



END CHILD & FAMILY POVERTY IN CANADA

Round Table Presentation

CAMPAIGN 2000 RETROSPECTIVE: DEALING WITH THE STRUCTURAL CHALLENGES

Marvyn Novick
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ORIGINS

**A Fair Chance for All Children
Declaration of the Child Poverty Action Group
April 1986**

The national neglect of children is a fact of Canadian society and public policy. Fewer and fewer children are free from the risk of poverty. In 1984, an estimated 1.2 million children were living in poverty in Canada – an increase of more than one-third since 1980.

Proposed the introduction of a Universal Child Income Credit with a maximum benefit of \$3,600 a year for the first child.

November 24, 1989

S.O. 81 – Eliminating Poverty Among Canadian Children

Hon. Edward Broadbent (Oshawa) moved:

That this House express its concern for the more than one million Canadian children currently living in poverty and seek to achieve the goal of eliminating poverty among Canadian children by the year 2000.

Passed with unanimous consent



ORIGINS (CONTINUED)

Formation of Campaign 2000

November 24, 1991

Mission

We are committed to promoting and securing the full implementation of the House of Commons resolution of November 24, 1989 . . . We believe that every child living in Canada must be endowed from birth with public assurances of the essential living requirements necessary to secure her/his basic well-being and to support the realization of her/his inherent worth as a person and as a member of Canadian society.



CONTINUING THEMES

Working Paper on Social Security in Canada, 1973

The central, but by no means the sole, objective of social security in Canada is an acceptable basic income for all Canadians . . . a basic income is essential if a person is to live in decency and dignity.

Poor Kids: A Report by the National Council of Welfare on Children in Poverty in Canada, March 1975

There can be no hiding behind the myth that we can't afford to ensure income adequacy for all Canadians. The recent federal budget proved that. The Minister of Finance redistributed \$1.75 billion for the 1975-76 fiscal year through reductions in the personal income tax alone. He redistributed another \$885 million of the 1975-76 national income by changes in sales tax and tariff provisions . . . Yet no one suggested that we couldn't afford these tax cuts.

CONTINUING THEMES

Transitions: Report of the Social Assistance Review Committee [SARC], Ontario 1988

We have proposed . . . a maximum benefit of \$3,000 per child per year (in 1988 dollars). The goal of such a benefit is not simply to eliminate the need for children to receive income from social assistance; it should result in a guarantee of a level of income adequate to ensure that no child in Ontario or in Canada would live in poverty.

Fraser Institute: Child Poverty in Canada, Christopher Sarlo, 1998

I have estimated the rate of child poverty to be about 9 percent in 1973; about 8 percent in 1984; and about 5.6 percent in 1994.

Parental income is not as important to children's outcomes as many social scientists have thought. This is because parental characteristics... improve children's life chances . . . Children of parents with these (positive) attributes will do well even when their parents do not have much income. This conclusion flies in the face of the common liberal claim that the poor are just like everyone else except they have less money.



CONTINUING THEMES

Toronto Star Editorial: Martin's Challenge, Begin Economic Repair, February 16, 1994

Rely primarily on spending cuts, which – though painful – are not as damaging to growth as higher taxes.

Government of Canada: Speech From the Throne, October 12, 1999

Tax reduction is a key component of a strategy to increase individual incomes and to ensure an economy that produces the growth and wealth which enable those public and private investments necessary for a high quality of life. In its next budget, the Government will set out a multi-year plan for further tax reduction.



CONTINUING THEMES

Senate of Canada: Standing Committee Final Report on Social Cohesion, June 1999

There is a danger that the continuing dynamic of social, technological and economic change will polarize the population between those who benefit from globalization and those who fear that this process will limit their abilities to participate in the economic and civic life of the nation. Government policies need to respond to this danger by an increased and renewed solidarity.

Conference Board of Canada: Canada Inequality: Is Canada Becoming More Unequal, July 2011

In Canada, only the fifth quintile – the group of richest Canadians – has increased its share of national income. All other groups have lost their share. This was particularly evident in the 1990s, when the income share for this top group jumped from 36.5% in 1990 to 39.9 % in 2000.

PRIMARY IMPACTS

Twenty annual report cards issued since October 1992 and seven policy reports (1991, 1994, 1996, 1997, 1999, 2004, 2007) have made major contributions in establishing and maintaining poverty as an accepted public issue across Canada.

Minister of Finance Budget Speech, February 18, 1997

There can be no more worthy effort than a new partnership on behalf of Canada's children. Mr. Speaker, today we are devoting significant new financial resources to meeting this challenge. Yet this can only be the beginning. We will provide additional resources - as soon as we can afford it. The reason is clear. Opportunity denied in childhood too often means chances lost as an adult. The future of Canada's children is the future of the country itself.

National Children's Agenda: Declaration, May 1999

Children are everyone's responsibility, and everyone's future. Canadians want a society where all children grow up to be responsible, productive, healthy, and caring – a society where no child gets left behind.



PRIMARY IMPACTS

Since 2002, most provinces and territories have adopted explicit strategies of varying intensities to mitigate impacts and levels of poverty.

Major progress has been made since 1996 on the development of a progressive child benefit as initially proposed by CPAG and SARC, and by Campaign 2000 in the formative policy report of November 1996.

The maximum value of the federal benefit for the first child has increased from \$1,520 in 1997 to \$3,485 in 2011. In addition, a universal child care benefit of \$1,200 is paid for every child under six. Ontario has introduced a progressive child benefit that will reach a maximum value of \$1,300.

Unfortunately, there has been limited progress on minimum wages, child care, affordable housing, poverty in aboriginal communities, and a profound deterioration in critical areas such as good jobs and social assistance.

PRIMARY IMPACTS



There has been no decline in levels of child poverty over three decades.

Child poverty levels [LIM-AT]

Decade	High	Low
80s	16.5 [1984]	13.7 [1989]
90s	17.4 [1996]	15.4 [1992]
00s	16.7 [2004]	15.0 [2007, 2009]

STRUCTURAL CHALLENGES: THE CANARDS



A. Progress in addressing poverty requires policies that foster economic growth

Economic growth [2005\$]

<u>Year</u>	<u>Real GDP per Capita</u>	<u>Change</u>
1985	\$26,798	-
2010	\$37,468	+ 39.8%

B. Getting a job is the best road out of poverty

In 2009, 37% of all Canadian children living in poverty were in families with full time, full year hours of work



STRUCTURAL CHALLENGES: THE CANARDS

C. More education is a pathway out of poverty

In 2004, 80% of all low income parents in Canada had completed high school; 50% had some post secondary education. In October 2010, 45% of the unemployed in Canada had completed a post secondary education.

D. Lower taxes create a more robust economy.

Total tax revenue in Canada as a percentage of GDP fell from 35.6% in 2000 to 31.1% in 2009, a loss of \$60 billion in government revenue for essential public goods.

In April 2009, the Council of Canadian Academies reported that tax cuts had not improved Canada's innovation performance. In September 2011, the Conference Board of Canada stated that Canada was gradually losing its competitive edge.

High tax Nordic countries have lower levels of poverty and strong economies.

STRUCTURAL CHALLENGES: ADVOCACY



A. Some learnings

Hard to make major advances in eradicating poverty without addressing basic living conditions precipitating all poverty

Incrementalism/minimalism does not work - a little bit each year over many years; need a mission driven approach with up front multi-year political and fiscal commitments.

Sentiments and good works are not a substitute for serious structural reform.

“Being realistic” can be code for capitulating to current conditions; staying principled over time is central to committed advocacy that creates new realities of social justice and human dignity for all.

Poverty is political - governments always have fiscal options even during hard times.

STRUCTURAL CHALLENGES: ADVOCACY



B. Focus and direction

Do not let misleading canards that perpetuate poverty and pejorative stereotypes about people living in poverty [eg welfare wall, intergenerational poverty] stand unchallenged; what is accepted as common public sense is the foundation of all political orders.

Pursue poverty eradication as the defining mission of this decade; eradication means pursuing the lowest possible levels of poverty in the industrialized world both in incidence and depth; in today's terms, this would mean general poverty levels [LIM-AT] below 5% and the elimination of deep poverty [below 80% of LIM-AT].

The recovery of public revenue to 2000 levels [36% GDP] is urgently required to sustain basic incomes and provide essential public goods:

- progressive taxation is the most appropriate source for income realignments;**
- proportional taxes and corporate assessments are vital to the revenue mix required for public goods;**
- oppose all proposals to reduce or remove taxes; support income tested tax credits.**

STRUCTURAL CHALLENGES: ADVOCACY



Link the recovery of public revenue with targets and timetables for a full child benefit, a public system of child care, affordable housing, and extended health benefits [drug, dental, vision]

Secure broad support for raising minimum wages to end working poverty, upgrading employment standards, and facilitating unionization as critical parts of a good jobs strategy

Actively support immediate improvements to the basic incomes of all single adults and parents on social assistance, while continuing to work on new arrangements [a two-tier approach]; reject the canard that the welfare system is “broken”, thereby compelling people living in deep poverty to endure chronic cycles of hunger and hardship.