

POLITICS, POLITICAL PLATFORMS AND CHILD POVERTY IN CANADA

Dennis Raphael

In 1989, the House of Commons pledged to eliminate child poverty by the year 2000. But, writes Dennis Raphael, associate professor of health policy and management at York University, there has been little progress since then. Can we expect better from the recently elected parliament? The author explores first the reasons why Canadians should care at all about poverty and then prospects for improvements.

En 1989, la Chambre des communes avait promis d'éliminer avant l'an 2000 la pauvreté chez les enfants. Mais comme l'écrit Dennis Raphael, professeur agrégé en gestion et politique de santé à l'Université York, peu de progrès ont été accomplis depuis cette promesse. Peut-on espérer mieux du nouveau gouvernement ? L'auteur expose les raisons pour lesquelles les Canadiens doivent se préoccuper de la question et analyse les possibilités de voir la situation s'améliorer.

Where a great proportion of the people are suffered to languish in helpless misery, that country must be ill-policed and wretchedly governed: a decent provision for the poor is the true test of civilization.

Dr. Samuel Johnson, 1770

Canadians have traditionally considered their nation to be among the most humane and caring on the planet. In contrast to their American neighbours to the south, they view public policies toward the provision of health care and social services and other supports to citizens as responsive, fair and equitable. These supports to citizens constitute what is known as the modern welfare state. Yet Canada has one of the highest poverty rates for individuals, families and children among modern industrialized nations. Using pre-tax low-income cutoffs (LICO) as the measurement tool, the most recent Statistics Canada figures (2004) identified 15.5 percent of Canadians, 11.8 percent of families and 17.7 percent of Canadian children as living in the "strained conditions" associated with low income or — using international parlance — poverty. A striking 52.1 percent of children living within female-led families were so classified. This is the case despite the 1989 House of Commons all-party motion committing Canada to eliminating child poverty by the year 2000.

In reality, Canadian approaches to public policy in a wide range of spheres — including the prevention of

poverty — are undeveloped as compared with those of most European nations. Our poverty rates are particularly problematic as poverty is the strongest determinant of individual and population health. Poverty is also the strongest determinant of a variety of other indicators of societal well-being or quality of life such as literacy, crime and safety, social cohesion and community solidarity.

Yet there was little mention of Canada's poverty rates during the recent election campaign. Indeed, there has been little policy action on poverty ever since the House of Commons' 1989 pledge to eliminate child poverty by the year 2000. The election of the Harper Conservative minority government raises the question: What can we expect from this parliament in regard to poverty reduction? But analysis of this issue first requires an answer to the question: Why should Canadians care about high rates of poverty? In this article the emphasis is on child poverty, which has seen greater public attention. However, it should be noted that poor children live in poor families. Hence child poverty in Canada is best understood as a reflection of family poverty in Canada.

Gøsta Esping-Andersen's *Why We Need a New Welfare State* (2002) advised the European Union that the greatest current challenge to developed nations was sus-

taining vibrant economies to support the quality of life of its citizens. This is important as changing international economic structures require profound adjustments to industrial and labour practices to ensure that citizens do not experience deteriorating living standards and the health and social consequences associated with such a decline. To guarantee against this, he argues, governments have the responsibility to invest in social infrastructure — living conditions, education, employment training, etc. — to guarantee that citizens possess the cognitive and social capital required to adjust to changing educational and employment demands of a postindustrial society.

The primary target of such investments should be children since they are the most vulnerable to the effects of material and social deprivation. Such negative experiences make difficult the production of strong, resourceful and productive adults. Child poverty is seen by Esping-Andersen as the greatest threat to human development as well as the greatest threat to a nation's quality of life. The experience of poverty also results in — as well as contributes to — social exclusion, a process identified by both the European Union and the World Health Organization as the primary threat to the smooth functioning of developed societies.

Also important to society is involving as much of the population in active, productive employment as possible. Such activities — and this is especially the case for women — not only strengthen economies and reduce welfare support costs but also strengthen gender equity, thereby promoting human and social development among women, men and their children. The establishment of living wages, progressive taxation structures and a national system of

child care are primary means of achieving poverty alleviation and promoting gender equity through full employment. Strong evidence supporting all of these assumptions has accumulated in the economics, political science, health sciences, human development, criminology and sociology literatures and is summarized in the 2004 volume *Social Determinants of Health: Canadian Perspectives*.

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understood as a barrier to citizens, communities and entire societies reaching their full potential. Living in poverty limits participation in a wide range of cultural, economic, educational, political and other societal activities expected of citizens. While not as devastating to human health and well-being as the experience of poverty in the developing world, the effects of exclusion from common activities on Canadians' health and quality of life can be profound.

The high Canadian rates of poverty are a concern for developmental, economic, ethical, health, legal and safety grounds among others.

Developmental concerns centre on Canadians failing to reach their full cognitive and emotional potentials as human beings. In these early years of the twenty-first-century, human capacity for growth, achievement, creativity and problem solving appears to be almost boundless. Living in poverty, however, makes attaining such human heights difficult.

Economic concerns relate to the inability of Canadians to develop the skills necessary for coping with rapidly changing economic environments. These require that the citizenry adjust to rapidly changing occupational requirements. Living under conditions of deprivation makes it difficult to accumulate these adaptation skills.

From an ethical perspective, Canadians believe all members of society should have an opportunity to lead rich, fulfilling lives and that no one should face barriers that make such goals difficult or even impossible to obtain. Legally, the Canadian Constitution, including the Charter of Rights and Freedoms, and numerous international covenants to which Canada is a signatory require that Canadians be provided with the opportunities and supports required to live fulfilling lives free of fear, deprivation and exclusion. By these criteria, Canada is repeatedly found by UN committees to fall short of meeting these requirements.

From a health perspective, poverty is a primary cause of disease, illness and shortened life expectancy. Promoting health and preventing disease is a long-established goal of health policy in Canada and essential to the sustainability of the health care system. With respect to safety, it is well established that the incidence and experience of poverty are the main causes of crime in communities. Poverty profoundly affects Canadians' quality of life.

The degree and depth of poverty are determined by public policies. The most recent *Innocenti Research Centre Report Card on Child Poverty in Rich Nations* (2005) documents Canada's standing in the international child poverty Olympics during the late 1990's (see figure 1). Our mediocre standings result from governmental decisions on how to distribute economic resources among Canadians. Why does a wealthy nation such as Canada have 15 percent of its children living in internationally defined relative poverty, while far less wealthy nations such as Denmark and Finland have less than 3 percent of their children living under such conditions?

The immediate answer is that Canada has one of the highest proportions of low-paid workers, provides lower benefits for those unable to work or experiencing unemployment and has less spending related to pensions, disability and families than most developed nations, according to the OECD's 2005 report *Society at a*

Glance. As background, Canada, Australia, Ireland, New Zealand, the United Kingdom and the United States are liberal welfare states (see

commitment to minimizing government interventions and avoiding disincentives to work. In contrast, social democratic regimes' guiding principle is

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Esping-Andersen's *Social Foundations of Post-Industrial Economies*, 1999).

The main characteristic of these states is reliance upon the market as the arbiter of the distribution of goods and resources rather than the state. Associated with this are rather modest spending on social programs and reliance upon means-tested assistance rather than universal programs. Social assistance is limited by traditional, work-ethic attitudes that tend to stigmatize the needy and attribute failure to individual rather than societal failures.

Canada limits assistance benefits since our policy-makers believe generous benefits lead to a preference for relief payments rather than gainful employment. This reflects an implicit — and frequently explicit — view that people are poor due to their own failings. One consequence of this — as pointed out repeatedly by the Canadian government's advisory body the National Council of Welfare — is that governments do little to improve the problematic living conditions experienced by low-income people who are either part of or outside the workforce.

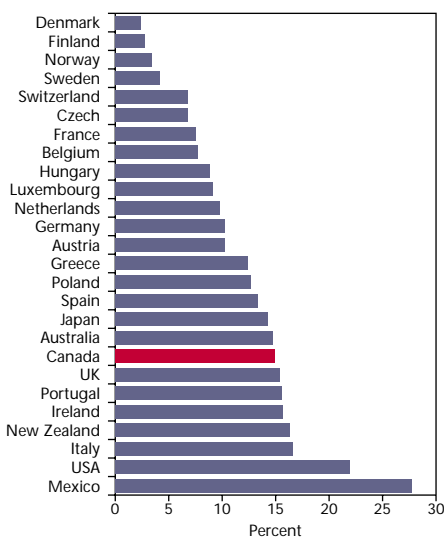
Canadian political scientists Saint-Arnaud and Bernard outline in the 2003 issue of *Current Sociology* how liberal political economies place primary responsibility for resource allocation upon the market. Their guiding principle is liberty with a concomitant com-

mitment to reducing poverty, inequality and unemployment. Conservative regimes (at least those of the European variety) are guided by the principle of solidarity with commitments to social stability, wage stability and social integration. These latter commitments are consistent with the "Red Tory" approach to governance in Canada.

What flows from these tenets is profound differences among nations in the quality of employment conditions and employment security, wage levels, government commitments to active labour policy and supports to families and children through the provision of entitlements, employment training and organized child care for those who require it.

Members of the liberal welfare state club are not monolithic in policy approaches. Canada developed a universal health care system while the US did not. The UK embarked upon a systematic policy initiative to reduce inequalities in health while Canada has not. There may be room for policy change to reduce child poverty even within the Canadian liberal political economy. There is little doubt the present Conservative Party of Canada sees the marketplace as the primary arbiter of resource allocations. There is also little doubt concerning the NDP's belief in the state as a leveller of resource distribution. The Liberal Party position is frequently ambiguous but its most recent platform clearly supports

FIGURE 1. PERCENTAGE OF CHILDREN LIVING IN RELATIVE POVERTY*



Source: *Innocenti Research Centre Report Card on Child Poverty in Rich Nations* (2005).
 * Defined as households with less than 50 percent of the national median household income.

state intervention in key areas such as child care, housing and public transportation. Recall, however, Bloc leader Gilles Duceppe's aside to Paul Martin during the leaders' debate in Montreal — "Liberals sound like NDPers during election campaigns and govern like Conservatives in government" — a view held in many progressive circles in Canada.

The advocacy group Campaign 2000 gathered party responses to policy options to reduce child poverty. Table 1 summarizes these options and party positions. It should be noted that in no developed nation except Switzerland does the marketplace by itself produce child poverty rates below 15 percent, and in the Swiss case the value is 10 percent.

NDP positions were consistent with every policy option provided by Campaign 2000. The Conservative position was opposed. These policy options include making resources available for poor families through higher child tax benefits and minimum wages, increasing funding for social housing and providing a national system of early learning and child care. The Liberal Party position was supportive of the early learning and child care option and partially supportive of the social housing recommendation. The Bloc position is generally supportive of these recommendations, but its focus on Quebec leads to negative positions on pan-Canadian issues.

The national child care issue is particularly relevant to remedying conditions of child deprivation and

lack of employment activity. Child care programs along the lines agreed to by the federal and provincial governments are known to support childhood development, and this is especially the case among the less advantaged; support parents in education, training and employment; foster social cohesion; and support gender equity and equity for children with disabilities. And it should be noted that in 2001, close to 75 percent of Canadian women whose youngest children were aged three to five were active in the labour force and could make use of such a program if it were available.

What is the source of party differences? Do they result from careful cost-benefit analyses carried out by cadres of human development,

TABLE 1. FEDERAL PARTY POSITIONS ON ISSUES IDENTIFIED BY CAMPAIGN 2000 AS ESSENTIAL TO ELIMINATING CHILD POVERTY

Issue	CPC	Liberal	NDP	Bloc
Increase Canada Child Tax Benefit to \$4,900/child by 2007 and end clawback from families on social assistance	No	No	Yes ^a	No
Commit to key principles (quality, universal, accessible and developmental programming) for child care system	No	Yes	Yes	No ^b
Introduce legislation to secure early learning and child care as permanent social program	No	No	Yes	No ^b
Increase federal funding for a national public system of early learning & child care	No ^c	Yes	Yes	Yes
Commit to increase social housing and increase funding by \$2 billion/year	No	Partial	Yes	Yes
Raise the federal minimum wage to \$10/hour	No	No ^d	Yes	No ^b
Restore eligibility for employment insurance	No	No	Yes	Yes
Increase funding for postsecondary education	No	Partial ^e	Partial ^f	Yes

Ranking:

"Yes" indicates party position meets Campaign 2000 policy recommendation.

"Partial" indicates party position partially meets Campaign 2000 policy recommendation.

"No" indicates party makes no commitment that meets Campaign 2000 policy recommendation.

Notes to rankings:

(a) NDP would increase CCTB to \$4,200 by 2010. Its commitment achieves 86 percent of Campaign 2000's recommendation of \$4,900 CCTB.

(b) Bloc positions reflect concern with Quebec rather than Canada; hence negative responses to federal pan-Canadian issues.

(c) Conservatives are committing \$1,200/year per child under six to families. This is an income transfer to families, not a child care program.

(d) The Liberal Party commits to introduce a Working Income Tax Benefit, which does recognize the challenges of the working poor and could supplement low-wage work to maximum of \$1,000/year.

(e) The Liberal Party commits to pay up to \$3,000 of first year and graduating year tuition fees for undergraduate students.

(f) The NDP has committed to fully restore transfers for postsecondary education, but it is not clear if this would lead to reduced tuition.

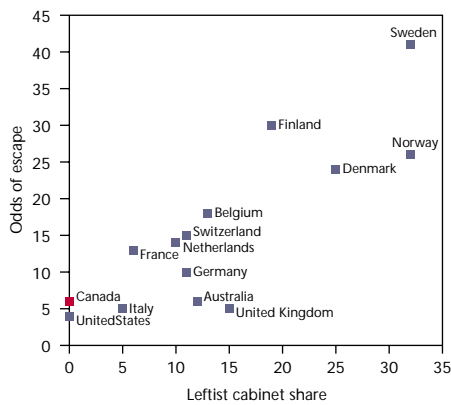
Source: Adapted by author from Campaign 2000 (2006). *Federal Election 2005/06, Addressing Child and Family Poverty in Canada: Where Do the Parties Stand?* Toronto: Campaign 2000.

health sciences and economics experts? No. Party differences usually reflect values positions that form the basis of party existence. The NDP positions — and some of the current Liberal Party's — are consistent with

Among developed nations, leftist cabinet share is the best predictor of child poverty rates. Rainwater and Smeeding found a striking relationship between leftist share from 1946 to the 1990s and child poverty rates. While Canada has never had a member of a leftist party in a federal cabinet, it has had leftist influence during minority governments. The welfare state institutions of medicare and public pensions were established during periods of minority government rule in which the NDP held the balance of power. More recently the strong budget impetus to child care, housing and public transportation resulted from a similar minority party situation.

social democratic principles of equality. The Conservative position is consistent with liberty. The Bloc presents a mix of social democratic and separatist tendencies. This analysis highlights the importance of the political in the policy process. And not surprisingly, analyses reveal that child poverty rates — an aggregate indicator of a cluster of policy approaches — are primarily determined by leftist influence in governmental policy-making.

FIGURE 2. ODDS IN 14 COUNTRIES OF ESCAPING CHILD POVERTY, BY LEFTIST CABINET SHARE (%)



Source: Rainwater and Smeeding, *Poor Kids in a Rich Country*, 2003, using data from the Luxembourg Income Study.
 Note: Spain is omitted since it was not a democracy in all of the postwar years.

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1990s and child poverty rates (see figure 2). And while Canada has never had a member of a leftist party in a federal cabinet, it has had leftist influence during minority governments. The welfare state institutions of medicare and public pensions were established during periods of minority government rule in which the NDP held the balance of power. More recently the strong budget impetus to child care, housing and public transportation resulted from a similar minority party situation. By all rights, poverty reduction *should* be an important policy goal but, as argued here, may not be a priority for a government of the day. Indeed, the rather limited action on child poverty since 1989 — during periods of Liberal and Conservative governments — illustrates this argument.

Poverty rates ebb and flow — within a very limited range — as a result of periods of economic growth and recession. The National Child Benefit (NCB) policy has probably served to prevent child poverty in Canada from increasing during the last decade, but even then child poverty remains high and shows little change since 1984. The failure of the NCB to reduce child poverty is a

reflection of both its not being supplied to most families on social assistance and its attempt to paddle upstream in the face of the strong current of tax, income, housing and labour policies that are promoting income and wealth inequalities and weakening the Canadian social safety net. The future of child poverty in Canada — and of associated indicators of population health and quality of life — primarily depends upon the policy influence of political parties in federal and provincial parliaments. NDP, Liberal and Bloc dominance in the new parliament will lead to poverty-reducing policies such as the proposed national child care program. Conservative dominance will lead to little if any decline in child poverty rates and — due to greater implementation of market-oriented rather than equity-based policies — may increase these rates.

Accumulated empirical evidence on the political economy of poverty in developed nations indicates that in the longer term, the influence of political parties that support reducing poverty is enhanced by implementation of electoral reform. Harvard economists Alesina and Glaeser have shown that poverty levels are lower and government commitments to supporting citizens stronger when popular vote is more closely translated into representation in the House of Commons. These analyses of the influence of the political upon public policy toward poverty are consistent with Canadian political experience since the end of the Second World War.

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