

Canadian Association of Social Workers

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

The Canadian Association of Social Workers (CASW) is committed to reducing the growing income inequality gap in Canada. CASW is seriously concerned that legislation and policies recently adopted by the Government of Canada are contrary to this objective; most notably the raising of eligibility for Old Age Security from 65 to 67 as well as the unprecedented cuts to the Interim Refugee Health Program. CASW deems the current situation of federal restraint as an overstated crisis. Specifically, tax expenditures implemented by the federal government since 2006 will result in estimated foregone revenues of \$220 billion between 2007 and 2013. Of that, \$60 billion in tax savings go to Canadian corporations. In choosing to maintain the scheduled corporate tax cuts, the federal government has clearly chosen failed trickle-down economics over substantive investments to support the equality of opportunity for all Canadians. The impact of reduced federal spending can be seen in many places that directly impact on the preparation of the workforce for sustained economic growth. For example, in the late 1970s funding from senior levels of government typically covered 80% of the operating budget of a university or college in Canada. Today, such funding typically covers just 50% of a university or college's operating budget. The administrative mechanism used by the federal government to deliver funds to colleges and universities, the Canada Social Transfer, has very few stipulations to govern how these funds flow. CASW supports the Canadian Federation of Students in their call for an increase of funding for post-secondary education, as well as a Post-Secondary Education Act. Under the Act, provinces would be governed by strict conditions on how to use federal funding designated for post-secondary education. CASW also strongly recommends that the federal government again assume a leadership role in support of health services and delivery to ensure the sustainability of publicly funded healthcare as well as developing accountability to the billions transferred to the provinces and territories in support of social services via the Canada Social Transfer. CASW strongly advocates investing in an evidenced based national plan to reduce poverty framed in progressive social policy principles.

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

The government has taken useful initiatives in recent budgets and economic plans to increase employment and job creation through apprenticeship tax credits, foreign credential recognition and targeted initiatives for older workers. CASW recommends three additional areas where new initiatives can be undertaken through incentives to lure back or retain manufacturing; local development partnerships; and jobs for youth through technology education. Manufacturing sectors in Ontario and Quebec have been particularly hard hit by globalization due in large measure to low wages in developing countries and, until recently, low energy costs for transportation. The latter preconditions, however, are beginning to change and some manufacturers, particularly in the technology sector, are relocating

to, or remaining in, North America. The United States is currently promoting initiatives to attract those manufacturers to that country. Canada needs to do the same. Local development job creation initiatives are already supported, to some degree, through hiring credit for small businesses. Less attention, however, has been directed at the potential of social partnerships with NGOs and non-profits, which have an intimate knowledge of the employment challenges within local communities. One area where the government could undertake job creation initiatives with local non-profits is the production of affordable housing. The need is well recognized. The non-profits have an established track record. Project development can be linked to other employment strategies and apprenticeship programs. Finance capital, in the form of loans, is required. Linking youth employment strategies more closely with technological education also has potential for job creation. Youth take the new technologies for granted. They are an integral part of their lives. In spite of this hands-on experience, however, many youth, particularly at the secondary school level and in rural areas, drop out of traditional schools where standard academic expectations prevail. Funding technologically oriented pilot projects targeted at youth in secondary schools would help to enhance technical skills, retain student interest, link to apprenticeship programs, and prepare interested youth for college and university level technological fields of study.

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

The Canadian Association of Social Workers (CASW) strongly recommends a reversal of the gradual increase of the eligibility to OAS from 65 to 67 and an investment of an additional \$400 million on top of the \$300 million per year committed in Budget 2011-12 in support of for seniors solely reliant on Old Age Security (OAS) and Guaranteed Income Supplement (GIS). For senior women, the OAS program is a far more important source of income than for men. In 2008, fully 52.6% of the income of senior women came from government transfers compared to 37.5% for men while 30% of senior women's income came from the Old Age Security program compared to 16.9% for men. Because of the high level of dependency on income transfers from government, low income senior women will be disproportionately affected by the change in the age eligibility for the OAS program. Many women currently aged 60 or older, who depend on OAS/GIS or the Allowance, probably did not work outside the home for significant periods of time, so they were not able to build up private pension incomes in their own names. And if they did work outside the home, they were more likely than men to be employed in low paying jobs. For many low income women, now and in the future, receipt of old age security benefits is the first time they will have a stable income which brings them close to, or above, the low income cut-off. For some, it is actually an improvement in their standard of living. Also, the option to work for pay is frequently not an option for women who are forced to retire early to care for an older or disabled family member. Despite these differences in employment history and family responsibility, women are now being told that they must wait two more years to qualify either for OAS/GIS or the Allowance. Instead of receiving social benefits which provide dignity and respect at 60 or 65, they are being told they must wait two more years, continue working in precarious jobs or go on provincial welfare schemes.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

The Canadian Association of Social Workers (CASW) commends the Government of Canada on the delivery of a national mental health strategy and now seeks federal financial commitment to see its recommendations realized into action to increase productivity in Canada. With national leadership and provincial partnerships it is possible to implement a coordinated national strategy for mental illness and mental health in Canada. At least one in five Canadians each year will be affected by a mental illness and it is estimated to cost the Canadian economy \$51 billion dollars annually. Young adults in their prime working years are also among the hardest hit by mental health problems and illnesses. CASW considers that the federal government has a crucial role to play when it comes to funding health and health care beyond the unilaterally announced 6% annual increase in the Canadian Health Transfer and 3% annual increase in the Canada Social until the 2016-17 fiscal years. Consequently CASW supports the following solutions grounded in the recommendations of the governments own national mental health strategy for Canada. 1) Increase the proportion of health spending that is devoted to mental health from seven to nine per cent over 10 years. 2) Increase the proportion of social spending that is devoted to mental health by two percentage points from current levels. 3) Set up an innovation fund to assist provinces and territories in developing a sustainable mental health infrastructure across Canada. The fund should be proportionate to the burden of illness in Canada. The fund could for example, be used by the provinces to expand the role of primary health care in meeting mental health needs, set standards for wait times for community mental health services for people of all ages and improve access to necessary mental health services. 4) The five key principles of the Canada Health Act (universal, comprehensive, accessible, portable, publicly administered) be applied fully and formally to mental health services across Canada. They are critical to achieving equity between mental health and general health services

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

The government has done little, to date, to develop job creation through energy efficiency and a green economy. The government's current focus on energy as a commodity for development and export needs to be offset by greater attention to energy efficiency and energy technology. First and foremost, CASW believes that sustainability, as a goal, has to be built into the exploitation of commodities. Canada is fortunate in having large quantities of energy and other commodities but they are not inexhaustible. Other countries, like Korea and China, are moving ahead of Canada in developing a national plan, and a targeted allocation of funds, for green growth through the development of renewable energy, clean technology and water. Another challenge that continues to face Canada is the renewal of public infrastructure. Since 2007, significant amounts of money have been allocated to the improvement of highways, roads and bridges but less to rail and mass transport, which would help to reduce energy consumption. The government claims that support for infrastructure will continue beyond 2014 but it is less clear whether that commitment will be tied to targets to reduce fossil fuel consumption. The next federal budget can move in that direction. A concrete step the government can take to engage Canadians in developing energy efficiency and renewable energy is through green bonds. Some European countries have moved in that direction. Like the Canada Savings Bonds, green bonds cannot succeed without a government guarantee in case of default. Like company bonds, they can be managed by the private sector and available on a competitive basis, provided the money is loaned for purposes of

developing a green economy. One other way in which the government can promote sustainability is through support to community groups engaged in local food production and distribution. The growing forward framework agreement provides support for the development of major agricultural sectors in different regions. It does little for small scale food producers who serve local markets. The encouragement of experimentation through pilot projects would provide incentives to local producers and consumers to develop and improve sustainable production.