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and Social Development and the Status of
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•(1340)

[English]

The Acting Chair (Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC)): Welcome. We will begin now, pursuant to Standing Order 108(2), a study of the federal contribution to reducing poverty in Canada.

We will proceed with five minutes each. Mario will be starting. Naumana will be next, and then John, and across the table. You'll take five minutes each, maximum. The little buzzer will go off. We'll give you a little leeway if you need it.

Then we'll come around to questions, with Maria taking seven minutes for questions, and so on around the table. They'll direct their questions to one of you or to all of you, as they choose.

Let's begin with Mario, who is the executive director of COSTI. I understand that COSTI is the largest immigrant service helping organization in the country.

Please go ahead, Mario.

Mr. Mario Calla (Executive Director, COSTI Immigrant Services): Thank you very much.

I'd like to start by thanking the standing committee for its invitation to COSTI Immigrant Services to present our views and recommendations on a federal role in poverty reduction.

COSTI is a registered charity. We provide immigrant settlement integration services in the Greater Toronto Area. We are well known in the Greater Toronto Area and certainly well known by your member Maria Minna, who served as our president for a number of years before she went into politics. We've been around for about 57 years and we serve about 60,000 people annually.

Given our mission in immigrant settlement, I will focus my remarks on the growing prevalence of poverty among immigrants.

Immigration is important to Canada. It's essential in maintaining our population base and in feeding the growth of our labour market. Statistics Canada, reporting on the results of the 2006 census, notes that an increase in international immigration was responsible for the acceleration of Canada's growth rate over the last five years. Since 2001, 1.2 million immigrants have arrived in Canada. Roughly two-thirds of Canada's population growth now comes from net international migration.

Immigration is also vital to maintain the labour force. By the year 2011, Canada will depend on immigration for net labour force growth. The aging population and retirements will contribute to labour shortages, and Canada is now facing increased international competition for skilled workers from other industrialized countries. To give you an idea of the economic impact of immigration on a city like Toronto, in the five years between 2001 and 2006, Toronto's population grew by just under 1%. If you removed immigration from this calculation, the population of Toronto would actually have dropped by 10%. Consider the implications to the city's economy of such a scenario.

Here's the challenge: in 1981, a principal applicant in the skilled worker class coming to Canada earned approximately \$7,000 more than the Canadian average just one year after arriving here; in the year 2000, he was earning \$4,000 less.

Meaningful economic engagement is the most significant challenge facing immigrants. Recent immigrants are doing worse economically than previous cohorts, despite higher education levels. Among recent immigrants—that is, those who have arrived in the five years between 2001 and 2006—64% have a post-secondary certificate, diploma, or degree, compared to 49% of Canadian-born adults, but 60% of these immigrants are not working in jobs for which they trained and were educated. The main common reasons for this underemployment or unemployment are lack of Canadian work experience, lack of recognition of foreign credentials, poor language skills, and other obstacles such as racism and discriminatory practices.

The impact of these obstacles to meaningful employment is that poverty rates for immigrants are the highest among all disadvantaged groups. In Toronto about one person in four lives in poverty, but for recent immigrants, poverty rates are 46%. Female lone parents and aboriginal people have poverty levels of 37%, and racialized groups have rates of 33%. Toronto has turned into an economically segregated city, with high levels of poverty in the suburbs and pockets of wealth in the downtown core. These poorer communities are now distinguishing themselves as primarily immigrant and racialized.

Here are my recommendations.

On average, immigrants come with over 13 years of education that has been provided by another country. It behooves Canada to invest in these newcomers by leveraging that education to Canada's benefit. So our first recommendation is that the Canada-Ontario Immigration Agreement, which is due to expire next year, should be renewed at current levels of funding.

This agreement has resulted in new funding for a number of effective interventions for the benefit of immigrants. For example, in our experience at COSTI, enhanced language training programs that combine language training specific to occupations with job search are showing that 78% of graduates find work in their fields within three months of graduation. Other programs that this agreement has funded are higher levels of training in the linked programs.

• (1345)

My second recommendation is this. Research shows that the longer an immigrant takes to gain employment in his or her field, the less likely it is that this individual will work in his or her occupation. To its credit, the federal government has initiated programs overseas to give people a head start in the settlement process, but these are small and voluntary programs. We recommend that all immigrants applying through the federal skilled worker program be provided with labour market information sessions and employment preparation counsel in their country of origin prior to departure.

Lastly, the federal government needs to set specific poverty reduction targets that will benefit immigrants and all Canadians, as Ontario has done recently. Such a strategy should include amending the employment insurance qualifying criteria to allow more of the unemployed to receive benefits, setting a national housing strategy that sets clear targets, increasing the availability of affordable housing stock, and investing in child care and early learning. The cost of child care continues to be a disincentive to work, especially if several children require care.

I know my time is up, so I'll leave it at that. Thank you very much for your kind consideration of our brief.

The Acting Chair (Mr. Maurice Vellacott): We'll now go to Naumana Khan. She's the program director stepping in for her executive director. She's with Humanity First.

Naumana, take it away.

Mrs. Naumana Khan (Program Director, Humanity First): Thank you very much for giving us this opportunity to speak on behalf of Humanity First on poverty reduction recommendations. I'm representing the executive director, Dr. Aslam Daud. He was unable to make it due to some work obligations.

I will take all of the questions that were given to us, one by one.

In terms of poverty measures, Humanity First believes that every human being has the right to shelter, food, health, and education. Anyone deprived of these basic rights due to financial constraints falls under the definition of poverty. With us, the measuring scale would be income, financial resources, living conditions, and education.

The second question inquired about the role of the federal government in poverty reduction programs. Humanity First dreams of a Canada where no person goes to sleep without food, no one is

without a roof, and education is a right, not a privilege for the rich only. Eyes and teeth are part of a human body and should receive health care. The federal government can play both short-term and intermediate roles; as well, a long-term strategy can be introduced.

For the short-term and intermediate roles, the federal government should support community organizations by using them on the front line to identify poverty affected cases, such as food banks, immigrant services, and income and housing community services. Through them, they can provide assistance for shelter, food, health care, and education. As a long-term strategy, accessibility to education and skills training programs should be improved. Also, it should provide increased opportunities for placement of successfully trained individuals, especially those who belong to low-income families or who fall under the poverty line. Various incentives can be offered to motivate people to join the skills training programs. The education system can be revamped to further subsidize university education to make it more affordable for less fortunate students.

For question number three, on federal-provincial-territorial cooperation or collaboration to reduce poverty, our perspective is that a joint project should be launched to improve the education and training programs across Canada. College and university education should be subsidized to 100%. We need homelessness prevention strategies, including improvement in social housing initiatives or subsidized housing initiatives. Programs introduced by one government should have a legislative protection to secure their sustainability from the change of the government.

We need to create green jobs by funding public employment in the new emerging trends of solar energy, wind energy, and recycling. All of these emerging trends, which are in the air at the moment, should be launched with solid foundations and should introduce more employment opportunities.

Question number four asked if this joint federal-provincial-territorial response is necessary to meet poverty reduction targets, and what the targets should be. This joint response is extremely important to meet poverty reduction targets. This would result in a comprehensive strategy and cover loopholes that leave borderline cases vulnerable. The targets can be reducing child poverty by 50% in five years, and a 100% reduction of homelessness in five years.

The next question asked what more should the federal government do to reduce poverty, specifically among children, single parents, women, aboriginals, and persons with disabilities. Humanity First recommends legislation should be in place that can ensure guaranteed funds for children. That legislation should have a mechanism to prevent abuse of such funds. For example, money should be spent on programs that directly benefit child health, education, sustenance, and upbringing.

We should also encourage self-help groups for lone parents, women, and other vulnerable populations. Then we need to create micro-economies like small business and home business programs. The government itself becomes the client of such businesses, thereby ensuring guaranteed success of the businesses.

The next question asks how the federal government's contribution to reducing poverty should be measured and reported, and which indicators can be used. Poverty reduction should be measured and reported regularly by solid statistics, such as numbers of people who have benefited directly through these strategies, the number of people who are no longer homeless, and the number of people who are now employed after long-term unemployment. It can also be measured by the number of children who moved from below the poverty line to above the poverty line, the increasing number of students going to university, and the review of poverty reduction programs and their specific results.

● (1350)

Question seven was on how to deploy current resources more effectively. Humanity First believes the current federal resources for reducing poverty should be deployed through programs that are very specific and targeted to the grassroots level. Unfortunately, a major portion of the fund is used in bureaucracy by agencies in the middle. Grassroots-level groups should be formed consisting of that population only, and their needs may be defined directly with their consultation and should be addressed at their level instead of having a general national program. Second, a higher tax should be applied to multi-million-dollar individual income brackets. Last, a higher tax should be applied to gaming and gambling businesses and wins.

What is Humanity First doing in these trends?

Humanity First is a non-profit charitable organization, which provides disaster relief and human development services across the globe. We are from the Canadian chapter of Humanity First. We offer food banks and immigrant consultant services. The Our Children Our Future program is for tutoring, funding, and sponsoring children and schools. With the gift of vision, we sponsor individuals for glasses. There are employment referrals. Internationally we have orphan care, water wells, and vocational training programs.

Thank you very much. I know my time is up.

The Acting Chair (Mr. Maurice Vellacott): Thank you very much, Naumana, for your good words and input to us.

We'll now go to John Campey.

Mr. John Campey (Executive Director, Community Social Planning Council of Toronto): Thank you very much.

Good afternoon. I'm honoured to have the opportunity to present to you today on behalf of Social Planning Toronto, formerly known as the Community Social Planning Council of Toronto.

We are an independent non-profit organization that has worked for over 50 years to improve the quality of life for all Toronto residents through research, community education and mobilization, and advocacy, with a particular focus on reducing inequality and poverty. We are a founding member of the 25 in 5 Network for Poverty Reduction in Ontario and also work closely with our sister

organizations in the Social Planning Network of Ontario and collaborate with other social planning organizations across Canada on initiatives designed to address poverty and other forms of inequality.

Social Planning Toronto joins with many other organizations in calling on the federal government to take bold steps to reduce poverty in our country. The reasons for doing so are more compelling than ever, and the excuses for inaction are withering away.

First, on the excuses, the myth that poverty is somehow an intractable problem that cannot be successfully overcome has been effectively destroyed. A number of European nations, most notably the Scandinavian countries, with which Canada has a great deal in common, have managed to virtually eradicate poverty through significant investments in children, income security measures, and a comprehensive system of supports designed to ensure the maximum productivity of their workforce. Here in Canada, provincial initiatives in Quebec and Newfoundland are showing significant progress in reducing poverty rates, particularly among children.

The second myth—that we somehow can't afford to implement a robust poverty strategy—has been shattered by the events of the last year. The government response to the fiscal crisis has shown that governments can marshal the resources necessary to respond to any challenge. It is simply a matter of choices.

And the choice is clear: we can pay to address poverty now or we will continue to pay for it massively and for generations. We pay for it through lost productivity, lost opportunity, and increased family violence. We pay for it through the health care system, our criminal justice system, and through growing demands on an already frayed social support system. We pay for it through the lost opportunities of children and their reduced life chances, employment opportunities, and the earning capacity of themselves and their children.

There is a growing body of evidence that the cost of poverty far outweighs, in crass dollar terms, the costs associated with its reduction and eventual elimination. A recent report from the University of Toronto's Social Assistance in the New Economy project, in collaboration with the Wellesley Institute and Social Planning Toronto, and entitled *Poverty is making us sick: A comprehensive survey of income and health in Canada*, estimated that an additional \$1,000 a year, or an increase of less than \$100 a month in the incomes of the lowest-income 20% of Canadians, would result in a substantial improvement in the health status of those individuals and significant savings to the health care system.

Another finding from the sister study entitled *Sick and Tired: The Compromised Health of Social Assistance Recipients and the Working Poor in Ontario*, documents an alarming cost. One in 10 social assistance recipients in Ontario contemplated suicide within the past year. Suicide attempts were 10 times higher among those receiving social assistance in Ontario than those who are not poor. Another recent study by the Ontario Association of Food Banks estimated the cost of poverty in Ontario at between \$10 billion and \$13 billion a year for the provincial and federal governments.

The moral imperative is also compelling. Despite recent setbacks, Canada remains one of the wealthiest nations in the world. Is there really justification for us to tolerate leaving at least one in eight Canadians living in poverty, with far higher rates among racialized communities, people with disabilities, and our aboriginal population? This is an unconscionable blot upon our national and international reputation.

Given a compelling case for action, what actions to take? The "Blueprint for Poverty Reduction" in Ontario, developed by the Social Planning Network of Ontario and the 25 in 5 Network for Poverty Reduction, calls for significant federal involvement in the areas of housing and income support.

Significant reform to the employment insurance program is a critical component of any action plan. Earlier this month, Social Planning Toronto released a report entitled, *Uninsured: Why EI is Failing Working Ontarians*.

Key recommendations of that report include: reducing regional EI disparities by creating a lower uniform number of qualifying hours; raising benefit levels; increasing the duration of benefits; ensuring fairness and protecting low-income workers by eliminating the two-week waiting period; removing the voluntary leaving clause; addressing the issue of providing support for self-employed workers, with a particular focus on maternal and parental benefits; improving access to training and employment supports by easing training restrictions; and protecting workers during periods of economic decline by ensuring a more robust EI reserve fund and implementing measures to extend benefit duration when the national unemployment rate reaches 6.5%.

• (1355)

An expanded EI program is a key measure for poverty prevention. Individuals who cannot access EI, or whose benefits run out too quickly, are forced to turn to an inadequate social assistance system that requires them to strip their assets, provides benefit levels well below the poverty line, and creates multiple barriers to returning to productive employment. Maintaining adequate income supports in the short term through the employment insurance system will prevent many Canadians from falling into the poverty trap that is so difficult to escape.

There are many other steps the government can take as part of a concerted, comprehensive strategy to reduce poverty in Canada. Key among these are the establishment of a truly affordable child care program, further enhancement of the working income tax benefit, and a renewed federal role in the provision of affordable housing. The federal government has the lead responsibility for Canada's aboriginal communities, and a concerted effort to address aboriginal poverty by significantly increased investment in education and housing would be an important first step to building a poverty-free Canada for all its residents.

Canadians and our governments have shown a remarkable capacity throughout our history to rise to the occasion and to meet the challenges of nation-building. The challenge of eliminating poverty in Canada is no greater than others we have surmounted in the past. Strong leadership from the federal government can and will make all the difference.

Thank you.

• (1400)

The Acting Chair (Mr. Maurice Vellacott): Thank you, John.

We will now to turn Grace-Edward Galabuzi, a member of the steering committee of the Colour of Poverty Campaign. As well, we have received a written submission in respect of this.

Please proceed, Grace. You have five minutes.

Prof. Grace-Edward Galabuzi (Member of the Steering Committee, Colour of Poverty Campaign): Thank you very much.

Thanks for the opportunity to appear before the committee to discuss this issue, which for many of us has been a preoccupation. We have hoped for quite some time that the federal government would engage in this issue.

The Colour of Poverty Campaign is a province-wide initiative made up of individuals and organizations working to build community-based capacity to address issues of racialized poverty and the resulting increase of social exclusion and marginalization, particularly of racialized groups across the province of Ontario.

As we well know from the presentations that have been made to this point, the gap between rich and poor in Ontario is widening. But what is much less well understood is that the impact of this widening gap has a disproportionate impact. It has been felt disproportionately by members of racialized communities, communities of colour, but also first peoples, aboriginal peoples, in this province.

The increasing racialization, or colour-coding, of all the major social and economic indicators can be gleaned not only from the statistics on income and wealth but also from any number of other different socio-economic measures, such as inequalities in access to health, and with respect to health status; inequalities in access to education, and with respect to learning outcomes; higher dropout, or push-out, rates for many racialized community learners; inequality in access to employment opportunities; under-representation in well-paying, stable employment; and over-representation in low-paying, unstable, and low-status jobs. In many cases, this means that the experience is compounded for the communities and in terms of the possible intergenerational poverty trap.

When we look at housing, there are higher levels of under-housing and homelessness, with a re-emergence of what is being referred to as racialized residential enclaves, particularly within the city of Toronto but also in some of the other cities in Ontario.

These experiences of marginalization and increasing segregation are of concern to us. They express the full experience of poverty, going beyond the particular numbers. We think it's really important, when considering how to address issues of poverty, that we look beyond the low-income cutoff and beyond the low-income measure in order to understand the full experience of exclusion and the deprivation that is the experience of many racialized group members.

The evidence confirming that these communities are increasingly disproportionately disadvantaged by poverty is being increasingly generated. It is now at a point where we can refer to it as overwhelming.

The United Way of Greater Toronto's *Poverty by Postal Code* report, which was released about four years ago, showed very clearly that over the 20-year period between 1980 and 2000, while the poverty rate actually fell among the non-racialized population by 28%, it rose by 361% among the racialized population. By the end of that period, 60% of those who were poor in the city of Toronto were racialized families.

Other reports that are even more recent, such as a report by the Children's Aid Society of Toronto, a report by People for Education, and a report by the province entitled *Review of the Roots of Youth Violence*, all come to very similar conclusions with regard to the disproportionate experience of poverty among racialized populations in the province.

Given these stark realities, it is imperative that all levels of government actively engage in talking about how to reduce issues of poverty and how to eliminate poverty, particularly among racialized populations.

• (1405)

Racialized communities are rarely mentioned when discussing poverty. They are often mentioned as an afterthought or they are hidden within the generic "minority groups" or "immigrant" categories. Unfortunately, the tendency of mainstream organizations to use the language of immigration substantially limits the understanding of the experience of poverty among racialized groups. It is essential and critical to understand that racialized groups are vulnerable to poverty partly because of their racialized status. And unless we understand that and establish that very clearly, whatever strategies we use are going to be limited in terms of their impact on the experience of poverty.

We do have a number of recommendations that we think are very important to put on the table. First, there needs to be, on the part of the federal government, a clear commitment and recognition of the racialized dimension of the experience of poverty. We think that is important if you are going to craft either legislation or programs that will effectively address the experience of poverty among racialized groups.

Second, we think it is critical in terms of fashioning measures against poverty that we use disaggregated data. The issue of disaggregated data is essential to understanding the actual experience of poverty and the depth of poverty, especially among racialized groups. This is so we can measure the effect, but also whatever impact the programs and policies and legislation could have.

It is also important to address the issue of child care and to address it by establishing a national child care program. For racialized women particularly, their experience of poverty is impacted by the inability to have access to child care. Too many of them do not have parents or grandparents who are able to compensate for the absence of child care, and too many of them require access to child care spaces so that they can engage in the labour market.

Last is the issue of employment insurance. Because of the nature of the participation in the labour market, which is highly precarious, we think it is really critical that the federal government undertake key reforms that will ensure access to employment insurance benefits for those who are employed part-time, those who are on

contracts, and those who have a lot fewer hours than would be the case at this stage. It is essential to ensure that they have access to the benefits. But they also need access to training, so that when they engage in the labour market, as they do in that process of in and out, they have an opportunity to strengthen their skills and engage more productively than the last time they were engaged.

There are a number of other key recommendations that are really important and need to be addressed. For instance, the federal government should immediately implement the Pay Equity Task Force recommendations to deal with systemic inequities in pay based on race. It should also reverse its decision with respect to the Human Rights Tribunal's power to adjudicate pay equity cases.

It is essential that the government consider strategies such as paid internships, subsidies, and/or tax incentives for employers who are committed to practising employment equity and other measures that ensure equal access to the labour market for racialized groups. We see the equal participation of these groups in the labour market as being essential to addressing the issues of poverty.

Last but not least, rather than going in the direction of more tax cuts, it is essential that the government have the capacity to do the kind of programming that is necessary to build a strong base of public goods so that these communities can have access to those goods.

Thank you very much.

• (1410)

The Acting Chair (Mr. Maurice Vellacott): Thank you very much, Grace.

There is a written brief of their presentation. On the back there is an indication of all the different groups or organizations that comprise the Colour of Poverty Campaign's steering committee. Look at that as well, members. There are 10 recommendations there in English and French.

We'll turn to Cathy now. Cathy is a street nurse, so we're going to get that perspective now.

You have five minutes, give or take a bit, so take it away.

Ms. Cathy Crowe (Street Nurse, As an Individual): Thank you very much again for this opportunity to present to your committee.

I have worked as a street nurse for over 20 years. I'm currently on my sixth year of an economic justice fellowship from the Atkinson Foundation. I've worked primarily on homelessness and the affordable housing crisis from Victoria to St. John's. In addition, I'm executive producer of a series of films about homeless families and children. The first in the series that is completed is called *Home Safe Calgary*. I would actually like to file it with the committee as part of evidence, in particular because children are speaking in it about their experience.

Miloon Kothari, the United Nations special rapporteur on adequate housing, has pointed out very clearly that while he was in Canada and we had a federal surplus, our record on alleviating homelessness and poverty was pretty inadequate.

Last week, Prime Minister Harper, commenting on North Korea, stated: "It is deeply troubling that a regime routinely unable to provide for its own people should invest so much of its effort and wealth into its weapons programs."

In 2009, just last month, the Angus Reid poll pointed out that 51% of Canadians believe that the bulk of Canadian troops should be pulled out of Afghanistan before 2011.

There are troublesome signs that the federal government is renewing its campaign to divert more federal spending to an extended mission. I'm here, again, as a street nurse, to say that I find it very troubling. Over the last few years, I have witnessed some sharp and excruciating signs of worsening poverty, and I want to highlight just a few of them for you.

One is the deteriorating housing stock, which, as I am sure you've heard, has left people in water-damaged, poorly heated, mouldy, and bed-bug-infested units. As has been pointed out already in your hearing this afternoon, aboriginal people are disproportionately affected by substandard housing and by homelessness. Poverty now routinely means evictions, hunger, deprivation, and also, as has been pointed out, ill health. Parents depending on food banks, we now hear, have to ration diapers for their infants to three a day. We are also now seeing what I call the forced nightly movement of homeless people from church basement to church basement. The Calgary film actually shows that happening to families with children. Why is that happening? Because the city, up until about two months ago, did not have a family shelter.

So many of our seniors are living and dying in shelters. You may be surprised to learn that we now have palliative care units set up in at least two cities in Canada for people who are homeless. Families from so many walks of life are now housing-unstable, many ending up in a room or shelter. Many cities are now using motel shelters, motel beds on contract. None of these shelters is really able to meet the UN standards for refugee camps.

I want to contrast that with the \$100 million a month that we're spending on Afghanistan, the majority of that being on war efforts, and to contrast how that money is being used. I'll just give a couple of my favourite examples. One howitzer cannon could finance child care for 180 children for one year in Quebec. That would be \$450,000. The 2008 spending in Afghanistan could fund 3,500 new units of affordable housing here. That would be \$1 billion. The spending in Afghanistan by 2011, which will be \$18 billion, could actually fund nine years of a national housing program, looking at this core spending prior to 1993. There many other examples in my brief.

•(1415)

The special point I wanted to make today—because I know you will have heard many solutions, and you'll be hearing from Michael Shapcott tomorrow, and also from John Andras, from the Recession Relief Fund Coalition—is that Canadians need and want what I call a peace dividend. A peace dividend is an investment in people and in our social programs. In the meantime, however, this particular recession necessitates program spending that needs to focus on emergency recession relief. That needs to include moneys to expand employment insurance benefits. It needs to include what I call disaster relief, which means emergency relief for food and social

assistance programs. It needs to prevent evictions and to expand emergency lifesaving services for food and shelter. With my written presentation, which you'll receive, is a longer document of a speech I gave in Kingston that outlines that contrast.

Thank you.

The Acting Chair (Mr. Maurice Vellacott): Thank you.

We'll go to questions now.

Ms. Minna.

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

I welcome everyone. Thank you for coming this afternoon. Many of you I've worked with at one time or another, so I know the work you do. We agree on the solution and the situation. My questions won't be so much about questioning the rationale of what you've said as about delving a little deeper into the details.

Mario, your percentage of meaningful employment among immigrants with a university degree, was it 60%?

Mr. Mario Calla: It's 64%.

Hon. Maria Minna: I just wanted to clarify that.

With respect to the programs for immigrant communities, we've talked about their own civilization, the language. I'm wondering if the language training package should contain assistance not just in English grammar but also in how we enunciate the language. Sometimes the accent gets in the way. I know that one of my staff is going to a program that you have at the agency. That helps with that.

As part of working with organizations like yours, I'm talking about a bridge to employment. Once we identify the level of education that a person has, their credentials, and we've dealt with any residual upgrades that may be required in our system—whether be it the language or what have you—then there's still the big barrier of employment, which is a huge problem, and that's where the racial issue comes in. A lot of people just can't get in that door.

Would bridge to employment assist? The government could subsidize the first six weeks or so of employment to get the employer to take a chance on a person. In addition to moral suasion, maybe we need to look at some other incentives. I'm looking at ways to break this barrier down. It's like breaking a door down. Is that something that would work?

Mr. Mario Calla: On the language issue, because of the point system, 68% of immigrants speak one of the two official languages. The problem is not really about vocabulary and grammar; it's about communication, and communication is a complex human interaction. We find some of the problems are more cultural than linguistic. Sometimes people with advanced English don't understand the nuances contained in what they're saying. Because most of the skilled immigrants are going into the knowledge economy positions, they need the higher level of language. The answer really lies in combining language with sectoral occupational work. They way they learn the jargon and the culture of that particular profession.

On the bridging, I think you're right about the strategies that are needed. We have found that the most successful programs are the ones that specialize in the individual. Instead of having a one-size-fits-all approach, our bridging program, the enhanced language training, the internationally trained professionals program all target specific occupations. This is successful because it also gives people an opportunity to network within an occupation. One of the big challenges is the lack of social networks for newcomers.

The barrier is still Canadian experience. The subsidy idea that you suggest has been successful in the past. The federal government has had targeted wage subsidies.

• (1420)

Hon. Maria Minna: For young people, we did it with youth back in the nineties.

Mr. Mario Calla: With youth, the provincial program is Job Connect, which has been extended to adults, but in a small way. We're using that with foreign-trained professionals to help them get that Canadian experience. We find that once they've got their foot in the door, whether it's two or three months, usually the employer realizes they've invested this time and training and the person is making a contribution, and they give them a full-time job.

Hon. Maria Minna: Good.

I want to now move to John Campey for a second...well, actually, to all of you in a sense.

You said we need to be bold, and others of you have talked about moneys being spent on military and how fast we're working ourselves into huge deficits because there's a recession. I know we're bailing out large companies, but we're also trying to save jobs.

My question to you is this. And I know the answer, but I just want to hear it. Should we, as a country, look at the cost of the poverty—as we said, health and economic costs? If we just wanted to look at that, if nothing else, if we didn't want to look at the social but the economic costs...? Why would we not go into the same kind of deficit to bring everybody in this country to par somehow, which will obviously give us a huge economic benefit down the road? We seem to have understood the banks' crisis and the closing of large companies, but we seem not to have understood when it comes to...

So what are we missing? Maybe you can give me an answer of how we get at that one.

Mr. John Campey: I think one of the enormous frustrations that, certainly, I have is that when government looks at poverty in both the immediate and the long term, there doesn't seem to be the kind of recognition that an upfront investment in poverty reduction through child care, increased support for people on low incomes, training programs, increased security through an enhanced employment insurance program—all of those things—has an immediate payback in terms of reducing costs around health, the criminal justice system, and those kinds of things. But they also have a long-term payback that's enormous. It's like investing money in your house. There's some immediate benefit in terms of insulation or whatever, but it's a payback that extends over decades and generations. Governments tend not to be as far-sighted in terms of looking at the impact of those investments over a longer period of time in terms of the way

they play out in children's lives as they grow and then the lives of their children's children.

It's a real frustration that the countries that have taken that longer perspective—the Scandinavian countries, in particular, where those investments have been made over a number of years—are now seeing a payback in terms of being among the most productive economies in the world, with the lowest poverty rates, highest literacy levels, and among those with the highest standards of living on almost every indicator of quality of life. Countries that have taken that long-term perspective and invested in the security of children and families have seen enormous dividends in their quality of life. I think there is a real opportunity to say that other countries have done this and we're starting to see it at a provincial level, so let's embark on this as a national enterprise.

I think it's something we can do. It's something that I think the polling indicates most Canadians would support. They're looking for leadership from the federal level on this. That was one of the key indicators that came out of some polling done by the Canadian Centre for Policy Alternatives: that 90% of Canadians are looking to the federal government for leadership to eradicate poverty.

Hon. Maria Minna: Thank you.

• (1425)

The Acting Chair (Mr. Maurice Vellacott): We'll turn to Christian Ouellet.

Monsieur Ouellet, please, you have seven minutes.

[*Translation*]

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Thank you.

Can you put on your headsets please?

[*English*]

The Acting Chair (Mr. Maurice Vellacott): I should quickly explain. We can get our headsets on, and it's channel one, the floor is channel zero, and then you have French on channel two.

[*Translation*]

Mr. Christian Ouellet: Mr. Chairman, will we be getting Ms. Crowe's complete brief? Yes. Very well.

Mr. Campey—

Mr. John Campey: If you speak slowly, I can understand.

Mr. Christian Ouellet: I will try, but I'm not used to it.

Mr. Campey, I will continue in the same vein as Ms. Minna. Your presentation leads us to believe that we could benefit greatly from investing in helping people escape poverty. Studies have shown that one salary paid directly by government goes back to government after three years. In other words, a salary does not cost the government anything at the end of a three-year period. So there is capitalization. The government can profit by investing in people living in poverty or extreme poverty.

Could you tell us how quickly you believe the government could benefit financially from such an investment?

Mr. John Campey: Studies have shown that investments in the area of education and child care are reimbursed at least seven times over the life of a child. Poverty in Ontario amounts to \$7 billion per year spent on health care costs and leads to half a billion dollars being spent on the criminal justice system. I do not know exactly how long it would take to have an investment paid back, but I believe that in several cases it can happen quite quickly.

In Quebec investing in child care allows a greater number of women to work, essentially reimbursing in large part the costs of the program. I do not know the exact figures, but I believe it's one-third of costs.

Mr. Christian Ouellet: It's interesting that you should mention the number seven, because studies have shown that a homeless person costs seven times more in child health when living in the streets than someone living in a house.

Ms. Crowe, you provided interesting examples of Canadian expenditures in Afghanistan. Why did you not mention that almost \$10 billion remain unused at the CMHC? This money is not being used for anything, but it could be used to help homeless people, in times of crisis. Why did you not mention this?

• (1430)

Ms. Cathy Crowe: Because I only have five minutes.

[*English*]

Tomorrow I'm sure you'll hear many examples of agreement with you on this.

The reason I don't like to emphasize so much the economic argument on why we should do the right thing is because historically it hasn't worked. When the federal government cancelled the national housing program, it was assumed the private market would take over. It didn't. I think we have to do it because it's the moral thing to do, it's the right thing to do. It's based on human rights, not on saving money in the health care system, because I think there are too many other sad and depressing advantages.

For example, the poorer we are keeping certain groups of people, the lower we are keeping the minimum wage, there's a class of workers who are doing the crappy jobs that nobody else wants to do. There are too many other groups benefiting from that.

I haven't, in my career, witnessed good social policy around homelessness and poverty made for cost-saving reasons. I would prefer that we look to world values, to the United Nations' values, to a human rights case.

In Quebec, did they bring in a province-wide child care program or do such a good job on housing just because of the cost-saving reasons or because of the cultural values, the social values, the real good ways and means to do something good for people?

[*Translation*]

Mr. Christian Ouellet: Thank you, Madam.

Mr. Calla, you said that recommendation 7 on employment insurance should be changed. We are in favour of in-depth reform. In fact, I myself introduced Bill C-241 to eliminate the qualifying period.

I do not understand why you are not bringing forth any further suggestions for immigrants arriving in Canada. So long as these people do not work a certain number of hours, which could potentially be 360 hours but is higher at the moment, they will not be eligible for employment insurance benefits. Given that there are \$50 billion not being distributed, do you not think you could be more demanding, and ask that there be specific conditions to help immigrants return to work?

[*English*]

Mr. Mario Calla: You're quite right. My recommendation is that the qualifying criteria for receiving employment insurance need to be revamped. I would agree with you that this is a huge problem, because most immigrants don't qualify because they haven't been here long enough. But even those who have been here a year and longer don't qualify—77% of unemployed Torontonians.

It's a huge issue, and I agree with you totally that it should be amended to look at that issue to include newcomers.

The Acting Chair (Mr. Maurice Vellacott): Thank you.

Olivia, you now have seven minutes to address our witnesses.

Ms. Olivia Chow (Trinity—Spadina, NDP): Thanks.

Twenty years ago the House of Commons pledged to eliminate child poverty. Not much has changed. Through those 20 years we have had an economic boom and a small recession, but by and large, the years have been quite good.

Fundamentally, the poverty rate has not gone down. In fact, employment insurance has got much tighter and fewer people are getting employment insurance, many more people are waiting for housing, far more people are waiting for child care, etc. You know those statistics.

The cumulative corporate tax cut since 2001 is about \$60 billion. Canada is facing a \$50 million deficit, which may even go up. So when times are tough, government has to make a decision, and the decision is whether to increase the deficit or take no action on affordable housing, child care, and all the things you talk about, or do the investment and find the money, either from the deficit, borrow more, or stop the corporate tax cuts because there are huge amounts of money from that.

Perhaps I could start with Cathy Crowe. Is that a direction you would take? Other than the \$18 billion we are spending on Afghanistan, which you raised already...putting that aside, but if the troops come back, perhaps fewer dollars can be committed there. But at the end of the day, the funds have to come from somewhere; they have to come from taxes or continual deficits since revenue is going down.

Where do you think the funds should come from?

•(1435)

Ms. Cathy Crowe: I'm not an economist and I don't pretend to be an expert on this. I raised the issue of a peace dividend because it's something I think the majority of Canadians want to see, so it was meant to be in addition to what you're going to hear from other people.

I can only say it's very hard to watch, especially what is happening to children. Hard choices are going to have to be made. If it's corporate tax increases, if it's a GST increase, those are hard choices the government is going to have to make or find the money from somewhere else.

Children are moving every single night from church basement to church basement in Calgary. I know you hear us politely in suits and you hear people coming to you with their formal presentations, and I'm sure you understand where they're coming from. They're coming from the places where mothers are literally coming into food banks struggling to figure out how to go all day long with three diapers for a two-year-old. You have to find it somewhere.

Prof. Grace-Edward Galabuzi: I have to agree with you that one of the impediments to addressing poverty systematically and seriously is the undermining of the capacity of the government to undertake public provision through the tax cuts, not just over the last two governments, but over the last, I think, 10 to 15 years. We cannot engage in a comprehensive anti-poverty strategy at the federal level, or even at the provincial level, without the participation of the federal level of government, and we cannot do it if we continue to lose the capacity through tax cuts.

I want to say a couple of things also along those lines. One is that you did say that from 1989, when the Parliament of Canada made a commitment to eliminating child poverty, until now, we haven't seen any significant progress. What we have seen is a change in the composition of who is poor. The profile of who is poor has changed, and that's why I think it is critical for us to talk about the experience of those who are disproportionately impacted by poverty. Racialized groups are disproportionately impacted by poverty. If we do not address that issue, it will have much broader social implications. This is what the youth violence report said very clearly. It's not just an issue of equal citizenship; it's also an issue of the possibility of social distress, first within those communities, but later within the rest of society. I don't think we can look at simply the cost in terms of dollars; I think we need to also look at the cost in terms of social cohesion.

I have to say I'm disappointed that this issue has not been aired to the extent that it needs to. I'm particularly disappointed that the federal government has not addressed that issue to this point.

Ms. Olivia Chow: Mr. Campey.

Mr. John Campey: I certainly wouldn't disagree with anything either Grace-Edward or Cathy has said. What I would add is that Canadian tax policy over the last 20 years has consistently moved in a direction of reducing the tax burden on the top 20% of the population and decreasing the quality of life of the bottom 20% of the population. When we have a situation where that top 20% is doing substantially better and that bottom 20% is doing demonstrably worse, there needs to be a rejigging of the tax system so that there is a degree of equity brought back into it and so that the

government's capacity to deliver the kinds of programs that all Canadians need is not eroded in the way that it has been over the last two decades.

•(1440)

Ms. Olivia Chow: I was going to ask you why that is the case, but I think I'm out of time.

The Acting Chair (Mr. Maurice Vellacott): We may have a chance to come back with a question here before we conclude, so you can maybe think of a question you want to pose.

I have a couple of quick questions, though, and I may not even take my seven minutes. I'm sitting in as the Conservative guy in the chair here.

I'll start with Mario. Maybe you'd be the one who'd want to respond, or the others. But what's your sense about the provincial nominee programs? You can speak for Ontario, or maybe you know a little bit about the other provinces, but are those programs working? Are they effectively doing what they intended? That would be my first question.

Then I want to know a little more about your reference to voluntary info sessions overseas. I think you inferred making them mandatory, especially for those coming in through the skilled worker programs. Maybe you could comment on that as well.

But first, on the provincial nominee program, maybe you can start with your sense about this, if you've talked to counterparts across the country.

Mr. Mario Calla: No, I don't have much information from across the country, except that the provincial nominee programs have been really slow to get going. As a percentage of the total immigration, they're a small number, but growing. The whole intention is to target certain occupations and fast-track them, but I haven't seen it having the kind of impact that certainly was anticipated initially.

With the overseas preparation, the thing is that 50% to 60% of immigrants are in the skilled class. These people are coming here with the qualifications. As I said earlier, if they don't connect to a job quickly, research shows that after a year and a half of not working in your profession, it's unlikely that you'll ever work in that profession. So what we're saying is that while there is this initiative in the three countries where the federal government has the offices, let's move beyond that.

When the visa officer calls up the individual and says they've been approved to immigrate to Canada, it usually takes four to six months with medicals and what not. They should be getting an interview with qualified people to look at their credentials and to send them over here to get the equivalencies and an opinion on what their credentials are in Canadian equivalencies, and also to get an idea for their particular profession on what the job market is like and connect with organizations like COSTI and others that then could help them.

We're doing it through those three offices already. We have a relationship. They'll send us the e-mails and we connect with those people, but it's a drop in the bucket when you consider that there are about 100,000 to 120,000 skilled-class immigrants coming over. That's why I'm suggesting this.

The Acting Chair (Mr. Maurice Vellacott): Is it because people, if they have that option there on a voluntary basis, are so busy and excited about getting ready to relocate and so on? Or is it just not being offered?

Mr. Mario Calla: It's not—

The Acting Chair (Mr. Maurice Vellacott): It's being offered somewhere.

Mr. Mario Calla: First of all, it's just in Manila, New Delhi, and a city in China, so it's small. I don't know, in terms of the percentages who are invited, how many actually make it to those sessions. It's just information. I'm taking it one step further, where there actually is an engagement with them around a counselling relationship to get them moving on some of their credentials.

The Acting Chair (Mr. Maurice Vellacott): It sounds like a very good suggestion.

I don't know if there are any other comments on my questions on the provincial nominee program or on what Mario was advising. If you have a question, we can have some off-line discussions, if we need to, as we conclude.

We'll start with Maria and then go to Christian and Olivia.

• (1445)

Hon. Maria Minna: I just wanted to go to Mr. Galabuzi for a moment, very quickly.

In your presentation, you were talking about desegregated data. Earlier, others mentioned the importance of collecting it. You had some other recommendations. One in particular was to calculate the default costs of doing nothing. That's an interesting way of looking at it. I think it goes back to what Mr. Campey said earlier. I don't think we've ever done that. I'm not quite sure how you would go about it, but I'm sure that economists would figure out a way to do it for us.

Do you know if there have been any studies or work done to date, maybe not on the overall thing but on specific initiatives, on the default costs? That's number one. That might be for all the witnesses, including COSTI, because I know you do this work.

Number two, one of the things we hear about constantly is a lack of data and that desegregated data isn't as easily accessible. I'm not sure if I agree with that, but I wonder if some of you might know or might have done research and would be able to tell us whether in fact it's much more accessible than we like to think.

Prof. Grace Edward Galabuzi: There is some work in the American context in looking at the cost of not acting to address issues of poverty. There is no work that I know of in the Canadian context that addresses this directly.

But I want to suggest a couple of things. One is, I think, the funds do that work.

Hon. Maria Minna: I agree.

Prof. Grace-Edward Galabuzi: I think the federal government can make a commitment to funding that kind of work. Two, I think we need to get beyond simply looking at the dollar amount of the cost of not doing what we need to do.

Hon. Maria Minna: I was looking at both the economic and the social impact, all of that.

Prof. Grace Edward Galabuzi: I agree with you. I think the economic or the financial is important, but the social is particularly important.

The roots of youth violence report said that "if such racial inequalities persist and continue to deepen, the social fabric of Ontario will be stretched well beyond the breaking point". I think the point they're trying to make is that we need to be concerned, in this case, about a growing gap that has a racial dimension to it. In many societies around the world, where that kind of dimension has become entrenched, you'll find it very difficult to reverse the trend.

When we get to the issue of desegregated data, I think there are some data we can use. I do not accept the proposition that we cannot do the measuring that we need to do because there's no data, but I think we can refine the data that are available. There are a number of organizations and institutions experimenting with various ways of collecting those data. The important thing is that we cannot solve our health care problems, our problems around education, our problems around poverty unless and if we know specifically what the nature of those problems is.

Hon. Maria Minna: Mr. Chair, could I add one last question to that?

The Acting Chair (Mr. Maurice Vellacott): You'll have to be very succinct.

Hon. Maria Minna: As you answered my previous question—and if anyone else wants to, they can also add to it, and if you know or if you don't, that's fine—to what extent is Multicultural Canada right now or in the last little while being of any assistance in this area? That's what that department is really about. It's about integration. That's its mandate, or it's supposed to be if you look at the Multiculturalism Act. Are you aware of any work going on in this area by that department at this point?

I gather it's no, so that's fine. I understand.

The Acting Chair (Mr. Maurice Vellacott): Monsieur Ouellet.
[Translation]

Mr. Christian Ouellet: Thank you.

Mr. Campey, unless I'm mistaken, you said a little earlier on that there were 10 times more suicides among the poor than among other groups within the workforce. Did you say that?

Mr. John Campey: We carried out a study which showed that in Ontario individuals on social assistance are 10 times more likely to try to commit suicide than people who are employed.

Mr. Christian Ouellet: Did you do a study to see what the costs would be to the state, in terms of costs over the life cycle, when we lose an individual to suicide because that person was not working?

Mr. John Campey: No, we've not done that.

Mr. Christian Ouellet: It would be huge.

Mr. John Campey: I believe so. We've just completed this study, but we feel that this fact is sickening enough. There clearly is a financial cost but the societal and moral costs are very high.

• (1450)

Mr. Christian Ouellet: Thank you.

[English]

The Acting Chair (Mr. Maurice Vellacott): Olivia, do you have a quick question?

Ms. Olivia Chow: Thank you.

Just to follow up on my first question, obviously there has not been a whole lot of political will in the last twenty years or else things would have changed. What can your group do to develop the kind of political will that is needed to begin to tackle some of these challenges? Perhaps I will come back to this side. Perhaps we could have a very short answer.

Mr. Mario Calla: I think the big issue is connecting taxes with services. Whenever the discussion comes up, it's as if there's no relationship between the two. That really concerns me, because as it relates to your previous question, we're looking at a \$50 billion deficit. The government is projecting deficits for the next five years, I believe, and I know that's going to roll down to the work that we do. I know it's going to impact the people on the street. But I didn't see anywhere in the discussion, when Minister Flaherty spoke about the \$50 billion cuts, anything about the fact that we kind of painted ourselves into a corner in that we dropped the GST by 2¢. Billions and billions of dollars are gone. That's why it's up at \$50 billion. If you included that money in there, you would soften it. I think it's that relationship, and the relationship right down at street level.

Two weeks ago I was consulting with some mental health consumers, and we were talking about the importance of connections to maintain one's mental health and so on. One woman said, "You know, I get calls from friends to go out for a coffee. I can't afford a coffee, and so I find an excuse for not going out, and after a while they stop calling." That's the impact—that people can't afford a cup of coffee. That 2¢ in the GST may mean nothing to someone who's making a good income, but that person isn't going out and buying anything such that the GST cut will mean anything to her.

So it's that connection between services and taxes that, for some reason, gets lost every time the discussion comes up.

Ms. Olivia Chow: So you support increasing the GST, which represents \$12 billion a year.

Mr. Mario Calla: I support \$12 billion a year.

The Acting Chair (Mr. Maurice Vellacott): Professor Grace-Edward, and then we'll adjourn. Go ahead.

Prof. Grace Edward Galabuzi: Adding to what Mario said, low-income Canadians depend disproportionately on public services. And the choices being made for tax cuts, which they cannot readily access, over the provision of public services simply exacerbates the situation for poor people. It particularly exacerbates the situation for racialized people, especially, as I said, low-income racialized women, who desperately need child care spaces to be able to access the labour market. A tax cut cannot compensate for that.

The Acting Chair (Mr. Maurice Vellacott): Thank you Grace-Edward Galabuzi, Mario, Naumana, John, and Cathy, for your good input to us today.

We'll adjourn this 36th meeting of our committee on this particular study. At three o'clock we'll resume. The meeting is adjourned.

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