

**Brief to the Standing Committee on Human Resources, Skills and Social
Development, and the Status of Persons with Disabilities
Study of Poverty Reduction Strategies
March, 2017**

from the

PEI Working Group for a Livable Income

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Poverty is not natural. We created it. It can be overcome by the actions of human beings. (Nelson Mandela)
When people are hungry it is not food that is lacking; it is social justice. (Anon)

1. Introduction

This brief has been prepared by the PEI Working Group for a Livable Income (WGLI) for the current study of poverty reduction strategies by the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities. The PEI WGLI is a non-governmental grassroots network of ten community-based organizations and individuals formed in 2002 to address the ongoing roots of poverty in PEI. As part of this work we have a long-term goal of establishing a system of guaranteed livable income for all Islanders. This brief provides our recommendations for reducing poverty.

Reducing poverty has been an important health policy goal for the past several decades. Income security programs such as Old Age Security and Guaranteed Income Supplement have been important and successful tools for reducing the number of seniors living in poverty, while the Canada Child Benefit is expected to lift 300,000 children out of poverty in 2017 (Government of Canada, 2016c). Despite these advancements, about one in ten Canadians still lives in poverty and 6% live in persistent poverty (Government of Canada, 2016a; Statistics Canada, 2016). Certain populations are more likely to live in low income including singles aged 45-64 (30%), single parents (24%), individuals with disabilities (23%), recent immigrants (20%), and Indigenous people (19%) (Government of Canada, 2016b). In addition, about 28% of unattached women, 16% of unattached women over 65, and 23% of children living in female lone-parent families are living below the low-income cut-off (Statistics Canada, 2013).

2. Multi-dimensional Approach

Now more than ever, immediate and concerted action is needed by individuals, communities, and all levels of government to develop and implement a comprehensive, integrated approach that addresses the multiple dimensions of poverty (for example, income, health, employment, education, housing, food security, and social/democratic participation).

- 3-4% of Canadians are considered “working poor” (Government of Canada, 2016). About 70% of Canadians living in poverty are considered “working poor” (Living Wage Canada, 2015).
- About 12% of households in Canada and 15.1% in PEI are experiencing food insecurity (Tarasuk, Mitchell, & Dachner, 2016). In PEI this represents 8700 households. About 22% of PEI children are living in food insecure households. Those who rely on government benefit programs such as EI or income support benefits are more likely to experience food insecurity (Roshanafshar & Hawkins, 2015).
- Use of food banks has risen over 27% in Canada and about 17% in PEI from 2008 to 2016. About one third of food bank users are children (Food Banks Canada, 2016).
- Total welfare incomes for single employable people and persons with a disability in PEI in 2014 were below low-income cutoffs: that is, 45% and 59% of after-tax low income cut-offs (LICO) (Tweddle, Battle, Toriman, 2015) (total welfare incomes include social assistance, federal/provincial/territorial child benefits and tax credits).

- Minimum wages range from \$10.72 to \$13.60 an hour in Canada (\$11.25 in PEI as of April 1, 2017) and are vastly inadequate to meet basic needs. A recent Statistics Canada report examining trends in minimum wage reported that the minimum wage was around \$10 in all provinces in 2013 and in constant dollars, this rate was similar to the rate observed in the late 1970s. In 2013 (as in 1997), youth, women and persons with a low level of education were the groups most likely to be paid at minimum wage. Between 1997 and 2013, the proportion of employees paid at minimum wage went up, from 5.0% to 6.7% (Galarneau & Fecteau, 2014)
- People living in low income are more likely to have poor health, have poorer access to health services such as access to drugs and mental health services, experience more unmet needs, and use more acute care services (Campbell, King-Shier et al., 2015; Government of Canada, 2016a; Busby and Bloomquist, 2016; CHO Report, 2016). The Chief Health Officer Report in PEI (2016) reported that health inequity in PEI can be addressed through the redistribution of societal resources to improve the social determinants of health, particularly for disadvantaged groups, to enable individuals to increase control over, and to improve their health.
- About 12% of Canadians ages 25 to 64 (2011 data) have no certificate, diploma or degree (PEI-14%) (Statistics Canada, 2015a). Yet, 70% of all new jobs will require post secondary education (Canadian Labour Congress, 2016).
- The absolute numbers of individuals experiencing precarious work in Canada has grown over the past 20 years (that is, non-standard work and includes part-time, temporary, contract). From 1997 to 2015, full-time temporary work grew by 56 percent, and part-time employment increased by 30 percent (Busby & Muthukumaran, 2016). Individuals with precarious work generally experience lower wages, employment instability and income uncertainty, and have fewer health and pension benefits (Canadian Labour Congress, 2016). Islanders working in precarious work are less likely than those working in full-time jobs to report excellent or very good health (CHO, 2016).
- Although there have been improvements made over the past two decades, for employees aged 20 to 64 years, the incidence of low-wage jobs in 2014 was 27.6% in Canada compared to about 33% for PEI (Thomas, 2016).
- The percent of employees with a registered pension plan through their job in Canada declined from about 46% in 1977 to about 38% in 2011 (Drolet & Moreisetter, 2014).

3. Recommendations

We commend the Federal Government on the initiative to develop a National Poverty Strategy and on recent initiatives and new investments into the development of a National Housing Strategy and homelessness initiatives.

We offer the following recommendations for the development of a National Poverty Strategy:

1. Ensure that the National Poverty Reduction Strategy is grounded in human rights within a lens of dignity and respect.

2. Ensure diverse stakeholder engagement and a strategy that focuses on the multiple dimensions of poverty.
3. Consider working with all levels of government and community to design and evaluate Basic Income Guarantee pilot projects/models in Canada to assess the health, social, and economic impacts of these approaches on poverty. Evaluate a variety of designs/models that would vary in terms of the populations, basic income guarantee level, and tax-back rate. Previous studies have shown that guaranteed income programs have positive educational and health outcomes (Forget, 2011). Basic income guarantee models can be important and even necessary in future for supporting individuals with precarious work, addressing the impacts of technology and automation on future jobs, and encouraging entrepreneurship and uptake of education and training (Forget et al., 2016; Musk, 2017). Basic income guarantee can streamline income security programs to ensure a decent standard of living and remove red tape, rules, regulations and restrictive eligibility criteria.
4. Consider Prince Edward Island as a pilot site for evaluating a basic income guarantee model. We support a negative income tax approach that supports low-income individuals unconditionally regardless of personal or employment circumstances. Significant efforts have taken place over the past few years to increase awareness of and advocate for a basic income guarantee pilot Prince Edward Island:
 - A working committee was established in 2013 to address the root causes of poverty by advocating for a basic income guarantee pilot in PEI.
 - Public consultations have been held with Islanders, revealing grassroots knowledge and understanding of basic income and a public appetite for a province-wide pilot or demonstration project.
 - Principles have been developed to guide the implementation of a BIG pilot.
 - Meetings have been held with senior levels of government to advocate for a BIG pilot.
 - A motion was put forward by the PEI Green Party Leader Peter Bevan Baker in the Legislative Assembly of PEI to “urge government to pursue a partnership with the federal government for the establishment of a universal basic income pilot project in Prince Edward Island.” The motion received unanimous support. Several MLAs from each party spoke in its favour, their comments revealing their acute awareness of the extent and the impacts of poverty in PEI, and their desire to find a solution.
 - We are a small province that is conducive to research and timely implementation of such a pilot study
5. Implement policies and programs most likely to assist those populations most at risk. (that is, single individuals ages 45-64, single parents, people with disabilities) and also increase investments in current income security programs that have been successful in lifting Canadians out of poverty. It is our view that a basic income guarantee could effectively meet both these goals. For example, although only about 4% of seniors overall lived in low income in 2014, 11.3 % of single seniors still lived in low income (Statistics Canada, 2016a); basic income guarantee designed to increase current benefits and also to assist populations most at risk would help both these figures.

6. Ensure policies and programs that aim to assist those in precarious employment to ensure a decent standard of living.
7. In 2009 /10 a previous Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities conducted a similar comprehensive study on poverty reduction, and released their report entitled “Federal Poverty Reduction Plan: Working in Partnership Towards Reducing Poverty in Canada.” The extensive 300-page report included 59 recommendations. It was recommended that the federal government work with the provinces to introduce an action plan for reducing poverty in Canada based on these recommendations. The progress on these recommendations is unclear, but the Committee recommended that the plan be accompanied by a new transfer program (that is, a poverty reduction fund) that could be used to support provincial and territorial initiatives. We support this recommendation and also recommend reviewing the progress from this initial Standing Committee Report in 2010 to identify potential barriers to implementation of a new Poverty Reduction Strategy.
8. Develop and apply national strategies, policies, and programs that affect Canadians’ income or expenses or both and create national strategies to ensure equity across all regions of the country. Especially if basic income guarantee pilots are in place in different regions, Canada will require a strategic focus on areas that affect income and expenses. To make a difference in the lives of families, and especially to support the income of lone parents and of women, a **national childcare program** is needed. Canada needs to develop a **national food strategy**. Food Secure Canada has proposed *A People’s Food Policy for Canada* that we support as a “grassroots response to the crises in our food systems – millions hungry, millions obese, declining numbers of farmers and fishers”. For those who are choosing between medicine and food and compromising their health whichever they choose, a **national pharmacare program**. A **national housing strategy** is critical to ensure that Islanders and all Canadians have access to safe and affordable housing. It is essential that housing strategies and investments are made with a disability lens, sensitive to the needs of Canadians living with physical and intellectual disabilities. The number of people with disabilities who live in low income makes a strong case for **enhanced national supports for people with disabilities**.
9. Continuing to address poverty in the Indigenous population, including on-reserve and off-reserve, ensuring that actions for poverty reduction actions are grounded in the treaties and informed by the Truth and Reconciliation Commission’s calls to action; and also that poverty reduction is part of the analysis in processes such as the National Inquiry into Missing and Murdered Indigenous Women and Girls.

We thank you for the opportunity for input into this process.

The PEI Working Group for a Livable Income

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