after surveying 17 industrial nations. We earned a B average and a middling 7th place ranking.

Although we chalked up As in a number of areas including life satisfaction, income mobility between generations, diversity, and support for the elderly poor and the disabled, we rated a D for working-age poverty and Cs for child poverty and income inequality, pulling down our average. And these are the very factors that "put stress on a society and on the economy," the board warned.

Like them or not, the Occupy protesters were on to something.

So what, then, is Prime Minister Stephen Harper's Conservative government focused on as Parliament resumes? Well, that would be Senate reform and yet more tough-on-crime laws, two issues that play to the party's grassroots even though most Canadians worry more about jobs and the economy.

As the Tories fret about the Constitution and courts, Canada is doing a "mediocre job" on income equality, ranking 12th of the industrial club. The richest fifth of Canadians is the only group to have increased its share of national income in the past 20 years, and now takes home 39 per cent of it. Everyone else, including middle-income groups, has lost ground.

Not surprisingly, the child poverty rate has gone up to 15.1 per cent from 12.8 in the past 15 years; working-age poverty rose to 11.1 per cent from 9.4 and poverty among the elderly went to 6.7 per cent from 2.9. "The rise in child poverty is particularly disheartening," the board found. Not only is it socially reprehensible; it also risks being a drag on the economy for years to come.

All this drew pointed questions in Parliament this week. Rather than obsess over Senate reform many of us don't want and crime laws we don't need, the Conservatives should take the Conference Board's findings to heart and pay some attention to the Organization for Economic Cooperation and Development's prescriptions for a healthier society.

Government can and should address growing income inequities by stepping up tax benefits and transfers to low-income people, and by opening more doors to better jobs, the OECD recommends. With respect to jobs there are three key areas where government can be especially helpful.

Better education. It's the key to social mobility, economic growth and equity. Government should make sure children from disadvantaged backgrounds have access to early childhood education and to post-secondary education and training.

Make work pay. Government can give the working poor a hand by increasing tax credits to low-income wage earners.

Ease child poverty. The best way to ease child poverty is to help mothers work by providing more child care, parenting support and by promoting flexible employment.

To this list might be added: More affordable housing.

These are the nuts-and-bolts policies that earn other countries As. Granted, Ottawa and the provinces have programs to address some of these problems, but the rising poverty rates confirm that they are not nearly enough. As a nation we are sufficiently wealthy to invest more in these areas, especially given the economic payback. All that is lacking is political vision, and will.

-reprinted from the Toronto Star

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