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**Standing Committee on Human Resources, Skills  
and Social Development and the Status of  
Persons with Disabilities**

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**Chair**

**Mr. Dean Allison**

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## Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

Tuesday, June 2, 2009

•(1105)

[English]

**The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)):** Pursuant to Standing Order 108(2), we're going to continue with our study on the federal contribution to reducing poverty here in Canada. I want to start by welcoming all our witnesses. Thank you for taking time out of your busy schedules to be here today.

Michael, we're going to start with you and work our way across the table.

Try to keep your presentations to around five minutes. I'm not going to cut you off at five minutes, so if you want to finish your thoughts, by all means, do so. After your presentations, we'll have time for some questions and answers.

Once again, thank you very much for being here today.

Michael Shapcott, you're with the Wellesley Institute. Welcome. The floor is yours, sir.

**Mr. Michael Shapcott (Director, Affordable Housing and Social Innovation, Wellesley Institute):** Thank you very much, Mr. Chair. I appreciate very much the opportunity to be here today.

Today, of course, is National Hunger Awareness Day in Canada. There are more than 700,000 people going to food banks, so it's particularly appropriate today that this committee turns its mind to the issue of poverty.

About seven months ago, when the Organisation for Economic Co-operation and Development released its survey of 30 developed countries in the world and revealed that Canada has the second-worst record in terms of deep and persistent poverty and income inequality among the OECD countries, it actually pointed to the federal fiscal policy over the last decade as being a primary cause of poverty and income inequality. It said ongoing tax cuts, which primarily benefit higher-income people and profitable corporations, and social spending cuts, which primarily affect lower-income people, are responsible for Canada's very poor record relative to other countries in the OECD.

The Wellesley Institute has released its own research, which looks at some of the issues around income and poverty. In particular, in December we released what is the most comprehensive and current review of income and health in Canada. Among other things, we looked at 39 health indicators by income, and we found that the poorest one-fifth of Canadians, when compared to the richest one-fifth, have more than double the rate of diabetes and heart disease, a

60% greater rate of two or more chronic health conditions, up to three times the rate of bronchitis, nearly double the rate of arthritis and rheumatism. The good news in this, in the midst of the pile of bad news, was that we were able to demonstrate, using multivariate analysis, that every \$1,000 increase in income for lower-income people leads to substantial increases in health. The good news is that there are things that can be done that will have an impact.

Our survey that was released in December was called, somewhat fittingly, *Poverty is making us sick*.

We've submitted a written submission to the HUMA committee and have identified seven specific recommendations that we believe will strengthen the federal role in reducing poverty. I'm happy to take those up in the question period, but let me just quickly review the seven of them.

First of all, we think Statistics Canada needs to have the mandate and the resources to properly identify robust and timely individual and composite statistical measures of the dimensions of poverty. There's an old saying that if you can't measure it, you can't manage it, and that's certainly the case in Canada. We're far behind other countries in terms of measuring and managing poverty.

Second, we believe Canada's vital social sector, the third sector, needs to be properly acknowledged, fully engaged, and strengthened.

Third, the federal government urgently needs a national affordable housing plan that builds on our legal obligations under the International Covenant on Economic, Social and Cultural Rights.

Fourth, federal health care spending needs to include a national community health plan.

Fifth, the federal government needs to launch a national campaign to eliminate poverty and reduce income inequalities.

Sixth, the federal government needs a national campaign to reduce health inequalities.

Seventh, we're recommending that the federal government reverse federal policy of the past two decades that relies on tax cuts that primarily benefit wealthier Canadians, funded by social spending cuts that primarily hurt lower-income Canadians.

I want to acknowledge in my remaining minute or two that the federal government has made several substantial promises in terms of new investments that will have an important impact on poverty. In particular, eight months ago the federal government announced a \$1.9 billion extension of three programs, the federal homelessness initiative, the federal home renovation program, and the federal-provincial affordable housing initiative. That was \$1.9 billion over five years. Then, in January, in the most recent federal budget, as part of its economic stimulus package, the government announced \$2 billion for several specific affordable housing initiatives. These announcements build on or extend existing federal initiatives, and therefore they give rise to two very particular questions.

The first question is, how quickly is the federal government allocating the funding that it has promised? Secondly, are the investments that have been promised actually meeting the housing and homelessness needs of Canadians?

On the first point, we've done a preliminary tally, and I'm happy to share that with you. In the nine months since the September announcement, and a month after the funding for the federal homelessness initiative, the housing renovation plan, and the affordable housing initiative expired, the federal government has announced that it has allocated \$81.7 million of the \$1.9 billion promised—that's 4% of the total amount promised. That's 4% over nine months. The record is slightly better in terms of the January economic stimulus announcement. As of today, the federal government has allocated \$884.3 million, or about 43% of the total amount promised.

• (1110)

On the second point, with respect to whether these investments are actually going to meet the housing and homeless needs of Canadians, I have some information for you. The federal government has been remarkably reluctant to release detailed information on its affordable housing investments since 2001. However, in the last couple of days the Wellesley Institute has received, via a freedom of information request, detailed information on the federal-provincial affordable housing program. We've just begun to do a preliminary analysis of what the government has invested and funded.

We started with the 2007-08 fiscal year and looked in particular at the federal government's funding for the development of 1,096 new affordable homes in Ontario. According to the information from the federal government, the average rent for these homes was \$685, which is only about 14% below the average private market rent in Ontario. Using a standard of affordability calculation, we found that a renter household would need an annual income of \$27,300 to live in these new so-called affordable homes. However, more than one in four Ontario households earned less than that in 2007. In fact, one-quarter of all Ontario households cannot afford the federal government's so-called affordable homes.

I'd be pleased during the question and answer session to provide more detail and speak to the recommendations and statistical indicators that we've included in our package.

Thank you.

**The Chair:** Thank you.

We're going to move to the Recession Relief Fund Coalition, with Mr. John Andras.

Welcome, sir.

**Mr. John Andras (Co-Founder, Recession Relief Fund Coalition):** Thank you very much, and thank you for having the hearings yesterday and today.

As the recession continues to develop, unemployment continues to rise, and people who were once considered middle class are finding themselves without work and threatened with homelessness. You will hear much testimony on the need to reform EI, to make it easier for people to qualify, and to extend its terms, etc. You will also hear about the conditions people face when they run out of EI and face the bleak prospect of relying on social assistance.

In Ontario, the number of single persons in the Ontario Works program in April 2009 was 130,180, the highest level in 11 years and 56% higher than in 2001. To qualify for social assistance, you must be destitute. A single parent must have no more than \$1,550 in assets before they can become eligible for social assistance, which means they have to basically liquidate everything they own.

As people face financial ruin, they rely on the services of the not-for-profit sector to receive very basic services. Faced with either paying rent or feeding their children, more and more families are forced to use food banks and community kitchens. Across the country, food bank usage is rising. In Toronto, according to the latest figures I've received from Daily Bread Food Bank, usage is up 15% year over year and is growing. Credit counseling services are doing a record business. Foreclosures and eviction rates are going higher.

But hidden in these statistics and many others is the human cost of the recession. Families and individuals are under severe stress. Family violence is becoming more prevalent. Abuse of alcohol and drugs is on the upswing. Front-line community agencies are seeing a new type of homeless people—those who, until very recently, were employed and who find themselves displaced and confused, angry and dismayed. The demand for services in every front-line agency I have talked to is up substantially from last year.

The bad news is that at the same time, corporate sponsorship and donation levels are down, as companies cut back. Many events and fundraisers have been cancelled. Others are much less profitable than in previous years. Private donors are feeling insecure. Their investment portfolios are down, and they may have had to take pay cuts, and they may be worried about losing their jobs. They are not giving at the same level as they have in previous years. Foundations have taken major hits to their endowments. They are cutting back. Many large funders who are following through with long-standing funding commitments have said, don't expect anything in 2010.

I'm also the chair of Sketch, an agency that provides working arts to homeless and street-involved youth. As a board, we have had to plan for a potential 30% cut to funding and we have already had to cut expenses, which means cutting services to our participants by about \$80,000. Unfortunately, we are not alone in having to prepare a survival budget. The irony is that the demands and needs for services have never been greater, and they keep growing.

In December, a group of agency heads, foundations, academics, and business people founded the Recession Relief Fund Coalition. Over 230 organizations and thousands of individuals signed a declaration to call on Ottawa to consider the needs of the front-line agencies in the budget process. I have given you a copy of the front page of the declaration with my remarks.

The need to make emergency funding available to the agencies that are feeding, clothing, sheltering, and counseling the victims of the recession is clear and pressing. Governments need to respond to the reality that demand is growing and non-government funding is falling. Even if the shovel-ready projects that Michael Shapcott was talking about begin, it's going to take several years to make any real impact on people requiring housing. In the meantime, individuals and families will be dependent on the front-line service providers for their survival. The agencies are the front line of the recession; they are where people who are desperate go for help.

• (1115)

Not to support the not-for-profits at this time will lead to far higher long-term costs in terms of policing, incarceration, health care, and social unrest.

Thank you.

**The Chair:** Thank you, John. That was bang on five minutes. Very good.

Next we welcome Martha Friendly from the Childcare Resource and Research Unit.

Thank you for being here. The floor is yours.

**Ms. Martha Friendly (Executive Director, Childcare Resource and Research Unit (CRRU)):** Thank you for having me.

I sent a written brief, and I thought you would have it, but you don't. You will.

Today I'm speaking as the executive director of the Childcare Resource and Research Unit. It and I have been active in the social policy field for about 30 years, and I'm primarily concerned with early childhood education and child care and family policy.

Today I want to make three main points. A universal high-quality early childhood education and child care system is an absolutely necessary but not sufficient part of any poverty reduction strategy, and I'll describe why. The second point I want to make is that these programs for ECEC in Canada are today really at their lowest point that I can remember. This is certainly true when we compare Canada to its peer countries and the evidence that we have about what these programs do. The third thing I want to say is that an effective approach to early childhood education and care that fits a poverty reduction strategy must include robust policy from the federal government.

Just to set a little bit of context, I want to note that today there's quite wide recognition that early childhood education and care is about much more than looking after or watching children while the mothers are employed. What this means is that today early childhood education and care services are well understood to provide early childhood education, child care, and parent support, if they're done well.

We also know that families of all economic categories and social groups and regions—poor, middle class, and affluent families, immigrants, refugees, aboriginal, and rural parents in every region in Canada—use early childhood education and care programs if they're available and affordable. This is connected to two things: first, that a broad spectrum of parents seek the best start in life for their children; and second, that the labour force participation of mothers of young children has been steadily increasing for years in Canada. It was up to 77% in 2007 for mothers of children aged three to five years, which is quite high compared to the rate in other industrialized countries.

I have some evidence about the state of ECEC policy and programs. First of all, the programs themselves are in very short supply. You can just look at waiting lists across the country and desperate parents' newspaper stories. A second thing is that the quality of child care in Canada is rarely high enough to be developmental. It's underfunded. It's not good enough.

In addition, regulated child care is usually too expensive, even for ordinary families, let alone for low-income families; and most families, if they can afford to, use unregulated private arrangements, which are often unsatisfactory from both a reliability and a quality perspective.

Finally, although no families have good access to child care, some groups have especially poor access, and here I would note aboriginal Canadians, immigrants and refugees, and parents working at non-standard hours and non-standard jobs. All of these are most likely to be low-income families.

Notwithstanding the evidence about the benefits to child development of good-quality early childhood education and care, and the fact that parents need it, Canada has failed to make progress in this field. We have a 2008 UNICEF report card that ranked our provision at the very bottom of 25 developed countries. We tied with Ireland, only making one point out of 10 of the international benchmarks that were established by UNICEF.

We also have the OECD, which did a very in-depth 20-country study. They found us to be considerably behind most other OECD countries, even the poorer-quality OECD countries in this area. The OECD commented specifically about the poor provision of ECEC for aboriginal children and the access for low-income children in Canada, which was much lower than it was in other countries to which they compared us. They recommended strengthening access for disadvantaged families within a universal system.

Why is good-quality, accessible early childhood education and care a fundamental, necessary part of any effective anti-poverty strategy? There are two main reasons. First of all, it is because of mothers' employment. It's an essential support for mothers who need to take a job, enter a training program, or go to school so that they can work. Without reliable, affordable child care, mothers are often forced to stay out of the paid workforce or to work at poorly paid employment or be stuck in a dead-end job.

We know not only that having two earners in a family is a very important part of buffering family poverty, but also that single mothers who can't get child care are often forced to stay on social assistance and stay out of the paid workforce.

● (1120)

Let me just wrap up.

Overall, what we have in the Canadian situation is that economic circumstances mean that most mothers of young children are in the labour force. So most young children, especially those whose parents have the fewest resources, are not in high-quality, enriching programs that can benefit them. They're in a variety of patchwork, often unregulated, and often inconsistent arrangements.

What can Canada do? The problems really can be summed up simply as not enough money and not enough policy. Those two things really go together.

Do I have another minute to run through some policy recommendations?

**The Chair:** Sure, just to wrap up.

**Ms. Martha Friendly:** Okay.

What we know is that these programs do not become widely accessible and have reliably high quality unless governments take the lead role in organizing, financing, and operating them. So keeping in mind the best interests of children and the need that parents have for early childhood programs so they can be employed, I just want to run through a list of policy characteristics that the federal government needs to begin to take leadership on in order to kick-start this program and get it off the ground.

First of all, I believe there's a key role for the federal government in ensuring that such a policy is developed. I think the federal government needs to be a key funder, a research and policy leader, and a convener of the other levels of government in this process. It is certainly true that early childhood programs are clearly a provincial responsibility, but the federal government needs to ensure that the players work together to ensure that a strong policy framework is based on best practices in policy and program development.

The financing needs to be substantial. It needs to hit, fairly soon, 1% of GDP, which is the recommended international minimum benchmark for children zero to five years for ECEC programs, and the funding needs to be developed as core program funding, not subsidies, vouchers, or cheques to parents.

The system should be built as a universal service open to all families. I just want to reference the OECD here. It put forth the policy lesson that ECEC systems work best when they take a "universal approach to access, with particular attention to children in need of special support". This means ensuring that the particular needs of disadvantaged families are front and centre when services are designed and that there are assurances that these families are fully included within a universal program.

Finally, ECEC needs to be one part of a broad, comprehensive poverty reduction strategy that includes income support, labour strategy, pensions, and affordable housing, the other things that we've had.

In summary, I think most people would agree it's hard to imagine that you could have an effective anti-poverty strategy without greatly improved early childhood education and care. It's not sufficient, but it's necessary.

Thanks for the extra time.

● (1125)

**The Chair:** Thank you, Martha.

We're now going to move to the Green Pastures Society, with Kofi Hadjor.

Welcome. You have five minutes. The floor is yours.

**Mr. Kofi Hadjor (Founder and Research Director, Green Pastures Society):** Thank you very much for having us share our experiences and our thoughts on the issue of poverty.

In 2001, after a life on Bay Street and private practice of 15 to 18 years, I experienced dislocation in my life. The dislocation took me into a shelter, the Maxwell Meighen Centre, in downtown Toronto. I took the experience of dislocation as an opportunity for me to learn new things in a new terrain.

I spent two years in the shelter and then I migrated to the next level of accommodation for low-income people, which is supportive housing, the Homes First Society. I am still there. I remain there because I saw an opportunity in terms of the problems and the challenges faced by the poor and I committed myself to developing solutions based upon their needs. Green Pastures Society is the result of that experience.

In my presentation I am going to focus on one specific area, which I entitle financial advocacy. It's the problem experienced by the poor in accessing financial support and benefit entitlements under existing legislation, be it taxes or pensions or whatever. What I found, living among the poor, was that most of them are not aware of a lot of these supports or entitlements.

I organized groups of volunteers with financial backgrounds to render services to them. What we found increasingly is that many people do not file their taxes for many years and many people do not know how to get basic entitlements. What we did, therefore, was conduct a global study about the issues and the research.

One of the studies we came across was a Statistics Canada report about the guaranteed income supplement and the problems people are experiencing with that. About 300,000 seniors across the country may be losing about \$300 million every year because they are not filing.

We also found the challenges of financial literacy are big for the whole country, but particularly so for low-income people.

We found HRSDC, in one of their outreach evaluation reports, reporting that it seems some marginalized people are losing out on their entitlements. They don't apply for them.

We found another study from the Retirement Planning Institute, which reviewed a number of situations for pensioners. They found about \$1.3 million in terms of retroactive benefit payments people were entitled to, and those were refunded to them.

Within the Green Pastures experience, let me mention two or three instances of what we call outrageous experiences we've come across. We encountered a homeless senior and a veteran who, for 17 years, never filed their taxes. They qualified for the guaranteed income supplement for the 17 years, but because they never filed their taxes they were entitled to payments for only 11 months. At current values their loss was about \$133,000.

We also found gaps in terms of expertise among existing bookkeepers and accountants in helping the poor. A person received about \$40,000 in retroactive CPP disability payments and the taxes were completed and the low-income person had to pay about \$8,000 to Revenue Canada. The person was referred to us and after doing the research and applying income averaging opportunities, we were

able to allocate the \$40,000 over the relevant years and the taxes vanished.

What we are encountering is that among the poor across Canada there is an enormous gap in terms of literacy, and the organizations of professionals serving the people in the economy don't know the issues of the poor. We tested our findings over a three-year period. We selected about 250 people, and as a result of our services, we generated half a million dollars in terms of refunds and everything for them.

• (1130)

So my message to you is this. We need a new infrastructure across the landscape in Canada to help the poor. We have existing community legal clinics where people go for legal help, but in the financial area we don't have any kind of help. There's a role that the federal government can play in this area. We have to conduct research spanning the extent to which outreach services from federal agencies reach out to the poor in their communities to help them. That's one.

Number two, I think that the federal government, having confirmed the need for these kinds of services, has to team up with the provinces and the cities to establish these financial centres that people can turn to for help.

Most importantly, I want to focus on existing tax legislation. It seems like existing tax legislation is creating a debtors' prison for the poor. Let me cite one example. When somebody is poor...and of course, in their prior life they perhaps had higher incomes, and they may owe some taxes. When they become poor and they're on assistance and all that, they cannot meet those kinds of debt payments.

We did income taxes for one person recently, about five or six months ago, and we filed from 1998 to 2007. They had a refund coming to them of about \$3,600. But in 1997, they owed the federal government about \$4,000. The interest came to about \$6,100. So that refund was taken by Revenue Canada to offset the balance. The balance he owes Revenue Canada right now is \$6,600. This has huge implications for such programs as working income tax benefit. You're trying to get money to the poor, but the point is that if they owe Revenue Canada some money, Revenue Canada takes it. We have a federal tax code ruling that if Revenue Canada doesn't collect or attempt to collect moneys from people owing them for six years, that debt should be zero. Revenue Canada is not following that right now. They grab the refund and they use it to settle the debt. This is prison for the poor.

The other thing is the statute of limitations. When a person does not apply for child tax benefit, when they do not apply for the GIS, there is a limitation period of one year that they can go back. So everything that was allowed over all those years is gone. I believe that those benefits are trust funds for these people. The statute of limitations has to be removed. We shouldn't direct those funds to general revenues to support everything that the government does.

That's my presentation.

**The Chair:** Thank you, Kofi. Thank you very much.

We're going to move over to Tim Rourke from Citizen's Income Toronto.

Tim, you have the floor, sir, five minutes.

**Mr. Tim Rourke (Coordinator, Citizen's Income Toronto):** Citizen's Income was formed in February 2007. As of today, we've built a website, created a newsletter, held several forums, and done a poster campaign. It's a very small office with another organization. We have no money and we're not looking hard for funding at this time. We borrowed the name Citizen's Income from a group in the United Kingdom.

We're part of a small but growing national network of groups who have come to the conclusion that the only way to end poverty is to give everybody enough money so that they're not poor. I expect you've already heard from these groups, or will soon hear from them.

While this movement is in an embryonic stage in Canada, it's well developed in many other countries. As someone who has advocated for a guaranteed income for over 30 years, often in the face of ridicule and hostility, I find the developments of the past few years to be very exciting. I think you should get used to hearing about Citizen's Income, Livable Income for Everyone, and Basic Income Earth Network. All the people involved in Citizen's Income are on disability or in the flexibilized labour market. Most of us don't get out much, but we're very offended by the kind of people who presume to speak for us. How about, instead of 25 in 5, as the province of Ontario and the social agencies are talking about, we have poverty eliminated 100 in zero? There's no practical reason why it can't be done.

I don't make a fancy salary from a social agency that lobbies governments to funnel more money to the poverty industry. We would like the federal government to threaten to cancel present arrangements with the provinces on social provisions. We would also like to see the government reinstate the Canada assistance plan, with two modifications. Unless the punitive aspects of social welfare in many provinces are removed, the two modifications are, first, to precisely define need, and second, to make provincial officials criminally responsible for failing to provide the necessities of life to everybody in their jurisdiction. We have people literally starving to death in this country, and it's outrageous.

Only the federal government can establish a guaranteed income. We also need to provide funds to establish citizen study groups in all areas of the country. The purpose will be to provide government with feedback about social policies, especially income guarantees. You should have the Ministry of Human Resources and Skills Development prepare options for implementing a guaranteed income in Canada, which can then be discussed by all these different citizen study groups. We're sure the committee can see that this method of consulting the public is superior to letting self-interested social agencies speak for the public.

That's all I have to say. I await your questions.

• (1135)

**The Chair:** Thank you, Tim.

We're going to move to the South Asian Women's Rights Organization, represented by Sultana Jahangir. Welcome.

I realize you had us reschedule you, but we have you back on this panel. Thanks for making the time.

**Mrs. Sultana Jahangir (Executive Director, South Asian Women's Rights Organization):** I had an emergency incident at that time, so I couldn't come.

Thank you very much for giving me a chance to talk in this standing committee.

My name is Sultana Jahangir. I'm an immigrant working woman. I work with immigrant women as a community organizer in my position as executive director of the South Asian Women's Rights Organization. Today I'm speaking to you as the leader of a delegation of poor immigrant women from Crescent Town, a neighbourhood in East York.

I am here to call Parliament to account for the lack of progress on child care and child care subsidies, a matter of fundamental human rights. Our community is one of the poorest in the city. The lack of day care is the key cause of this poverty. Thousands of women in our neighbourhood are entitled to day care subsidies, but there is no funding for this entitlement. There are long waiting lists. This is the same right across the city, and it is especially bad in all recent immigrant neighbourhoods. No subsidies equals no child care, and it causes poverty.

We are here to demand that the federal government and governments at all levels do their duty to affirm the rights and dignity of the women of our community and all women living in Canada. Women have the right to participate fully in society—in education, in the workplace, and in social and political life. Without affordable, accessible, and culturally sensitive child care, the rights of mothers of young children are denied. This is unacceptable.

Together with its NATO partners, Canada is spending billions of dollars on a war on terror against people of the former colonial countries—in Afghanistan and elsewhere—under the banner of democracy and women's rights. What about democracy and women's rights in Canada? Canada wants to be judged by the status of the world's women: how many CEOs are women, and how many MPs are women? Canada should be judged by whether it affirms the right of the most vulnerable women: immigrants, other poor working people, first nations women, young women—especially single mothers—and the handicapped. The rights of vulnerable women are denied. Canada does not affirm the rights of all. Canada's democracy is only for the rich and powerful.

Women in these vulnerable groups are excluded from full participation in society. We are marginalized in civic life, and we are economically impoverished. We are given the choice to work at Tim Hortons or to stay home. This is unacceptable. We immigrant women will not accept being pushed to the margins of society. We will not accept being left behind. We demand that the government stop marginalizing immigrant women and do its duty to affirm our rights. We demand full participation in society according to our abilities. We demand full funding of day care subsidy entitlements. We demand a national child care policy program now.

I'm touching a little bit on politics and child care. Child care has become a political football game that all the parties in this House of Commons have been playing. For 13 years, under Chrétien and Martin, the Liberals talked about the national child care policy at election time, followed by excuses about deficit fighting, and did nothing. In 2005, the NDP helped Stephen Harper defeat a national child care policy for its own partisan election and political ends. Harper reintroduced the baby bonus, which has benefited affluent Canadians the most, and calls it a national child care policy. Shame. Shame on the Parliament of Canada. Shame on Canadian democracy.

We immigrant women and families are kept in poverty while these political games are played year after year, election after election. Once again, with an election coming, the politicians are coming into our immigrant communities peddling their influence, peddling promises about day care and other issues, and attempting to divide our community along political party lines. This politicking is not acceptable. In Crescent Town, we are rejecting party politics and taking matters in our own hands.

Working women, especially trade union women, have made important gains by taking matters into their own hands, but immigrants and many other vulnerable women have been left behind. For us, this is a matter of survival, and that must be carried to the end. We are organizing our community around the fight for our rights. We will unite with other immigrant communities and other vulnerable women. We'll join all women who are demanding their rights and will help lead this fight to the end.

• (1140)

We did an investigation in our community through the last six months. We did 400 surveys about the assessment of women's feedback on child care. From our investigation, we found out that our neighbourhood is a portal for new immigrants, a port of entry, especially for Bengalis. Twenty-five per cent of the immigrants in Toronto who are from Bangladesh live in our neighbourhood. With their 50% poverty rate, Bengali immigrant women are one of the poorest demographic groups in the city.

Based on family income, almost all the families are entitled to either full or partial subsidy according to the city guidelines. Almost all women consider lack of child care to be a key barrier for their successful settlement in Canada. Only about a quarter of families receive subsidies. Half of the women are involuntarily unemployed. Almost all employed women are overqualified for their jobs. Seventy-five per cent of women are university and college graduates, with half of this group having post-graduate degrees. Many immigrant women have their three-year entitlement to settlement services run out because of lack of child care.

As well, severe social isolation is an outcome of lack of child care for immigrant women. Many women blame Canada's move to the economic class from the resident family class in immigration policy as the root cause of this isolation for immigrant women. Many women are isolated and homebound, without knowledge about their child care and other entitlements.

Many women feel that the government is responsible for using immigrants to solve a Canadian demographic crisis, that of an aging workforce, without putting child care infrastructure in place for hundreds of thousands of newcomer families. Many women feel that Harper's baby bonus and other policies show that it is acceptable to the government for immigrant women to be baby machines to solve Canada's demographic problem.

I just want to say that when the NDP and the Tory coalition killed debate on implementing NCP, a national child care policy, a long time before, the Tories started to implement a baby bonus policy to push immigrant women to be baby machines. The reality is that this government will not step forward for any kinds of things to do for child care, but just in case, in the future when another government is coming in, we want the other one to plead for this child care issue very carefully and not to have the goal fail. We're not going to tolerate any kind of failure for child care in the future.

Thank you for giving me a chance to talk.

• (1145)

**The Chair:** Thank you very much, Sultana.

We're now going to start with our first round of questioning.

Ms. Minna, you have the floor for seven minutes.

**Hon. Maria Minna (Beaches—East York, Lib.):** Thank you very much.

Thanks to all of you for a very exciting presentation. The last one is probably the most direct and blunt we've had, but it was very acceptable and very welcome, because sometimes things need to be said all around.

There is a lot of stuff on the table, but I'm going to focus on two issues just because I can't focus on all of it and I only have seven minutes. But it's understood that there's a lot of other stuff, and I appreciate it.

I want to focus on housing and child care. Those are the two issues. I'll start with child care.

On my questions, I'll start off with Ms. Friendly and then go to Ms. Jahangir.

Martha, you and I have been dancing around this table for far too many years. Some of the stuff we hear is that the \$1,200 is a universal child care program, and that by providing additional finances, it allows potentially more moms to stay at home and gives more choice to families. Some have even suggested that income splitting would do that even more and would allow more women to stay at home as opposed to working.

These are some of the things that I think sometimes are blocking some of the other open-ended.... Can you give me your take on those two, as quickly as you can? Again, I only have seven minutes and I want to get to Ms. Jahangir as well.

**Ms. Martha Friendly:** I think all the evidence is that the best way to use.... First of all, you need to have quite a lot of public money if you want to have good-quality and accessible early childhood education and child care. There's no doubt about it.

So then the question is this: how do you use your public money best to achieve those results? I think all the evidence and all these studies that I've been citing, such as policy analyses by the OECD and UNICEF, and also other research, are very clear that the best results come from funding programs and putting the programs there, not from giving subsidies, not from giving vouchers, and not from giving money. It's something we don't do; it's the way you would fund a public school. You can charge a fee. Most of the European countries that have accessible programs....

I could wait a minute.

**The Chair:** Did you have a question?

**Ms. Martha Friendly:** No, I thought I should just stop for a minute, that's all.

**The Chair:** No, keep going.

**Ms. Martha Friendly:** Okay.

Most of the European countries that have universal accessible early childhood education and care programs charge parents a fee, but the fee doesn't support the whole program. In answer to your question, I think all the evidence is that what you call demand-side money doesn't do the trick. I know that the goal of the \$1,200 is to give families more choices, and that means choices to stay at home or choices in some kind of child care. But I've looked at it quite a lot and I don't think there is any evidence that it does that. For one thing, we don't have data, but things certainly do not seem to have gotten better. You could say they may have gotten worse.

I would say that if your goal is to have accessible, high-quality developmental child care that is early childhood education, you give programs. If you want to give people income, you give them money.

Personally, I think it's important to give some families who need it money. I think the national child benefit is a good program. I'm a part of Campaign 2000 as a national partner. I think that putting a lot of that money into the national child benefit, and not making it a universal program but skewing it down to the people who need the money the most, would be a really good use of public money. When I say "universal" early childhood education programs, I mean they should also be for children whose mothers are not in the paid labour force, because they want early childhood education too—probably not full-day.

That's my answer.

**Hon. Maria Minna:** That's great.

Actually, your last point is one I was going to ask you. You answered it very well. In one of the most affluent parts of my riding, the biggest backlash we had recently was because a preschool program being provided by the YMCA was being shut down. These were all stay-at-home moms who were taking their children to preschool programs. That's through the early years program. As you know, it's part of the Ontario scheme. So I'm glad you ended with that.

I want to go to Mrs. Jahangir.

You mentioned, in a very strong statement.... I know the answer to this, because I know you well and I know the community, but I wanted to ask you for the record's sake: to what extent is a lack of child care a direct cause, in your view, of poverty in your community, specifically of the isolation of women and their inability to be able to go back to the labour force?

● (1150)

**Mrs. Sultana Jahangir:** If you want to see the evidence, you can come to the community and see. Women are bringing their foreign credentials, and 55% have their master's degree. Women have all these foreign credentials but are not identified by the Canadian—

**Hon. Maria Minna:** So we're losing on all of that expertise.

**Mrs. Sultana Jahangir:** Yes, and it's because of child care. How? When they come here, they need to take care of the kids. They have to give support to their spouses to stand up first, and when the spouse is standing up, that three-year timeline is gone, so they lose the opportunity to stand up on their own. They bring their credentials and they are getting jammed. They lose all the special things.

They need to first improve their language skills. When they come here, they don't get enough chance to do it, because of the child care. Isolation comes from this frustration, when women feel that they have to beg for a dollar from their husbands, because they don't have economic freedom; they can't work to earn the money. And we get pushed to work at Tim Hortons and McDonald's because they give us a flexible timeline for work.

**Hon. Maria Minna:** So lack of child care—

**Mrs. Sultana Jahangir:** Lack of child care is the main cause of women's poverty.

**Hon. Maria Minna:** Okay, so it prevents them from being able to go to language training or upgrading, to look for proper work in their fields, or to get credentials. In essence, it's a major barrier. I understand that. I know the community well, but I just wanted to get this, because you represent not just the Bangladeshi community figuratively for me, but you also represent all of the other immigrants who are facing the same problem.

**Mrs. Sultana Jahangir:** You know better than me, because you've been here for almost 17 years in our community. I'm very new. But as a newcomer, what kinds of problems do I face? From my expectations, from my experience and the community's experience, I saw this scenario: there is a lot of—

**Hon. Maria Minna:** I meant that the experience of your community is not different from the experiences of other communities, whether they are African Canadians or—

**Mrs. Sultana Jahangir:** There is one difference between our community and other communities. Bengali women—

**Hon. Maria Minna:** They are very highly educated.

**Mrs. Sultana Jahangir:** Bengali people will find a way to come together and step forward to say these things. We see a lot of inequality in our community. Our surveys say that 80% of the women are eligible for subsidy, and only 14% get the tax subsidy, while other parts of the city get 50%. We are not given that equal opportunity. Because we are poor, we need more support, more subsidy, more child care services in this area.

What happens? Poor people always get hit first by the recession. We lost our jobs first. We lost our child care opportunities first. There is a child care centre in town; if you do a survey to find out whose kids are going over there, it's the kids whose mothers have the ability to give money to the child care centre—outside kids, not the poor people's kids, because they are not getting any subsidy right now.

There is a huge backlog. There are people who are eligible for the child care, but still there is no solution coming.

**Hon. Maria Minna:** Thank you very much.

My time is up, and was up long ago, I guess.

**The Chair:** Thank you, Mrs. Minna, and thank you, Mrs. Jahangir.

Now I'll give anyone who doesn't understand French a moment to put on their headsets. Our next question is going to be in French. We don't want to cut into his time, so we're going to do this now. When you're all set, I'll turn the floor over to Mr. Ouellet.

[*Translation*]

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

Mr. Shapcott, earlier you said something that was very disturbing, namely that one quarter of Ontario's population, if I'm not mistaken, cannot afford housing that the government qualifies as affordable.

Could you elaborate on that statement? Is this situation unique to Ontario? Are other provinces facing the same problems? How can we remedy this as quickly as possible?

[*English*]

**Mr. Michael Shapcott:** Thank you, Mr. Ouellet.

The problem emerges from the Canada-Ontario affordable housing agreement, which is similar to the agreements that are signed between the federal government and every other province and which defines affordability using the Canada Mortgage and Housing Corporation's private rental market survey.

Affordable housing is defined as the rent that a private landlord charges for a unit. That, in fact, is not affordable, as you well know, Mr. Ouellet; it's simply what landlords charge to tenants. Many tenants cannot afford private rents, and that is one of the reasons we have a very serious housing problem across the country. However, all of the federal-provincial agreements, in their affordability definition, set that as the benchmark. That's why, when we finally got the federal government to release some information about what actual rents were being charged, we were disturbed but not particularly surprised to find that they're just barely below the private market rents.

We're providing a subsidy. I could tell you the exact subsidy that the federal government is providing in Ontario for those 1,000 units. It is \$26.5 million in the fiscal year 2007-08. For that, we're achieving rents that are just barely below the average market rent. As I mentioned to you, that means, for many households whose incomes are not sufficient to afford the average private market rent, that this program is not working for them.

• (1155)

[*Translation*]

**Mr. Christian Ouellet:** What measures need to be taken immediately by the federal government?

[*English*]

**Mr. Michael Shapcott:** There are two things that need to be done.

First of all, we need to take the existing programs and make sure they actually work. The old social housing programs and affordable housing programs, which were all cancelled in the 1990s—and in 1996 the federal government downloaded most of its responsibilities—and many of the social housing programs that exist in Quebec and several other provinces use an affordability definition tied to the ability of the household to pay. It's typically either 25% or 30% of the household's income.

That's the affordability definition that needs to be written into these laws.

If I may say so, there's a political calculation that comes into the affordability definition. If you want to appear to be doing more and funding more units and so on, then you make your affordability as unaffordable as you can: you bring it up close to the private market level. You get lots of units, relatively speaking, but those units are simply not any good for low- and moderate-income households. If you want to reach down, then you have to change that affordability definition.

The first thing you have to do is change that definition.

The second thing is, inevitably, that more money is required, because to reach down to ensure that the housing is truly affordable for low- and moderate-income households, more money is required.

[Translation]

**Mr. Christian Ouellet:** Do you believe the concept of social housing administered by a municipality or government is a thing of the past? Should the concept be retained at the very least for the poorest, for immigrants, for single mothers or for persons who find themselves with little or no income for a period of time in their lives?

[English]

**Mr. Michael Shapcott:** Social housing is a success story in Canada. It has been a success story in many provinces. In the provinces of Quebec, Ontario, and British Columbia, just to name three, they all had provincial social housing programs that complemented or worked with the federal social housing program. Those programs were very effective and they continue to be recognized around the world. I continue to get calls from housing experts who come to visit Canada and want to see our highly successful housing programs. All those social housing projects were funded under programs that were terminated in the early 1990s. We have a relic of a program that continues to provide good homes.

Incidentally, the federal government did fund over 600,000 truly affordable, good-quality homes from 1973 to 1993, right across the country. Those homes still provide good-quality, affordable housing for the people of Canada. We don't now have a national social housing program. The federal program provides a small capital subsidy to assist the housing developer to build a project. That subsidy varies among particular programs. It can go from as small as \$25,000 a unit to \$65,000 or \$75,000 a unit, but it isn't a social housing program. Many social housing providers are finding, under the federal program, that they simply cannot develop units.

• (1200)

[Translation]

**Mr. Christian Ouellet:** Do you believe social housing is a thing of the past? Should it be reconsidered as an option for certain categories of persons, such as the homeless who could move from the streets into social housing for a period of time and later transition to affordable housing or something similar? Do you believe social housing is a thing of the past?

[English]

**Mr. Michael Shapcott:** It's absolutely not a thing of the past. Social housing is widely used in many developed countries of the world as part of the total housing spectrum. In many countries of the world, in fact, social housing represents a significant portion. In Canada, less than 5% of our overall housing stock across the country is in the social sector. That puts us, among the developed countries, second to the bottom. The only country that has a worse record is the United States. European countries and other developed countries of the world, such as Hong Kong, all have a significantly higher social housing sector.

Mr. Ouellet, there are some provisions in the old social housing program and lots of regulations that were perhaps harsh and needed to be changed. No one is saying we should simply wind the clock back to 1973 and pretend that we can reintroduce the same old programs, but the concepts that were so successful in developing hundreds of thousands of units can be brought forward to today.

[Translation]

**Mr. Christian Ouellet:** Thank you very much.

[English]

**The Chair:** Thank you, Mr. Ouellet.

I'll turn it over to Mr. Martin for seven minutes.

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

To the witnesses, thank you for being here today.

John, I want to ask my first question to you. I also want to thank you for the really good work you're doing to raise this issue of the plight of the not-for-profit and front-line agencies that are delivering immediate assistance to people who are really struggling. I would anticipate that as people run out of EI and drop into the social welfare system, and discover how difficult and mean-spirited it is, your problem is going to grow exponentially.

What do we need to do?

**Mr. John Andras:** Oh boy, do you have a day or two?

There are a lot of things that need to be done. Obviously, funding is a huge priority. The agencies are starved. They're being forced to cut services at the very time that demand is increasing. The quality of service is deteriorating. There are stories of inadequate nutrition in feeding programs just because there's not enough money and not enough food available from food banks to provide adequate nutrition. There are stories from the shelter system of endemic bed bugs, where they're literally eating people alive as they sleep.

As the pressure on the agencies increases, the standards are deteriorating and the quality of service being provided to people is deteriorating. Just using Sketch as an example, which is the one that's closest to me, as I mentioned, we had to cut at least \$80,000 in our current year's budget, and we'll probably have to cut more next year. It means that we cannot run the program we used to run to give bursaries to street-involved youth to allow them to get back to school, to pay for tools, or textbooks, or relocation. So there are probably a dozen youth who will not be able to move on because of those cuts. We've also had to cut staff, which also will impact their ability to move on with their lives. That's replicated in virtually every agency.

What we're seeing is that people are hitting a wall and they're not able to move forward because the agencies can no longer provide the kind of service that they used to. There are agencies that literally are teetering on the edge of insolvency.

**Mr. Tony Martin:** You had said a while back—I'm on your e-mail list—that we had about six months before a lot of the agencies would go broke. Is that still a realistic timeframe?

**Mr. John Andras:** I believe it is. A lot are cobbling through. You have executive directors who aren't being paid because they're putting the funding into programs, and that can go on for only so long. An immediate help would be to double the level of funding to programs like HIPPY, back to the funding levels that they once were. That would help. Also, I think there needs to be a very close examination of what the essential services really are to ensure that the agencies that are delivering those essential services are adequately funded to provide the services.

• (1205)

**Mr. Tony Martin:** Okay, I want to shift over to Tim for a minute.

Tim, you mentioned a couple of things that I thought were important. You said, let's eradicate poverty tomorrow, let's not wait 25 years or whatever, or five years. I couldn't agree with you more. As a country, we've done some of that with CPP, with health care, with EI. We decided we were going to do something big, and we did.

You mentioned, as a way to get there, a guaranteed annual income, a basic income. Do you want to talk a bit more about how that would happen, what it would look like?

**Mr. Tim Rourke:** It's not a very difficult concept at all. The only thing, I think, in the world that is ever going to actually eliminate poverty is when you give people enough money so they're not poor.

There have been numerous experiments about this recently. In Canada we had the Manitoba income experiment. Four different cities in the United States had it for a while in the seventies. More recently, various third world countries have conducted experiments. There was a very successful one in Namibia. If they can do it, why can't Canada?

It isn't even going to cost much more than what is already being spent right now on social policies. People who say that it is going to be an astronomically expensive program are not being honest. It simply makes sense.

The trouble with it is that it would change the present social order. Employers are not going to have a compliant labour force under their thumb. People can simply walk out if they're being abused, without putting their lives in danger.

The only real issues about it are that you have to get cooperation from the provinces in terms of things like a proper housing program. Right now I would say we have a disastrous social housing program. I live in one of these miraculous places, and it is not a pleasant place to live. First of all, in the provinces we need legislation to control rents. We need adequate housing or proper housing that is run by the tenants. Otherwise there is not going to be much point to a guaranteed income. Landlords will take it all back.

There are other potential problems with it. Employers might want to try to use it as a wage top-up. This will work for them mostly if the citizens' guaranteed income is very low. It needs to be adequate so that people can simply get out of the labour market without serious consequences until they can participate on equal terms.

Am I out of time?

**The Chair:** It's pretty close. If you have any final thoughts, you can give them.

**Mr. Tim Rourke:** I just don't think there is any alternative. Everything else in the world has been tried to eliminate poverty. As Senator Segal said a while back, "Why don't we just start out with people not being poor in the first place?"

**The Chair:** I think Sultana also wanted to add something here, so I will give her the last word on this.

**Mrs. Sultana Jahangir:** I am sorry, I have to leave. I have another meeting. So if anyone has any questions, I will leave my e-

mail address with Christine so that she can give it to you and you can e-mail us the questions.

We want to see improvements in child care, and we are not going to go back until we get them. Thank you.

**The Chair:** Thank you, Sultana.

We are going to move to Mr. Lobb. Sir, you have seven minutes.

**Mr. Ben Lobb (Huron—Bruce, CPC):** Thanks very much.

I would like to thank the witnesses today. There are some definitely different perspectives, I would say, from what we have heard before and some fresh ideas, for sure. So I think that is a positive thing.

My first question is for Mr. Shapcott. We may be a little provincial here, and that is perhaps not the wisest thing. I go back to the Green Energy Act, which was recently put through in the latest provincial budget. One of the interesting aspects of the Green Energy Act is obviously zoning and planning. That was taken away from the municipalities and counties and left in the province's hands. It appears to me that there is an initiative to move it along the process of green energy, and there seems to be quite a substantial number of dollars available for green energy in the spirit of diversifying our energy requirements.

I wonder what you would think if we had the same perspective on affordable housing, with the same zeal and zest for that, in terms of the components around planning and subsidizing. You talked about the number of housing units that were created, yet very few of them were much below the market rate.

If we took the same approach to the Green Energy Act and drew a parallel there, I wonder what your thoughts would be on that. Obviously this is largely provincial, yet it would be an interesting discussion nonetheless.

• (1210)

**Mr. Michael Shapcott:** Thank you very much, Mr. Lobb.

That's an excellent question, and I think it points to the fact that on important issues like housing, in our wonderfully complex and often frustrating federal system, different levels of government have different responsibilities.

One of the most important things is to line up all the governments and get them working in the same direction. Otherwise we'll have the situation, as has happened all too often in various parts of the country, where the federal government, or sometimes the province, will provide funding for an affordable housing project only to have the municipality, through its local planning and zoning powers, refuse to allow that project to move forward. That has happened in Charlottetown, it has happened in several places in Ontario, and it has happened in other parts of the country. So we do need to line everyone up.

If I may say, Mr. Lobb, one of the important mechanisms for that happening are the federal-provincial-territorial housing ministers meetings. The last meeting, which all the provinces, territories, and the federal government attended, was in September 2005, which in terms of the current recession is eons ago. At that meeting the federal, provincial, and territorial governments all agreed on a framework to move forward on a new national housing plan. Unfortunately, however, the federal government has refused to attend future meetings. There was one in February 2008, in which the federal minister of the day, in polite words, declined to participate. Another one is scheduled for August 20 of this year in St. John's, Newfoundland. The provinces and territories will be there. They've issued an invitation to the federal government to attend. They've also invited municipalities and a number of other housing expert groups. So we have an opportunity on August 20. Unfortunately, the federal minister, at this point again, has not confirmed her participation.

We think the way to solve the problem is just as you've explained, which is to get everyone pulling in the same direction. And to do that, getting everyone in the same room would be a good start.

**Mr. Ben Lobb:** The next question is to Ms. Friendly.

I see my colleagues are very passionate about a national child care strategy and I definitely respect their opinions on that.

One area where I struggle around it is this. I'm sure you've heard this argument, and I'm just trying to understand it better. Let's say, for example, the average cost of child care in my area is around \$750 or \$1,000 per month. What is the thought or the logic if a parent says that if you're going spend it on national child care they would prefer to have those dollars go to them and they'll stay at home with their child? I'm sure you've heard that argument before. I'm not saying I'm for or against it. What do you think?

**Ms. Martha Friendly:** The two things are different. I guess the best thing I can say is that we do allow people in Canada to have the kids at home even after compulsory schooling starts, but we don't give them the money to do it.

I just want to say that I understand that argument. I have never advocated that all women have to be in the paid labour force. I very strongly have advocated for good parental leave and better workforce policies to support families and all that kind of thing. I see a national program, of course being within provincial jurisdiction, as being multi-faceted and providing a variety of services for people to participate in if they choose to.

I really think it's something to think about. If they can afford it, if they have the money, many parents choose to send their children to nursery school, to part-day programs. There's research that shows this. They don't send them for a full day; they send them for a short day. By the time the children are two and a half or three years old, it's something they want.

In my program, in my vision, that would be part of the picture. I don't know how much more strongly to emphasize it.

You know, I said when I started that it's not just about watching children while their moms work. And it's true; early childhood education is not the same thing as being a parent. Both are important. I think it's really important to emphasize that you need to have in the family policy area a package of things that allows families to be

families, to support women in the workforce and education, to do the right thing for children. Giving parents money is part of it, but it's not the same thing as giving them an early childhood education program.

I can't tell you how many times people have asked me this question. I don't know how to say this more clearly: it's not just about watching the children.

Again, I've talked to women, political party women, and some of the anti-child-care women, who have told me, "Well, of course I want my child to have a socialization experience." I remember that one of the Reform Party MPs I talked to quite a lot told me that she'd started a co-op nursery school. Well, that's part of the picture.

So the system would be not, as some people would have it, a one-size-fits-all program that comes down from Ottawa as a cookie cutter. You'd be very hard pressed to find that in Sweden, or in France, or in any of these countries. What you need to have is a collection of good programs that are well integrated at the local level and that do different kinds of things.

I'll mention that I've just written a book about child care policy. The last chapter of it really describes this vision.

This is not only about working mothers. It's not only about working fathers. It's not only about children being in centres. It's about having a collection of policies that support families, and part of that is income.

To go back to Maria Minna's question—it's quite relevant to this—I'm always ambivalent about whether we should give parents a universal benefit to recognize the contribution they make in raising children. Back before 1987, we had the baby bonus. When my kids were little, we had the baby bonus. It was a monthly payment for all families. It was token. It was to acknowledge parenting. It was not child care.

I see the universal child care benefit as the same kind of program. It's not enough to pay for child care. It's enough to help families a little bit, but it's not enough to help them to stay at home.

I guess that's what I want to say. If you really are tight with money, it's not a very good use of your money. If you really want to acknowledge parenting across the board, it's a good use of your money.

So just to answer your question, early childhood education and child care are different from parents getting money. They're not the same things.

I don't know; does that answer your question?

● (1215)

**The Chair:** It's going to have to.

**Voices:** Oh, oh!

**Mr. Ben Lobb:** I had seven minutes or less, so that will do, yes.

**The Chair:** It was a great answer for the amount of time she had.

Ms. Minna, I want to turn it back to you. You have five minutes.

Tony, we'll finish off with you with a quick question later.

**Hon. Maria Minna:** We'll read the blues and reread the statement.

I'm going to go to you, Mr. Shapcott, with respect to housing. I had meant to get back to you earlier.

A national housing strategy is not an issue with me; obviously we need to do that. But you had mentioned earlier that we need to have more bottom-up housing. Some of the best housing I've seen is co-op housing, for instance, probably some of the best bottom-up housing there is. Certainly in my riding there is quite a bit of it, and it's fabulous. It really integrates the community around it. It has a social, community, family feel and all of that stuff. I don't have to tell you specifics on that.

Two, with respect to homelessness, my former colleague Ms. Bradshaw did the SCPI fund, the homelessness fund. Again, that was bottom-up housing in partnership with the city.

The last comment I'll make is that I believe CMHC has the money in its budget to actually do a national housing program. We don't even need to go to the central budget. I think there's money there. What we need to do is change the mandate.

Can you comment on those three?

• (1220)

**Mr. Michael Shapcott:** Yes, I'd be happy to, and thank you very much.

Co-op housing, in fact, was nominated by the federal government in 1996 as a global best practice and was recognized by the United Nations as a global best practice. It's a model that many countries around the world admire. Ironically, 1996 was also the year that the federal government decided it was going to transfer virtually all its co-op housing and other national housing programs to the provinces and territories. They've reversed that decision, thankfully. But co-op housing is a good model.

You mentioned the SCPI which is now called HPI, or the homelessness partnership initiative. I love the federal acronyms. It is an excellent program for what it is, because the federal government is in fact an enabler. The program allows the communities to define their homelessness needs, and the federal government provides the tool kit in terms of finance and other supports.

I want to acknowledge that in September of last year the federal government extended for five years the funding for this particular initiative. That's good. The problem is, however, that 80% of the national money goes to 10 large communities, the other 20% goes to 51 other communities, and the rest of the country is out of luck. They basically don't get any money out of that program.

So it's a good program where it works, although I should say there has been a problem with SCPI as well, or HPI now, in that the program dollars are basically the same as they were when Minister Bradshaw first announced the program at Christmas 1999. Essentially, we're dealing with the same dollars, which means there is less.

When I talk about building from the community up, and that's the issue, there's one example I want to give you. You may be somewhat surprised to hear this from me, but the Province of Alberta is actually

in the lead when it comes to housing and homelessness supports in the last little while. Seven cities in Alberta got together and created the seven cities partnership of municipalities and community groups. They defined their local housing needs and went to the Province of Alberta, and just a couple of months ago it committed, over a 10-year period, \$3.2 billion in provincial funding. In its most recent budget, it put about \$500 million down. When you look across the country at provinces and what they're doing, it's quite remarkable how the Alberta government has responded to this community approach. We think that's something the federal government should do.

In terms of the final issue on Canada Mortgage and Housing Corporation, on page 7 of my English submission—I don't have the French copy, so I don't know the equivalent page in French—we actually track, using the latest five-year projections of Canada Mortgage and Housing Corporation, what they call their earned income, what anyone else would call their profit. That's the money left over after they've paid all their bills. It will rise to almost \$2 billion by 2013. That year, the federal government's spending through Canada Mortgage and Housing Corporation on the affordable housing initiative will be \$1 million, and I'm sorry to say, although \$1 million is a lot of money to individuals, it's nothing to the federal government. It's zero, effectively. The federal government, through its national housing agency, will have an earned income or profit of \$2 billion, and only \$1 million of that is scheduled to be put into the affordable housing program.

So your comment is absolutely correct. We do have significant resources within Canada Mortgage and Housing Corporation that can actually be put into a national social housing program and other national housing and homelessness initiatives.

**Hon. Maria Minna:** Since I'm sort of time, I'm just going to make a very quick comment.

There was a major program in my own riding, called Main Square. It has four major buildings. It was built in 1976 as a partnership between the private sector and CMHC. The land was still owned by the public sector, but CMHC managed the buildings up until sometime in the 1990s. There are still semi-subsidized units in those four buildings, but they're shrinking in number. As a result, when a person moves out of a subsidized unit, it reverts back to market rent, so we're losing.

I'm using that as an example of some of the partnerships that were created. So people weren't necessarily ghettoized in an affordable social housing corner where everybody had to be on social housing to be able to get a unit. This was integrated, and it worked very well.

**Mr. Michael Shapcott:** If I may say, I'm very familiar with it. As you know, I was there with you on several occasions when there was a concern about the withdrawal of funding for that and therefore a loss of subsidy and, effectively, economic eviction of many people.

A comprehensive national housing plan with the provinces, the municipalities, the private sector, and the community sector involved will have a number of elements to it. Supply, including new co-ops, is an important element of it, but also looking at affordability schemes such as the one you mentioned that the federal government was involved in but no longer is. That is a component as well.

Some provinces, the Province of Ontario in particular—and I'm not sure of all the others—have been able to negotiate to use some of the federal dollars that flowed under the affordable housing initiative of 2001, the initiative that has just been extended with a small amount of money, to use some of that money to pay for exactly the kinds of partnerships you're talking about. But that's only a five-year program. The difficulty is, as you know with the Main Square situation, that at the end of five years those tenants are faced with huge effective rent increases and therefore, practically speaking, economic eviction.

• (1225)

**The Chair:** Tony.

**Mr. Tony Martin:** I have a quick question for Kofi.

We talked with Tim about a guaranteed annual income. In fact, the government has tried, in sort of a patchwork way, to make sure that everybody has at least some income. The problem is that not everybody knows about it. You've pointed to a number of entitlements that people have a right to that they're not aware of or they haven't applied for or whatever, and the work that you're doing to try to educate people on finance.

What's the answer to this? Is it to have more people like you out there trying to educate people about the programs that people could access if they knew about them, or should government actually be moving quickly to fix these things so that people are getting what they're entitled to?

**Mr. Kofi Hadjor:** Thank you for your question.

The United States gives us a benchmark for what we should be doing. In the United States there is an organization called the National Community Tax Coalition. The coalition is a series of towns in the United States where the cities have come together,

realizing that a lot of the low-income communities in their midst are not accessing their entitlement. They've created organizations to help people access them. The latest information I have on this is that in about one hundred U.S. cities these organizations have been generating about \$20 billion to low-income communities. It's been going on for 30 years.

Of course, there's a program in the United States that makes that amount bigger. They have what they call the earned income tax credit. The Canadian counterpart is what we just established in this past budget, the working income tax benefit program, which committed half a billion dollars over four years and is likely to grow.

How do we make sure people get their entitlement? It's a combination of things. You need to be able to put on the ground, through the agencies serving the poor, the capacity to identify who is missing out on something. Then you need to be able to refer them to an agency that can help them access these things. Their level is to look at the federal agencies that are delivering these programs, like Service Canada and so on, and look at the effectiveness of their service delivery programs.

My research shows there's a problem, so we need to look at what the federal organizations are doing.

The next level is to create these community-based service delivery mechanisms to make sure people are getting it. These agencies serving the poor have a key role to play. They have to get the in-house capacity to at least be able to screen who needs help in this area and refer them to the right places.

Those are the three levels that we can do.

**The Chair:** Thank you very much.

To all our witnesses, thank you very much for your time. I realize that you guys are experts in the particular fields that you come to us with, and we appreciate not only the work that you do in these areas, but also your having come to us today.

The meeting is adjourned.

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