

POVERTY AND POVERTY REDUCTION IN CANADA

Excerpt from Justice Ministries' Report adopted by the 2021 General Assembly

Poverty has been a long-time focus for of The Presbyterian Church in Canada. Given the findings of the National Inquiry into Missing and Murdered Women and Girls (detailed above) that poverty contributes to an ongoing genocide targeting Indigenous people in Canada and findings referenced in our section on gun violence (detailed below) that poverty is a significant factor contributing to violence, including gun violence and domestic violence (both of which are examined below) it is important that the issue of poverty reduction and elimination remain among the foci of any group working for social justice and equality.

The vulnerability poverty creates and intensifies has become even more apparent in our current context of a global pandemic. The ongoing challenges of Canadians living in poverty cannot be understated. Living in or in fear of, poverty can leave people feeling powerless and isolated, deeply scarring those who experience it and cutting off access to important supports or opportunities. Experiencing poverty-related issues – such as hunger, homelessness and increased vulnerability to violence – have lasting consequences. As we are seeing today, the impact such consequences can have on the most vulnerable in society, whom Christians are called to serve, is devastating. The church does well to inform itself on such matters and from that careful study speak in the public square.

Canada's First Poverty Reduction Strategy

In August 2018, the Government of Canada released the nation's first poverty reduction strategy, *Opportunity for All: Canada's First Poverty Reduction Strategy*, which can be read online. It set specific overall targets for poverty reduction: using a baseline year of 2015, a 20% reduction by 2020 and a 50% reduction by 2030. *Opportunity for All* also established for the first time an Official Poverty Line – a measure of what constitutes poverty – giving a firm standard for poverty reduction efforts. The measure that was chosen, known as the Market Basket Measure, is calculated regionally based on a set of goods and services including food, clothing, transportation, shelter, personal care items, access to telephone services, entertainment, reading, recreation and school supplies. The *Opportunity for All* explains the Market Basket Measure as follows: “The cost of each item in the basket is directly linked the prices of these items in communities across Canada...[and] reflects poverty thresholds for 50 different regions across the country, including 19 specific communities. Wherever individuals and families are living across the country, if they cannot afford the cost of this basket of goods and services in their particular community, they are considered to be living below Canada's Official Poverty Line – that is, living in poverty.”

While there is always a question about what should be included in that basket (i.e., should access to internet be among the services listed?) using the Market Basket Measure is generally seen as a strong standard for defining a poverty line that truly reflects the cost of living, according to *Opportunity for All*. The strategy acknowledges that different populations face difficulties that may not be the same for everyone and that responses to reducing poverty will have to meet the needs of particular communities; one size does not fit all.

To track progress towards meeting the poverty reduction goals, the strategy states that there will be a “dashboard of indicators” published online and regularly updated, so Canadians will be able to see whether the strategy is working effectively. Lastly, the strategy calls for the founding of a National Advisory Council on Poverty that will advise the government and report on the strategy's progress to Parliament and the public. At the same time, it calls for introducing legislation in the form of a new Poverty Reduction Act, thus establishing poverty reduction as an ongoing priority across future governments. The “dashboard of indicators” was released in July

2019, then updated in February 2020, and can be found at 150.statcan.gc.ca/n1/pub/11-627-m/11-627-m2020018-eng.htm. However, as of February 2021, it has not yet been updated again.

According to the February 2020 “Poverty Dashboard” the number of people in Canada living below the poverty line established by the government fell from 12.1 percent in 2015 to 8.7 percent in 2018. (2018 was the latest numbers available from Statistics Canada at the time of the February 2020 release). That report was released just a few weeks before the COVID-19 pandemic was declared, however. This means our context has shifted dramatically following the release of that report.

We do not yet have exact numbers on how drastically the pandemic and the measures required to contain its devastating spread have impacted poverty and vulnerability in Canada and elsewhere but we know the impact has been significant.²⁰ Those who were vulnerable to economic insecurity before COVID-19 and especially communities of colour and immigrant communities, have been disproportionately impacted by the pandemic.²¹ Additionally, the loss of jobs from businesses who had to close to slow the spread of the disease increased the numbers of economically insecure people. Many still fall through the cracks when there is no program that readily fits their situation. Others are unsure how to navigate the myriad of programs available to see if any fit or live in fear that a change in their circumstances will disqualify them from receiving needed support. The recent attempted claw back of CERB (Canada Emergency Response Benefit) funds from those who were found, months after the fact, to be ineligible based on information about gross vs. net income that was not provided until well after applications for the program were opened is one example of how people who were already vulnerable and economically disadvantaged prior to the pandemic face additional barriers than those who were previously less vulnerable. The individuals who were asked to repay the up to \$14,000 in assistance that they had received through the duration of the program (March 15, 2020 – September 26, 2020) were those who had made less than \$5,000 net in the previous year but did make \$5,000 in gross income.²² Though the government appears to have reversed its position (as of February 9, 2021)²³ and will not seek repayment of those funds from individuals who believed in good faith that they met the criteria, the example highlights some of the additional strain and barriers placed on those on the thin edge of economic insecurity.

It is past time for structural change that addresses the marginalizing forces of socioeconomic inequities and economic injustice. Canada needs a poverty eradication strategy, not merely one aimed at poverty reduction.

What are some possible strategies?

The Presbyterian Church in Canada affirms that the church has a calling to seek justice in the world and that the church’s pursuit of justice requires concern for the poor as well as seeking the best way to create well-being in every society. As we affirm in section 8.4.4 of Living Faith, creating such well-being entails addressing issues such as employment, education and health, as well as rights and responsibilities. As early as 1973, The Presbyterian Church in Canada communicated its support of what was then called a “guaranteed annual income” to the federal government. It also approved of church participation in and funding for an ecumenical body (then called PLURA, which has since become part of the ecumenical group KAIROS) created in part to voice and address the needs of those with low income. (see A&P 1973, p. 274–78, 282, 40)

Statements and actions from the church have been followed, to cite just a few examples, by appeals to the federal and provincial governments during the recession in the early nineties to ensure that efforts directed towards economic recovery should not occur in concert with the

curtailment of social programs and again in 2007, affirming the need for a national strategy with measurable targets and a timeline to reduce poverty in Canada. These affirmations included that the minimum wage should be indexed to the annual cost of living and that there should be the establishment of a national social housing program. Thus The Presbyterian Church in Canada has a decades-long history of advocating for the end of poverty and that all should be able to live with dignity and meet their basic needs.

Raising minimum wage (and in particular indexing it to the annual cost of living) and addressing housing insecurities are important steps toward economic justice. Another strategy that is being raised and has been raised by the church before (in 1973) is that of a Guaranteed Basic Income (GBI). The Government of Canada has also engaged with concepts similar to Guaranteed Basic Income previously: Senators have debated and called for, such steps, in both the 1971 Report of the Special Senate Committee on Poverty and again in 2008 when Senator Hugh Segal called for a guaranteed income to address poverty in Canada. Though there are arguments that instituting a GBI is not feasible due to cost, such arguments do not fully take into account the financial cost of maintaining the status quo. Experiencing income-insecurity related issues such as hunger, homelessness and increased vulnerability to violence often have lasting physical, emotional and relational consequences that are social as well as personal. Studies show that economic instability can contribute to increases in crime, to health problems that add to the cost of health systems and to difficulties in accessing important basic human rights, such as education. All of these outcomes end up costing Canada significantly in terms of providing healthcare, dealing with crime and loss of potential skilled workers who face too many barriers to needed education.

Ensuring that all in Canada have a basic level of income would increase levels of social equity and economic equity. Had a Guaranteed Basic Income been in place before the COVID-19 pandemic hit, we would not be seeing nearly the same level of drastic and alarming economic repercussions and the fear that many will not be able to make rent or afford to eat or that more businesses will close, causing cascading unemployment that further contributes to economic chaos. Justice Ministries intends to continue its research into economic and housing insecurity as well as into possible strategies to resolve them, such as the GBI and present additional recommendations on those issues at the next General Assembly.

Implementing Opportunity for All

Meanwhile, concrete, informed and appropriate action is required for Canada to meet and exceed the goals it has set out in *Opportunity for All*. As the author of the letter of James bluntly wrote, “Suppose a brother or a sister is without clothes and daily food. If one of you says to them, ‘Go in peace; keep warm and well fed,’ but does nothing about their physical needs, what good is it?” (James 2:15–16, NIV). Likewise, the best-intentioned strategy can fall short of what it hopes to accomplish if it is not backed by the necessary resources and will to see it through – even and especially under contexts of heightened uncertainty and insecurity.

“Dignity for All”, a campaign organized by Citizens for Public Justice and Canada Without Poverty, has produced a series of primers that assess key policy areas of *Opportunity for All*.²⁴ These primers are a resource for Canadians to understand the strategy and necessary actions for Canada to follow through on poverty reduction. “Dignity for All” was endorsed by the 2010 General Assembly (A&P 2010, p. 449, 39).

Justice Ministries will continue to monitor the government’s implementation of *Opportunity for All* and report further at future General Assemblies.

Recommendation LMA-016 (adopted, p. 38)

That members of the church be invited to track the government's progress on poverty reduction and meet with or write to their Members of Parliament to affirm the urgent need for effective poverty reduction and eradication measures.

Recommendation LMA-017 (adopted, p. 38)

That members and adherents of congregations be encouraged to learn more about poverty eradication efforts, including through such initiatives as a Guaranteed Basic Income and become involved in their local context to address issues such as housing and economic insecurity.

The full report is found in The Presbyterian Church in Canada's Acts and Proceedings 2021, pp.407-443.