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Chair

Mr. Dean Allison

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• (1115)

[English]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): I call this meeting to order pursuant to Standing Order 108 (2), our study on the federal contribution to reducing poverty in Canada.

We will now begin. I want to apologize for the delay. We had problems with elevators and a bunch of things. We're trying to get our researchers here. But we're going to get started, because you've all been waiting patiently. I want to thank all of you for being here today and taking the time out of your schedules to talk to us about the issues of poverty that we're working on.

Yes, Mr. Savage.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): On a point of order, I'm very anxious to hear the witnesses, but I just want to make sure that we do have time allocated today to deal with motions that are before the committee.

The Chair: Yes, most definitely. Thank you, Mike.

Mr. Quist, we're going to start with you. You're the executive director of the Institute of Marriage and Family Canada. We'll set the clock for ten minutes, and it will go off. We're hoping you'll keep it around that, but if you happen to be a little less or a little more, we're not going to stop you from talking. We'll give you the ten-minute timer, and if you're done before that you won't hear it.

There you go, David. Thank you for being here. The floor is all yours.

Mr. Dave Quist (Executive Director, Institute of Marriage and Family Canada): Terrific. Thanks very much.

Mr. Chair, members of the committee, my thanks to you for the opportunity to appear and add my comments to your ever-growing knowledge base on the issue of poverty.

As you no doubt know already, the issue of poverty in Canada is complex. It involves multiple jurisdictions, circumstances, solutions, and preventive measures. Over the past several decades, respective Canadian governments have spent billions on this issue, yet poverty continues to exist in Canada. I think we all need to ask ourselves the question, why? That's why we're here today.

Collectively, endless administrations at all three levels of government have made attempts to resolve this issue. We have indeed made progress on several fronts, but there are still a number

of families and other individuals who currently live in poverty. As you know, Canada does not have a true definition of poverty. We often use the low-income cut-off, or LICO, or the market basket measure. Frankly, I don't know that those families who are living in poverty really care which measure we use, rather that we are addressing the issue itself.

In recent years, there's been a trend to name child poverty instead of poverty as a pressing social concern. While all poverty, in particular children in poverty, is a tragedy, child poverty would be more aptly named family poverty. Children are, after all, poor only if their family is as well.

We also know that the effects of poverty go beyond mere money and income. Among other sources, Statistics Canada reports that the effects of poverty on children have many detrimental outcomes, including on health—both physical and mental—education, development, and behavioural disorders. There is also a higher probability that as adults, those children will grow up living in poverty as well. Addressing these needs lowers other life barriers as well.

Let me preface my next remarks by recognizing that there are those who will require society's assistance, some more than others. Unfortunately, there are those who are physically or mentally unable to adequately care for themselves.

I believe I am my brother's keeper and that society has an obligation to assist where it must.

The Chair: Mr. Quist, please slow down, just for translation purposes. I know you're trying to get your 20 minutes into 10 minutes.

Mr. Dave Quist: Okay.

So what can be done? In our analysis of poverty, I believe we must consider four distinct issues: first, how to meet the immediate short-term needs of those in poverty; second, how to meet the long-term needs; third, how to minimize the number of people who will fall back into poverty; and finally, how to prevent poverty from occurring in the first place. Each of these factors is interconnected.

In addressing the short-term needs, when individuals, and in particular families, enter poverty, there are several levels of needs that require attention. While not an exclusive list, the immediate needs of safety, food, shelter, clothing, and children's education must be addressed.

It's not clear that these should be strictly the domain of government. One leading agency in the United Kingdom, having done much research and work on the ground with poverty-fighting groups, has determined that these needs are often best served by grassroots communities who know, understand, and are best able to deal with the local needs of those in poverty and facing other social difficulties.

Addressing the long-term needs is not an extension of the short-term solutions. Ensuring that people and families have a way out of poverty must be the next focus. We do no one any favour by maintaining existing barriers such as the welfare wall, tax clawbacks, and an inability to meet education and training needs. Research in the U.K. has clearly shown that family entrenchment in poverty leads to ongoing cyclical poverty for generation after generation.

In order to minimize the return to poverty, one of the biggest impediments that individuals and families face when attempting to move out of poverty is the welfare wall. While on social assistance programs, certain benefits—such as housing, child care, and prescription drugs—are subsidized. As a person attempts to move out of poverty, these benefits are eliminated, thus increasing the financial needs of the individual or the family, and often resulting in a return to the poverty cycle and/or as a disincentive to work.

In recent years, the federal government has recognized this problem. It has moved towards addressing it through the working income tax benefit—the “WITB”, as it's commonly known—which is intended to lower the welfare wall by compensating people for personal high marginal tax rates. Without this, marginal tax rates for some of these individuals may actually be as high as 50% to 70%.

The key to any of this poverty strategy is education. We expect that young people in high school make good, positive decisions for their lives as they continue on to post-secondary education, trade school, vocations, and careers. I believe it is important that we also explain the statistics of social decisions as well—the importance of relationships and the statistical outcomes of broken relationships; the effect of not completing their education in a 21st century world; the long-term consequences of decisions made today, both good and bad. This is not moralizing; this is being honest about the risk of certain outcomes given their respective decisions. Let the numbers speak for themselves and be widely known.

In preventing poverty, one of the byproducts of the steady erosion of the institution of marriage has been the rise of lone-parent families. In short, family structure and stability plays a large role in the eradication of poverty. Strong, stable married parents are less likely to fall into poverty, and their children are less likely to enter poverty themselves as they approach adulthood.

But one element of poverty that I'd like to highlight is the link to lone parenting. Lone-parent families have, I think, the hardest job in the world, be they moms or dads. Social science research agrees that the demographic group with the highest rate of poverty is the lone-parent family.

Since 1987, Statistics Canada has shown female lone-parent families to have disproportionately higher levels of poverty than other family forms. Measured as “the proportion of people living below the low income cutoffs with a given group”, according to

Statistics Canada, children in female lone-parent families have ranged from a 22-year high of 65.7% in 1996 to a low of 32.3% in 2006. While progress has been made to lower poverty levels, in particular in the past ten years, statistics show that almost one third of female lone-parent families continue to live in low income.

For many, a strong, stable marriage is both a defence against entering poverty and the key to exiting it. Our research has confirmed that for unattached women who become single mothers in a given year, the odds for being poor in that year rose 5.8% to over 30%. Conversely, a lone mother who got married in a particular year saw her chances of exiting poverty rise from 29% to 84%. Single motherhood is a reliable predictor of family and child poverty. Reflexively, marriage is an important poverty-fighting institution.

Public officials at all levels have a limited role to play. As mentioned previously, community-based groups often have the best outcomes due to their ability to work with local residents. Public officials need to recognize and support this role.

• (1120)

Furthermore, there is a need to evaluate programs for effectiveness. Rewarding and continuing to fund the organization or voice that is the loudest is not the best way to determine which program should be funded and which ones will not. The problem of poverty is big, it's complex, and it's fraught with competing interests and solutions. We should be looking closely at outcomes and results.

Some positive steps have been taken by the government in the past. I've mentioned the WITB is a step forward in addressing the welfare wall, but it has not yet eliminated it. Continuing to expand this program would make it easier for people to return to the workforce. The elimination of the marriage penalty, tax-free savings accounts, and disability tax credits are all good measures as a part of that process. However, there are several public policy measures that I believe could be taken in order to further support anti-poverty measures.

One of these is family income splitting. In our research, the number one issue that affects families in every single demographic group across the range is finances. Reducing the tax burden on families will greatly assist and control their decision-making within their own family. Several options exist to introduce family income splitting to Canada's tax structure.

The second is married family based taxation. Intact married families fare best in all measurement scales: mental and physical health; personal income; family stabilities; and lower levels of poverty. Government should be rewarding this positive behaviour. We need to create incentives that support family and in turn fight poverty. For many families, the reason they enter poverty is family breakdown. We've made some progress on this front. But while this drop is encouraging, we still have over a third of lone-parent families—specifically mothers—living in low-income situations.

We also need transparency and accountability measures. According to the C.D. Howe Report, "Good Health to All", just released within the last month, no one knows whether or not many of the federal programs are offering good value for money. It is imperative that we determine if we are maximizing, duplicating, or wasting tax dollars on different programs.

We need community-based program delivery. As you recall from the presentation by the Right Honourable Iain Duncan Smith, the U.K. experience has been that the local community, faith, and NGO organizations are best able to deliver services that are tailored specifically to the needs of poverty-stricken individuals and families within their community. I believe this is the key to further improvements for low-income Canadians. Further efforts should take place around this issue. The Centre for Social Justice reports have set a high standard to which we can all look for practical solutions and policy.

In conclusion, family breakdown is expensive. It has a high fiscal and social cost within our society. The dollars are truly staggering. At a time such as this current recession, it's in everyone's best interests to find continued cost savings. I invite you all to come next Wednesday when we release our latest report on the cost of family breakdown. The numbers are truly staggering. More than anything, this process helps to restore hope to those in poverty—hope that they will sooner rather than later move out of poverty permanently. Hope should be our inspiration to achieve the goal of poverty eradication.

Thank you, Mr. Chair.

• (1125)

The Chair: That's good timing, even with the slowed-down version. So thanks, Dave.

We're going to move over to Greg deGroot-Maggetti, who is a poverty advocate from the Mennonite Central Committee of Canada.

Thank you very much, sir, for being here. You've got 10 minutes.

Mr. Greg deGroot-Maggetti (Poverty Advocate, Mennonite Central Committee Canada): Thank you, Mr. Chair and committee members.

The Mennonite Central Committee is very pleased to be able to participate in these hearings. I want to start by acknowledging the role that this committee and its members have played in keeping a focus on the federal government's role in poverty reduction across Canada. Thank you for that work.

My particular position is that of poverty advocate from Mennonite Central Committee Ontario. I'll talk a little bit about that work, but first I'll say that if you're familiar at all with the Mennonite Central Committee, we're probably best known for the work we do overseas

in relief, development, and peacemaking. But MCC does a lot of work across Canada.

In Ontario, for example, we do street ministry with people living on the streets in Toronto. The Circle of Friends program is working with women, helping them to move from the shelter in Kitchener to break the cycle of homelessness and make the move into independent living. We have restorative justice programs. We have the Aboriginal Neighbours programs, where we are working with first nations and aboriginal communities. We have refugee sponsorship in which many, many Mennonite and Brethren congregations sponsor refugees from across the world.

In all of that work, we encounter poverty and people who are marginalized by poverty, so part of my submission this morning comes out of this work that we do on the ground with people who have been marginalized.

This submission also reflects the work we do particularly in Ontario with several different coalitions that are working on poverty issues, like Campaign 2000, which is working on child poverty, the Interfaith Social Assistance Reform Coalition in Ontario, and the 25 in 5 Network for Poverty Reduction.

Our submission also is rooted in our faith conviction, a conviction that we're all called to create a society where all can be included, where every person can enjoy the fullness of life, and where our dignity as persons is truly respected.

What I'd like to talk to you about draws particularly on the work we've been doing in Ontario, where the Ontario government recently brought in a poverty reduction strategy and actually just a couple of weeks ago passed poverty reduction legislation, Bill 152, the Poverty Reduction Act.

My opening comments, I hope, will be very brief. Let me get to the substance of them. What I'd like to do is highlight several elements that I think are key for a strong federal poverty reduction strategy. They relate to human rights, participation, targets and indicators, legislation, and the need for a comprehensive plan of action.

Let me say first that Canada's poverty reduction strategy needs to be integrally linked to the international human rights commitments that Canada has made. These international human rights commitments, particularly with respect to economic, social, and cultural rights, should provide the framework for developing and implementing a pan-Canadian poverty reduction strategy. I won't go into more detail at the moment, but I'd welcome your questions on any and all of these points.

Second, let me talk about participation. The participation of Canadians is really important in the design, implementation, and evaluation of Canada's poverty reduction strategy, particularly for individuals and communities living in poverty. That participation is crucial if we're going to have an effective strategy. This is the same message we brought to the provincial government in Ontario and that we have seen in other jurisdictions in Canada, like Quebec and Newfoundland and Labrador, with their poverty reduction strategies.

Third, a strategy has to include medium-term poverty reduction targets and clear indicators for tracking progress on poverty reduction. Two types of indicators are needed, I would point out. One is policy effort indicators and another is outcome indicators.

Just to give an example, if we're talking about housing, the need to address homelessness, and the need for housing, indicators would be not just the amount of money that's allocated, say, for a national housing strategy, which Canada needs, nor how many units are built or how many people are served. Those would be policy effort indicators, and we need those kinds of indicators to track the success of a poverty reduction strategy, but we also need outcome indicators that show, for instance, how many people are in core housing need and how many people are homeless. The goal of the strategy is not just to build housing or provide service to so many people, but to actually make sure that people's right to adequate, secure housing is met.

So the strategy would need two types of indicators: outcome indicators and policy effort indicators. Also, data on each set of indicators should be disaggregated along geographic and demographic lines.

• (1130)

Again, I'd welcome your questions to flesh that point out a little more.

Fourth, legislation is important. Quebec is the first province in Canada to bring in poverty reduction legislation—An Act to Combat Poverty and Social Exclusion—and Ontario, as I said, has recently brought in the Poverty Reduction Act. Canada's commitment to poverty reduction should also be enshrined in legislation. Again, I could elaborate on that further in questions if you'd like.

Lastly, Canada's poverty reduction strategy should set out a multi-year plan, in collaboration with provinces, territories, first nations, aboriginal organizations, municipalities, and community groups, to achieve sustained and deep reductions in poverty.

In Ontario, when the 25 in 5 Network went out to dozens of communities to gather input for Ontario's consultations on poverty reduction, we found in communities across the province the need for action in three broad areas. First is sustaining employment so that when people work they can live free of poverty. Second is livable incomes, particularly for those who can't work or who can't work full time for a full year, to make sure they can live with dignity at a reasonable standard of living. Third is strong and supportive communities. This relates to a range of programs and services that combine federal and provincial programs and funding with the kind of community programs Mr. Quist talked about. The combination of all three working at all those levels is very important.

I will just reiterate the five points: the poverty reduction strategy needs to be grounded in and integrally linked to Canada's human rights commitments; it must involve participation of people across the country, particularly those most impacted by poverty; it has to include clear targets and indicators for poverty reduction; the strategy should be enshrined in legislation; and the poverty reduction strategy has to include action plans that are renewed every two, three, or four years and updated.

I'll leave it at that, and I will welcome your questions when you have time for questions.

The Chair: Thank you, Greg. Thank you very much.

We're now going to move over to the United Way. We have Émilie Potvin as well as Pierre Métivier. Thank you both for being here today. I understand you're going to split your time, so we'll turn it over to you.

Mrs. Émilie Potvin (Vice-President, Communications, United Way of Canada): Thank you.

Thank you, Mr. Chair, members of the committee, and committee staff.

I would like to begin by thanking you for extending this invitation to United Way/Centraide Canada. We are pleased to be here today to discuss the challenging question of reducing poverty with you this morning, and we look forward to interesting exchanges.

I will begin by talking a little bit about the United Way of Canada, and then Pierre Métivier, the president and CEO of Centraide Québec and Chaudière-Appalaches, will discuss what is being done in his community in terms of fighting poverty.

No doubt, all of you who are at the table know United Way/Centraide. No doubt, as well, all of you know of United Way/Centraide as a fundraiser. What you may not know is that next to government, the United Way/Centraide movement is the largest funder of the voluntary sector and social services in Canada.

Each year, United Ways and Centraides across the country raise upwards of \$480 million, the vast majority of which is reinvested in local communities to support programs and services directed at improving the social conditions of all Canadians. Every day, Canada's 119 United Ways and Centraides work locally to change living conditions for the better. The issues they face may vary, but the values and purpose of all these United Ways are the same: to strengthen their communities and to improve the quality of life for Canadians. The movement employs approximately 900 staff and engages over 200,000 volunteers in various capacities.

In 2003, the United Way/Centraide movement approved a new mission, and I want to draw your attention to that new mission because I think it's fundamental to the study you're doing right now. Our new mission launched the organization on a profound journey. This transformation is about a fundamental shift from being a very successful umbrella fundraising organization to being a movement focused on community impact. We are often asked what community impact is. What does it mean, and how is it different from what we used to do?

Fundraising is one strategy in support of our new mission. Who we are is about making lasting changes in communities. Community impact is about achieving meaningful, long-term improvements to the quality of life in Canadian communities by not just addressing the symptoms of problems but by getting at the root causes. It's about making fundamental changes to social conditions in communities.

As a member of a movement committed to community impact, United Ways and Centraides across Canada are working together and with others to build on the collective strength needed for real change to happen.

I will now leave it to Pierre to discuss some of the initiatives that have been put in place to tackle poverty.

• (1135)

[Translation]

Mr. Pierre Métivier (President and CEO, United Way Québec and Chaudière-Appalaches): Good morning. My presentation is in French, obviously. I only have a few minutes to tell you about an important problem and about a lot of things that we have done in our region.

First of all, I would like to quote a few individuals who I think would like to speak to you. They are, first, Susan George, an anglophone writer whose following comments are quoted in a magazine:

The crisis we are going through is of course economic. But it is first of all social, with rising poverty and inequalities [that it will cause and has caused]... Unfortunately, our leaders have gone back to the old methods that will solve nothing fundamentally. If the idea is to stimulate consumption by offering money to those who need it in order to live decently, all right. But distributing it indiscriminately through lower taxes, for example, is not a solution.

The second quotation is from French journalist Hervé Kempf, from the newspaper *Le Monde*. He writes:

The economic crisis also means the end of a material growth-based model that was considered unlimited. We have to rebuild a society where the common good goes before profit. The economy must no longer be an end in itself, but a tool at the service of people. We must change values, replace the market, growth, competition and individualism with solidarity, cooperation and the general interest.

I could cite others. I've simply taken these remarks from a magazine that I had at home. I think a good part of the message is there. I also have a cartoon by Mr. Côté, cartoonist with *Le Soleil*, in Quebec City. You can't see the pictures, but you'll understand very clearly from the text. There are two homeless individuals. One points out to the other how generous people are during the Christmas holidays, and the other tells him to watch out and not eat too much so he doesn't get a stomach ache. The first one answers that won't be a problem since he'll have one year to digest. How do you understand the message? With the picture, the text is more striking.

I want to talk to you about a problem that I think is real. I say "real" because many people try to downplay it or conceal it. Poverty isn't the subject; it's people. Moreover it's those people who should be here today to talk to you about it. I'm going to come back to that.

I'm going to be a bit provocative, but in a very respectful way. At the United Way Québec, we've chosen to make a lot of room for community groups and poor people. In a survey that we conducted, we asked people what the biggest problem was that should be solved in the community. People quickly answered that it was health, education, world peace, taxation and so on. However, when we asked them to choose from a number of problems the one that was in greatest need of being solved in the community, poverty was the number one answer. Twice as many respondents gave that answer as gave health and education. That shows that people are extremely sensitive, but that you have to talk to them about the problem. You have to talk about it in the community and make it a social issue. That's what we are having a lot of trouble doing in our society.

Poverty is often the subject of prejudice. Among other things, it's said that poor people are responsible for their fate. I invite all parliamentarians to put themselves in their position and see whether they would agree to stay there for long. It's said that the gap between rich and poor is growing regularly, and that's a fact, but it's also said that we simply have to create wealth for everything to be resolved. However, the problem isn't to create wealth, but to distribute it. As evidence of that, nothing was resolved in recent years, even though the degree of prosperity was quite high. In short, poor people are ready victims of prejudice.

At the forum of the Canadian Council on Social Development, which was held last week and which certain parliamentarians attended, including Mr. Martin, we talked about the following three points. Poor people are able to speak for themselves. They want to be heard. On that subject, I repeat that I'm not the one who should be here today.

• (1140)

It is the mobilization, solidarity and development of communities that will help these people. It's everyone's business. I'll be coming back to this in a moment.

Lastly, there is access to services, which is complicated in a number of communities. The fewer networks there are, the harder it is to get services. I'm going to talk about that again as well.

These three elements are fundamental, if we want to help people who are in a situation of poverty. In my opinion and that of the people who were in Calgary last week at the forum of the Canadian Council on Social Development, the federal government is absent from these three areas. However, it could play a role in them by, for example, providing access to services. In cooperation with hundreds and thousands of organizations, the United Way Movement is putting in place a 211 reference-information line in many communities. This is a magic way to provide access to services. The poorer you are, the more patient you are, and the less need you have of networks to help you. We must put an effective system in place. Apart from the 911 emergency service, why wouldn't there be a 211 service for community social groups, charities and so on? In Quebec City, Toronto, Winnipeg and Calgary, we're working toward that end, but there is no support from the federal government to put this service in place across Canada. We're doing it with our own resources, thanks to public charity donations. The federal government has a role to play. I'm talking to the government, not to the political parties as such.

Several hundreds of community groups across the country are doing an outstanding job. They are supported by their municipal and provincial governments, but very little by the federal government. We've sensed a lot of reluctance on the government's part to continue funding in the areas of homelessness, literacy and status of women in recent years. That's not a good strategy.

The economic stimulus plan developed by the federal government is based mainly on infrastructure. That's very good, but part of that money could have been invested in community and social groups that combat poverty. The return would have been incredible. We do want you to fund infrastructure, but you can do a lot more with little money.

Combating poverty isn't just helping people; it's also investing in the economy. Business people need a stable environment in order to generate good returns, and poor people or people who are left to their own devices must be helped and supported if we want to establish that kind of environment.

I'll quickly give you an example. In Quebec City, two years ago, the main bridge over the St. Lawrence, the Pierre-Laporte Bridge, was blocked by someone threatening to commit suicide at 6:00 a.m. So the entire economy on both sides of the river was blocked because workers couldn't pass. I was going to a business, the Ultramar refinery. We all arrived late. I had a meeting with members of the management team. They told me to give them the information quickly and that everything was going badly. I told them that my Centraide-United Way message was going to be simple: giving to the United Way means investing in their business. They asked me why. I asked them if they had been operational that morning. They hadn't because someone on the bridge had threatened to commit suicide. If community groups did not exist, there would be one person doing the same thing every week, and their business would stop operating.

The federal government can send out this message: investing in community groups and in the fight against poverty also means investing in the economy. It's a lot more costly to tolerate poverty than to address it. You should acknowledge the problem and try to take action.

My colleague talked about Quebec's poverty legislation. This is a very bold political action that isn't perfect, but that is interesting. Five other provinces are preparing to do the same thing. Twenty-five years after the federal government issued the declaration to limit child poverty, nothing has yet been solved. Regardless of the political party or the economic situation, you should recommend that the government legislate to compel the federal government, regardless of party, to take on-going action.

● (1145)

This goes beyond political partisanship. The fight against poverty requires us to do these kinds of things. Symbols must be spread around our community so that people understand that it's unacceptable. You have a role to play in this regard.

Quebec, like many other provinces, can definitely serve as an example in this area. These are the main messages I wanted to send you this morning. You aren't very much involved in the fight against poverty on a day-to-day basis, with all the community groups. You can play a role. I'm convinced that the provincial governments would be interested in working in cooperation with you. I'm not engaging in politics, and it's not my role to resolve this issue. I simply know that the community groups and poor people have been left to their own devices, and our community is paying the price for that. We need legislation and legislative constraints to compel the government and the governments that succeed it to address this issue.

In closing, I would like to submit three documents prepared in Quebec with people from the community. The title of the first is *Une société en déficit humain. Rapport sur les conséquences sociales de l'appauvrissement* [Report on the social consequences of impoverishment]. I invite you to read it. The second is *Une société qui se tire dans le pied - lettre ouverte aux personnes qui ne se sentent pas concernées par la pauvreté... et à toutes les autres* [A society shooting itself in the foot—open letter to those who do not feel concerned by poverty... and everyone else]. I don't know how the interpreters will translate that. Lastly, the third document, which moreover concerns the social costs of poverty, is entitled *On n'est pas seuls au monde : propos sur la responsabilité sociale et la pauvreté* [We aren't alone in the world: remarks on social responsibility and poverty]. This is a call to social solidarity and commitment.

Thousands of copies of these documents have been distributed throughout our community. The effect has been to rally the public together to find solutions. So I am submitting them here. I invite you to examine them and consider them in your proceedings.

I want to thank you, despite my enthusiasm and passion in this area. I thank you for considering the issue of poverty, and I want to repeat to you that it's the right target. Thank you all very much.

[English]

The Chair: Thank you, Mr. Métivier. I appreciate your presentation.

I realize that while the government, in terms of the cabinet, wasn't there on Thursday, as a member of the government party I was there on Thursday in Calgary and I have the bruises to prove it.

We're going to start the first round with Madame Folco.

You have seven minutes, please.

[Translation]

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Thank you, Mr. Chairman.

Thanks to all four of you.

I would like to answer a question that was not asked clearly. Since all the parties are here, I want to emphasize that the work we are doing here on poverty is a long-term effort involving a lot of branches. The result of this work will be a report containing recommendations that will be tabled not only in the House, but also with the Minister of Human Resources and Skills Development, from whom we expect an answer. I simply wanted to provide that piece of information for certain individuals who may not be very familiar with the process.

I'm going to ask some perhaps well-targeted questions, but I won't put them to anyone in particular. Answer them if you think you have something to add.

First of all, I wonder about the minimum wage. Even if the federal government increased the minimum wage, that would affect only a small part of the federal government workforce. Can you imagine the importance of increasing the minimum wage through the Canada Labour Code, which would obviously have much greater impact on the general public?

Second, I would like to talk about the importance of the NGOs in the fight against poverty. This issue concerns everyone. I don't know how it is for the people on the other side of the House, but on this side, on the opposition side, a lot of us have already worked in cooperation with the NGOs and, in some cases, for NGOs and non-profit organizations.

Let's talk about the financial relationship that the federal government has with non-profit organizations. If we wanted to suggest ways of helping the non-profit organizations that have already proven themselves in the fight against poverty, what could the federal government do to help those organizations do a better job and more effectively enter the field?

Those are two very specific questions.

• (1150)

[English]

Mr. Dave Quist: Thank you very much for your comments.

The issue of minimum wage is one we have not done direct research on; however, how it fits into the issue of poverty is one of being a floor of income levels for people. You're quite right that the provinces deal with a larger number of people who may be more directly affected by minimum wage than the federal government does.

The bigger picture, though, is how we ensure that people have opportunity through either education or ensuring businesses can offer progressively better jobs that have better pay rates than even minimum wage can offer to them as well. That would be key to ensuring the business community can offer those jobs that provide far greater salaries and wages and so on.

With regard to the aspect of non-profits and working with NGOs, that is actually one of the keys to how we address the issue of poverty within our communities. Many of the groups that are here today work directly or work with groups that work directly with those who are poverty-stricken for a wide variety of reasons.

The difficulty of having one policy even at the federal level that will meet all those needs across the country is extremely difficult. The needs and obligations in one community or one region may be quite different from somewhere else.

So I would urge the government to try to let local NGOs, non-profits, churches, and community-based groups—that can best deal with that, that have the resources and have the contacts—deal with it, rather than strictly at a federal government level, working cooperatively and essentially removing any road barriers to letting those groups do their job best.

Mr. Greg deGroot-Maggetti: Thank you for those questions. They're really good ones.

I'll start with the issue of the minimum wage. That provides a good opening to thinking about one of the fundamental basic human rights in terms of economic, social, and cultural rights, which is the right to freely choose one's work, to work in safe conditions, and to be paid enough to enjoy a decent standard of living. So I think the question of a minimum wage addresses that one key fundamental human right.

In terms of a poverty reduction strategy, this is a good area where, as the federal government creates its poverty reduction strategy in collaboration with provinces and territories, it should identify making sure people can have work that provides a decent standard of living. One of the root causes of high rates of poverty in Canada is the large number of low-paid jobs. So getting the minimum wage up to a level where a person working full time full year can rise above the low-income line will be a key element.

But also important would be enforcement of labour standards and updating labour standards to new labour practices, like contracting out and the growth in temp agencies. All these things have to come together, as well as how the federal government will work with provinces and with business and labour to ensure that people who start working at low-wage low-skilled jobs can upgrade their skills throughout their career, so they can earn higher wages and be more productive in their work.

This is why it takes a strategic plan, and there should be a target to reduce the number of low-paid jobs. Raising the minimum wage would be one of the actions that would get us there.

Around the funding for non-profit groups, again it's a question of complementarity of roles among different levels of government. One of the issues I've encountered over the years from non-profit groups is the problem of always having to seek project-based funding and losing out on a lot of core funding. That would have to be rectified.

I'll just give you one quick example of how the interaction between non-profit groups can help enhance very good programs the federal government has. One area where Canada has done very well in reducing poverty has been among seniors, as I'm sure you're well aware, with programs like old age security and the guaranteed income supplement. However, a number of years ago it became known that there were a lot of seniors who were actually eligible for these programs but weren't accessing them. The question was how you let those folks know. HRDC—I think that is what it was called in those days—put together an action plan, working with community groups to get out to places like seniors centres to get the information out so that more seniors could access this program, which was one of the keys in bringing down poverty among seniors.

That is just an example of how the coordination of a strategic plan at the federal government level, with community groups, can really have an impact in making sure people can access services and reduce poverty.

• (1155)

The Chair: Thank you.

Thanks, Greg.

We're going to move to our next questioner. Mr. Lessard, you have seven minutes.

[Translation]

Mr. Yves Lessard (Chambly—Borduas, BQ): Thank you, Mr. Chairman.

I also want to thank you for your testimony this morning, which is very revealing of one concern, which we have in common, being related to the exercise we're conducting here. If I understand correctly, we'll have trouble making progress if we don't first involve the people who are caught in the spiral of poverty.

You say it differently. Mr. Métivier tells us that they're the ones who should be speaking to us here. Mr. deGroot-Maggetti tells us that we can't move forward with plans if our people don't take part in them. Mr. Quist, you say otherwise, probably in accordance with what's guiding your convictions: that is to say that the government should provide the least possible support for programs, apart from community group assistance programs.

Don't you think that, in that way, you're inviting the government to shake off one responsibility and put it on the shoulders of the people who are already disadvantaged and who are dedicated to assisting those who are caught in the spiral of poverty? I just want to understand where you're headed, and your thinking. This isn't a judgment. The idea is to understand, because we're here to try to understand your thinking on this. I'd like to hear what you have to say on that subject, Mr. Quist, so that we can clearly determine whether that's the way you view matters.

[English]

Mr. Dave Quist: Certainly. Thank you, sir. I appreciate the opportunity to clarify that for you. And pardon me, my French is terrible, so I won't even attempt to do that.

The work we have done has been drawn from international sources, looking at the United Kingdom, primarily, where they have had cyclical poverty for many generations now in some quarters.

Their research has shown, and I believe it to be true here as well, that whereas government should be involved, the community groups, the NGOs at the community level, the grassroots, if you will, the faith community, do a better job than programs run directly by the government.

[Translation]

Mr. Yves Lessard: I'll stop you there because the time allotted to us is limited. I understood your reasoning enough to know where you stand on that idea.

There is another idea that surprises me somewhat, but, at all events, that should be clarified as well. It's a fact that single individuals are more inclined to experience financial difficulties. We agree on that. But you're saying that one of the effective measures is to encourage those people to marry. To that end, you even advocate a marriage bonus, and you also urge the government to offer a tax deduction to people who marry. That defeats me.

I want to try to understand how you can reconcile that with the deployment of modern society. Furthermore, we will acknowledge that we are no longer living in those times when people were compelled to marry. I believe you'll acknowledge that. We can't compel people to marry, unless you tell me the contrary. There remains only one step to take, and I believe you've taken it: you're saying that we shouldn't compel them, but we should urge them to marry—ah!

How can we accept that and want to make it a recommendation that will be helpful for the future? I don't know whether you really understand my question. Here we want to neglect no suggestions in our analysis, but we also want to accept suggestions that are really consistent with our objective.

• (1200)

[English]

Mr. Dave Quist: Thank you. The word “compel” did not enter into my discussion. Rather, the statistics clearly showed that family breakdown will most often result in levels of poverty, that those who remain married are less likely to enter into poverty.

[Translation]

Mr. Yves Lessard: I agree with you, Mr. Quist, but that's not my question.

We understand you're proposing we recommend that the government adopt incentives for people to marry. However, you're not linking that with the couple. For example, if a person says he or she wants to live with another person, even if he isn't too tempted by the idea, because he wants to have fewer financial problems... People do that as well.

However, you're saying that, if they aren't married, they won't be entitled to the bonus or the tax deduction. That's what you're saying. We understood you on that point.

[English]

Mr. Dave Quist: I think the government has already started that process. For some time now there has been a disincentive to being married by rewarding those who were living common-law. That was just rectified in the last two budgets.

[Translation]

Mr. Yves Lessard: I understood you. That's your position, that we need incentives. You're inviting us to encourage people to marry. We've understood you.

[English]

Mr. Dave Quist: Compelling your obligations has to remain out of this discussion. It really needs to be a personal choice. However, I don't believe that the general public, or even the government and the policy-makers, are aware of the net effect that marriage or non-marriage has on society itself. Poverty is just one of those effects. Education, violence.... The effect of marriage on children and teenagers as they grow up is positive, so we just need to—

[Translation]

Mr. Yves Lessard: We can acknowledge that that produces positive results. This morning, like the other people who are here—you are all serious individuals—you're making recommendations to us that are not to be taken lightly. And out of respect, we have to consider each of your recommendations. I've clearly understood that you want us to urge people to marry.

I only have one more question that I will ask very briefly, Mr. Chairman, the purpose of which is to determine each of them.

You're saying you want people who are in the spiral of poverty to be participants in the exercise we're conducting. What are you suggesting we do to achieve that? To date, we've found ourselves somewhat in the same dynamic as in the past: people arrive in limousines to talk about poverty. I've seen that.

Mr. Pierre Métivier: I assure you that I at least didn't come here this morning in a limousine.

There is that aspect, indeed. And Mr. Allison and Mr. Martin can probably corroborate that, I hope. In Calgary, last week, the Canadian Social Forum of the CCSD, the Canadian Council on Social Development, was very interesting in that respect, Mr. Lessard. A lot of people living in poverty or who had recently joined community groups were there. Obviously, financial support from private foundations enabled them to get there. A lot of questions were raised at the forum. Your colleagues were there. Direct, unfiltered questions were put directly to people. They were questions, comments and reactions. I found it one of the best conferences I have attended in a very long time.

Obviously, when people living in poverty speak at these kinds of forums, they are impressed, and can be a little intimidated, and so on, but real things are said.

I want to cite a brief example here because it concerns government services. One person said that, if he receives welfare benefits and has to speak to the government, he has to go and explain his situation to an official, who is behind a window with a little hole, and shout his problems very loud so that he can note them down. That person added that that's not how he wants to talk to the people who are going to help him. He said he didn't want to talk to someone on the other side of a window, where there are 25 people, and he didn't want to explain his situation in that manner.

It's like talking to your doctor from the waiting room. There are these kinds of abnormal situations that are not necessarily deliberate,

but that are real. The message is clear: cohabitation, proximity, respect and dignity. These people offer these kinds of very concrete ideas. Then, how can we realign a system, an organization? I don't necessarily know. However, those people are able to deliver those messages.

I invite your committee to conduct a public exercise to enable these people to speak to you. Of course, they can be assisted by organizations such as ours, the United Way, or other foundations to gain access to these kinds of forums and give their opinions. That will be like an additional message that our charities can pass on. That's the best answer I can give you.

● (1205)

[English]

The Chair: Thank you very much.

We'll now move on to Mr. Martin, for seven minutes, please.

Mr. Tony Martin (Sault Ste. Marie, NDP): Thank you very much.

Thanks for being here today and participating in this really important discussion we're having at the federal government level with regard to how we can eradicate poverty.

Greg, you've raised the issue of legislation, and you have also said that it needs to be connected in some way to human rights and covenants that we've signed internationally and have not been very good at living up to. When you begin to look at poverty, it is, of course, multi-faceted. It's very complicated, and it can be quite overwhelming, actually, when you think about the size of Canada and you look at the statistics and see the number of people who are living in poverty and try to figure out the dynamics, what's causing it and so on.

As a country, we have from time to time risen to the occasion in terms of doing something substantial that benefited everybody. But I have to say, Greg, that when I look at some of the direction of the provinces, although I understand why they're going where they're going, they simply don't have the resources to bite off the bigger piece. For example, doing 25% in five years makes me ask, what about the other 75%, and what do we do after five years? It's those kinds of things.

As Canadians, over the years we've determined that too many seniors live in poverty, so we brought in the Canada Pension Plan. We then brought in the OAS and the GIS. Then there was some reference to, and we've all been involved in this, some seniors falling through the cracks in terms of the GIS. It's really not that complicated for government, as they do in Quebec, to make sure that everybody automatically gets the GIS if they're qualified. That's not hard. We could do that if we wanted to fix that, but we don't.

We decided that everybody in Canada should have health care, so we brought in an act that made it possible for everybody to have health care. We decided that people who are working, when they lost their job, should have employment insurance. We brought in legislation that has been watered down over the years, in some respects, because we decided that we couldn't afford some of it, while at the same time we were giving tax relief to people in substantial amounts.

Because you've brought it up, and it has been raised on a number of occasions, we're looking at the question of justice versus charity and catching everybody. We're looking at the possibility of an act. We used to have the Canada Assistance Plan. We got rid of that in 1996, I think. It was an offering to the provincial governments, who were getting less money to spend on social programs, to be more flexible. So they got rid of the Canada Assistance Plan.

I would like some comment from all or any of you. If we moved in that direction, what would be the fundamental tenets, what would be the framework that we would need to consider if we were to move to put in place a piece of legislation that would guarantee that everybody who lived in Canada didn't have to live in poverty?

• (1210)

Mr. Greg deGroot-Maggetti: That's an excellent question. Thank you very much.

Let me start by recommending to the committee that if you haven't already looked at this document that was created by the UN Office of the High Commissioner for Human Rights, published in 2004, called *Human Rights and Poverty Reduction: A Conceptual Framework*, it really does a nice job of looking at human rights and poverty reduction and looking at the connection between the two. A really important element in that is the principle of progressive realization, because when we look at these human rights covenants that Canada has signed onto, it speaks about how governments will work to progressively realize each of these rights. I think a key starting point for poverty reduction legislation is to clearly link the reason Canada is making this commitment to reduce and eradicate poverty in Canada: it's a fulfillment of our human rights commitments.

I'm glad to say that Quebec's legislation does name the human rights commitments that Quebec and Canada are signatories to as a foundation for that, so that would be the first element.

The second one is to clearly state that the objective is a poverty-free Canada.

Another key thing would be to link it to social exclusion, because poverty is one facet of what we need, getting out of poverty and having a decent standard of living, just living a full life in dignity. People are excluded from full participation in many ways, whether in the workforce or in community organizations, so the legislation should also speak to social exclusion and creating a more inclusive Canada.

The legislation should stipulate that the federal government bring in an action plan every several years to move forward on progressively realizing more of those rights. It is about reducing income poverty, but also making sure that people are not in core housing need and people are not living on the streets, that people have access to the highest standards of mental and physical health, access to education, food security, all those elements. There needs to be an action plan, which should be updated every couple of years.

I mention this because the Quebec legislation specifies this. The Ontario legislation does. Every country in the European Union updates its action plan for reducing poverty and social exclusion every two years. Our legislation should say the same.

There should be annual public reporting on the progress on the goals that are included in this strategy. Again, that report should talk about the outcome indicators on a full range of the strategy and the rights as well as the policy effort indicators. What has the government committed to do? How effective has it been? Those kinds of things.

There should be an interministerial committee, as in Newfoundland and Labrador, to make sure that efforts taken in one ministry are consistent with what goes on in other ministries.

The legislation should also stipulate that federal laws, regulations, and programs should be reviewed for their impact on poverty reduction. Any time a new piece of legislation or change in policy is brought in, it should look at the impact on poverty reduction. Will it have an impact, and what should that impact be?

There should be an independent review of the poverty reduction strategy. This is one thing we tried to get in the Ontario legislation. We were not able to do that. But the European Union includes independent reviews every year of all their strategies.

The last thing I would mention is the importance of an advisory body as in Quebec's legislation. I would point to a body like the National Council of Welfare, which already exists, that could serve that role, as well as organizations like Canada Without Poverty, which is made up of people living on low incomes.

Those 10 elements would be key for poverty reduction.

Thank you.

The Chair: Thanks, Tony.

We're going to move to Mr. Vellacott. Sir, you have 10 minutes.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Thank you very much.

I appreciate all the groups being here today. From the United Way, it's good to see Émilie here again. Thank you for being here.

There's the good work that MCC has done over time, and I think most of us are familiar with that. I served with the Brethren in Christ, so I'm quite aware of and involved in some of the good work that MCC does in the country and abroad. Mr. Cannan is from a Mennonite church as well, so he's acquainted with the work you do.

Then there's the Institute of Marriage and Family Canada, the new kid on the block here. I appreciate the contributions you're making with research and the study, prodding us in a number of areas through some of the questioning today.

I would like to explore that and get some response initially from Mr. Quist, and then from the others as well. You raised a fairly big elephant in the room on the matter of splitting of income. Some of us have looked at that and see some merit in it. I've looked at it abroad, and there's the paper in the package you've provided. I'd like to ask a few questions about "Taxing Families; Does The System Need An Overhaul?", particularly as it pertains to poverty. Since that is the nature of our discussion here, we want to find out how that will impact poverty and to what degree it will alleviate or ameliorate it.

I notice that nine industrial countries around the world are cited in this paper. These countries say this whole issue of splitting income, or the family taxation principle, has an effect. They all have slightly different variations or formulas. In France and Portugal, they have systems that aggregate family income but explicitly allow for family size to reduce tax payments. The Czech Republic, Germany, Ireland, Luxembourg, Poland, Switzerland, and the United States allow family members to file jointly and split income. It takes away a little bit of the administrative burden of managing or handling the individual ones. I suspect that other industrialized countries are looking at this kind of thing.

Do you have any recommendations for us as a country? I commissioned a study within the last year from the Library of Parliament on what it would cost the federal treasury in dollars. But I'm interested in getting a couple of things from you and then comments from the others. How would it help to move families up from below the poverty line? Which model do you tend to be drawn to more? Have you looked at any numbers on cost to the federal treasury if we went with something like income splitting?

There is a book about the declining population in our country—a demographic winter, if you will. That has happened in Japan, France, and elsewhere, and they've had to look seriously at that. Without question, it's an incentive to have families and a few more children than has been the norm, because we're moving into that demographic winter. Who will be covering my pension and taking care of me in my old age if we don't have these little taxpayers coming forward?

We want to bring people out of poverty. We also want to be sure we have a stable demographic in the future. So can you tell me the models you like best, the dollar amounts, and how you see them drawing people out of poverty?

• (1215)

Mr. Dave Quist: Thank you, Mr. Vellacott. Those are great questions. We could spend a lot of time talking about those, and I know time is pressing, so I'll be as fast as I can through some of those.

Income splitting will not help those people who are in abject poverty at this time. They need other programs to help move them up, through education and other social programs, and so on. Income splitting will help people who are in low-income families and who are on the borderline of poverty, who are paying a high percentage of tax right now. And the tax burden they have limits their choices; it limits their family's choices and it limits how they can move ahead.

It's in the document, but just for one quick example, take two families here in Ontario living side by side, both with two parents, two children, and both families earning \$70,000. One family has a single earner, the other family has two earners—that's \$35,000 each. So the scenario is exactly the same. The family that has one earner will pay approximately \$4,000 more per year in taxation than the family next door that has the same family income. There's an inequity there: \$4,000 can go a long way in a family that is trying to just pay the grocery bills or if they're trying to look for extras for their children that will advance their education, expand their cultural and social norms, and things of that nature.

You asked a question about “demographic winter” as well as the issue around models. The demographic winter is a huge question,

and countries such as Japan and Russia, quite honestly, right now have a decreasing population. We're on the borderline of that right now. We're not quite there yet. Other countries in Europe are on the cusp of dropping their population overall in the long term as well. What that means for baby boomers—I look around here and the bulk of us are in that age range, from the maximum to the minimum—is that as we age, our health care costs are going to be going up. With a smaller number of children, there are going to be fewer taxpayers. Therefore, when we all want to have our health care for hip replacements, or knee replacements, or something like that, there's going to be an increased burden tax-wise onto the younger generation.

An interesting thing is that in the last number of years, with Alberta having such an economic boom in the last five or ten years, its birth rate has actually been going up a little bit this last while. We're seeing that the security of economics is definitely tied in with birth rate. We're seeing that with some of the other young people we've been researching or seeing through other studies, that where they feel economically secure, they're more likely to start their families or to have two children as opposed to one child and things of that nature.

The model that I like the best perhaps, or some aspects of it, is actually the French model. The reason is that it not only has aspects for families, but it also deals with single-parent families as well. How they do that is for a single mom and two children, the first child is counted as an adult in the taxation structure. So they account for the financial needs that a single-parent family actually has, something that some of the other countries do not take into account at this particular time.

• (1220)

The Chair: Thank you, Mr. Vellacott, Mr. Quist.

We're now going to move to a second round, which will be five minutes of questions and answers. I'm going to start with Ms. Minna for five minutes.

Hon. Maria Minna (Beaches—East York, Lib.): Thank you, Mr. Chair.

I just want to continue this discussion with Mr. Quist because I find it quite interesting. First of all, I want to correct Mr. Quist. In the document that you presented this morning, the \$5 billion national child care program was not a pilot; it was a program that was introduced by the government and it was meant to be a permanent program.

Mr. Dave Quist: If I said it was a pilot, my apologies.

Hon. Maria Minna: That's what your document says, so I thought I'd correct that just to make sure we're on the same wavelength.

I just want to understand something. There are a number of things you said this morning. One was about incentives for families to not split; the other one is income splitting.

I come from a poor family; that's where I grew up. My mom and dad worked. My father worked construction and my mother worked in a factory. Giving us income splitting wouldn't have made any difference. We could never have saved money to buy a house. We would not have had enough money to raise four children. It would not have helped: \$4,000 does not make that big a difference in this scenario.

This committee is looking at the issue of poverty, not people who are on the border or above the poverty line. We're talking about poverty, so that wouldn't do them any good. This is not to mention that the single, lone parents, who you mentioned earlier and identified as a major issue, would not benefit. You also mentioned birth rates, and the Quebec birth rate has actually gone up, but it's been done by giving families choice, not income splitting. It's been done by having a proper parental leave, which most European countries do have, up to three years. But children need help beyond three years; they don't walk off and look after themselves after three years of age.

I don't see how income splitting, just the way it has not worked for seniors.... In the ten buildings I visited on Mother's Day to deliver carnations a couple of weeks ago, 80% of the people living in those buildings were women, alone, single. That measure we had in the previous budget not too long ago did absolutely nothing for them.

Can you tell me how it actually would reduce poverty by having income splitting? That's number one.

The second question is this. I still don't understand your incentives to encourage people to marry or stay married. I want to understand a bit better how you would work that. Those are two very important areas for me to understand, because from my own experience and everything I've seen, I don't see how you would make it work.

Mr. Dave Quist: Thank you.

The income splitting, as I said in my preamble to Mr. Vellacott, will not work for those people who are below the LICO, if that's the measure we want to use. It's intended to assist families that are at low levels of—

• (1225)

Hon. Maria Minna: Then you're admitting that we're going to be spending a lot of money, because it's revenue lost, that will not help poor people in this country, or people below the poverty line.

I think Mr. deGroot-Maggetti is trying to say something as well.

Mr. Greg deGroot-Maggetti: I think this is a good illustration of why, when the federal government brings in poverty reduction legislation, it needs to include reviewing the impact of laws, policies, and regulations in light of what impact they might have on poverty reduction. I think this is a good example of where it likely won't have a very big impact on families in poverty.

I should also point out that we've talked a lot about families in poverty, but among the groups that experience some of the highest rates of poverty are single adults, working-age adults, and people with disabilities, newcomers, and so on.

Hon. Maria Minna: I'd like to go back to Mr. Quist on that issue, though. I apologize, but it's his policy of income splitting that doesn't

address what you've just said. If you could let him finish, I just need that answer.

Mr. Dave Quist: I don't think the government can have just one tool that will address poverty. I think they need a variety of tools and a variety of policy incentives that will assist them. If we don't assist families that are on the borderline, they may indeed fall into poverty as well. So we need to give them financial security if at all possible.

Hon. Maria Minna: Except that I don't see how income splitting helps the people on the borderline. As I said, I know the families, I've lived with them, I've been one of those, and it doesn't help. It doesn't help the borderlines. The more money you have, the better off you are in the splitting.

By the way, on the splitting, would you put an upper limit or would you put it across the board?

Mr. Dave Quist: I think an upper limit is something that would be appropriate to look at.

Hon. Maria Minna: Where would your limit be?

Mr. Dave Quist: I've considered that question. I'm not an economist. I've talked to Mr. Mintz about that, because he wrote that paper. It probably varies because of the tax level in each respective province as well. I think there should be an upper limit of some sort, because people, after a certain point, don't need that incentive to assist them with poverty or for low income. Lower-income people actually need that incentive.

Hon. Maria Minna: Could you now expand on your incentives? You gave us specific recommendations. One of them had to do with providing incentives for couples to marry or to stay married. I just want to understand what those incentives would be.

Mr. Dave Quist: I'll be very brief, considering the bell is ringing on me again.

We clearly know that family breakdown is very expensive. As I mention in the report that we're releasing next Wednesday, it shows a lot of zeros behind the numbers, and it's something I'm sure that all Canadians and politicians would be interested in. If we can decrease family breakdown by even a small part of it, there will be an enormous saving.

Hon. Maria Minna: Specifically, what kinds of incentives do you mean?

I'm sorry, Mr. Chair, I just would like an answer.

The Chair: Just wrap it up, because we're over time.

Hon. Maria Minna: I'd like the answer.

Mr. Dave Quist: We've discussed family income splitting, but I'll leave that one for now.

I think there can be other things that will assist too. For example, tax credit programs can reward people by saying, "You're married, you're doing these things. We know there are outcomes that will be beneficial for you as a couple, but also for children in the long term. If we don't have to have those children going through other sorts of education, supplemental programs, or health benefit programs, there are cost savings there as well." Basically, by assisting families today, we have benefits down the long term as well.

The Chair: Thank you very much.

We're going to now move over to the Conservatives. You have five minutes, Mr. Lobb.

Mr. Ben Lobb (Huron—Bruce, CPC): Thank you, Mr. Allison. I'd be happy to use the five minutes as best as possible.

Again, thank you to all the witnesses here today. I was a former United Way board member, so it's good to see United Way here today.

Mr. Quist, I thank you. You've definitely answered some questions here today. My colleagues across the way obviously disagree with some of them, and that's their democratic right. And thank goodness for that.

However, I am from rural Ontario, and I can say that some of what you mentioned in your presentation actually works for rural Ontario. Perhaps the member opposite is not aware of the issues in rural Ontario, as likely her party's most rural riding would be in Mississauga.

That being said, I wonder if you could just expound a little more or give us a little more idea or discussion around income splitting. It would be my observation in rural Ontario that a national child care strategy would not necessarily work for every community, because in my riding there are well over a dozen communities, and likely there wouldn't be enough infants to attend these facilities to keep the operating capacity where it is. The way I observe it is that income splitting would perhaps allow some family members—and they may not be all in poverty, which is understandable, but for some of those parents who would choose to stay home with their children, it would allow child care spaces to open up for those who otherwise would not be able to send them there.

Maybe you could explain that perspective. I think that's where possibly my colleague opposite does not recognize some of the issues facing rural Canada, and in my case, rural Ontario.

Thank you, Mr. Quist.

• (1230)

Mr. Dave Quist: Thank you, Mr. Lobb.

The issue of income splitting and child care is all related to dollars and cents for family decision-making. Some of those families are going to be in poverty and some are not going to be in poverty. As we've discussed, when families are below a certain level, they are not paying taxes to start with. So we need to segment and look at each of those different strata, respective of their needs and their details. For those who are on the cusp and who are paying some income tax, all the expenses that are going to family life are important. Child care is a major expense and is needed for some families. There's no question about that.

Our research has shown that whether from rural or urban, from male perspective or female perspective, from all different demographic areas, if given the opportunity, 82% of people would like to have one of the parents stay home to raise their children. That's not always practical, and that's not always feasible, given economic circumstances or other needs that go along with that family life as well.

One of the things we've looked at is child care from the perspective of every province or every region of the country, and those things remain the same all across the board. In fact, a child care program that is national in scope actually falls down about three or four pegs below what the actual choices are.

The first thing is to have child care run by mom or dad in the home. Second is by a family member. Third is by a neighbourhood person who you perhaps know, who lives down the street. Fourth is the non-profit child care, and fifth is some form of a for-profit child care program. The incentive for people to make that decision is largely based on finances, not on personal choice, so if we can give them the opportunity to have the financial wherewithal to either stay home or raise their children in the manner they would like to, that has been the first choice of those people.

Mr. Ben Lobb: Thank you.

I know that may be difficult for some of my colleagues opposite to comprehend.

I would like to also ask my colleagues from the United Way if they would give me some perspective. We know that our government has contributed significantly to the social transfers, and during these tough economic times have actually increased the transfers 3% or more. We've heard a number of witnesses testify that the dollars are getting there, but the provinces are perhaps not targeting those dollars where they're most needed, and we've heard some comment about strings attached and directives of those dollars. Seeing how the United Way definitely is at the grassroots level, and you're right in the field and you're doing the hard work, I just wondered if you had any thoughts on any of those commentaries that we've heard from other witnesses.

Thank you.

[Translation]

Mr. Pierre Métivier: It's hard for us to answer that kind of question because here we're talking about intergovernmental redistribution mechanisms, respective commitments, and so on. Unless I'm mistaken, you're saying that the amounts allocated to the provincial governments aren't being used as planned. I'm not part of the provincial government.

However—if you'll allow me one minute—I know that the provincial government is of course the one that's closest to social services and the public—that's normal. Theoretically, it's the one that's most involved in examining needs and all that. So it invests a lot in social organizations—I'm talking about Quebec—with the help of organizations like the United Way and other private foundations.

Nevertheless, that's not enough to really help people get back on their feet, to emerge from poverty and to be active in society. Who will be the one that pays the most? The provincial government, the federal government or both? As a taxpayer and United Way worker, I think it's both.

We sent the same message to the provincial government as the one I want to give you today, which is that you should invest more in community services to help poor people. You must give more money to those organizations.

I hope your colleagues who were in Calgary last week were just as impressed as I was to see hundreds of people from across the country who are involved in services, but who are exhausted. If those people stop being involved, the entire community will have a problem.

What's the problem? Does it concern intergovernmental responsibilities? I don't know. What I do know is that if we don't invest more in these organizations and help people restore their dignity and be active in their community, the entire society will be shooting itself in the foot, and we will all be responsible.

The community groups that were there last week and those that are part of our system—we fund only 180 in the Quebec City and Chaudière-Appalaches region—tell us that they don't have enough. They would like the two governments to do more, and that includes the federal government. Whether it's directly or through the provincial government, that's politics for me. What I'm saying is that the federal government and the provincial government must do more.

Earlier I cited the example of infrastructure, even though that was perhaps a bit specific. The two governments have invested in infrastructure to stimulate the economy. However, neither has invested in social and community services to stimulate the economy, whereas that's one extremely cost-effective investment from all standpoints, including economic.

• (1235)

[English]

The Chair: Thank you very much.

We're now going to move over to Madame Beaudin for five minutes, please.

[Translation]

Mrs. Josée Beaudin (Saint-Lambert, BQ): Thank you very much, Mr. Chairman.

Good afternoon to you.

I'm also extremely pleased to see you people from the United Way, since I work for a local initiative, the Centre 1, 2, 3 GO!, founded by Centraide du Grand Montréal.

My questions are put to you, Mr. Métivier, because you addressed the subject I would like to pursue.

First, you say that community organizations must be funded. Do you mean, more specifically, that sustainable investment must also be made to permit sustainable funding?

Also, how do you assess the impact of those organizations so that we can determine results at some point? As you know, we had a 10-year project to eradicate child poverty in 2000. We failed. Why? Did you conduct an analysis on the subject? Do you have any data for us? What should we invest in instead?

The United Way people are talking about building mutually-assisting communities and supporting the ability of those communities to take action. Can you give us a little more information on what building mutually-assisting communities means? Could that be one option to consider for Canada as a whole?

Quebec's framework legislation has been in effect since 2002, but that's as a result of a vast mobilization of civil society, as you know. The people in the field felt they wanted an act.

We began this study a few months ago, and we had the opportunity to meet with a number of organizations from other Canadian provinces. There are local initiatives, best practices, extraordinary people in the field, and they need help. I think there are probably potential solutions in that area.

As regards Quebec alone, should we intervene in all the regions in the same manner? Haven't we always said that partners intervened, that each region had its specific characteristics, and that each local player could determine its priorities? Consequently, shouldn't we consider matters in the same way for Canada?

Those are my questions. Go ahead.

Mr. Pierre Métivier: There are obviously a lot of aspects to your question. I'd like to talk about Quebec's legislation. I was in the assembly when it was passed. I was proud to be there. I also remember the pride of all parliamentarians, regardless of party, in voting unanimously in favour of such an act. It was magical. They didn't achieve it alone. It was a broad popular movement that resulted in that decision and made things happen. Members were paying attention, which is very important. They agreed to listen and did not close the assembly's doors when the petition was introduced.

You talked about impacts and organizations. Government funding is often program funding in an attempt to measure the program's impact. I understand why. It's because governments want very specific accountability. Investing in people and investing in a community are not measured in the same way as investing in a business. You don't measure that based on performance, the number of customers or benefits that can be distributed to shareholders. There's an expression in English: trust the process. That means that you have to let the communities act, invest and use that money well. It's not program funding that we need. The machinery of the government has a lot of trouble understanding that.

Across the country, the United Way has changed its practices in the past 10 years or so. We are totally committed to comprehensive funding of the organization, to core funding. We are the only ones. Even some private foundations are proceeding through program funding. We have to get out of this context. We have to mobilize communities, help them in an overall sense and subsequently assess the impact. That's the only answer I can give you.

Large companies that make donations to the United Way ask what impact that has had on the community. I tell them what we've done with the money, how we've mobilized the community and the number of services we've put in place. Someone one day dared to ask me if we had any poverty reduction targets. The answer is no; donors aren't there for that. The federal government gave itself 25 years and wasn't even able to achieve it and didn't follow it appropriately. So how can we ask charities to do that kind of tracking in the community? Who do those people take us for? They give us money so that services can be provided, so that people can get back their dignity and so that communities can vitalize. We do that and we give them figures, but they ask us to set impact objectives like you ask university institutions, private businesses and other institutions. You have to be careful. The third sector is full of people of good will who know what to do and who know their community. Let them work and don't exhaust them with impact measures that will deter them from what they really have to do.

That's a trap, and that's the best answer I can give to all your questions, Ms. Beaudin.

• (1240)

[English]

The Chair: Thank you very much.

We're now going to move over to Mr. Cannan for five minutes.

He's not there.

Dona, why don't you take over?

Ms. Dona Cadman (Surrey North, CPC): I'm going to be Ron for a moment.

Some of the witnesses who have appeared before the committee have called for the creation of national housing. Can you tell me if you agree with this or not, and why?

Mr. Greg deGroot-Maggetti: Yes, I think a national housing strategy is a key element for reducing poverty and eliminating poverty in Canada. The simple reason is that there's a high proportion of people, particularly renters, who pay a disproportionate amount of their money for rent. There's not enough affordable housing. Waiting lists for non-profit housing in some areas are ridiculously long, and people just get turned away.

Housing is one of these key things that we need if we're going to live and thrive and live in dignity. Since the federal government stepped back from funding construction of affordable housing a decade or so ago—it has stepped forward with a little bit of funding, and many provinces as well—the stock of affordable housing has dwindled dramatically. At the same time, people's incomes, particularly from work, stagnated, even during the ten years we just went through when there was low unemployment. Many people were working longer hours and not making so much more money.

It's been shown that just relying on the private sector housing providers to build enough housing to create an affordable housing market hasn't worked. So there's clearly a role for both the federal government and the provincial governments to create...well, at the federal level, to create a national housing strategy, to fund construction of housing, subsidies. There needs to be a strategic

approach to make sure that everybody has access to affordable, safe, secure housing.

• (1245)

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Thank you, Mr. Chair.

Thank you to our witnesses. I apologize for coming late. I had an overlapping committee.

I appreciate all the work that all your organizations do. Mr. Quist, and MCC I'm very familiar with, as well as the United Way. I had the honour of being our workplace chair prior to my life in politics. They do great work in the community, and with all the volunteers as well.

We've heard from numerous witnesses over the last several months while the committee has been studying this important issue of poverty. We know it's a non-partisan issue. It affects all of us across the country, in every corner and every nook and cranny across the nation.

I represent an area in the Okanagan. The Kelowna Lake country has a high demographic of seniors, and the aspect of income splitting for seniors was very well received. I understand the fact, which Mr. Quist alluded to, that you need a multi-pronged approach.

Regarding the delivery of services, we're finding a lot of the social issues are at the provincial level, from a constitutional perspective. We have the social transfer of 3%, which was alluded to by my colleague Mr. Lobb, until 2014, so it's escalating each year. But there are really no conditions attached to that transfer of funding, and we can't really go back because of the agreement. So I wonder if maybe we could go across the panel and get some suggestions for the committee for additional funding to be provided to the provinces as we move forward. How can we provide some benchmark stipulations so there's some accountability for the funds as they're earmarked for housing and specific projects and for social issues in the community? Even child care is a provincial jurisdiction. We give them money and we can't force them to deliver there.

I look forward to your expertise on working with the provinces on how we could have that “conditional love” attached, if we can put it that way.

We haven't heard from Ms. Potvin. Do you have any words of advice from your experience? Welcome.

Mrs. Émilie Potvin: You're putting me on the spot.

[Translation]

I'm going to answer the question in French. I believe that, with respect to services and the delivery of services, a number of countries are looking at a better way to cooperate with the various governments. In the United States, the Barack Obama team has just commissioned a study to examine how services are delivered in the communities, to see how the various partners could work together. The same thing is being done in Australia.

I don't know whether the committee will examine the studies currently underway, but I know that these are the kinds of initiatives that we at the United Way want to put forward. That's why we're asking the government questions. We're trying to determine whether this type of questioning is being done in committee or within the government at this time. It doesn't necessarily concern the investment of additional funding or the development of additional processes, but is the government considering how to do things so that these services are delivered more efficiently, with better cohesion among the various partners that provide them.

[English]

The Chair: Thank you.

Thank you, Mr. Cannan.

We're almost out of time, but I promised Mike one quick question, and then we have to get to some committee business.

Mike.

Mr. Michael Savage: In the interest of time, I don't really have a question. I want to thank the witnesses for coming.

I want to make one comment about the United Way. The Action for Neighbourhood Change program has been fabulous. Paul Shakotko in Halifax, did a great job in Spryfield. He's now working in Dartmouth, which is in my area. He appeared at our committee in Halifax, when we had hearings there. That is a case of people actually getting in and working with people who are living the poverty experience and making change.

I just want to commend the United Way for the work they've done. Perhaps I'll just leave it at that so we can move on.

Thank you very much.

The Chair: Thanks, Mike.

Once again, I want to thank all the witnesses for being here. We appreciate the work that you do on the front lines every day, and we appreciate your being here to talk a bit about what the government's involvement can be.

I'm going to ask people to maybe thank the witnesses, but don't go too far as we have to take care of some committee business. We'll regroup here in about two minutes.

• (1245)

(Pause)

• (1250)

The Chair: I would call the members back to the table.

We have a couple of motions before us today, and I want to deal with them in order.

Mr. Savage, would you please kindly read your motion into the record, and then we'll have some discussion on it?

[Translation]

Mr. Michael Savage: Thank you, Mr. Chairman.

[English]

I move

That the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities request that senior

officials from the Department of Human Resources and Skills Development, responsible for Employment Insurance and Training appear before the end of May 2009 to provide the Committee with an update on:

the progress of the stimulus package as it relates to Employment Insurance and skills training funding;

wait times for processing EI claims, including month by month processing times from December 1, 2008 to April 30, 2009;

the additional \$60 million allocated to ease wait times and to hire more workers; and that the Committee report its findings back to the House.

The Chair: Would you like to speak to the motion now?

Mr. Michael Savage: Yes. I think it's more and more important, as the economic crisis we're going through has an impact on Canadians, that we find out how quickly support that is alleged to be working its way through the system is getting out. We don't have a lot of time to waste. We heard yesterday that we're now looking at a \$50 billion deficit, so if the money is not going to get out now, when is it going to get out? That's a pretty simple request.

The Chair: All right.

I have Mr. Blaney, Mr. Lobb, and Mr. Martin on my list.

Mr. Blaney.

[Translation]

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Good afternoon, Mr. Chairman. First I would like to say hello to committee members. I don't have the chance to take part in proceedings regularly, but I nevertheless want to say hello.

I find the motion relevant, in view of the current context of economic disruption. This morning, Mr. Jean-Robert Sansfaçon wrote in *Le Devoir* that hundreds of thousands of Canadians had lost their jobs in the past few months, but the majority were receiving benefits, contrary to what some claim. He went further by saying that we have every interest in determining the impact of the measures that have been put in place to mitigate the effects of the crisis on workers.

In that context, I find this motion interesting.

• (1255)

[English]

The Chair: Thanks, Mr. Blaney, and welcome back.

Now Mr. Lobb, then Mr. Martin, and Mr. Lessard.

Mr. Ben Lobb: I think the questions that Mr. Savage asked are relevant and important questions that Canadians want to know about. My one question to Mr. Savage is—maybe two questions—is he asking for one meeting? Is that what he's requesting? Two, should we amend it, seeing that we've been unable to deal with it in the manner in which it was delivered? Should we amend the time on there? And keeping in mind that we have around three weeks remaining, and we would want to hear before the House recesses, should we try to work to that, to get it in before the end of the session?

The Chair: Go ahead, Mike.

Mr. Michael Savage: The answer to the first is that I think one meeting would be sufficient, and I would be prepared to change that to before June 12.

The Chair: Thanks.

Do we have unanimous consent to accept that amendment?

Some hon. members: Agreed.

The Chair: I've got Mr. Martin, Mr. Lessard, and then Mr. Vellacott.

Mr. Tony Martin: I won't be long.

I think this is a good idea. This would be valuable work to do. I have my own questions with regard to how some of this is rolling out, the training piece particularly in my own community, and I would be very interested in hearing from officials as to how that is either happening or going to happen or how we access it. So I'm certainly in support of this.

The Chair: Thanks, Tony.

Mr. Lessard, sir.

[Translation]

Mr. Yves Lessard: Mr. Chairman, before voting on this, I would like to tell you that we have two concerns.

First, this represents enough work for quite a long time. If we only hear the opinions of officials... The opinions of officials can also be verified by other evidence. In the ridings, there is a lot of evidence from people who describe situations that are not consistent with what we're being told in the House of Commons. So I very much doubt that what we might hear here would be different from what the minister tells us. It seems there's something important. We agree on substance, but we should not delude ourselves about time.

Second, my concern is that this might be a dilatory measure. I understand that this isn't what our Liberal friends want, but it could have the effect of a dilatory measure. We have work to do on two priority matters: one assigned us by the House and the other by the committee.

The first, which comes from the House, is the study of Bill C-241 concerning the waiting period, which was passed two weeks ago now. It seems to me that we have to study that first. Since the bill contains only one of the employment insurance measures, it could be the subject of one meeting.

The other matter, the one the committee assigned us, is the study on the administration of the accessibility fund, on which our Liberal friends agreed. If Mr. Savage and his colleagues are in agreement, as well as the Conservatives since they support this motion, we will vote in favour of it, but only if we study the two other matters that I think are priorities.

[English]

The Chair: Thank you very much.

I have to chair another meeting at one o'clock. I have four people on the list. I would like to have a vote on this. I have speakers on the list, but I want to indicate that I have to run momentarily.

Mr. Vellacott.

Mr. Maurice Vellacott: Thank you, Mr. Chair.

We're all agreed, then. Was there a friendly amendment in terms of one meeting? I'm not sure I'm hearing that from Mr. Lessard. Before I make my comments, was he in agreement with this "friendly amendment" for one meeting before the end of June 12?

The Chair: No, I don't believe that was the case.

We're trying to get some consensus here. Mr. Lessard indicated he would only support the motion if we study the motions he had first. We're going to have to come back. We just need unanimous consent before June 12. I will ask that question.

Do I have unanimous consent?

Mr. Lessard.

• (1300)

[Translation]

Mr. Yves Lessard: Mr. Chairman, I don't want to come up against deadlines, but I would like to make an amendment so that we can first study Bill C-241 and the administration of the accessibility fund. If we proceed in that order, we'll vote in favour of the motion. Otherwise that might constitute a dilatory measure, and I don't think that's the intention of our Liberal friends.

[English]

The Chair: All right. Go ahead.

Mr. Maurice Vellacott: I guess I'm still left at sea as much as ever in terms of what we're voting on. But I guess it requires a formal kind of...for one meeting before the end of June 12. That would be acceptable. It's a supportable kind of thing.

As well, I want us to be clear. If Mr. Lessard proposes a motion, we're going to be adding a lot more other things. With these officials, what Mr. Savage has laid out here seems to be reasonable for our officials to come and respond to. They need to be aware if there are additional things they have to prepare for. Then I think we're getting well beyond some of the things here. This is a tighter focus.

I would be in support of this kind of thing as amended, one meeting before the end of June 12. I don't know if that's what is before us at this time.

The Chair: Can I call the question?

Some hon. members: Yes.

The Chair: Okay. I will call the question.

All those in favour of having one meeting before June 12?

Some hon. members: Agreed.

The Chair: All right.

Tony, we're going to have to get to your motion next meeting. We'll leave it on the list.

I have to chair the liaison committee right now....

Yes.

[Translation]

Mr. Yves Lessard: What are we doing with my amendment, Mr. Chairman? I introduced an amendment; what are we doing about it? I moved an amendment requesting that we first study Bill C-241 and the accessibility fund on a priority basis.

[English]

The Chair: For the time being, this is what we're going to do. We're going to look at this and talk about trying to find some time.

So we will talk about trying to arrange some time for you, Mr. Lessard, but right now I have to adjourn this meeting. I have another meeting.

The meeting is adjourned.

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