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# Canadian Poverty Reduction Strategy

Submission to the Ministry of Families,  
Children and Social Development



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Children and Social Development

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This submission has been prepared by the Canadian Poverty Institute to contribute to the development of a Canadian Poverty Reduction Strategy. This submission provides an overview of the Canadian Poverty Institute's understanding of poverty and its causes, recommendations for action, roles and responsibilities of stakeholders, and recommendations for meaningful measurement of poverty.

### 1. Our Understanding of Poverty

As the Government of Canada's Discussion Paper *Towards a Poverty Reduction Strategy* notes, poverty is multi-dimensional and complex. The United Nations, in marking the recent International Day for the Eradication of Poverty stated:

*"... poverty results not from the lack of just one thing but from many different interrelated factors that affect the lives of people living in poverty. This means we must go beyond seeing poverty merely as the lack of income or what is necessary for material well-being — such as food, housing, land, and other assets — in order to fully understand poverty in its multiple dimensions."*

Accordingly, we understand poverty to be about more than just a lack of adequate income and include in our discussions about poverty its economic, social and spiritual dimensions as well. **Economic poverty** exists where people lack access to sufficient material and financial resources to thrive. **Social poverty** exists where people are isolated and lack the formal and informal supports necessary to be resilient in times of crisis and change. **Spiritual poverty** exists where people lack meaning in their lives or connection to a spiritual tradition that sustains them. We understand these three dimensions to be inter-related and must be considered together in any discussion of poverty reduction strategies.

#### 1.1 Toward a Definition of Poverty

As our understanding of the multi-dimensional aspects of poverty has deepened, our assumptions about cause and effect have also been challenged. Whereas early consideration of the social, psychological and other non-material dimensions of poverty tended to assume that these arose from material deprivation, we now understand that

the cause and effect relationship may be multi-directional. If so, then the non-material aspects of poverty are not so much the effects of a condition defined by material deprivation as they are integral to the definition of poverty itself; they are not the result of poverty, they are a constitutive element of poverty.

If the non-material aspects of poverty are constitutive elements of the condition they need to be incorporated into any meaningful definition of poverty. While Canada has no official definition of poverty, Statistics Canada utilizes various income-based measures to estimate "low-income" which serves as a proxy for policy and strategy in the government and non-profit sectors. By utilizing income-based measures (such as the Low-income Cutoff (LICO) or Low Income Measure (LIM)) the implicit definition of poverty becomes materially based and does not include non-material aspects.

The failure to include non-material aspects of poverty in a definition risks thwarting any meaningful strategy seeking to eradicate poverty by addressing its root cause(s). Lack of conceptual clarity risks undermining policy and strategy development as well as impeding the operationalization and evaluation of poverty reduction efforts. Further, a focus on a purely materially-defined understanding of poverty risks exacerbating social divisions by establishing arbitrary lines of economic demarcation that divide society into strict "us" and "them" categories. Not only does such categorization create stigma, it can also further exclude people who may be marginalized but not captured within a definition of poverty that is strictly income based.

While unofficial definitions of poverty continue to be income-based, recent initiatives by various provinces to establish poverty reduction strategies have adopted a more holistic understanding. The Newfoundland and Labrador government's poverty reduction strategy, for example, states that "*Poverty refers not only to a lack of adequate financial resources, but also social exclusion, which is both a consequence and a cause of poverty.*"<sup>1</sup> The Province of Quebec similarly defined poverty broadly as "*A condition where human beings are deprived of the means, resources, choices and power to acquire and maintain self-sufficiency while being able to be an active participant in society.*"<sup>2</sup> More recently, the Government of Ontario launched its poverty reduction strategy which, while not offering an

exact definition of poverty, is based on the vision of “a province where every person has the opportunity to achieve his or her potential”<sup>3</sup> implying that concepts of potential and participation are foundational to a full understanding of poverty.

As our understanding of poverty is emerging in both its conceptual foundation as well as in the policy arena, a new discourse on poverty is also emerging. In recent years, increasing emphasis has been placed on the *International Covenant on Economic, Social and Cultural Rights (ICESCR)*, to which Canada is a signatory. This Covenant addressed matters of economic deprivation as a matter of right, grounded in international law, while extending such rights to include non-economic (material) dimensions linked to the economic. In the most recent (2016) Periodic Review of Canada’s progress in meeting its obligations under the ICESCR, the U.N. Committee on Economic, Social and Cultural Rights made the following recommendation to the federal government:

“The Committee recommends that the State party, in collaboration with provinces, territories and indigenous peoples and consultation with civil society organizations, implement a human rights-based national anti-poverty strategy, which includes measurable goals and timelines, as well as independent monitoring mechanisms. The Committee further recommends that the State party ensure that provinces and territories’ anti-poverty policies are human rights-based and aligned with the national strategy.”

As a multidimensional concept, a human rights approach to poverty reduction necessarily involves non-economic dimensions of poverty which must be considered in the context of economic rights as a fundamental human rights principle is the non-divisibility of rights. The Canadian Poverty Institute consequently urges the federal government to develop and adopt a multi-dimensional definition that is grounded in human rights, as called for by the United Nations. Developing such a definition would provide a means of linking the multiple dimensions of poverty to a universal framework grounded in international law. This would establish accountability and enable measurement of progress toward national

obligations under the various covenants. As provinces and municipalities are developing or implementing their own strategies, a common definition that links strategies to a common paradigm and framework will ensure policy and strategy alignment at all levels.

## 1.2 The Roots of Poverty

The roots of poverty are found in our human vulnerability. Vulnerability exists in four respects (See Table 1). First, we may be vulnerable due to individual characteristics such as education, skill level, coping ability, health, addictions or the presence of a criminal record. We also experience vulnerability due to our social lack connections. The lack of informal supports or connections to others, unstable family structures, the absence of role models, lack of trust and the neighbourhoods in which we live all contribute to our level of vulnerability. Thirdly, we may be vulnerable due to our life stage. Life stages characterized by greater levels of dependence (such as childhood or old age) leave us vulnerable, as do the responsibilities of caregiving. Lastly, vulnerability can result from our economic, social, political and legal systems. Factors such as racism and discrimination, patriarchy, the lingering effects of colonialism as well as policies that unintentionally marginalize groups of people increase our vulnerability.

As all people experience these vulnerabilities to a greater or lesser degree, we assert that all are vulnerable to poverty. Poverty is thus a social condition that affects all members of society, regardless of income. Enhancing our collective resilience will require strengthening our inter-dependence as much as strengthening individual independence. As a social condition, any effective approach to poverty reduction should therefore aim to increase our collective resilience in these four domains rather than being restricted to the targeting of programs and services to specific population groups.

We believe that building our resilience in these four domains is a four-fold responsibility with obligations on the part of the individual, the employer, the community and the state. Trends over the past two decades have eroded capacity on all four of these fronts. As reported by CIBC, job quality in Canada has been eroding for some time

<sup>1</sup> Government of Newfoundland and Labrador (2006). *Reducing Poverty: An Action Plan for Newfoundland and Labrador*. St. John’s, NL: Department of Human Resources, Labour and Employment. Pg. 3

<sup>2</sup> Government of Quebec. (1992). *Bill 122: An Act to Combat Poverty and Social Exclusion in Quebec*

<sup>3</sup> Government of Ontario. *Breaking the Cycle: Ontario’s Poverty Reduction Strategy*.

as the level of precarious work grows. This puts increased pressure on individuals and the state who bear the cost of growing income inequality. At the same time, retrenchment at all levels of government has eroded the capacity of the state to provide adequate income security to the most vulnerable Canadians. Erosion of Employment Insurance benefits, reductions in social housing investments,

and the elimination of the Canada Assistance Plan that guaranteed national standards in Social Assistance benefits all contributed to a compromised social safety net. Further, growing inequality is also one factor in eroding social capital which diminishes the capacity of the community to provide support to those in need.

**Table 1: Poverty Vulnerability Framework**

<b>Individual Vulnerability</b>	<b>Social Vulnerability</b>	<b>Life Stage</b>	<b>Systemic Vulnerability</b>
<ul style="list-style-type: none"> <li>• Education and literacy</li> <li>• Language</li> <li>• Health and disability</li> <li>• Technical skills</li> <li>• Personal skills</li> <li>• Addictions</li> <li>• Criminal record</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of support systems</li> <li>• Lack of mentors and role models</li> <li>• Unstable family structure</li> <li>• Access to services</li> <li>• Lack of social connections</li> <li>• Lack of trust</li> <li>• Neighbourhood</li> </ul>	<ul style="list-style-type: none"> <li>• Children and youth</li> <li>• Families with children</li> <li>• Lone-parent families</li> <li>• Seniors</li> <li>• Caregivers</li> </ul>	<ul style="list-style-type: none"> <li>• Racism and discrimination</li> <li>• Colonization</li> <li>• Patriarchy</li> <li>• Economic restructuring</li> <li>• Social welfare regime</li> <li>• Structural inequality</li> <li>• Credential recognition</li> <li>• Access to credit</li> </ul>

As we have worked with and listened to people living in or vulnerable to poverty, we have heard significant concerns about the reality and impact of poverty, and the fear of poverty, on people’s lives. We have heard about increasingly precarious employment and the inadequacy of social benefits, fragmented services that are difficult to access and the seeming arbitrariness of crucial life-altering decisions. Most importantly, we have heard people lament our economic and social systems that compromise the dignity of people as human beings and that does not respect their rights. Increasingly we are coming to acknowledge that poverty constitutes a violation of a person’s economic, social and cultural rights.

In our submission to the recent Periodic Review of Canada’s progress on meeting its Covenant obligations, the Canadian Poverty Institute, along with a number of other civil society organizations, noted the following:

- Inadequate welfare incomes and punitive welfare regulations;
- Inadequate income support programs for seniors;
- Inadequate minimum wages and growing employment precarity;

- Rising food insecurity and homelessness and the failure to guarantee the right to food and shelter;
- Growing health inequalities and failure to guarantee access to fundamental health care services including vision, dental and mental health;
- Persistent gender inequality in work and income; and,
- Inadequate and inequitable access to childcare supports and early childhood education.

As a signatory to the International Covenant on Economic, Social and Cultural Rights Canada bears certain obligations under that Covenant. The development of a Canadian Poverty Reduction Strategy provides the opportunity for Canada to address these issues through the progressive realization of peoples’ economic, social and cultural rights.

## 2. Recommendations for a Poverty Reduction Strategy.

Based on our understanding of poverty articulated above, the Canadian Poverty Institute respectfully offers the following recommendations to inform the development of a Canadian Poverty Reduction Strategy.

### 2.1 Principles

It is our position that the following principles should be foundational to a national strategy to eradicate poverty. In keeping with our understanding of poverty and our international human rights obligations, an effective poverty reduction strategy must be:

- a. **Rights-based** in accordance with the International Covenant on Economic, Social and Cultural Rights.
- b. **Universal**, based on the acknowledgement of our universal human vulnerability.
- c. **Inclusionary** in design and implementation, with social inclusion as an explicit goal.
- d. **Holistic**, responding to the material, social and spiritual dimensions of poverty and respecting the principle of the indivisibility of rights.
- e. **Horizontally integrated**, taking a whole of government approach.
- f. Designed to promote human **dignity**, based on principles of **trust**.
- g. **Fair**, based on principles of transparency and accountability and the right of appeal.

### 2.2 Policy Areas

In accordance with the principles articulated above, the Canadian Poverty Institute urges the federal government to focus on the following policy areas.

#### *i. Income Security*

The Canadian Poverty Institute affirms that adequate income and social security are fundamental human rights and this should be the foundation of any federal poverty reduction strategy. The right to an adequate income is embodied in the United Nations Universal Declaration of Human Rights [Article 25] and the ICESCR [Articles 9 and 11]. The goal to end poverty in all its forms is also the first

of the U. N. Sustainable Development Goals and includes a commitment to implement social protection measures for all that includes minimum benefit levels.

Over the past several decades, income security protections for Canadians have diminished. The erosion of benefits, reduced investments in social infrastructure and the elimination of national standards have all contributed to a compromised social safety net. In our submission to the recent Periodic Review of Canada's progress on meeting its obligations under the International Covenant on Economic, Social and Cultural Rights we noted the following:

- Inadequate welfare incomes and punitive welfare regulations;
- Inadequate income support programs for seniors;
- Inadequate minimum wages and growing employment precarity; and
- Persistent gender inequality in work and income.

In recognition of these challenges, the Canadian Poverty Institute recommends that the federal government:

- **Re-invest in critical social infrastructure.** Investments are required in critical social infrastructure including housing, food security, childcare, skills training and access to health care and medication, and to justice services.
- **Restore national standards.** With the elimination of the Canada Assistance Plan, the ability of the federal government to ensure national consistency of social assistance benefits was compromised. We urge the federal government to reassert key principles within funding agreements, specifically the right to social security, mandated minimum acceptable levels of benefits, and the elimination of overly restrictive eligibility criteria.
- **Re-invest in Employment Insurance.** Increase Employment Insurance coverage by reviewing restrictive eligibility criteria, particularly to ensure adequate coverage for those in precarious employment. Benefit levels must be reviewed to ensure that Employment Insurance provides a minimum sufficient level of replacement income.

- **Work in partnership.** The design and implementation of income support programs must be flexible to respond to local conditions, working in partnership with other orders of government, First Nations, civil society organizations, the business community and persons experiencing poverty.
- **Ensure an integrated holistic approach.** Due to the complex nature of poverty, an integrated approach to poverty reduction is required that addresses structural causes rather than symptoms. The following strategies are proposed as promising integrated approaches:
  - *Basic Income:* Providing a minimum basic income would streamline income security programs, ensure an adequate standard of living, promote gender equity, ensure national consistency in benefits and provide dignity for those requiring support.
  - *Living Wage:* Ensuring the provision of quality employment that pays a living wage and provides benefits should be a second pillar of an integrated income security system. This can be achieved through re-establishing a federal minimum wage; by providing tax incentives to companies paying living wages; and through the procurement power of the federal government and in its role as an employer.
  - *Procurement:* Establish an ethical procurement program for federal contracts that ensures contractors achieve ethical and sustainability standards that support the government’s poverty reduction and other social and environmental objectives.

**ii. Education and Training**

The Canadian Poverty Institute affirms that education is a fundamental human right and this should be the foundation of any federal education and training strategy. The right to education is embodied in the United Nations Universal Declaration of Human Rights [Article 26] and the ICESCR [Article 13]. Canada has also made commitments to advancing the U. N. Sustainable Development Goals, which includes Goal 4 that aims to ensure inclusive and quality education for all.

Educational attainment and the risk of poverty are closely linked. In 2011, the low income rate for Canadians without a high school diploma was 2.5 times that of those with

a university degree, and 1.5 times greater for those with only a high school diploma. As the cost of post-secondary education continues to rise, access to higher education for lower-income individuals becomes increasingly challenging.

Challenges related to education and training also include the lack of recognition of international qualifications among immigrants to Canada. In 2011, the poverty rate among recent immigrants in Canada was roughly 2.5 times that of non-immigrants. One of the important factors contributing to this disparity is the lack of recognition of international qualifications. Early Childhood Education is a further component of education that has a direct impact on current and future vulnerability to poverty as there is a strong correlation between healthy childhood development and resilience against poverty.

In recognition of these challenges, the Canadian Poverty Institute recommends that the federal government:

- Adopt the recommendation of the United Nations Committee on Economic, Social and Cultural Rights to *“increase the budget allocated to (the) publicly funded post-secondary education system, with a view to facilitating access to higher education to everyone regardless of their socioeconomic or ethnic background.”*
- Split the Canada Social Transfer to establish a Canada Education Transfer; that investment through the Education Transfer be increased to levels similar to those previously provided under the Canada Assistance Plan; and that conditions be established for the Canada Education Transfer that would provide reasonable limits on tuition.
- Continue to work with provincial governments and regulatory agencies to ensure that international qualifications are fairly assessed and appropriately recognized, and encourage the Provinces to develop legislation similar to the Ontario Fair Access to Regulated Professions and Compulsory Trades Act.
- That the federal government, in collaboration with the provinces and territories, develop and implement a comprehensive plan for a national affordable high quality, universal and publicly funded early-childhood education and care program for children 0 – 12.



### **iii. Social Inclusion**

Social isolation is both a key cause and impact of poverty. Those lacking strong social supports are more vulnerable in times of crisis and change. At the same time, those experiencing poverty are also more likely to become isolated due to barriers to social participation as well as the stigma associated with poverty. Ensuring the social inclusion of all people, especially those who have historically experienced marginalization, is thus a critical aspect of any poverty reduction strategy.

The social isolation associated with poverty is exacerbated by patterns of discrimination that disproportionately impact marginalized groups that also experience the highest rates of poverty. Indigenous and racialized persons experience the highest rates of poverty, along with persons experiencing disabilities. Among populations experiencing marginalization, women experience even greater rates of poverty. Those experiencing multiple forms of disadvantage are consequently the most vulnerable to isolation.

Strategies to combat racism, discrimination, colonialism and gender inequality are consequently important poverty reduction strategies. Further, actions to proactively support the inclusion of diverse populations in our political, economic and social life are equally important for reducing poverty. In the current social environment, the values of inclusion and respect for diversity are being challenged. It is important that the federal government continue to affirm our values of inclusion, diversity and multi-culturalism and strongly counter threats against them. This includes affirming cultural rights as articulated in the International Covenant of Economic, Social and Cultural Rights. The United Nations Committee on Economic, Social and Cultural Rights (CESCR) Periodic Review of Canada's progress with respect to the implementation of the ICESCR made several recommendations concerning discrimination and social inclusion. These included:

- Develop and implement a gender equity policy and intensify efforts to eliminate gender role stereotypes and prejudices, including through awareness-raising campaigns;
- Expand and strengthen monitoring and enforcement of the Employment Equity Act; and,
- Provide increased funding to indigenous people and develop a coordinated approach to implementing indigenous peoples' rights in all jurisdictions, including funding for the preservation of indigenous languages.

### **iv. Housing**

The Canadian Poverty Institute affirms housing as a fundamental right and this should be the foundation of any federal affordable housing and homelessness strategy, as expressed in the United Nations Universal Declaration of Human Rights [Article 25(1)] and the International Covenant on Economic, Social and Cultural Rights (ICESCR) [Article 11(1)]. The United Nations Committee on Economic, Social and Cultural Rights (CESCR) Periodic Review of Canada's progress with respect to the implementation of the ICESCR recommended that Canada adopt a national rights-based housing and homelessness strategy which would include:

- Progressive increases to housing subsidies in social assistance benefits;
- Increasing the availability of social and affordable housing units;
- Regulation of rental arrangements to ensure that tenants are not vulnerable to forced evictions that would render them homeless.

The Canadian Poverty Institute affirms its support for these recommendations and commends the Government of Canada on its work to develop a national housing strategy. The Canadian Poverty Institute further recommends that the federal government:

- Ensure that the national housing strategy under development is grounded in a human rights framework;
- Amend its funding to the Provinces through the Canada Social Transfer to establish conditions that would ensure housing allowances available through provincial social assistance programs are sufficient to enable people to realize their right to housing;
- Continue and increase its support for Cooperative housing as an important component of a national housing strategy;
- Work in partnership with the Provinces to support and encourage the enactment of enabling legislation to permit inclusionary zoning to require private sector investment in affordable housing; and,
- Work with Provinces and Territories to develop an energy poverty strategy in recognition of the growing burden of rising energy and utility costs on low-income households, particularly in the face of climate change and climate action strategies such as carbon pricing.

#### v. *Food Security*

The Canadian Poverty Institute affirms food as a fundamental right and this should be the foundation of any federal food security strategy, as expressed in the United Nations Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights (ICESCR). Consequently, the Canadian Poverty Institute urges the federal government to adopt a rights-based approach to the food security strategy currently under development. The Canadian Poverty Institute further recommends that the federal government work to restore national standards for social assistance that would guarantee that social assistance rates are adequate for a nutritious diet in all jurisdictions.

#### vi. *Access to Justice*

People who experience social and economic marginalization also often face accompanying legal issues. For example, those with mental health issues, cognitive issues or addictions are over-represented in criminal justice matters in particular,<sup>4</sup> which mirrors the situation with the homeless.<sup>5</sup> Aboriginal peoples are disproportionately involved in criminal and quasi-criminal actions in the Canadian criminal system and in child protection actions. New Canadians (immigrants, refugees and temporary foreign workers) are likely to have immigration problems that cluster with accommodation, employment rights and workplace safety issues. Youth in the juvenile system likely experienced sexual exploitation or abuse and have substance abuse problems. They also are highly likely to have been the subject of earlier child protection cases.

Research conducted in various jurisdictions demonstrates that low-income people are more susceptible to legal issues and that some legal issues “cluster”, so that some people who face a legal issue often face more than one such issue. Further, legal issues often occur in the context of, and may create or exacerbate other problems, such as health issues, financial pressures and relationship breakdown.<sup>6</sup>

While those experiencing social and economic marginalization also experience related legal issues, addressing those issues can be difficult due to the complexity of the system. Although many programs

and services exist to assist people in accessing and navigating the legal system, this service network can be equally complex. Many are not aware of available services and resources, and there is no central repository of available information and resources. The basis on which legal services are provided is inconsistent and many of the programs that do assist people in accessing and navigating the legal system centre on courts even though most legal issues do not go to court.

Recognizing the barriers to accessing justice for low-income Canadians, the Canadian Poverty Institute urges the federal government to continue to work to address access to justice for federal matters and to work with provinces to address access to justice in provincial matters. In particular, we urge the federal government to continue to support the work of the national Action Committee on Access to Justice in Civil and Family Matters and to facilitate the implementation of its recommendations. Further, we urge the federal government to establish a similar national action committee to address matters of access to justice for criminal matters.

#### vii. *Neighbourhoods*

The quality of the urban environment is strongly correlated with the experience of poverty. Over the past several decades, poverty has become an increasingly urban phenomenon with poverty more and more concentrated, particularly in suburban areas. This has had significant impacts for low-income households who are increasingly isolated and separated from employment and services. Research and practice has demonstrated the effectiveness of “place-based” strategies for neighbourhood poverty reduction characterized by strong inter-governmental coordination as well as partnerships with local non-governmental organizations.

In response to these challenges, the Canadian Poverty Institute recommends that the federal government:

- Work with provincial, territorial and municipal counterparts to establish tri-partite planning tables to coordinate local poverty reduction strategy development and implementation. Such tables

<sup>4</sup> Mary Stratton, *Alberta Legal Services Mapping Project: An Overview of Findings from the Eleven Judicial Districts* (Canadian Forum on Civil Justice, July 2011) 17, retrieved from <http://www.cfcj-fcjc.org/sites/default/files/docs/2011/mapping-final-en.pdf> on March 16, 2016

<sup>5</sup> Mary Stratton, “Access to Justice? The View from the Street”, *LawNow* (November/December 2010) 8, retrieved from <http://www.cfcj-fcjc.org/sites/default/files/docs/2010/stratton-viewfromthestreets-en.pdf> on March 16, 2016.

<sup>6</sup> Mary Stratton, *Alberta Legal Services Mapping Project: An Overview of Findings from the Eleven Judicial Districts* (Canadian Forum on Civil Justice, July 2011) 17, retrieved from <http://www.cfcj-fcjc.org/sites/default/files/docs/2011/mapping-final-en.pdf> on March 16, 2016.

should include representation from non-governmental and civil society organizations, as well as people with a current lived experience of poverty.

- Support research and promote adoption of best practices in urban renewal and place-based poverty reduction, including the establishment of community hubs as well as local tendering practices that support local vulnerable populations through employment or procurement.
- Provide funding support for low-income transit programs to facilitate the implementation of subsidized transit for low-income individuals.

### 3. Roles and Responsibilities

According to accepted principles of human rights, the progressive realization of rights is the responsibility of an array of duty bearers including governments, civil society and individuals. This aligns with the view of the Canadian Poverty Institute which, as expressed above, understands poverty reduction to be a shared responsibility of government, employers, civil society and individuals. Accordingly, we understand the respective roles of these four groups to be as follows:

#### 3.1 Government

Human rights protocols require government to be responsible for the progressive realization of human rights, including social, economic and cultural rights. This requires governments to respect human rights by refraining from or tolerating any practice, policy or measure that violates human rights. Governments have the further responsibility to prevent the violation of rights by others and to take all reasonable measures to guarantee access to entitlements. These duties apply to all orders of government. As such, poverty reduction strategies must be coordinated among all three orders of government with each order of government actively involved in the planning and implementation of the strategy. Such coordination should respect the principle of subsidiarity, allowing for the greatest degree of local control to establish and act on local priorities.

The federal government, however, has a unique leadership role to play as the convener and facilitator of such a coordinated approach. The federal government is also

uniquely positioned to establish a national framework that can lead to the progressive realization of rights. Of particular importance in this regard is the re-establishment of national standards with respect to income security programs and the restoration of the principle of conditionality to respect our human rights obligations through the transfer mechanism. This requires a renewed partnership approach between the federal government and the provinces.

#### 3.2 Employers

As the primary provider of income for most Canadians, employers play a critical role in creating the economic and social conditions necessary for Canadians to be resilient and to thrive. A strong economy that provides meaningful employment opportunities will be essential for ending poverty. Beyond just providing jobs, however, business contributes to the community in other important ways. Corporate Social Responsibility programs make sure companies are having a positive impact on the communities they operate in. Companies also make investments in local organizations and have impressive levels of charitable giving and volunteering. While in the past, these activities might have been seen as an expense, and perhaps expendable, many are now coming to rethink their role in the community.

In his book *The New Capitalist Manifesto*, leading management thinker Umair Haque argues that the truly successful companies of the 21st century will have more than just competitive advantage, they will have what he calls Constructive Advantage.<sup>6</sup> Successful businesses, he argues, “aren’t profiting in spite of making people, societies and future generations better off, but by doing so.” Their advantage will lie in creating more than just shareholder value, but “value that’s meaningful in human terms, reflecting durable, tangible gains” reflecting not just the quantity, but also the quality of profit.

Some promising strategies that provide win-wins for companies and the community include:

- **Hiring for Diversity** ensures everyone has the opportunity to benefit from our growing economy, while also increasing a company’s competitiveness in the marketplace and labour market.

<sup>7</sup> Mary Stratton, *Alberta Legal Services Mapping Project: An Overview of Findings from the Eleven Judicial Districts (Canadian Forum on Civil Justice, July 2011) 17*, retrieved from <http://www.cfcj-fcjc.org/sites/default/files/docs/2011/mapping-final-en.pdf> on March 16, 2016

- **Flexible Workplace Practices** that help workers balance work and family responsibilities can allow more people to enter the workforce. This not only increases the earning capacity of a family, it can also help address our looming labour shortage.
- **Investing in Employee Supports** that help workers meet their needs, such as childcare or transportation, can increase the number of people available for work, while increasing productivity and the competitiveness of a company in an increasingly tight labour market.
- **Wages and Benefits.** Paying a living wage is perhaps the most tangible way that business can contribute to poverty reduction as most people living in poverty are already working. Research shows that companies that pay a living wage also tend to outperform those that don't, having increased productivity and reduced turnover.
- **Training and Mentoring.** For many people, the key to realizing their full potential is positive relationships. Mentoring, whether with at-risk youth, newcomers to Canada, or entry level workers in the organization, is a tangible way businesses can support people to gain the knowledge, skills and confidence they need to succeed. Mentoring relationships can also be life enriching experiences for those serving as mentors, bringing that positive energy and experience with them into their jobs.

While most large companies in Canada are probably already accomplished in many of these practices, it is possible to extend their impact by driving it into a company's supply chain. Ethical procurement policies, for example, can help companies work in partnership with their suppliers to meet social and environmental performance standards that they develop together.

The opportunity exists for the federal government to support and promote such practices through the Canadian Poverty Reduction Strategy. This support could include:

- **Corporate Social Responsibility Tax Structure.** Recognizing that poverty results in a significant economic cost to the Canadian government and society, the public cost of low-wage or insecure employment should be borne by the companies that benefit from it. Accordingly, a corporate tax structure that recognizes these externalities should be established. Such a tax structure should establish a higher corporate tax rate for companies that rely on low-wage and precarious employment, and lower rates for companies that provide decent work recognizing the differential impact of their employment practices on Canadian taxpayers and society.
- **Recognize Public Benefit Corporations.** Public benefit corporations (PBCs) are for-profit businesses that seek to generate public benefits in addition to financial profit. The Canadian Bar Association has called on Parliament "to amend the Canada Business Corporations Act (CBCA) to permit the incorporation of, or conversion of, existing CBCA corporations to a new kind of specialized business corporation, the 'benefit corporation.' For those corporations with a specific mission and/or just social values, provide a corporate structure that utilizes the existing corporate legislation and adds provisions for "purpose, accountability and transparency." This will promote CSR (Corporate Social Responsibility) objectives and provide protection to shareholders, investors, and Directors.
- **Promote Co-operative and Social Enterprises.** Social enterprises, and particularly co-operatives, have proven to be effective in addressing poverty by providing quality employment and meeting important community needs that have been ignored due to market failure. Cooperatives provide a community-based economic response to local conditions that provide social as well as economic benefits. The Canadian Poverty Institute urges the federal government to develop a Cooperative and Social Enterprise strategy that would provide education, technical assistance and funding to grow and support a thriving social enterprise and cooperative sector in Canada.

### 3.3 Civil Society

Civil society has long been one of the most important contributors to poverty prevention and alleviation in Canada. Through the actions of faith communities, non-profit organizations and community associations, the social fabric of Canada has been strengthened, providing resilience to individuals, families and communities and providing a safety net in times of crisis. Accordingly, the non-profit and charitable sector will be an important partner in the development and implementation of a Canadian Poverty Reduction Strategy.

In addition to providing important social supports for individuals, families and communities, civil society also fulfills other unique roles in its duty to fulfill the progressive realization of human rights. Of particular importance is the role of civil society in providing a voice for people living in or at risk of poverty. As such, civil society organizations can assist the government in the development and implementation of effective policies and strategies through advocacy work. This not only enhances the effectiveness of policies and programs, it also strengthens the democratic fabric of Canada. Accordingly, the Canadian Poverty Institute recommends that the federal government work to support and strengthen the role of civil society in the policy process through the following actions.

- **Include the Voice of Lived Experience.** The development and implementation of a Canadian Poverty Reduction Strategy must include the participation and perspective of persons currently living in poverty. This will require active support to participation including financial and training support.
- **Support Civil Society Advocacy.** The value of civil society advocacy efforts as an integral part of the policy and strategy development process should be recognized. Specific strategies to support civil society advocacy include:
  - *Re-establish the National Council on Welfare* as an important source of research, information and policy advice.
  - *Amend the Income Tax Act* to allow non-profit organizations to engage in advocacy work.
  - *Restore the Court Challenges Program* to enable low income and marginalized populations to access the justice system to realize their economic, social and cultural rights.

### 3.4 Individuals

While we believe that individuals are the bearers of important economic, social and cultural rights, we also hold that individuals bear accompanying responsibilities. Individual responsibility for their social and economic security is an important aspect of poverty reduction and prevention. At the same time, we recognize that people often experience significant barriers to achieving social and economic security on their own. Removing such barriers will be an integral part of a Canadian Poverty Reduction Strategy, along with providing important social and economic support when people are unable to achieve social and economic security. Recognizing that individuals do not exist in isolation but in the context of communities and systems, we believe that the focus of a poverty reduction strategy should be on the promotion of *inter-dependence* rather than *independence*. Accordingly, individual inter-dependence should be pursued through a variety of strategies including:

- Support for caregivers
- Enhanced income supports (See recommendations in Section 2.2i)
- Support for education and training (See recommendations in Section 2.2ii)

## 4. Measurement

As we believe that poverty is a multi-dimensional condition that reflects not only material but also social and spiritual dimensions, a more robust measure of poverty is required. Current absolute and relative poverty measures, such as the Low-Income Cutoff (LICO), the Low Income Measure (LIM) and the Market Basket Measure (MBM) are all materially based. What is required is a measure of poverty that includes non-material aspects. Over the past two decades, significant work in operationalizing more robust definitions has taken place, particularly with the development of various deprivation indices. The Canadian Poverty Institute urges the federal government to pursue the development of a multi-dimensional definition of poverty accompanied by a program of indicator development to enable the establishment of benchmarks, targets and progress indicators. We further recommend that such development be undertaken in collaboration with the national Community Data Program and related networks of government, academic and civil society stakeholders.

Secondly, the Canadian Poverty Institute recommends the development of a low-income consumer price index. The assessment of the impact of economic conditions on Canadians typically includes reference to inflation as calculated by the Consumer Price Index. The Consumer Price Index is used for various purposes, including the recalibration of benefits that are indexed to inflation. Given the differential spending patterns of low-income households, changes in the Consumer Price Index may not reflect the actual changes in the prices of goods and services purchased by those in low-income. Reductions in high-cost durable goods, for example, may offset increases in basic needs like such as food or housing to suggest modest inflationary impact. Low-income households, however, may not benefit from reductions in the cost of luxury goods and the real rate of inflation may consequently be significantly higher for such households. The Canadian Poverty Institute recommends that a low-income price index be developed to reflect changes in prices for low-income households and that this measure be used to adjust benefits which are indexed to the cost of living.

## 5. Conclusion and Summary of Recommendations

The Canadian Poverty Institute understands poverty to be a complex and multi-dimensional condition, including material, social and spiritual aspects. Accordingly, we support the development of a Canadian Poverty Reduction Strategy that reflects this multi-dimensional reality and seeks to address the vulnerabilities that underlie each. This strategy should be grounded in human rights as a vehicle for Canada to fulfil its obligations for the progressive realization of the economic, social and cultural rights of all Canadians. In keeping with our understanding of poverty and our international human rights obligations, an effective poverty reduction strategy must be:

- a. **Rights-based** in accordance with the International Covenant on Economic, Social and Cultural Rights.
- b. **Universal**, based on the acknowledgement of our universal human vulnerability.
- c. **Inclusionary** in design and implementation, with social inclusion as an explicit goal.
- d. **Holistic**, responding to the material, social and spiritual dimensions of poverty and respecting the principle of the indivisibility of rights.
- e. **Horizontally integrated**, taking a whole of government approach.
- f. Designed to promote human **dignity**, based on principles of **trust**.
- g. **Fair**, based on principles of transparency and accountability and the right of appeal.

To that end, the Canadian Poverty Institute makes the following recommendations to the federal government as it prepares a strategy for the eradication of poverty in Canada.

- **Develop and adopt a multi-dimensional definition of poverty** that is grounded in human rights along with an accompanying program of indicator development to enable the establishment of benchmarks, targets and progress indicators.
- **Ensure an integrated holistic approach.** Due to the complex nature of poverty, an integrated approach to poverty reduction is required that addresses structural causes rather than symptoms and works across government rather than in Departmental siloes.

- **Work in partnership.** The design and implementation of a Canadian Poverty Reduction Strategy must be flexible to respond to local conditions, working in partnership with other orders of government, First Nations, civil society organizations, the business community and persons experiencing poverty. Accordingly, multi-sectoral planning tables should be established to coordinate local poverty reduction strategy development and implementation.
- **Include the Voice of Lived Experience.** The development and implementation of a Canadian Poverty Reduction Strategy must include the participation and perspective of persons currently living in poverty. This will require active support to identify and create the conditions that will enable such participation including financial and training support.
- **Support Civil Society Advocacy.** The value of civil society advocacy efforts as an integral part of the policy and strategy development process should be recognized. Specific strategies to support civil society advocacy include re-establishing the National Council on Welfare, amending the Income Tax Act to allow charitable organizations to engage in advocacy work, and restoring the Court Challenges Program.
- **Canada Social Transfer.** Split the Canada Social Transfer to establish a Canada Education Transfer; that investment through the Education Transfer be increased to levels similar to those previously provided under the Canada Assistance Plan; and that conditions be established for the Canada Education Transfer that would provide reasonable limits on tuition.
- **Restore national standards.** With the elimination of the Canada Assistance Plan, the ability of the federal government to ensure consistency of social assistance benefits was compromised. We urge the government to consider reasserting key principles into funding agreements, specifically the proposed Canada Social Transfer, in accordance with the recommendations of the UN Committee on Economic, Social and Cultural Rights. This should be done in partnership with other orders of government, First Nations, civil society organizations, the business community and persons experiencing poverty.
- **Re-invest in critical social infrastructure.** Investments are required in critical social infrastructure including housing, access to prescription drugs, childcare, and seniors income supports, ensuring that benefits are sufficient to provide an adequate standard of living.
- **Increase Employment Insurance** coverage by reviewing restrictive eligibility criteria, particularly to ensure adequate coverage for those in precarious employment. Benefit levels must be reviewed to ensure that Employment Insurance provides a minimum sufficient level of replacement income.
- **Education and Training.** Adopt the recommendation of the United Nations Committee on Economic, Social and Cultural Rights to “increase the budget allocated to (the) publicly funded post-secondary education system, with a view to facilitating access to higher education to everyone regardless of their socioeconomic or ethnic background.”
- **International Qualifications Recognition.** Continue to work with provincial governments and regulatory agencies to ensure that international qualifications are fairly assessed and appropriately recognized, and encourage the Provinces to develop legislation similar to the Ontario Fair Access to Regulated Professions and Compulsory Trades Act.
- **National Childcare Program.** In collaboration with the provinces and territories, develop and implement a comprehensive plan for a national affordable high-quality, universal and publicly funded early-childhood education and care program for children 0 – 12.
- **Diversity and Inclusion.** Pursue strategies to combat racism, discrimination, colonialism and gender inequality and proactively support the inclusion of diverse populations in our political, economic and social life. Intensify efforts to eliminate gender role stereotypes and prejudices, including through awareness-raising campaigns.
- **Indigenous Peoples.** Increase federal and provincial funding to indigenous people and develop a coordinated approach to implementing indigenous peoples’ rights in all jurisdictions, including funding for the preservation of indigenous languages.

- **Right to Housing.** Ensure that the national housing strategy under development is grounded in a human rights framework.
- **The Right to Housing and Social Assistance.** Amend funding to the Provinces through the proposed Canada Social Transfer to establish conditions that would ensure housing allowances available through provincial social assistance programs are sufficient to enable people to realize their right to housing.
- **Cooperative Housing.** Continue and increase support for Cooperative housing as an important component of a national housing strategy;
- **Inclusionary Zoning.** Work in partnership with the Provinces to support and encourage the enactment of enabling legislation to permit inclusionary zoning to require private sector investment in affordable housing; and,
- **Energy Poverty.** Work with Provinces and Territories to develop an energy poverty strategy in recognition of the growing burden of rising energy and utility costs on low-income households, particularly in the face of climate change and climate action strategies such as carbon pricing.
- **Right to Food.** Adopt a rights-based approach to the food security strategy currently under development.
- **The Right to Food and Social Assistance.** Work to restore national standards for social assistance that would guarantee that social assistance rates are adequate for a nutritious diet in all jurisdictions.
- **Access to Justice.** Continue to work to address access to justice for federal matters and to work with provinces to address access to justice in provincial matters. In particular, we urge the federal government to continue to support the work of the national Action Committee on Access to Justice in Civil and Family Matters and to facilitate the implementation of its recommendations. Further, we urge the federal government to establish a similar national action committee to address matters of access to justice for criminal matters.
- **Place-based Approaches.** Support research and promote adoption of best practices in urban renewal and place-based poverty reduction, including the establishment of community hubs as well as local tendering practices that support local vulnerable populations through employment or procurement.
- **Low Income Transit.** Provide funding support for low-income transit programs to facilitate the implementation of subsidized transit for low-income individuals.
- **Corporate Social Responsibility Tax Structure.** Institute a corporate tax structure that recognizes the costs to society of low-wage and precarious employment by establishing a higher corporate tax rate for companies that rely on low-wage and precarious employment, and lower rates for companies that provide decent work.
- **Recognize Public Benefit Corporations.** Enable the development of Public benefit corporations (PBCs) by amending the Canada Business Corporations Act (CBCA) to permit the incorporation of, or conversion of, existing CBCA corporations to a new kind of specialized business corporation, the ‘benefit corporation’.
- **Promote Co-operative and Social Enterprises.** Develop a Cooperative and Social Enterprise strategy that would provide education, technical assistance and funding to grow and support a thriving social enterprise and cooperative sector in Canada
- **Low-income Price Index.** Develop a low-income price index to reflect changes in prices for low-income households to be used to adjust benefits which are indexed to the cost of living.



## The Canadian Poverty Institute

This brief has been prepared and submitted by the Canadian Poverty Institute. The Canadian Poverty Institute is an inter-disciplinary research and training institute based at Ambrose University in Calgary, Alberta. The Institute works with non-profit organizations, churches and government to provide opportunities for scholars, non-profit organizations and students to learn and research areas of community concern and to seek solutions. Established in 2014, it is the only national academic institute dedicated to the elimination of poverty in Canada.

The vision of the Canadian Poverty Institute is “A compassionate and just society where the material, social and spiritual gifts and needs of all people are realized.” The mission of the Canadian Poverty Institute is to contribute to the eradication of poverty in Canada through teaching, research and public education that informs policy and enhances practice. The Canadian Poverty Institute is grounded in the Christian tradition of extending compassion while seeking justice and reconciliation for the marginalized and oppressed.

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