

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

First Call BC Child and Youth Advocacy Coalition

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?

First Call: BC Child and Youth Advocacy Coalition is a coalition of 90 partner organizations with a shared belief that children and youth should have “first call” on our nation’s resources. We are committed to the achieving the following 4 Keys to Success for BC’s children and youth: • A strong commitment to early childhood development • Support in transitions from childhood to youth to adulthood • Increased economic equality • Safe and caring communities Our first recommendation as to measures needed to achieve sustained economic recovery is to place a high priority on increasing Canada’s annual investments in early childhood care and learning from our current 0.25% of GDP to the recommended UNICEF benchmark of 1% of GDP. Focused investments in children’s healthy growth and development form the foundation of any society’s social and economic sustainability. We recommend investments in a national, publicly-funded child care strategy that would improve quality, access and affordability for young families and in an increase to the full Canada Child Tax Benefit to \$5,400, indexed to inflation. These are two elements required in a national poverty elimination plan, a plan promised in the unanimous House of Commons resolution in November 2009 to develop an immediate plan to eliminate poverty in Canada for all. We remind the Committee as well of the 1989 all-party resolution to eliminate child poverty by the year 2000. The 2013 federal budget must act on these commitments. Further, we recommend that the federal government take a much more proactive and evidence-based role in protecting our land, air, water and food supply for the health of future generations. This will contribute to reductions in levels of chronic disease and the resulting rise in health care costs. Children’s health is compromised over their life course by our failure to provide them with a clean, healthy environment, including nutritious, uncontaminated food.

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?

First Call recommends the federal government focus on shoring up the tattered social services infrastructure in Canada, where too few people are employed in essential caring occupations, such as early childhood care and education, seniors home care and support, support for children and youth with disabilities, and the field of mental health and addictions. These types of jobs are not subject to international competition, as they cannot be outsourced to low wage jurisdictions. Job creation in these areas through increased and stable federal investments, will meet real social and health needs, generate tax revenue back to government and spending in local economies, and be less costly than dealing with crises arising from failing to act preventatively. It will also reduce the burden of care on family members who are in the work force, reducing stress-related illness and work absences. In line with our earlier recommendation on better environmental protection, we suggest government explore ways to support job creation in renewable, clean energy and technologies, environmental stewardship, and local food

production.

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?

First Call would like to see the federal budget address the issue of skills shortages with increased public investments in post-secondary education and training for young people. This is necessary to open up post-secondary options to those with financial barriers and reduce the horrendous load of debt students are incurring in order to obtain education and skills training required for current and future jobs. Similarly, investments in early literacy and other supports for populations of children and youth who are at risk of early school leaving or school failure would be money well spent to maximize the potential of all of Canada's young people. It would have the added effect of reducing justice system costs, as low literacy is a known risk factor for criminal involvement and incarceration.

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?

As Joseph Stiglitz, former chief economist of the World Bank and Nobel prize winner in economics noted recently, the issue of growing inequality must be addressed in order to stimulate productivity and other indicators of a healthy economy. In his words, "Even supply-side economists, who emphasize the importance of increasing productivity, should understand the benefits of attacking inequality." (Los Angeles Times, July 22, 2012) Stiglitz goes on to say, "Public investments are of particular importance today; they increase demand in the short run and productivity in the medium to long term. Increasing public investment would help make up for continued weakness in the private sector. Investments in training for new jobs could facilitate the economy's structural transformation, helping it move from sectors with declining employment (like manufacturing) to more dynamic sectors. Strengthening education would help restore the American dream and help make the country once again a land of opportunity where the talents of our young people are fully utilized." Good advice for Canada as well. Again, First Call recommends that the federal budget contain specific measures to focus spending and re-design federal tax policy with the aim of reversing the growth of income inequality in Canada.

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?

Too many young Canadian families are burdened by debt and are faced with paying exorbitant child care and housing costs. At the same time too many of them are working but earning less than a living wage, in jobs without benefits. The federal government needs to ensure all young families, regardless of their employment situation, are entitled to parental benefits up to 18 months after the birth or adoption of a child. When they are ready to enter or re-enter the workforce, they need affordable quality child care, another area requiring substantial federal investment. Many Aboriginal families and communities are still recovering from legacy of residential schools and other trauma inflicted by colonialism in the past and present. We have a duty as a country to address the huge inequities that have been created in health, economic security and other indicators of well-being through increased investments in child welfare, education and health services and other supports for Aboriginal communities both on and off

reserve. The federal government should stop wasting money fighting the human rights complaint about inequitable funding for child protection services brought by the First Nations Child and Family Caring Society and the Assembly of First Nations, and get to work fixing the problem. Immigrant and refugee populations are another group who face particular challenges obtaining appropriate employment. The federal budget must continue to properly fund settlement services across the country, including access to necessary language training, and support efforts to improve credential recognition and access to employment commensurate with newcomers' skills. Good employers who want to pay living wages are challenged to compete with employers who pay poverty-level wages, who keep employees on part-time with no benefits and otherwise exploit their workers. The government should ensure federal funds are not used to subsidize employers who engage in these practices. Young workers, newcomers and temporary foreign workers are particularly vulnerable to this type of exploitation.