

SUBMISSION



Shaking up the systems: Fighting poverty in post- pandemic Canada

Maytree's submission to the National
Advisory Council on Poverty

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About Maytree

Maytree is committed to advancing systemic solutions to poverty and strengthening civic communities. We believe the most enduring way to fix the systems that create poverty is to ensure that economic and social rights are respected, protected, and fulfilled for all people living in Canada. Through our work, we support non-profit organizations, their leaders, and people they work with.

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Introduction

In March 2021, the National Advisory Council on Poverty (NACP) held a consultation meeting with civil society leaders across the country on how Canada can further reduce poverty. The aim of the meeting was to discuss how our systems should change to create an equitable post-pandemic recovery, and how the NACP could support these changes.

At the core of the questions raised by the NACP was the idea that we need structural change to reduce poverty in Canada. We agree with the central premise of this idea, and are pleased to see that the NACP is undertaking these discussions.

In the following submission, we offer a number of policy ideas that can help systematically reduce poverty in Canada. They are ideas rooted in what the evidence tells us. They are also rooted in the idea that everyone across Canada has the fundamental human right to live in dignity and participate fully in society, and it is the duty of all levels of government to respect, protect, and fulfill these rights. Economic and social rights—especially the human right to an adequate standard of living—provide us with the principles we need to transform our social safety net.

In this submission, we respond to the recommendations made by the NACP in its report, *Building Understanding: The First Report of the National Advisory Council on Poverty*.

While the recommendations included in the NACP's report are encouraging, they need to go further. The Council has the potential to considerably shape Canada's efforts to protect people against poverty. We urge the NACP to develop policy recommendations that transform the principles that underpin our social safety net and enable the structural changes that are necessary to help reduce poverty, and improve income security, in Canada.

The following table provides an overview of our recommendations alongside some of the recommendations made by the NACP in its recent report, *Building Understanding: The First Report of the National Advisory Council on Poverty*:

The NACP recommends that the federal government:	Maytree recommends that the federal government:
<p>Continue with the implementation of the Poverty Reduction Strategy and with its current government-wide investments.</p> <p>Focus additional investments in four areas where progress is falling behind: food security, housing and homelessness, literacy and numeracy, and the poverty gap.</p>	<p>Root our public policies, programs, and legislation in a human rights-based approach, and progressively work to realize these rights.</p> <p>Invest in public services and direct supports, including: housing, pharmacare, and transfers to working-age adults living in poverty.</p>
<p>Take urgent action to support Indigenous leaders to reduce poverty in their communities and to ensure they have all the resources they need to do so.</p> <p>Co-develop Indigenous indicators of poverty, as committed to in the Poverty Reduction Strategy, such as distinctions-based housing strategies, and commitments made through the Indigenous early learning and child care agreements.</p>	<p>Collaborate with Indigenous communities and leaders to ensure they have the resources and data needed to find lasting solutions to poverty, including a distinction-based housing strategy as promised in the National Housing Strategy.</p>
<p>Include questions in all Statistics Canada and federal population-based surveys to allow for routine disaggregation of data to support better decision-making and reporting of poverty disparities.</p> <p>Work with stakeholders and communities to ensure that any new survey questions and response options regarding race, gender identity, and sexual orientation are inclusive and that the questions reach populations that are currently not captured.</p>	<p>Develop a disaggregated data strategy that centralizes community needs and voices in data collection, use, and disclosure processes, and makes data publicly available as quickly as possible.</p>

The NACP recommends that the federal government:	Maytree recommends that the federal government:
<p>Incorporate an equity lens when reviewing, developing, and implementing strategies, policies, and programs.</p> <p>Use available data to transparently report on the use of the equity lens and the outcomes.</p>	<p>Develop a human rights-based approach to data to support evidence-based policy decisions and to further the realization of economic and social rights in Canada.</p>
<p>Collaborate with provinces and territories to build on the federal COVID-19 response to strengthen existing strategies, programs, and policies, to ensure a coordinated, robust social safety net in Canada, and to provide income support that is at least at the level of Canada's official poverty line.</p> <p>Streamline and simplify benefits to lower barriers, ease access, and tailor to individual needs.</p>	<p>Enhance the Canada Social Transfer, with focused increases for provincial and territorial social assistance programs.</p>

Maytree's analysis of opportunities and considerations

An equitable post-pandemic recovery must be founded on economic and social rights to transform the social safety net

To build a more equitable Canada, we first have to start with rooting our social safety net—our policies, legislations, and programs—in economic and social human rights. While Canada has a long tradition of upholding civil and political rights (e.g., the right to vote), we have much further to go with economic and social rights. It is the duty of governments and other system actors (e.g., employers) to help ensure that policies support people in realizing their economic and social rights, and protect them when these human rights are not being realized.

We are starting to see acknowledgment of this—for example, through the National Housing Strategy Act, we saw the recognition that housing is a human right. While this is a significant step, we know that for everyone in Canada to have safe, secure and affordable housing, the heavy lifting is still ahead of us. To realize this human right, we have to make sure that we have the right architecture (e.g., a well-resourced Office of the Federal Housing Advocate) so that systemic issues that prevent the fulfillment of the right to housing can be addressed. We also need enabling legislation and policies at all levels of government.

The Government of Canada has committed to uphold human rights in adopting the United Nations Sustainable Development Goals (SDGs), as signaled in the *Towards Canada's 2030 Agenda National Strategy*.¹ The SDGs are grounded in human rights principles, and thus Canada's policies and programs should also be rooted in economic and social rights for Canada to achieve its goals.

If poverty is understood as violation of our human rights, then the very foundation of our social safety net will change. The structures that we develop (through legislations, policies, or programs) to alleviate poverty should be based in the idea that we need to work to progressively realize our economic and social rights, using the maximum resources available to governments. In practice, this could entail establishing minimum standards in policies and programs across provinces and territories (e.g., social assistance, early learning and child care), ensuring that federal transfers include human rights-based accountability measures, and that all levels of government are working to reduce poverty.

1 Employment and Social Development Canada. (2015). *Towards Canada's 2030 Agenda National Strategy*. Accessed at <https://www.canada.ca/en/employment-social-development/programs/agenda-2030/national-strategy.html>

Creating a more equitable Canada requires investments in public services and direct supports

Investments in public services

Well-designed policies and programs ensure that individuals do not fall through the cracks in times of crisis, minimize the need for emergency benefits and services when crisis hits, and that supports are complementary and not contradictory. We agree with the Council's recommendation that government invest in underfunded areas to find lasting solutions to poverty and close the poverty gap.

The pandemic has revealed inequities across many fault lines, including gender, race, and income. Along with increased investments in housing and homelessness, for example, we need investments that will respond to many of the inequities highlighted and exacerbated by the pandemic. For example, we've seen that women's labour market attachment has been significantly affected by the pandemic. To that end, the Government of Canada's recent commitment to create a national, universal system of early learning and child care in the 2021 budget² is most welcome. It is important and, if developed and implemented well, can help ensure that women are able to return to work after the pandemic.

We have also seen that one cannot be safe and healthy unless one has a place to call home. Physical distancing is nearly impossible for those who do not have a home or are experiencing core housing need. We are encouraged by housing announcements made in Budget 2021 (such as the Rapid Housing Initiative and Affordable Housing Innovation Fund) to increase the supply of affordable housing units through the creation of new units and renewal of existing ones. But this funding is still insufficient to address the scale of the problem of homelessness and unaffordable housing in Canada. More is needed to provide enduring investments to help low- and modest-income individuals and families with the cost of housing, especially preventing them from being evicted. Low-income households, unable to afford accumulating rents due to the economic vulnerabilities caused by the pandemic, will experience more evictions as Canada emerges from this pandemic. They require rent relief programs to prevent housing insecurity and homelessness. This will require the government to focus on demand-side supports, which are just as needed as supply-side supports.

The government also needs to consider housing strategies that can meet the needs of specific communities, such as Canada's Indigenous Peoples. The NACP

2 Department of Finance, Government of Canada. 2021. *A Recovery Plan for Jobs, Growth and Resilience*. Accessed at <https://www.canada.ca/en/department-finance/news/2021/04/budget-2021-a-recovery-plan-for-jobs-growth-and-resilience.html>

recommends that the government work closely with Indigenous communities and leaders to ensure they have the resources they need to find lasting solutions to poverty, such as distinction-based housing strategies as promised in the National Housing Strategy. Budget 2021 was a missed opportunity in taking steps toward this goal. Indigenous Peoples are disproportionately overrepresented among people experiencing homelessness in Canada, especially in urban areas. Estimates of homelessness among Indigenous people in major urban areas range from 20 to 50 per cent to as high as 11 to 96 percent of the total homeless population, depending on geography.³

A comprehensive approach to strengthening our social safety net requires investments in pharmacare. Canada is the only developed country with a universal health system without prescription drug coverage. Low-income earners who do not have drug coverage through employers and do not have access to paid sick leave are particularly vulnerable. Illness disrupts their employment and livelihood. Canada cannot fully recover from the pandemic without improving access to prescription medicines.

Enhanced income supports

Despite popular support for policy ideas like a basic income, a single basic income is at odds with a human rights-based approach to income security. To help ensure that everyone can realize their fundamental right to an adequate standard of living, we do not need a single basic income. We need several basic incomes, ones that address the specific needs of various demographics. Therefore, we need to build on, and transform, the systems that we already have. If we use a human rights lens and put equity at the center of program design, we can see that more targeted supports—that work in concert, and not in contradiction with one another—are necessary.

The commitment in the government's throne speech to develop a Canada Disability Benefit is a good example of this. About 20 per cent of people in Canada live with a disability, and current supports are either inadequate (e.g., through provincial and territorial social assistance programs) or regressive (such as the Disability Tax Credit). The proposed Canada Disability Benefit would build on Canada's tradition of developing robust supports for certain populations, and reflect the needs of people with disabilities. Budget 2021 committed to providing funds for consultation to reform the eligibility process for federal disability programs and services. We know that our sector colleagues are working to inform the design of

3 Homeless Hub. 2021. *Indigenous Peoples*. Accessed at <https://www.homelesshub.ca/about-homelessness/population-specific/indigenous-peoples>

the proposed benefit, and are hopeful that the NACP and the federal government will take their recommendations seriously.

Today, we know that working-age people, especially single people, are facing the highest rate of poverty in Canada. Thirty-three per cent of working-age singles live in poverty, compared to 10 per cent of all people living in Canada.⁴ Outside of social assistance, working-age singles in poverty do not have access to many supports. Social assistance rates are woefully inadequate across the country.⁵ While Employment Insurance (EI) is meant to provide protections for workers, it excludes many people, even if they are working (e.g., in the gig economy). For example, about 1.1 million people in Canada were unemployed at some point in 2018, and approximately 64 per cent of them had contributed to the EI program.⁶ However, in 2017, only 42 per cent—less than half—of all unemployed people were eligible for EI.⁷ While we work on improvements to programs such as EI and strengthen labour protections to limit the number of people in precarious work, EI alone will not resolve the circumstances faced by working-age adults. We need to develop a benefit for working-age adults living in poverty.

In Budget 2021, the federal government extended eligibility for the Canada Workers Benefit (CWB), enabling about 1 million additional workers to receive the program, and pushing about 100,000 people out of poverty. This improves an existing support for some but it does not address the needs of those living in deep poverty. We believe that the CWB can be enhanced to further help support working-age people living in deep poverty, and provide this group with a stable source of support.

Creating a more equitable Canada requires investments in the systems and structures that fund social assistance

We also need to address the structures that limit government investments in people living in poverty. To help increase the social assistance rates, while also supporting the fiscal capacity of provincial and territorial governments, the federal government

4 Sherri Torjman. October 6, 2020. Single workers are Canada's forgotten poor. *Policy Options*. Accessed at <https://policyoptions.irpp.org/magazines/october-2020/single-workers-are-canadas-forgotten-poor/>

5 Jennifer Laidley and Hannah Aldridge. 2020. *Welfare in Canada*. Accessed at https://maytree.com/wp-content/uploads/Welfare_in_Canada_2019.pdf

6 Statistics Canada. November 14, 2019. Employment Insurance Coverage Survey, 2018. Accessed at <https://www150.statcan.gc.ca/n1/daily-quotidien/191114/dq191114a-eng.htm>

7 Ricardo Tranjan. June 27, 2019. *Toward an Inclusive Economy: Syncing EI to the Reality of Low-wage Work*. Canadian Centre for Policy Alternatives. Accessed at <https://www.policyalternatives.ca/publications/reports/towards-inclusive-economy>

should increase the amount of support it provides provinces and territories through the Canada Social Transfer (CST).

While federal-provincial-territorial fiscal arrangements are complex, we should not be shy about raising their importance. Enhancing transfers such as the CST is an important way to ensure that dollars invested by the federal government are used to help those who are being left behind.

For example, pre-pandemic, the federal government's transfers to provinces and territories steadily increased over time, but the amount of support dedicated for social services decreased. Using base estimates for CST and Canada Health Transfer (CHT) (that is, without any pandemic-related investments) in 2020-21, the CST made up 26 per cent of federal government CST and CHT spending. This is a far lower amount than the 38 per cent originally earmarked in 2003, when the CST and CHT were first developed. If 38 per cent of the total 2020-21 transfer were allocated to the CST (as base, pre-pandemic spending), \$21.6 billion would be going to CST, instead of the current \$15 billion. That amounts to a shortfall of \$6.6 billion, which can make a significant difference to those living in deep poverty in Canada.

This is not to suggest that the amount of CHT provided to provinces and territories should be reduced, but rather to illustrate the magnitude of the CST shortfall. Focused increases in the CST, along with human rights-based accountability measures, can help create the type of enduring structural changes we need to reduce poverty. It is also important to consider how provincial and territorial governments can enhance social assistance so that it better serves the needs of those living in poverty.

Creating a more equitable Canada requires building a modernized data collection and administrative system

To build an equitable economy in the post-pandemic world, we need better tools to monitor shifts and fluctuations in the economy and the labour market. This is critical to identify and understand who is affected by downward shifts in work and the impact on their livelihoods and lives. The dearth of widely available and accessible employment and income data prevents us from developing good social policy.⁸ COVID-19 has amply demonstrated the significance of good data to evidence-based public health decisions. Good policy design is unattainable without good data and evidence. On this issue, we agree with the Council's

8 Noah Zon. (2016). *Counting on data: the 2016 long-form census is just the beginning*. Maytree. Accessed at <https://maytree.com/publications/counting-data-2016-long-form-census-just-beginning/>

recommendations that robust and disaggregated data is essential to design policies, programs and services that support those who are most in need.

We welcome the government's commitment in Budget 2021 to invest \$172 million over five years toward the development of a Disaggregated Data Action Plan. This is a critical investment in improving the quality of evidence used to inform policies and programs to address poverty in Canada. Statistics Canada has collected data on race, ethnicity, and indigeneity in the past, but it is unclear how such data has informed policy and program decisions in different government agencies. Any data strategy, including plans for disaggregated data, should be rooted in a human rights-based approach. We recommend the development of transparent strategies to provide equitable opportunities to communities and stakeholders interested in participating in disaggregated data collection processes. While some may argue against the collection of disaggregated data due to privacy concerns, there are ways to collect such data while respecting the privacy of individuals. Accountability is a key human rights principle that can guide collection and availability of high quality data for better policy decisions.

Conclusion

The National Council on Poverty can help by putting forward strong policy ideas for the government's consideration

The Council has a unique opportunity to influence how the Department of Employment and Social Development Canada and the broader federal government put forward strong policy ideas to tackle the needs of people living in poverty. Failure to do so would be a missed opportunity.

The recommendations outlined in the 2020 progress report are important, but we must go further. We need systems that can help lead to an equitable post-pandemic recovery. COVID-19 has put a spotlight on growing income gaps and poverty experienced by many people in Canada. We urgently need to strengthen our social safety net.

The pandemic revealed that existing policies fall short and a bold vision and better policy ideas are necessary. The Council is in an excellent position to give voice to such a vision and we welcome the opportunity to provide any support to develop or amplify the policy work of the Council.



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