



**CALEDON**  
INSTITUTE OF SOCIAL POLICY

# **The Case for a Canada Social Report**

*by*

**Ken Battle and Sherri Torjman**

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## *Information is key*

Information is the life blood of sound public policy and good government. Without comprehensive and reliable statistics, policy making will be done in the dark.

Healthy public discourse requires a solid knowledge foundation. Sound statistics are essential but not the only requirement. We need a grammar of social policy that explains key concepts, principles and programs. We need a history of social policy to track and monitor changes in social programs and related tax measures.

Without comprehensive information, Canadians are susceptible to the myths, misconceptions and half-truths that persist in social policy. Without an understanding of how programs operate, governments can get away with ‘social policy by stealth’ – cuts and other changes to programs imposed through arcane technical amendments that are poorly understood by the public and politicians alike.

## *The assault on information*

Unfortunately, information is under attack in Ottawa. Canadians are facing a new and insidious threat from their very own federal government – ‘datacide.’

The heart of knowledge-gathering in Canada is the census, especially the mandatory long-form questionnaire that collected information on such important items as language, education, disability, landed immigrant status, citizenship, ability to speak official and other languages, ethnic or cultural origins, parents’ place of birth, labour market activities, incomes and dwellings.

The controversial decision in 2010 to axe the long-form census grabbed media headlines and sparked a whirlwind of opposition from a wide range of institutions and researchers across Canada – from government to business to academe to think tanks and the voluntary sector. The Caledon Institute was one of the first to speak out, in a letter to the editor of the *Globe and Mail*, arguing that “Cuts to national sources of information are a form of social policy by stealth” [Battle, Torjman and Mendelson 2010].

The cut to the census might appear on the face of it to be motivated in part by money. There is an obvious desire to cut costs; the census, which counts the entire population, is expensive. But the reality is quite the opposite. Cancellation of the long-form census and its replacement by the voluntary National Household Survey in fact will cost more than the traditional census – a hefty \$30 million more for a public campaign to convince Canadians to fill out the voluntary questionnaire, although the actual amount will come in at \$15 million after taking into account \$5 million for extra mailing and printing costs and \$10 million for two new questions on language in the short census. And for this, we end up with a census that, in the words of Ian McKinnon, chair of the National Statistics Council which advises the Chief Statistician “will not have the detail or precision of the traditional long-form census... For small groups and small areas, it will be harder to get a clear view of Canada” [Chase and Grant 2013].

Like other departments and agencies of the federal government, Statistics Canada has been under pressure in recent years to reduce its expenditures. The 2012 Budget called for the agency to find savings of \$33.9 million for fiscal year 2014-15. In June 2013, Statistics Canada imposed reductions on 34 programs, including the invaluable Survey of Labour and Income Dynamics (SLID) which tracked changes in individuals' economic status over time.

Ideology also plays a part. The Harper government appears to espouse the belief (unfounded) that Canadians object to state invasion of their privacy, such as the census. Another factor could be a distrust of research and statistics because they expose social problems which, in turn, bring pressure to remedy them – at a cost and expansion of government.

One of the more insidious aspects of the damage done by cutting the long-form census is that important surveys undertaken by business, government, social agencies and researchers – including the Labour Force Survey and the Survey of Household Spending (upon which the Consumer Price Index is based) – no longer have available the statistical gold standard afforded by the census to calibrate their results. The voluntary long-form census (the optional National Household Survey) that replaces the traditional mandatory instrument no longer will provide information of the same quality and reliability. Sound trend data will be lost.

In an unusual protest against the assault on the reputation and integrity of Statistics Canada, Chief Statistician Munir Sheikh resigned on July 21, 2010. Commenting on the release of the National Household Survey, he lamented the loss of the long-form census as “an anchor” for surveys and called on the government to “restore sanity and bring back the long-form census” [Sheikh 2013].

Ivan Fellegi, another former highly respected Chief Statistician, pointed to evidence from other countries that moving from a mandatory to voluntary long-form census hurts vulnerable groups in society (including the poor, Aboriginal communities, recent immigrants and some racial groups). They have low response rates and so are less likely to be counted in the voluntary long-form version.

Sapping the census is not the only problem. Other crucial social and economic statistics have been disappeared in recent years. Here are some examples.

The federal government is replacing the Participation and Activity Limitation Survey (PALS), Canada's major source of information on persons with disabilities and the supports they require to live independently. Ottawa has said that it is designing a new strategy for data collection on the needs of this important population. Disability groups are closely monitoring this situation to ensure that the new strategy provides as rich a data capacity as previously. Unfortunately, scrapping the PALS survey makes impossible any accurate assessment of changes over time. Disability groups are unclear as to the merits of the new approach, and with the erosion of Statistics Canada's survey tools, their concerns are understandable.

*Social Security Statistics: Canada and Provinces*, a treasure trove of information on federal, provincial/territorial and municipal government programs, has disappeared from public view. In July 2012, Ottawa jettisoned the crucial longitudinal Survey of Labour and Income Dynamics (SLID),

which gathered priceless information on changes experienced by individuals over time, such as movement in and out of poverty. The informative *Social Assistance Statistics Report*, published by the federal, provincial and territorial governments, was last released in 2010 and presented 2009 data – now four years old.

The 2012 federal Budget abolished the National Council of Welfare, an advisory body to the Minister of Human Resources and Skills Development. This cut placed in jeopardy the future of two of the Council's most important products – *Welfare Incomes* and *Poverty Profile*.

The Caledon Institute of Social Policy stepped in to rescue these two series, by taking on the task of gathering and analyzing the welfare and low income data. Caledon will seek continued input and advice from the provinces and territories in the preparation of welfare income statistics. Over the years, the provinces and territories have vetted and contributed to *Welfare Incomes*' data and program information on social assistance and related income benefits. Their continued participation in and commitment to this vital work are imperative. Together, the welfare and low income information will figure among the first elements of a new Caledon product, the *Canada Social Report*.

The Caledon Institute is uniquely qualified to take over the National Council of Welfare's welfare and poverty data. Twenty-six years ago, Ken Battle and Sherri Torjman (then Director of the National Council of Welfare and consultant, respectively, now President and Vice-President of Caledon) created the welfare incomes methodology as part of the pioneering report, *Welfare in Canada: The Tangled Safety Net*. Sherri went on to write five more *Welfare Incomes* reports. Ken created the first *Poverty Profile* in 1982 and wrote several editions thereafter before he left the National Council of Welfare to found Caledon in 1992.

### ***The Canada Social Report: a national data hub***

The assault on data is not the only information-related problem Canada faces. The country lacks a readily available, central source of timely and comprehensive information on social programs and related tax expenditures. While the Internet has made the search for and acquisition of information much less onerous than in the past, it does not automatically come in an organized and readable form with the context and explanation required for understanding: Information and data are not the same thing as knowledge.

Rather than simply lamenting the recent attack on information, we see it as an opportunity to fill the data gap. The Caledon Institute is creating a *Canada Social Report* that will gather and house social program and policy information and related socioeconomic data, and monitor changes in these areas.

The *Canada Social Report* will not only collect key program and socioeconomic statistics, but also undertake analyses that help explain the shape and implications of identified trends. It will track and document major developments in social policy in various domains. These include federal and provincial/territorial income security programs and provincial/territorial services such as early learning

and child care, disability, mental health, home care and affordable housing, among others. Some areas, such as Canada's aging society and Aboriginal matters, involve all three orders of government as well as the non-governmental sector.

At present, information on social initiatives for First Nations, Aboriginal and Métis people is hard to find. Groups undertaking a project for Aboriginal peoples in one jurisdiction will often be unaware of similar work in another jurisdiction. The *Canada Social Report* will provide a single, easily accessible source for information on all federal, provincial and territorial government programs and initiatives for Aboriginal people, as well as any special studies and reports.

The *Canada Social Report* will not be a traditional paper document issued once a year and then relegated to a shelf. Instead, the Report will be a web-based online 'living' creation that will be continually updated and expanded. It will be hosted and housed by the Caledon Institute, but will encourage contributions from other individuals and organizations working in the social policy community.

Caledon is frequently contacted by researchers, students, the media and others seeking information on social programs and socioeconomic data. The *Canada Social Report* will fulfil this important function.

One of the advantages of housing the *Canada Social Report* in a non-governmental institution like the Caledon Institute of Social Policy is that the Report – like the Caledon Institute – will not be beholden to government for its existence. The *Canada Social Report* will strive to gather, analyze and distribute information in a neutral and objective manner. But the Report will not offer critical comment on the policy developments and party platforms which it reports and analyzes: That will remain a major role for the Caledon Institute. It is important to maintain a distinction between the roles and purposes of the Caledon Institute of Social Policy and the *Canada Social Report*.

### *target audience*

The *Canada Social Report* will be of value to diverse audiences.

Politicians and officials in all orders of government can use the material to formulate policy options, and to develop new or modify existing programs. Initially, the Report will focus on the federal and provincial/territorial governments. But the *Canada Social Report* must take into account the reality that Canada is a highly urbanized country. Over time, the Report will seek to expand its reach to include selected municipal policy developments in major urban centres, such as St. John's, Halifax, Saint John, Montreal, Ottawa, Toronto, Winnipeg, Saskatoon, Regina, Calgary, Edmonton, Vancouver and Victoria.

Social policy is not confined to government. The non-governmental sector plays an important role in the delivery of some social services and in the public discourse on social policy. Material in the *Canada Social Report* will be of interest to a wide range of non-governmental organizations, includ-

ing the private sector; unions and professional associations; universities, colleges and schools; social advocacy groups; foundations, research organizations and think tanks; pollsters and the media; and individual Canadians with an interest in social policy.

The voluntary sector can employ the data from the *Canada Social Report* to make the case for social investment or to track progress around social concerns, such as poverty rates. Community groups involved in efforts to improve the quality of life in their respective communities can refer to the Report's provincial Policy Monitor, which will be expanded next year to incorporate a municipal component. The information will help the media identify relevant stories and provide access to substantiating background briefing material. Data and other information in the *Canada Social Report* will be of assistance to postsecondary researchers, teachers and students from diverse faculties and programs.

The *Canada Social Report* will become an invaluable resource for international organizations and researchers seeking up-to-date information and analysis on social developments in this country. Caledon participated as Canadian contributor (along with the Centre for the Study of Living Standards) to the Bertelsmann International Reform Monitor that tracked developments in social policy, labour market policy and industrial relations in 15 countries. The *Canada Social Report* will adapt the methodology used in the Bertelsmann project to help track and monitor changes in Canadian social policy.

The *Canada Social Report* will be used as the basis from which to create partnerships with organizations that have an interest in the collection and use of social information. These organizations include voluntary agencies, community groups and private foundations. The Report can provide the foundation for a truly pan-Canadian effort in data/information collection and trend analysis.

### ***data: social programs and tax expenditures***

The heart of the *Canada Social Report* is data on social programs. For a wide variety of federal, provincial/territorial and municipal social programs and tax measures, the Report will provide essential trend data on the number of beneficiaries and associated expenditures. The *Canada Social Report* will explain how key programs operate (including their purposes, objectives, eligibility rules and rates), their size relative to total government spending and GDP, and wherever possible the distribution of benefits over the income spectrum. Wherever possible, data will be broken down by such indicators as province/territory, household type, gender and age. Here is an initial list of potential items; it is not exhaustive:

#### *Federal programs*

##### Child benefits

- Canada Child Tax Benefit (CCTB)
- Universal Child Care Benefit (UCCB)
- Non-refundable Child Tax Credit (CTC)



## Adult benefits

- Employment Insurance (EI): regular and special benefits
- Working Income Tax Benefit (WITB)
- Minimum wages and labour standards
- Parental leave

## Seniors benefits and retirement programs

- Old Age Security (OAS), Guaranteed Income Supplement (GIS) and Allowance
- Canada Pension Plan (CPP)
- Age credit and pension income credit
- Tax deductions for contributions to Registered Pension Plans (RPPs) and Registered Retirement Pension Plans (RRSPs)

## Other benefits

- Veterans' benefits
- Tax Free Savings Accounts (TFSA)
- Transfer payments from federal government to provinces and territories
  - Canada Health Transfer (CHT)
  - Canada Social Transfer (CST)
  - equalization

## *Provincial/territorial programs*

- Child benefits
- Social assistance (welfare)
- Minimum wages (rates and workers) and labour standards
- Workers' Compensation (WC)
- Quebec Pension Plan (QPP)
- Provincial/territorial top-ups to federal Guaranteed Income Supplement
- Social services (e.g., early learning and child care, supports for persons with disabilities, caregiving, recreation)
- Employment services (e.g., skills training, educational upgrading)

## *Tax expenditures*

A wide range of federal and provincial/territorial social and economic tax expenditures offer tax savings or cash payments through deductions, non-refundable credits and refundable credits:

## *Tax deductions*

- Contributions to Registered Pension Plans and Registered Retirement Savings Plans
- Child care expense deduction

## *Non-refundable tax credits*

- Age
- Eligible dependant
- Contributions to Canada Pension Plan and Quebec Pension Plan
- Employment Insurance premiums
- Pension income splitting
- Disability

- Medical expenses
- Charitable donations
- Education
- Textbook
- Tuition
- Registered Education Savings Plans
- Caregiver
- Infirm Dependant
- Family Caregiver
- Children's Fitness
- Children's Arts
- Volunteer Firefighter
- Home Buyer

*Refundable tax credits*

- Canada Child Tax Benefit
- GST/HST credit
- Working Income Tax Benefit
- Refundable medical expenses supplement

*Taxes*

- Federal and provincial/territorial income tax structure
  - tax brackets and rates
  - deduction and credits

Trends in federal and provincial/territorial income taxes by income

Payroll taxes: trends in gross and after-tax payroll taxes (Canada/Quebec Pension Plan contribution tax credit and Employment Insurance premium tax credit)

GST/HST and associated refundable tax credit: estimated amounts, by household, province/territory and income

***data: socioeconomic and demographic***

Low income trends

- incidence, depth, dynamics
- working poor, other poor
- other characteristics
- poverty lines

Inequality trends

- Gini coefficients
- average and median income, by household type, quintile and province
- sources of income (market, total, after-tax)

Labour market  
labour force participation  
employment  
unemployment  
full-time/part-time work  
age of retirement

Demographic  
trends in age groups, fertility and death rates (by income and ethnicity)

Fiscal  
federal and provincial/territorial government expenditures and revenues,  
as percentage of total government spending and GDP

### ***other information***

Employer-sponsored pension plans  
Supplementary health and dental care  
Housing  
Mental health  
Persons with disabilities  
Aboriginals  
Literacy  
Immigration, refugees  
Community economic development/building community capacity

### ***international comparative data***

Low incomes, income inequality  
Minimum wages

### ***special subjects***

Occasionally, the *Canada Social Report* will focus on a subject of particular social relevance. This might be, for example, a section on Aboriginal education or on poverty and seniors.

The Report also might delve into a specific program, such as the Working Income Tax Benefit, and associated trends in take-up and expenditure. Other possible topics include a summary of provincial/territorial poverty reduction strategies and a survey of political parties' social policy platforms.

Finally, a partner organization may request that a section of the *Canada Social Report* explore a specific subject area, such as mental health.

### ***proposed format and data collection methods***

The *Canada Social Report* will be published as an online publication, which will allow for continual updating and widespread availability at relatively low cost. Announcements will be made whenever the data in a given section has been updated. The Report of course will utilize social media tools.

As the Report evolves, a Wiki approach may be developed in which selected organizations and individuals are asked to make contributions to the material on a regular basis. This input would be particularly helpful in tracking relevant policy developments at the local level.

As noted earlier, the *Canada Social Report* will adapt the Bertelsmann Foundation's International Policy Reform information-gathering template.

We will have to develop a 'look' for the *Canada Social Report*. We will aim to write in plain language and present tables and graphs that are clear and readable.

### ***rollout***

The first product of the *Canada Social Report* is already available, in the form of Caledon's online Policy Monitor which tracks developments in federal and provincial/territorial social programs. The range will expand to include social policy developments at the municipal level.

Next will come Caledon's update of welfare incomes, as well as studies on minimum wages and welfare recipients.

### ***time frame***

The following components of the *Canada Social Report* will be completed by the end of December 2013:

- October 2013: *welfare incomes*
- December 2013: *minimum wages*
- December 2013: *welfare recipients*

### ***resources and cost***

The *Canada Social Report* will comprise a major focus of work for Caledon staff and consultants.

A modest amount has been included for the purchase of data. This may involve the purchase of data from Statistics Canada or from the Community Data Program currently being coordinated by the Canadian Council on Social Development.

A small sum has been designated for web-based assistance. This technical support may be required for layout of the material and/or upgrading of current search functions.

The total annual projected cost of the *Canada Social Report* is \$150,000, broken down as follows.

staff	\$105,000
consultants	\$20,000
web design and functionality	\$10,000
purchase and housing of data	\$15,000
total	\$150,000

It should be noted that the designated amounts may have to shift within these categories. For example, more money may have to be spent on the purchase of data and less on website design – or vice versa.

### ***structure***

Like Caledon, the *Canada Social Report* will be light on administrative structure and heavy on content.

The proposed budget for the *Canada Social Report* is separate from that of Caledon. A group of funders will be required to build and maintain the *Canada Social Report*. Financial support will be sought from organizations and individual donors.

A small informal advisory group will be created to provide advice on non-financial matters.

### ***summary***

Publicly available information is essential to democratic government and rational policy making. It is the life blood of fair and effective public policy.

Unfortunately, Canada does not have a national repository of information on social programs and socioeconomic data. The need to fill this data gap is becoming all the more pressing as the federal government sheds important data sources.

The Caledon Institute believes that the public interest is best served by a robust public capacity to collect and analyze data. But the federal government clearly is not going to change direction and

restore lost sources of information any time soon. So Caledon will fill the breach and launch a *Canada Social Report*, starting with our rescue of the National Council of Welfare’s series on welfare incomes and poverty trends.

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