Persistent Childhood Poverty in Canada: A Political Economy Analysis of its Causes

by

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Abstract

Child poverty is a global phenomenon, although with different rates among nations. It is high in the developing nations, but even in some developed countries, high child poverty rates have been recorded. The primary characteristic of child poverty is depriving children of the basic necessities of living. Child poverty is deepening in Canada, as in many other nations, and this calls for concern since this vulnerable group has limited opportunities for normal physical and mental development. About half of the world's population that lives in extreme poverty are children, and in many countries, children live in more poverty than adults. Poverty in a developed country such as Canada, with well-articulated governmental structures and policies backed up by a growing economy, appears to be a misnomer but is a reality. More disturbing is the fact that child poverty determines the lifelong health outcomes of this vulnerable group. Later improvements in life circumstances have limited effect on already ingrained poor health. If Canadian children are to achieve their full potential, there is an urgent need for policymakers to revisit the issue of child poverty and prioritize children in their policy-making decision processes.

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Chapter 1: Statement of the Problem

The high level of child poverty in Canada is a result of the government's misplaced priorities, inadequate policies for the welfare of children, and unwillingness to interfere in the operation of the market economy by the neo-liberal government that creates inequality, exploitation, exclusion, as well as domination by the business and corporate sector at the detriment of the poor majority (Raphael et al, 2018).

Introduction

Child poverty is a phenomenon affecting both developing and developed nations, although with different rates and different interpretations. It is very high in developing nations, but also in some developed countries. The basic component of child poverty is the material and social deprivation of many basic necessities of life. This may not be an accurate representation of poverty in a developed nation, such as Canada, where poverty is best seen in terms of relative rather than absolute poverty. Poverty in either form affects the health of children throughout their life, even well into adulthood.

A very disturbing aspect of child poverty is that once it is experienced in childhood, later improvements in circumstances have limited effects in improving health outcomes. This emphasizes the fact that this vulnerable group has limited opportunity for normal physical and mental development and should, therefore, be given every chance to live a normal life and achieve their full potential.

Canada is one of the wealthiest nations in the world, and it would be expected that child poverty in Canada is non-existent or at least kept to the barest minimum.

One of the objectives of the Millennium Goals, as adopted by the United Nations

(UN) at its 2000 Summit, is to eradicate extreme poverty and reduce hunger. This

should be achieved in stages, and 2015 was chosen to be the period in which to reduce the population living in poverty by 50%. Earlier in 1989, the Canadian parliament had presumably acknowledged the prevalence and enormity of child poverty and called for its elimination by the year 2000. Neither the UN nor the Canadian targets were achieved. The objective of this paper is to critically explore the socio-economic and political factors responsible for child poverty in Canada.

Research Questions

The purpose of this paper is to explore and provide answers to the following questions: What are the current rates and depth of poverty in Canada? Why does child poverty specifically persist at a high level in the nation? What are the political and economic factors responsible and what are the health and societal well-being implications of child poverty in Canada? The paper will conclude by making suggestions on what can be done to reduce persistent child poverty in the Canadian context.

Method and Theoretical Framework

This paper is an analytical literature review grounded within a political economy theoretical framework. It will review the literature and extract information from published articles, books, and government sources written on the topic of poverty in general and child poverty in particular from 1989 to 2018. It will critically explore how the political and economic factors within a jurisdiction act to inequitably distribute the social determinants of health and create persistent poverty/child poverty.

The root causes of persistent child poverty will be explored using two frameworks: social inequality and social exclusion. The social inequality framework considers how individual identities (including age, sex, race, ethnicity etc.), historical background, and the structure of society (societal stratification and disability, marital

status etc.) result in different exposures to life opportunities and experiences based on unequal power and resource allocations. It demonstrates how a well-organized and recurrent pattern of unequal shares of goods, wealth, opportunities, rewards, and punishments based on group or societal social stratifications adversely affect the poor (Crossman, 2018). This follows the principles of conflict theory originated by Karl Marx, which has been refined by many other conflict theorists. These theorists argue that social inequality retards progress in development within society due to conflicts of interest between the powerful (bourgeois) and the powerless (proletariat) (Hiraide, 2013). The bourgeois use their dominating power to suppress and repress the proletariat just to maintain their societal expectations and dignity, and resistance by the proletariats brings about instability and the need for social change (Crossman, 2018).

Social inequality exists in different forms – economic (income and wealth), political (power and influence), and social (class, status and prestige) – all of which are less available to the people living in poverty in Canada, putting them in a disadvantaged position in a society whose social structures and processes result in class, race, and gender inequities with respect to access to resources (Raphael, 2011a). These class differences can be theorized as resulting from the poor being maximally exploited by the affluent who control the economy to their greatest advantage (Raphael, 2011a). Another similar method of a social inequality measure uses the concept of inequality of conditions, which includes unequal distribution of wealth, income, power, status, material goods, and inequality of opportunity, which includes unequal distribution of life chances such as health status, education, employment, etc. (Hiraide 2013; Crossman, 2018).

This exploitation is allowed by government actions such as policies and legislation that create and maintain class and other differences. The amount of power and influence that can, therefore, be exerted on government policy-making processes to generate advantages or disadvantages is determined by the power and influence of those occupying different social classes.

People living in poverty are seen as having less power and influence and are at the mercy of the wealthy and powerful. Similarly, individual or group status in high social classes have more positive influences on the policy-making process. Hence people living in poverty are at the mercy of these economic controllers (Hiraide, 2013; Crossman, 2018).

In addition to social class, individual or group status can determine the power and influence within a specific social circle. This can lead to inequality through the unequal access to material resources that results from such power differentials. For example, individual or group status is related to the amount of income or volume of wealth. Individuals or groups that have more money will, in most cases, have more influence, power, prestige, and opportunity (Little, 2016).

These statuses, which differ in power and influence, can be inherited (indigenous ancestry, gender, race, disability) or acquired (educational or professional status, immigration status, disability). The evidence of the contribution of status to social inequality cuts across the width and breadth of Canada; the support of property developers at the expense of renters, the overriding influence of physicians over nurses, greater attention given to suburban dwellers than city dwellers, employment being more accessible to men than women, the welfare of those in social benefits being less considered than the demands of the bourgeois (Raphael, 2011a).

The social exclusion framework throws light on how access to basic resources and amenities are denied or limited to certain groups. Social exclusion is the difficulty faced by individuals or groups when participating within the community, which are caused by structural aspects of society. The basic features of social exclusion include inequality in both resource creation and distribution, and these are again determined by the level of power and influence as well as social class and status. People living in poverty have less of the above attributes and are consequently denied the opportunity to participate in the social activities considered normal for the average person or family within society. Social exclusions may take different forms including institutional constraints (legal mechanisms restricting involvement in certain activities e.g., political participation based on status), societal discrimination based on race, gender, colour, disability etc., denial of access to social goods, e.g. education, healthcare, housing, food, and exclusion from engagement in social and economic production (socio-cultural activities and employment opportunities) (Raphael, 2011a). The relationship between social exclusion and poverty is, therefore, one of cause and effect, with one causing or resulting from the other (Raphael 2011a). In order words, social exclusion can predispose individuals or families to poverty, and similarly, being poor can result in individuals or families being socially excluded.

Combining frameworks of social inequality and social exclusion reveal the influence of political, economic, and social structures in the genesis of poverty in different groups. Poverty, however, is rooted in public policies of the welfare state through the creation of material and social deprivation that hamper individuals and families' participation in numerous activities that could lift them out of poverty. Government policies are, therefore, the determining factor on the degree of social inequality and social exclusion as well as the extent to which the full life potential of

things such as education, cultural, political, economic, and other activities that are usually considered necessary within the society can be achieved.

Chapter 2: Forms and Measures of Poverty

There are two main forms of poverty: absolute and relative. The latter is of the most relevance in developed nations such as Canada.

Absolute and Overall Poverty

Poverty has been described as being in two forms: absolute and relative, the latter of which is sometimes termed overall poverty. The World Summit on Social Development defined absolute poverty as going beyond income consideration to include accessibility to social services. The core features of this definition are conditions of profound deprivation of basic human needs such as food, good drinking water, housing, sanitation facilities, healthcare, education and information facilities (United Nations, 1995). Drawing from UN definitions, UK researchers gave the practical expression of absolute poverty as living conditions where a person lacks the necessary things to "keep body and mind together". The health effects of this form of poverty are profound (Raphael, 2011a; Gordon, 2000).

Various definitions of absolute poverty from other eminent scholars fall within the realm of these basic concepts, such as the denial or inability to access the basic needs and services recognized as minimally essential for physical wellbeing e.g. food, shelter and clothing (Phipps, 2003; Wickham et al, 2016; Lamman & MacIntyre, 2016). Absolute poverty represents the widely held public notion of poverty due to its focus on the available family resources required to procure basic necessities, and it is, therefore, a true measure of living standard for families. It is adjusted for family size as needed resources increase with each additional member in the family, but not in the same proportion, and it utilizes the principles of economy of scale to combine family resources thereby reducing the cost of lifting the family out of poverty as family size increases (Lamman & MacIntyre, 2016). Absolute poverty is static, does not change

with economic growth, and can be applied at any time and any place with due consideration to the varying standard of living between nations (Pettinger, 2017). Its limitation, however, is paucity in serially measured parameters, resulting in the inability to track poverty in the same individual or family over a period of time (Lamman & MacIntyre, 2016). Secondly, it generates a low poverty rate when applied to a developed country such as Canada because poverty, as perceived in this setting, has gone beyond the provision of basic needs to the denial of what is deemed necessary considering the level of the country's development.

Relative Poverty or Overall Poverty

Relative and overall poverty have been expressed as synonymous concepts (Raphael, 2011a; Gordon, 2000), and it is all embracing, focuses on income difference between individuals or families in a society, and compares the comfort or discomfort arising from this income difference over time (Phipps, 2003, Wickham et al, 2016; Lamman & MacIntyre, 2016). The UN enumerated the essential components of relative poverty to include a lack in several measures of health such as income, adequate nutrition, limited accessibility to health and education services, insufficient housing, unhealthy environments, as well as social discrimination. It also entails not being able to participate in decision making as well as civil/cultural life (United Nations, 1995; Raphael, 2011a).

Overall or relative poverty describes a situation where the individual or group is unable to take part in everyday activities within society due to poverty or discrimination (Raphael, 2011a). Relative or overall poverty defines who is worse off than the average, who is affected by the existing living condition at the time, and changes in economic growth within a jurisdiction. It is frequently adjusted to keep up with the standard (Shillington & Lasota, 2009). It exerts adverse health effects on

those involved by systematically excluding them from or denying them the chances that are available to others, leading to the exhibition of a wide range of comparative health problems.

Relative/overall poverty measures offset the absolute poverty limitation of tracking poverty over time, can identify those vulnerable to poverty, provide avenues for international comparison, and therefore offer the greatest advantage for the incidence of poverty measurement in developed countries (Raphael, 2009). It includes more people in the poverty group, thereby creating higher poverty rates than absolute measures (Lamman & MacIntyre, 2016).

A measure of poverty is therefore based on the above concepts, each with its merits and demerits though with existing controversies and debates as to which is superior (Shillington & Lasota, 2009; Colin & Campbell, 2008). In Canada, poverty is measured indirectly (implicitly) using different measures of low income according to Statistics Canada (Raphael 2011a; Colin & Campbell, 2008) and these will be briefly described in the following section.

Methods of Measuring Poverty in Canada

Low income cut-offs (LICOs). It is a measure of low income or poverty that is based on calculation where a household spends more than or an extra 20% of its income on basic needs such as food, shelter, and clothing as compared to an average family of the same size (Raphael, 2011a). In Canada, this is adjusted for different family sizes (unattached to families of 7 or more), community types (rural-urban 5-types) and population (= /> 500,000); calculated before or after tax and available annually. Poverty rates are generally lower when after-tax calculations are used as compared to before tax. Pre-tax LICO calculation is based on the periodic assessment of average family expenditure on the basic needs of food, clothing, and shelter before

any tax adjustment. Any family that spends an additional 20% of its income above the calculated average is deemed to be living in a difficult situation or below the low-income cut-offs. Therefore, 20% of the family income is added to the calculated average family spending on the basic needs to get the LICO, and any family at or below this LICO is said to be living in poverty. For example, assuming that the percentage income of an average family's expenditure on basic needs, for a family of two persons in an urban area with a population of 500,000 as determined by Statistics Canada, is 30%, and if we add an extra 20% that any family in a "straitened situation" (impoverished condition or strapped for cash) is expected to add to the above average of 30% in order to get basic needs, the Low Income Cut-Offs-Before Tax (LICO-BT) for this family will be 50% (30% + 20%). This can also be expressed as an actual dollar value. After-tax calculations follow the same pattern but are done after all the applicable tax adjustments and income redistributions have been made.

Statistics Canada has noted that the average family in Canada spends more of its income on basic needs after tax than before tax (Raphael, 2011a). This is because after-tax income represents the actual amount available to families for spending. If therefore, 20% is added to this higher spending after tax, the LICO rises and reduces the poverty rate. Taking the same example above, if the determined average income spent on the basic needs after tax rises to 40% (note 30% before tax as mentioned above) due to more available income, and we add the same extra 20% spent by a distressed family to get the same basic needs, then the Low Income Cut-Offs-After Tax (LICO-AT) will be 60% (40% + 20%). By raising the LICO to 60%, therefore, fewer families will be below the poverty line. This is shown in Table 1 for Nova Scotia.

Table 1

Comparison of Low-Income in Nova Scotia based on Before- and After-Tax Incomes 2000–2006

	2000	2001	2002	2003	2004	2005	2006
All persons: Prevalence After-tax income	11.6%	10.6%	9.9%	11.2%	10.0%	8.9%	8.4%
Before-tax income	16.4%	15.6%	16.0%	16.7%	14.6%	13.2%	12.1%
All persons: Number of people (000s) After-tax income	105	96	90	102	91	81	76
Before-tax income	148	142	145	152	133	120	110
Under 18: Prevalence After-tax income	12.5%	13.3%	12.7%	14.4%	12.0%	10.4%	8.7%
Before-tax income	18.6%	19.1%	20.5%	21.3%	18.2%	15.3%	12.8%
Under 18: Number of people (000s) After-tax income	25	26	25	27	22	19	16
Before-tax income	38	38	40	41	34	28	23

Source: Nova Scotia.ca.

Low income measure (LIM). This is another relative measure of low income / poverty that has gained international recognition and acceptance. In its simplest form, this is described as household income that is worse or lower than the average and is set at 50% of the median of families' income, taking into consideration family size. For instance, the need for a family of five is more than that of a family of two. This is also presented in before and after-tax forms (Shillington & Lasota, 2009; Colin & Campbell, 2008) and calculated based on the annual family income. It does not, therefore, require any inflation index update. This has been calculated since 1996 by Statistics Canada based on the Survey of Consumer Finances as well as the Survey and Labour Income Dynamics (SLID) (Statistics Canada, 2008/2009).

Market basket measure (MBM). This is a predetermined or approximate cost of obtaining a "basket" of goods and services that are considered essential for a family made up of two children aged 9–13 and two adults aged twenty-five years to forty-nine years. Families that lack enough income to purchase these essentials after all the necessary taxes and deductions (disposable income) are considered to be low

income (Statistics Canada, 2008/9). The survey was done using forty-eight geographical areas and ten provinces. This "basket" of the MBM measure contains several items including the basic needs of food, clothing, and housing. Others are transportation, household needs such as furniture, school supplies, magazines, a telephone, entertainment, and personal care products, among other things. It is important to note that in August 2018, the Canadian government, for the first time, adopted MBM as its official poverty measure and Statistics Canada began a public consultative forum to validate this poverty line (Statistics Canada, 2018, M. Wilkins & R. Kneebone, 2018).

Basic needs poverty measure (BNM). Developed by Sarlo of The Fraser Institute, this absolute measure of poverty calculates the amount needed by a family to get the minimum requirements for their physical wellbeing including food, housing, clothing, health expenditure, transport etc. The priority of these needs is subject to individual choice and preference (Lamman & MacIntyre, 2016). Any individual that lacks any of the items in the basic basket is deemed to be living in poverty. Sarlo's market basket included all basic needs but excluded all social amenities. This measure reduces Canada's rate of poverty by 75% as compared to LICOs-BT. Sarlo's poverty measure is not used by any organization (Lamman & MacIntyre, 2016). Fraser Institute, however, believes that BNM represents the common understanding of poverty that denotes a lack of necessities of life and the condition of deprivation. However, others have pointed out that...

Child deprivation index. In an effort to focus specifically on child poverty, the UNICEF Innocenti Research (UNICEF Report Card 10) has introduced another measure of child poverty that comprises of a compilation of 14 items that are deemed essential in child development in economically advanced countries. The data,

however, is currently available only for European countries' children aged 1–16 years (Table 2). Children lacking in two or more of the enumerated items are deemed to live in poverty.

Table 2

14 Items in UNICEF's Child Deprivation Index

Source: Innocenti Research Centre Report card 10

1	Three meals a day.
2	At least one meal a day with meat, chicken, or fish (or a vegetarian
	equivalent).
3	Fresh fruit and vegetables every day.
4	Books suitable for the child's age and knowledge level (not including
	schoolbooks).
5	Outdoor leisure equipment (bicycle, roller-skates, etc.).
6	Regular leisure activities (swimming, playing an instrument,
	participating in youth organizations, etc.).
7	Indoor games (at least one per child, including educational baby toys,
	building blocks, board games, computer games, etc.).
8	Money to participate in school trips and events.
9	A quiet place with enough room and light to do homework.
10	An Internet connection.
11	Some new clothes (i.e. not all second-hand)
12	Two pairs of properly fitting shoes (including at least one pair of all-
	weather shoes).
13	The opportunity, from time to time, to invite friends home to play and
	eat.
14	The opportunity to celebrate special occasions such as birthdays, name
	days, religious events, etc.

UNICEF appears to have taken its cue from the earlier work by Gordon and Townsend in the UK in their child deprivation index analysis (Gordon, 2000). These UK researchers attempted to define or establish the criteria for absolute poverty by enlisting 10 material and three social requirements for adults (total = 13) and nine material plus one social requirement for children (total = 10) considered necessary to avoid absolute poverty. They conducted a survey to ascertain the available weekly income after tax to provide the items and the percentage of the population that was in

agreement (Table 3). They also conducted a similar study and identified factors or items necessary to avoid relative poverty, as mentioned above.

Table 3

Items identified as Necessary in the UK to Avoid Absolute Poverty (% Agreement)

Adults - Material Requirements			hildren – Material Requirements
1	Beds and bedding for everyone (95%)	1	A warm, waterproof coat (96%)
2	Heating to warm living areas (94%)	2	Bed and bedding for him/herself (96%)
3	Damp-free area (93%)	3	New, properly fitted shoes (95%)
4	Two meals a day (91%)	4	Fresh fruit or vegetables daily (94%)
5	All medicines prescribed by doctor	5	Three meals a day (92%)
	(90%)		
6	Refrigerator (89%)	6	Books of his/her own (90%)
7	Fresh fruit and vegetables daily (86%)	7	All of the school uniforms required
			(89%)
8	A warm, waterproof coat (85%)	8	Enough bedrooms for every child over
			ten (77%)
9	Meat/fish every other day (79%)	9	Meat/fish twice a week (77%)
10	Dictionary (53%)		
	Social Requirements		Social Requirements
1	Visits to friends and family (84%)	1	Celebrations of special occasions (92%)
2	Visit friends/family in hospital (84%)		
3	Attending weddings, funerals, and other		
	such occasions (80%)		

Source: Gordon, D. (2000). Measuring absolute poverty. In D. Gordon and P Townsend (Eds.), Breadline Europe: The measurement of poverty (p. 66). Bristol, UK: The Policy Press.

Copied from Raphael, D (2011). Poverty in Canada: Implications for Health and Quality of life. (2nd Ed. P. 41)

In Ontario, a similar form of poverty measure, the Ontario Deprivation Index (ODI), which takes into account the desired necessities that are not available to families, is added to the Canadian standards (Best Start Resource Centre, 2017). The list contains items like the ones used by the UK researchers to describe absolute/overall poverty, which was made available for the first time in 2009. These items, actions, and services are not all indicative of the basic necessities but may be beyond the reach of the poor even though they are essential for living (Best Start Resource Centre, 2017; Raphael, 2011a). There are 10 items in the list (Box 1) and

families that cannot afford two or more items on the list are considered to have a poor living standard.

Box 1: Ontario Deprivation Index

What is included in the Ontario Deprivation Index

- 1. Do you eat fresh fruit and vegetables every day?
- 2. Are you able to get dental care if needed?
- 3. Do you eat meat, fish or a vegetarian equivalent at least every other day?
- 4. Are you able to replace or repair broken or damaged appliances such as a vacuum or a toaster?
- 5. Do you have appropriate clothes for job interviews?
- 6. Are you able to get around your community, either by having a car or by taking the bus or an equivalent mode of transportation?
- 7. Are you able to have friends or family over for a meal at least once a month?
- 8. Is your house or apartment free of pests, such as cockroaches?
- 9. Are you able to buy some small gifts for family or friends at least once a year?
- 10. Do you have a hobby or leisure activity?

The Ontario Deprivation Index was developed on the principle that efforts geared towards poverty alleviation should take a broader approach to examine life experiences rather than concentrating on income alone (The Star, 2009; Ontario Newsroom, 2009). Deprivation indices have been used in countries like Ireland and UK, but ODI is the first of its kind in North America and is being used along with other income measures, especially the LIM-AT, to monitor poverty in the province (Raphael, 2011a; Matern et al, 2009; The Star, 2009; Ontario Newsroom, 2009).

ODI has been heralded as an important advancement in poverty measurement due to its multiple positive features. It represents the actual public opinion of poverty and passes this information directly to the public, it reveals true-life experiences that reflect the standard of living of the poor and goes beyond income in poverty assessment (e.g. social exclusion), it can easily be used to assess or monitor

government interventions, and, above all, it is complementary to other poverty measures rather than being a replacement (Ontario Newsroom, 2009).

12.5% of Ontario's children were lacking two or more items in the list in 2009 and therefore experienced a poor standard of living. This figure compared favourably to the poverty level of 11.5% in 2007, as measured by the LIM-AT (Ontario Newsroom, 2009). It has, however, been shown that though different rates of poverty may be generated in the same population using different measures, the differences are marginal and the trends are unaltered (Nova Scotia 2008; Raphael, 2011a).

The above concepts will be used to discuss the current rates and depth of poverty in Canada

Chapter 3: Child Poverty in Canada: Current Rates and Depth

There are two aspects of poverty rates. These are the rate of poverty and how severe it is in relation to the poverty line.

Current Rates of Poverty in Canada

The rate of poverty, which measures or estimates the proportion or percentage of people below the established poverty line, varies according to the standard of measurement used. Canada has no official measure of poverty, therefore, it uses different forms of measurement developed by Statistics Canada and the Ministry of Human Resources and Skills Development of the federal government including Low Income Cut-Off (LICO), Low Income Measure (LIM) and Market Based Measure (MBM), all of which have been described in the preceding section. This has given room to varying interpretations of the magnitude of poverty (Boer et al, 2013; Best Start Resource Centre 2010, 2017; Campaign 2000 Canada, 2016). Thus, in 2014, the Canadian poverty rate based on low-income statistics using the three methods of measurement was reported as being 8.8%, or 3.0 million people, using LICO-AT, 11.3%, or 3.9 million people, using MBM, and 13.0%, or 4.5 million Canadians, using the LIM-AT (Government of Canada, 2017).

Using the LIM-AT and reporting the state of poverty in Canada over a decade (2005–2015), Statistics Canada revealed that 13.4% of the Canadian population lived in poverty as of 2015, broken down into one out of every seven Canadians or a total of 4.8 million (Statistics Canada, 2017a; CPJ, 2017). Among the provinces, Newfoundland and Labrador recorded a dramatic drop in the poverty rate from 20.0% to 15.4%, improving its position as the province with the highest rate of poverty in 2005 to the fifth highest in 2015. Saskatchewan transited as a province with the fourth highest rate of poverty in 2005 to the second lowest in 2015, having recorded a fall in

poverty rate from 16.8% to 12.8% over this period. Alberta's rate was 9.3%. The highest poverty rates were recorded in Nova Scotia, New Brunswick, and Prince Edward Island (Statistics Canada, 2017a).

Of the 4.8 million Canadians living in poverty in 2015, 1.2 million were children (close to one in four) and the child poverty rate(0–17 years), at 17.0%, was more than the national average (Statistics Canada, 2017b). There were variations in poverty rates among different age groups with the highest being recorded in infants (<1 year) at 18.3% and lowest at 17 years at 14.6%. For children younger than 5 years, the rate was 17.8% in 2015, having dropped from 18.8% in 2005, while the rate for 6–16 years remained the same at 17% (Chart 1). Though the overall child poverty rate in Canada is reported as 17.0%, the rate in single-parent families is higher at 38.9% and lower for children in two-parent families (11.2%). The poverty rate of Canadian seniors rose from 12.0% to 14.5% over this decade (Statistics Canada, 2017b).

Provincial variations in child poverty rates (Table 4) were also reported with Alberta having the lowest poverty rate amongst all the provinces at 12.8%, while Quebec took the second position and remains the only province with a child poverty rate lower than the adult level (14.3% vs. 14.7%). Similar to the overall provincial poverty rate, Nova Scotia and New Brunswick recorded the highest level of child poverty among the provinces at 22.2% (Table 4). Ontario exceeded the national average, increasing from 12.4% in 1989 to 18.4% in 2015, translating to one in five children living in poverty at this period (Statistics Canada, 2017b; Campaign 2000 Canada, 2016; Best Start Resource Centre, 2017).

Chart 1: Persons Living in Low-income Households, by Age, Canada, 2015

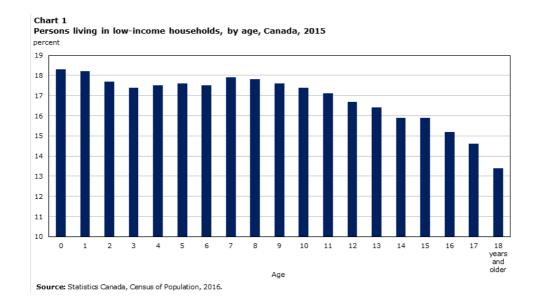


Table 4
Summary; Provincial Child Poverty Rates: Adults and Children.

Province	Children	Adults				
	Percent					
British Columbia	18.5	14.9				
Alberta	12.8	8.2				
Saskatchewan	17.8	11.4				
Manitoba	21.9	13.5				
Ontario	18.4	13.4				
Quebec	14.3	14.7				
New Brunswick	22.2	16.0				
Nova Scotia	22.2	16.2				
Prince Edward Island	21.7	15.7				
Newfoundland and Labrador	17.8	14.9				
Source: Statistics Canada, Census of Population, 2016.						

Further analysis shows that even employment is not a guarantee to escape poverty (CPJ, 2017). Among the married, working (or civil partnership) adults, the poverty rate was reported as 10.6% in 2012, decreasing to 9.8% in 2016. It was 32.7% and increased to 34.1% for single individuals over the same period. When added

together, these two subgroups account for 51% of Canadians living in poverty despite being employed (Statistics Canada, 2016a). Furthermore, certain demographic characteristics predispose groups to the likelihood of living in poverty. People with disabilities, be it physical or cognitive, or those facing discrimination readily come to mind. Poverty in this group is between 23%–24% for those aged 25–64 (Statistics Canada, 2017c). In a similar development, indigenous status confers a high risk of poverty due to barriers faced by the communities. The poverty rate in this group is 23.6% (Statistics Canada, 2017d). Additionally, new immigrants (comprising whoever has been granted permission to live in Canada as landed immigrants or permanent residents) and non-permanent residents including refugees, study permit holders, etc. represent another vulnerable group with the high rates of poverty of 31.4% and 42.9% respectively due to a number of factors ranging from language barriers to problems associated with integration (Statistics Canada, 2016). Within this group (landed immigrants), gender analysis of the low-income rate in 2016 revealed higher poverty rates in women (32.3%) as compared to men with the same immigration status (29.4%) and Canadian-born women (29.2%) (Statistic Canada, 2016).

Since the mid-1990s, the proportion of children living in poverty has shown a gradual pattern of decline (Statistics Canada, 2016). UNICEF reported a decrease in the child poverty rate during the recession period (2008–2012) from 23% to 21%, pulling about 180,000 children above the poverty line. They commended the Canadian government and its provinces for the achievement (UNICEF Report Card 12). A similar drop of 3.9% in Ontario's child poverty rate was reported for children under the age of 18, between 2013 and 2016 (23.4%–19.5%) (Statistics Canada, 2016). A similar drop has also been observed in the two or more economic Ontarian

families where the poverty rate had fallen to as low as 10.7% in 2016 but not for the unattached persons whose rate remained high at 40.4% (Statistics Canada, 2016).

Current Depth of Poverty in Canada

Poverty depth, also known as the "low-income gap" or "poverty gap" is a measure of how far below the poverty line an individual's or families' income lies in relation to the LICO as well as other measures (Nova Scotia, 2008; McDonald & Wilson, 2013). Therefore, it represents the difference between the average income of a poor household and the appropriate Low Income Cut-off (CCSD, 2004). In other words, it provides information on how much additional income is needed to bring individuals or families out of poverty (McDonald & Wilson, 2013). This can be represented as an absolute figure in dollars or expressed as a percentage of the established LICO for the individuals or families. For example, if the income of an individual in a household is \$20,000 and the LICO applicable to him or her is \$25,000, this individual is, therefore, \$5000 below the LICO (\$25,000–\$20,000). This is his/her income gap and represents the amount needed to bring him/her above the poverty line. When this income gap is expressed as a percentage of the LICO, the result is the "income gap ratio". The income gap ratio for this individual is 20% (5000/25000 x 100). For a given population, therefore, the income gap ratio is the average of all the calculated individual gap ratios. Canada has not fared well in the area of poverty depth reduction, and it has been undulating for the past few years. The poverty gap ratio for all low-income family units between 2012 and 2016 has, however, remained fairly constant, being 39.5%, 39.6%, 39.0%, 38.8%, and 38.5% for five consecutive years, respectively (Statistics Canada 2016, Table 5).

Table 5

Income Gap Ratio Based on Family Composition

		Family types with or without children							
		All persons							
Census family 2012 2013 2014 2015 20									
type									
All family units	Income gap	39.5	39.6	39.0	38.8	38.5			
in low income	ratio (%)								
Couple families	Income gap	38.8	38.7	38.0	37.8	37.8			
in low income	(%)								
Lone parent	Income gap	40.6	40.7	40.2	39.9	38.8			
family in low	(%)								
income									
Persons not in	Income gap	30.6	40.1	39.4	39.3	39.3			
census family	(%)								
in low income									

Source: Statistics Canada, table 11-10-0018-01. : After-tax low-income status of tax filers and dependents based on Census Family Income Measures (CFIM-AT), by family type and family composition

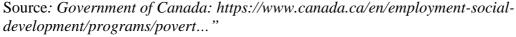
The depth of poverty follows the same pattern of change with the poverty rate based on family make-up. The depth ratio for two or more persons' low-income family (couple family) in 2012 was 38.8%, and it was 40.6% for a lone parent (Statistics Canada – see table). It has been documented that despite the recorded decrease in the poverty rate during the recession, the poverty depth was unaffected, as it remained consistently high (CPJ, 2012). The poverty gap among senior citizens in 2016 (20.7%) was, however, lower than that of children (37.8%) and working adults in relationships (39.4%) but remained significantly high for single working adults in precarious employment, at 46.8% (Statistics Canada, 2016). There is also literature evidence of improved poverty depth among single-parent families, from 40.6% in 2012 to 38.3% in 2016, and it is now very close to the gap in two-family members, from 38.8% to 37.8%, over the same period (Statistics Canada, 2016). Put in absolute figures, the poverty gap of average Canadian families in 2004 was \$7,200 (CCSD, 2004).

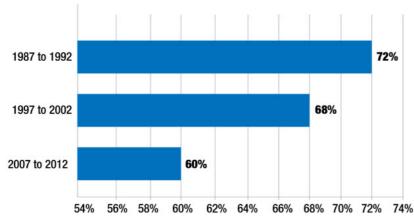
Children. The 2006 census puts the total depth of poverty for all Canadian children at \$7.48 billion, 1 billion for indigenous children, of which \$580 million is for status Indian children and \$420 million for Metis, Inuit, and non-status Indians (CPJ, 2012). Provincial variations are not different with British Columbia registering the highest poverty gap in the average family in 2004 at \$8500, while Newfoundland and Labrador had the lowest at \$4,800 (CCSD, 2004).

Average Length of Time in Persistent Poverty in Canada

Persistent poverty relates to the period of time that low-income individuals or families spend or remain below the established poverty line or LICOs for the group (Nova Scotia, 2008). Poverty is, therefore, a dynamic state as individuals and families struggle to move out of poverty within the shortest possible time frame by improving their economic status. This is depicted in Figure 1 below.

Figure 1: Percentage of low-income Canadians (bottom 10% of income earners) who moved into a higher income decile over a 5-year period, 1987–2012





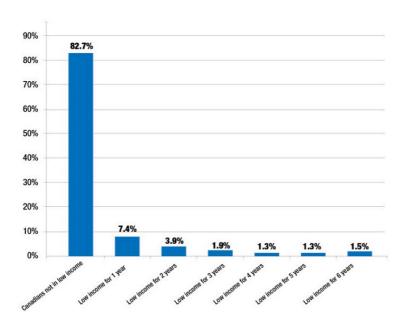
Persistence is ascertained if the individuals or families remain below the poverty line for more than one established period (Raphael, 2011a; Shillington et al, 2009), which is usually at least three out of six years (Government of Canada, 2017). A good number of poor Canadians stay below the poverty line for a short period

(Government of Canada, 2017; Lamman & MacIntyre, 2016), with about 1/3 exiting the zone within a year (CPJ, 2012; Lamman & MacIntyre, 2016). This is illustrated in the figure below, which shows the trend of the percentage of poor Canadians living below the poverty line over the 6-year period between 2005 and 2010. The figure decreased from 7.4% in the first year to 1.9% after three years, down to 1.3% in the fourth and fifth years, and finally saw a slight increase to 1.5% in the sixth year (Figure 2).

Figure 2: Duration of low-income status, 2005–2010 periods.

(Low income cut-offs – after tax, base year 1992)

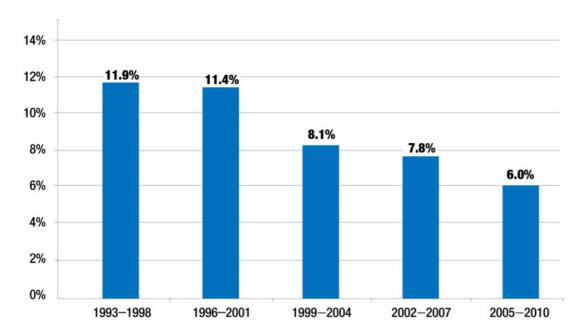
Source: Government of Canada. Available at: https://www.canada.ca/en/employment-social-development/programs/poverty-reduction/backgrounder.html



Slipping below the poverty line in the first year, however, confers a greater propensity of poverty in the second year, but the overall exit rate of poverty has been encouraging, increasing from 28% in 1989 to 40% in 2010 (CPJ, 2017). The number of Canadians living in persistent poverty has also shown a continued trend of decline as measured at 6-yearly intervals between 1993 and 2010, going progressively down from 11.9% in 1993–1998 to 6.0% in 2005–2010 (Figure 3). Though the progressive

decline is evident, it should also be acknowledged that for each period of exit, there are also some forms of replacement.

Figure 2: Trends in the persistence of low income (in low income at least 3 out of 6 years). (Low income cut-offs – After tax, base year 1992) Source: Government of Canada: Available at: https://www.canada.ca/en/employment-social-development/p..."



Chapter 4: High Levels of Persistent Child Poverty in Canada: The Effects of Power, Influence, and Ideology

Child poverty persists at rather high levels in Canada simply due to the government's failure to formulate and implement effective poverty eradication strategies. This failure to achieve the poverty eradication target and other government promises to children have been attributed to the government's reluctance to capitalize and act on the documented root causes of child and family poverty and economic inequality (Raphael, 2000). As noted previously, the federal government committed to child poverty eradication by the year 2000 through a resolution of the House of Commons in 1989. This was not achieved, and 20 years later (2009), the government accepted its failure and committed itself to the development of an action plan to combat poverty (Campaign Canada, 2015). In 1990, the Canadian government expressed its willingness to uphold and protect the integrity and welfare of children by signing the International Convention on the Rights of the Child as part of its commitment to this group (UN). In 2002, Canada, along with other international communities, adopted the United Nations plan of action for children called A World Fit For Children. This is, or should be, backed by the following actions: Ensuring the best early start for children including early child care, education, and actions that will promote physical, psychological, spiritual, social, emotional, and cultural development. This action plan should recognize the family as the basic building block of society and ensure its protection and support in the care of children.

The plan should consider displaced, trafficked, homeless children and orphans or other vulnerable groups and offer commensurate support and protection. A World Fit for Children recognizes that poverty is the worst obstacle to child development and aims to tackle child and family poverty squarely from its roots. The

action will entail the elimination of discrimination against children in all ramifications (sex, race, ethnicity, religion, culture, political, status, social origin, disability, etc.) either directly or through their parents (UNICEF, 2002). The action will ensure that all children regardless of social background, disabilities, or special needs enjoy equal access to health care, education, and other social or recreational services. Special attention should be given to indigenous children that suffer severe discrimination and it is ensured that all necessary supports are given to them. The strategies and promises are yet to be realized and the reasons for not actualizing them are set below.

Non-prioritization of Children in Government Policies

At the heart of persistent child poverty is unfavourable government policies that not only turn blind eyes to the already children suffering but also formulate policies that perpetuate their conditions. The indifferent attitude of the government to the plight of children's affairs and the failure to prioritise children in its political and economic policies and implementation has been widely noted at national, provincial, and territorial levels (UNICEF Report card 10; Campaign 2000 Canada, 2016). For example, UNICEF Canada reported that in 2012, Canada's investment in elderly benefits was \$40 billion while its investment in child benefits in the same period was about one-third of that (\$13.2b). The unsurprising result was a decline in elderly poverty rate to 6.3% as compared to 14% in child poverty. Within this period, the child poverty rate (14%) was also higher than the overall poverty rate of the Canadian population (12%). The investment policy with its results and the higher level of child poverty compared to the national rate was categorically attributed to the nonprioritization of children in tax and social policies (UNICEF Report card 10). There are other similar policies that reveal the non-prioritization of children, and they are discussed below.

Social Assistance Programmes of Questionable Quality

Policies such as social benefits are government initiatives designed to help individuals and families escape from poverty. Ironically, many of the policies behind these benefits either individually or in combination produce the opposite effect by stultifying concerted efforts to escape poverty or dampening the spirit of enthusiasm to do so (OAFB, 2008). In Canada, there is the federal child benefit given to children from poor families, which is withdrawn as soon as the child hits 18 years of age regardless of their family's economic situation. Similarly, single-parent families who receive income assistant support stand the risk of losing this benefit when they are employed, as the equivalent of this benefit is deducted from their wages (Campaign 2000 Canada, 2016).

By the same token, provincial disability allowances to the vulnerable and other recipients from Ontario Works are equally subject to 50% deductions of any extra income to the family (OAFB, 2008; Lamman & MacIntyre, 2016). Furthermore, the house rent of poor people living in council houses (e.g. recipients from Ontario's income support initiatives) are arbitrarily increased by about 30% when the child in the family reaches 16 years of age and is not in full-time education, irrespective of the family's condition (OAFB, 2008; Lamman & MacIntyre, 2016).

In some cases, the value of the total deductions may sum up to a hundred percent, leaving the individual with no extra income and actually penalizing them (Lamman & MacIntyre, 2016). These types of government policies that fail to give incentives to the working class result in the demoralization of ambitious individuals wishing to work and earn extra pay and may plunge such individuals or families to persistent poverty that is transferable to their children (Jackson, 2009, 2016), a seeming policy paradox.

Social Assistance Programmes of Questionable Quantity

Furthermore, rates of income assistance and other social assistance programs to vulnerable groups remain low or decreased despite the rising gross domestic product (GDP) and have not kept up with the increasing cost of living (Bryant et al, 2010). In some cases, these benefits were radically reduced such as in Ontario during the Common Sense Revolution of Mike Harris (1995–2002). The policy of the Common Sense Revolution was that of the marginalization and disrespect of the poor by those in authority. The policy meant that people living in poverty were expected to succinctly survive on their meagre social assistance benefits / minimum wages. To compound the situation, they were meant to face/live with the negative attitude and poor bashing from society, and consequently feel ostracized (The Globe and Mail 2001, 2018; Swanson, 2001; Raphael, 2011a).

Other policies aimed at the reduction of social safety net spending include Canada's implementation of a 10% reduction in family support spending at the national level since 2009 and a reduced spending of only 1.18% of the GDP on social support despite the rising rates of poverty in Canada. This percentage allocation of the national GDP is below the Organization for Economic Co-operation and Development (OECD) average of 2.1% (Campaign 2000 Canada, 2016).

Reacting to the above cuts and reductions, a province like Ontario blames the federal government's poor commitment and funding as being responsible for the failure to meet its provincial target (Global News, 2014). The untoward effect of cuts in social service spending as it relates to poverty and its persistence, especially among the vulnerable groups, has been recognized in countries that towed that line.

In his article, "Health inequality and child poverty in London", Farthing (2010) echoed the unacceptable loss of childhood and human talent to child poverty in

a wealthy country such as the UK and attributed it to government policies that involve saving costs at the expense of children's welfare. He denounced the adoption of fiscal prudence in the form of cost saving, stating that it will result in high levels of child poverty and that it makes no sense, has no moral or economic justification, and should not be tolerated. In his illustrations, he quoted the annual health cost of family poverty to the nation as £860 million and the overall cost of child poverty as twenty-five billion pounds but remarked that the estimated cost of reducing child poverty by half in 2010 was only 16.8% of the overall cost (£4.2 vs. £25 billion). He emphasized on the need to increase the welfare benefits of poor children as a means of curbing adverse health outcomes and reducing health costs. He then advised policy makers to exercise caution in their cost-saving mission and adopt a "best interest approach" to support poor children. In a similar submission, Raphael decried the Canadian policies that clamped down on the safety nets, reducing the social benefits in cash or kind as actions that not only increase the incidence of poverty but also strip those in most need of their major source of existence (Raphael, 2002).

The persistently high levels of child poverty despite the government's initiatives can be traced back to the actions of the government that generated ripple effects on the poverty rates and depth that are difficult to cushion with current alleviation or eradication strategies. Bryant et al (2010) cited, as an example, the policy of the federal government that dated back to the 1980s during which the government started limiting/withdrawing cost sharing on social and health services with the provinces. This led to the abandonment of some of these social services and resulted in income inequality, poverty, and poor health.

Bryant and colleagues further elaborated on the changes in tax policy in 1990 that disproportionately affected the low-income earners, and this will be discussed

fully in the section on tax systems. Additionally, they noted that there was policy made in 1996 for the replacement of the Canadian Assistance Program (CAP), which was set up to provide separate funding for social, post-secondary education and health care. The CAP was replaced with the Canada Health and Social Transfer (CHST) with unconditional funding terms. The result was a diverting of funds to health care and post-secondary education at the expense of popular social service programs that impacted the social determinants of health (SDOH) mentioned above. The SDOH concept was not popular within the newly created CHST, and because there was no clear policy on how the fund should be distributed, preference was given to health preventive and other school programs even with funds meant for SDOH programs.

High/Difficult Eligibility Criteria for Social Assistance Programmes

Furthermore, strict eligibility criteria for social support benefits that are not even enough to pull families out of the poverty line were introduced in the 1990s and further excluded many desiring families and increased their depth of poverty (Best Start Resource Centre, 2017). To qualify for Employment Insurance (EI), for example, one has to accumulate between 420 to 700 hours over the preceding 52 weeks. The situation is even worse for sickness, maternity and parental leave, compassionate leave, and others where one is required to accumulate 600 hours over 52 weeks (Government of Canada, 2018). This means that the above benefits are denied if one is unable to get the required number of hours before one is incapacitated by illness or any other genuine reason. Recommendations have been made to reduce the number of qualifying hours for EI to 360 and increase the duration of benefits in addition to raising the maternity and parental leave benefit to 70% of their wage while employed and decrease the qualifying hour to 300 (Campaign 200 Canada, 2016).

Similarly, the Ontario asset test policy strips individuals and families of eligibility criteria for certain social assistance services. Under this policy, individuals are disqualified from Ontario Works, disability supports, legal aids, and housing if the value of liquid assets acquired exceed a certain set maximum. This dampens the enterprising spirit and constitutes barriers to poverty escape (Best Start Resource Centre, 2017).

The Tax System

Unfavourable Canadian tax policies and wealth redistribution that tend to victimize individuals and families living in poverty have also been identified as the root cause of persistent child poverty (Bryant et al, 2010, Lamman & MacIntyre, 2016). Buttressing this point, Bryant and group demonstrated how changes in the tax structure placed a tax burden on the lowest 10% income earners by increasing the cumulative tax from 25.5% to 30.7% between 1990 and 2005 while, over the same period, reducing the tax of the highest 1% from 34.2% to 30.5%. Reduction was also noted in the immediate lower 4% after the top earners decreased from 36.5% to 33.8%, while the majority earners that make up the next 5% saw a reduction from 38.6% to 36.9% (Bryant et al, 2010). The taxes represent changes made at both the federal and provincial levels and include personal income tax, commodity tax, property tax, investments, and benefits. The above illustration shows the extent to which the lowest income earners are marginalized, reducing not only their chances of escape from poverty but also facilitating their persistence in poverty. In addition, Lamman and MacIntyre pointed out the OECD finding of the high Canadian marginal effective tax that is above its average and how it can dissuade those willing to do extra jobs for extra income, thereby promoting persistent poverty (Lamman & MacIntyre, 2016).

This tax policy and wealth distribution is antithetical to well-documented research evidence that suggests, among other things, more taxes for the rich and an increase in various social assistance programmes to the poor as a means of reducing income inequality

High levels of Precarious Employment

In addition, the government has been indifferent to the issue of precarious employment and made no policies to check its exponential growth. These are unsecured and temporary jobs with no security, often very hazardous, may be physically or emotionally demanding, and have neither any potential for career advancement nor attract full employment benefits (Campaign 2000 Canada, 2016, 2017). Precarious jobs and its associated low income have been reported to be very high in Canada compared to many other developed nations (Raphael et al, 2018).

A recent report by the Canadian Labour Congress paints a disturbing picture of the impact of precarious jobs on the youth population. Although they make up 15% of the country's labour force, they are over represented in the unemployed and precarious job categories including unpaid job experiences (Canadian Labour Congress, 2016). The implications of this are wide and varied, denial of appropriate job opportunities, security and guaranteed work-related benefits despite possessing more than the required qualifications, perpetuation of inequality, unprecedented debt, and poverty that spans through the life course.

This is on the platform of dynamic changes in the labour market that downgraded the availability of standard employment with encouragement in the proliferation of precarious jobs. Poor wages and unfavourable working conditions that threaten workers' wellbeing become the norm, complemented by a clampdown on union activities that increase their vulnerability to exploitation (Canadian Labour

Congress, 2016). In addition to the loss of employment-associated benefits and the blissful feature of retirement, precarious jobs have been linked to income insecurity, delay in important life-course decisions such as starting a family or maintaining a relationship, higher rates of psychiatric illness, and poor economic growth (Fleury 2016; CPJ, 2017).

Low Minimum Wage and Anti-Union Policies

Above all, there were no efforts or policies made to complement the fall in minimum wage that failed to meet up with the inflation rates, and this was further made difficult by anti-union policies that prevented any resistance or opposition on minimum wage (Bryant et al, 2011). In 2013, for instance, the minimum wage was about \$10 in all the provinces, a rate that was the same as that observed in the late 1970s when expressed in constant dollars (Statistics Canada, 2016). In Canada, the government stand on the minimum wage issue has been linked to the liberal type of welfare state operational in the country that interferes less in the operations of the market economy, favours the business class at the detriment of the poor masses by providing less security and benefits in kind or cash (Raphael, 2010; Bryant et al, 2011). Furthermore, government anti-union policies were designed to frustrate labour unionization and destabilize its operational principles of workers empowerment, fostering equity, fairness and social justice in the place of work, in addition to acting as an entity and speaking with one voice (Fleury, 2016). The outcome was a reduction in labour union membership, though with an underlying concealed willingness for enrolment (Fleury, 2016; Bryant et al, 2011). This resulted in a rise in the cost of living, thereby exacerbating and perpetuating existing poverty.

Advocates of higher minimum wages believe that it boosts individual/families' income and purchasing capabilities, which, in turn, increase the

liquid currency in circulation. This enhances economic growth, business expansion, and employment opportunities through the increase in demand for company products. The net result is an escape from poverty (Ramirez et al, 2015; Ontario Ministry of Labour, 2014).

There are, however, mounting contrary arguments that an increase in minimum wage is not the answer to poverty eradication, as it increases unemployment due to its ripple effect on business establishments that face a rise in the cost of production and an increase in prices of goods and services with a corresponding fall in demand, all of which may lead to retrenchments, reduction in the number of work hours, reduced power of purchase, and a rise in poverty rate (Ramirez et al, 2015; Murphy et al, 2016). These opponents further argue that many poor individuals and families have no gainful employment (Ramirez et al, 2015), and, moreover, a greater percentage of workers living in poverty (83%) earn more than the minimum wage (Murphy et al, 2016). Therefore, neither of the above categories will have a direct benefit from minimum wage increase. Some studies across Canada on the subject have predicted that a 10% increase in minimum wage will result in a corresponding 3-6% loss in youth employment aged 15-25 years (Murphy et al, 2016; Sen et al, 2010) and a further 4–6% increase in family poverty (Sen et al, 2010). Multiple national and international studies on the relationship between higher wages and job loss have, however, demonstrated that the above observations and predictions are founded on ideology as they have no scientific bases and lack empirical evidence (Yalnizyan, 2017; Sonn & Lathrop, 2016). In the analysis of seven decades of federal government wage hikes in the United States and employment levels, Sonn and Lathrop found no correlation between wage increases and low employment levels, but rather, noted higher employment rates associated with wage increments even in the

most affected industries (Sonn & Lathrop, 2016). In a similar recent US study published in the Centre for Economic and Policy Research, Wolcott demonstrated that job opportunities were higher in the thirteen states that increased minimum wage and reiterated the negative theoretical effects of higher minimum wage on employment as being baseless (2014). In a 2016 prospective study in New York city, Reich et al used a unique labour market model that analysed the effects of wage increase on the labour, business, and consumer markets and found added gains in employment opportunities as well as a pay rise in a significant number of low-paid workers. They noted that a small rise in the running costs could be offset by an increase in workers' productivity and other logistics associated with wage increase (Reich et al, 2016). Furthermore, at the individual business level, the benefit of higher wages to business growth has been documented. The American, giant company, Walmart, partially attributed its higher business profit to increased workers' wages and operational costs despite predictions of the contrary and pointed out that the benefits of wage increases are greater than the costs (La Monica, 2016; Yalnizyan, 2017). Even where there is marginal job loss due to wage increase, studies have shown that the remaining businesses that persevere with higher wages offset the increase through enhanced productivity, the attraction of highly skilled workers, reduced staff turnover and training costs, lower incidence of absence from work and work-related offences and cost savings from monitoring. In addition, workers in such firms are also happy with their jobs and fellow workers and enjoy better health that boosts productivity (Wolfers & Zilinsky, 2015).

Discrimination against Women in the Labour Market

In another study, it was found that the contribution of women in the labour market was not only ignored, but women were also treated with indisputable contempt

(Raphael et al, 2018). The inherent and overt discrimination and unequal payment as their male counterparts for the same type and value/volume of job performed subdues the spirit of enthusiasm, reduces family income, especially in female-led families, and promotes child and family poverty. This gender discrimination is not limited to the wage gap but also apparent in employment opportunities, political appointments, and elective offices, and more disturbing is the fact that no comprehensive national action plan, policy, or strategy has been developed to break the tide (Raphael et al, 2018). In the effort to address this anomaly, the Ontario government inaugurated the Ministry of Status of Women and the Gender Wage Gap Working Group in 2017, but it failed to implement the recommendations of the commission. This hypocritical attitude partly accounted for the target failure (Campaign 2000 Canada, 2017).

Foreign Credentials not Recognized

Certain restrictive policies that took a toll on the same vulnerable group have been blamed for target failure and persistently high child poverty. In Canada, skills and qualifications acquired outside the country, especially by immigrants, are rarely accepted due to the policies that establish rules for assessing them (Government of Canada, 2017). This has been recognized as the most significant challenge faced by newcomers in gaining suitable employment (Government of Canada, 2014). This is deemed to result in multiple barriers in recruitment, assessment, and selection processes (Government of Canada, 2018), predisposing these people to unemployment conditions or precarious jobs and their associated poverty risks.

Limited Early Childcare Services

In the same vein, the inability of the Canadian government and provinces to establish reliable, good, and cheap early childcare services, including early childhood education, was one of the reasons for persistently high levels of child and family

poverty and the failure to achieve the set target (Best Start Resource Centre, 2017; Campaign 2000 Canada, 2016). Parents need to be supported since they constitute a significant percentage of the workforce. Unfortunately, many working families are struggling to combine work with the domestic function of caring for children. Poverty among working and lone-parent families is known to be high, partly accounted for by divided attention and options for choosing fewer working hours or paying for expensive childcare services (Campaign 2000 Canada, 2016). Both options translate to reduced family income, perpetuation of family and child poverty, and are antithetical to poverty escape.

In the 2011 analysis of childcare services, Statistics Canada reported that about 46% of Canadian parents used one form of childcare services or the other for children less than 14 years of age, but the percentage rose to 54% for children aged four years or younger. While the greatest use was for children between 2–4 years, followed by 5–7 years, parents of children under one year were less keen to use childcare services (6%). Childcare services are the responsibility of provincial and territorial governments, and therefore regional variations are noticeable. Quebec has the highest subsidized care, and it is the only province with established child daycare programmes for all. Therefore, it records the highest use of childcare services at 58%. The rates of use were below average in Ontario (43%) and Alberta (40%), while Manitoba was the least (34%). The factors that influence the use and choice of childcare services include the type (daycare centres, home daycares, and private cares), the proximity, cost, and level of government subsidy (Statistics Canada, General Social Survey, 2011). The lowest median monthly cost of childcare services is in Quebec (\$152) and the highest is in Ontario (\$677). The cost in the Atlantic

Provinces is \$541 (Statistics Canada, 2015). This again reflects the appalling level of government commitment to child poverty initiatives.

Lapses in Housing

Provision of adequate housing is a proven strategy to reduce child and family poverty but has been missed at the federal, provincial, and territorial levels. The housing crisis escalated far back in 1984 due to the federal government discontinuation of its supports to the housing programs; an action of the elected conservative government that resulted in the loss of two billion dollars in support for affordable housing and the abolition of new housing initiatives (Bryant et al, 2003). The situation was made worse 12 years later when new the liberal government completely rescinded its support for social housing (Bryant et al, 2003). To compound issues, private investors in the building market in some provinces received government blessings in their exploitation of the poor as rent-control measures were expunged (Bryant et al, 2003). Consequently, the majority of families and children in the low-income category lived and continue to live in substandard accommodation that not only extol about 30% of their monthly income but also expose them to a variety of adverse health and socio-economic problems (Campaign 2000 Canada, 2016; Best Start Resource Centre, 2017).

In 2016, Statistics Canada reported that the percentage of Canadians living in unaffordable housing decreased slightly from 24.4% in 2006 to 24.1% in 2016.

Affordability is measured as households that spend 30% or more of their monthly income in housing costs (Rents, mortgage payments, electricity, hydro bills, water bills, property tax, and other municipal service charges). There were also regional variations, with the lowest rates of unaffordable housing reported in Quebec (17.8 percent) and Saguenay (16.9 percent) while Vancouver and Ontario bagged the

highest of 32 percent and 33.4 percent respectively (Statistics Canada, 2017). In a similar development, the concept of core housing need (CHN) was developed by Statistics Canada in partnership with the Canadian Mortgage and Housing Corporation to throw light on the standard of housing available to people, the proportion that needs them and the proportion that can afford them. A household is therefore deemed to be in core housing need if its current housing has fewer rooms than suitable for the family size and composition (suitability), requires major repairs (adequacy), and "a shelter-cost-to-income ratio" of more than 30% (affordability) (Table 6).

Table 6

Core Housing Need for Canada, the Provinces and Territories, 2006, 2011, and 2016

	No of households in core housing			Core housing need rate (%)		
	need 2006 2011 2016		2006 2011 2016			
	2000	2011	2010	2000	2011	2016
Canada	1,494,395	1,552,060	1,693,775	12.7	12.5	12.7
Newfoundland						
and Labrador	27,310	22,945	22,495	14.2	11.4	10.5
Prince Edward Island	6,430	4,945	4,875	12.6	9.2	8.5
Island	0,730	7,773	7,073	12.0	7.2	0.5
Nova Scotia	3,760	46,285	49,450	12.1	12.5	12.8
New Brunswick						
	9,360	29,570	27,715	10.3	9.9	9.0
Quebec	324,590	349,485	305,590	10.6	10.8	9.0
Ontario	627,530	616,930	748,310	14.5	13.4	15.3
Manitoba	46,920	43.405	51,130	11.3	10.3	11.4
Saskatchewan	40,835	47,240	51,755	11.8	13.2	13.4
Alberta	119,050	137,485	164,275	10.1	10.7	11.4
British Columbia	,	,	,			
	221,470	247,285	260,220	14.6	15.4	14.9
Yukon	1,875	1,915	2,160	16.3	14.7	15.2

Northwest Territories	2,390	2,215	2,255	17.5	15.7	15.5
Nunavut	2,870	3,355	3,545	37.3	39.3	36.5

Sources: Statistics Canada, Census of population, 2006 and 2016 and National Household Survey, 2011.

Commenting on the level of homelessness in Canada, Raphael et al., (2018) noted that every year, no less than 200,000 people living in Canada sleep on the street or make use of emergency services meant for homeless people. This figure rose to more than a million when people who are living with others for a short period are taken into account. Lamenting on the similar level of housing crisis prevalent in Ontario, Dorman (2016) noted that this social anomaly (homelessness) might be the highest and most obvious manifestation of poverty, and in combination with reduced social assistance, precarious jobs, and high inflation rates, the poor are denied the basic essentials of life. There has, however, been a condemnation of the government's actions by pressure groups. The federal government implemented some moves to rectify the situation through the introduction of Community Partnership Support Initiative Programs and the signing of a bilateral agreement between the federal, provincial, and territorial governments for the affordable housing framework (Bryant et al, 2003). As part of its continued efforts to eradicate child and family poverty through housing projects, the Ontario government has equally set a new target of 2025 to eliminate long-standing homelessness, backed by legislation and disbursement of \$33 million for the development of two thousand affordable houses (Campaign 2000 Canada, 2016).

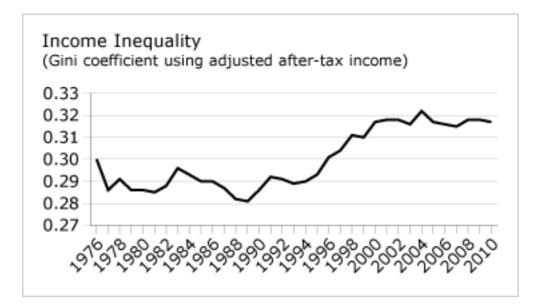
Income Inequality

Income lies at the heart of poverty. The high rate of income inequality that parallels the socio-economic status cuts across the nation of Canada and is directly related to persistently high levels of child and family poverty.

In a recent analysis of income inequality using 2013 data, the Conference Board of Canada (CBC) reveals that income inequality has been on the increase in the past two decades as shown by the progressive rise in the Gini coefficient from 0.281 in 1989 to 0.32 in 2010 (Figure 4). The Gini coefficient is a measure of income inequality that calculates the degree to which individual income in a given society differs from what is designated as equal distribution. It is measured on the scale of 0–1, with 0 representing a society where everyone is equal and 1 a society where an individual has all.

Figure 3: Rising income inequality in Canada

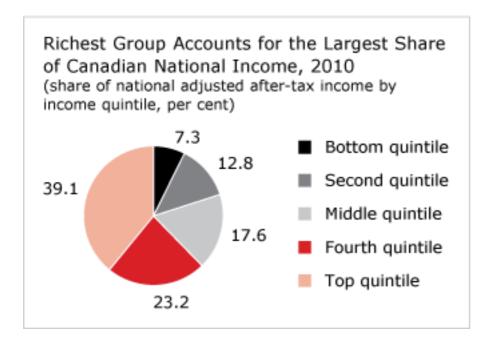
Source: Conference Board of Canada, 2013.



Dividing the Canadian population into 5 arbitrary quintiles in a pie chart (Figure 5), they also reported that the wealthiest class of Canadians has increased their grip on the share of the total national income from 36.5% in 1990 to 39.1% in 2010, while the lowest and middle-income classes lost their share (CBC, 2018).

Figure 4: Income inequality by quintiles

Source: Conference Board of Canada, 2018.



The inequality is partly explained by the market forces that utilize advanced technologies and globalization in the labour market in the search for international skilled workers, but it is largely due to institutional forces and government policies that give advantages to the rich (CBC, 2018). A comparison of the Gini coefficient before and after tax and government transfers in selected countries demonstrates how good public policies can reduce income inequality (Figure 6). The minimal effect of Canada taxes and transfers speak for itself, with only a 27% reduction in the Gini coefficient (from 0.441 to 0.324). The converse is true for a country like Belgium, where the effects of tax transfers markedly reduced the Gini coefficient by 45% from 0.469 to 0.259. Of the 17 selected rich countries, Canada ranked 12th in income inequality (Figure 7)

Figure 5: The effect of taxes and government transfers.

Source: Conference Board of Canada, 2018.

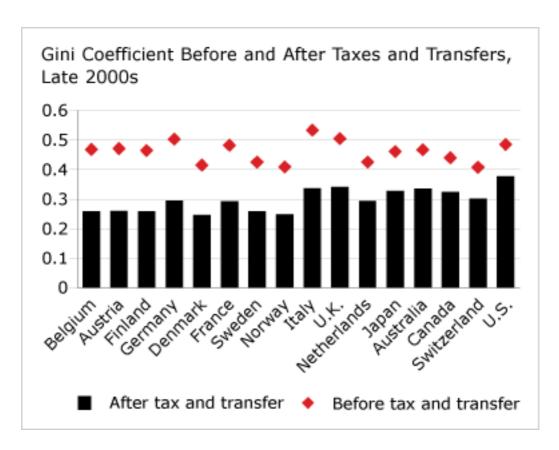


Figure 6: Income inequality in 17 selected developed nations

Source: Conference Board of Canada, 2018. Income Inequality, Late 2000s (Gini coefficient) 0.4 0.3 0.2 0.1 Wetherlands Australia 0 Finland Ireland Germany France Japan Grade: C D

The Role of "Positive" Functions of Poverty in the Genesis of Persistent Child **Poverty**

In another development, the root cause of persistent child poverty in Canada can be due to the implicit application of the positive functions of poverty by the policy makers and bourgeois. Herbert Gans applied the Mertonian functional analytical method of political machine to poverty and identified 13 positive functions of poverty that could contribute to its persistence. This analysis counteracts the widely held impression that poverty is dysfunctional in all its ramifications to both the poor and society. He, however, pointed out that due to social stratification of society and the emergence of many subgroups with varying desires and ambitions, what is functional to one group could be dysfunctional to another (2013). The positive functions of poverty are classified as economic, social, cultural and political.

The economic function of poverty. Poor people perform dirty, undignified, risky, and otherwise unwanted jobs at very low wages, though not by choice but by design. The economic activities of many establishments or industries would have ceased to function if they had to pay the appropriate wages for such services performed by poor people, which will usually be higher than the amount paid for many clean jobs. Thus, these employers utilize the government's inaction on precarious employment to their greater advantage to promote persistent poverty (Gans, 2013). In addition, the low wages of poor people have boosted the investment potentials of their employers by increasing the savings made through wage reductions, and these are diverted to more investments, resulting in economic growth. This is evident in the proliferation of private establishments like restaurants, fast food centres, and supermarkets that predominantly engage the services of low-paid, poor people, capitalizing on their powerful influence on policy makers and canvassing for a tax structure that serves their interest as the minority rich class (Raphael, 2010, 2011; Kerstetter, 2002). The poor also positively influence the Canadian economy through

increased consumption of cheap and/or low-quality goods and services that may be unacceptable by the affluent. In another development, the animal protection group protests and resists the use of animals in medical experimentations, but poor people are easily recruited without remorse and sometimes with inducements that are not commensurate with the risks undertaken. Poverty is, therefore, functional to the economic activities of pharmaceutical companies and other institutions involved in medical experimentations and innovations and, of course, to the rich who are unwilling to be used but would benefit most from the outcome, due to their economic powers (Gans, 2013). Poverty in Canada is thus an advantage to this group of industries who, with their influences and connections to political powers (Raphael, 2010, 2011; Kerstetter, 2002), will opt for its persistence. Furthermore, poverty provides employment opportunities to some groups or professionals that may appear to be acting on behalf of the poor people. For example, Canada Without Poverty, Citizens for Public Justice, Campaign 2000, charity organizations, and the law enforcement agents who clamp down on the poor more than the rich even when the offences of the latter are far more hideous. What happens to these groups if there are no poor people to advocate for or incarcerate? Their answer would probably be that poverty should continue.

Social and cultural function of poverty. There will be no social stratification if everyone is socially, economically, and politically equal. The poor must, therefore, exist for the rich to be acknowledged, identified, and respected by the same poor people. This social categorization is sometimes made with bias and the poor, without substantiation, are labelled as having aberrant behaviour / are poor-bashed so as to justify the supremacy of the affluent, which is a positive function of poverty utilized by the affluent to perpetuate poverty (Gans, 2013). In every poverty situation, there

are people who convert it to their own advantage to the extent of even pooling themselves out of the poverty line and improving their socio-economic status. This group of people will support and foster decisions that promote poverty. Examples are Canadian drug traffickers, global organ traffickers whose consumer clients are mainly the poor, those who cite other businesses that serve the poor in remote communities, etc.

The political function of poverty. Political parties mostly take advantage of the voting powers of the poor people who are readily willing to cast their votes without any attached conditions for an involvement in the political process. The poor mainly dwell on election promises to exercise their vote-casting rights, often do nothing when they are not fulfilled, and therefore constitute no immediate danger to the stability of the political system. Hence, they are not involved in policy decisions. This is contrary to the ideologies of the political elites who, in an attempt to protect their personal or group interests, will spell predetermined conditions that must be met to avoid political conflicts and destabilization of the process. The hallmark is that poverty fosters political stability (Gans, 2013). The above functions of poverty are, however, due to the capitalist economic system operational in the country.

Chapter 5: Health and Societal Well Being Implications of Persistent Child Poverty

Poverty and inequality are interrelated phenomena that affect health through varied, complex mechanisms. They result in adverse socio-economic, political, cultural, physical, emotional, and psychological conditions that affect individuals, communities, and the nation. The effects of poverty on health can, therefore, be examined from both personal and societal viewpoints with both approaches clearly showing poor health outcomes. Poverty is directly linked to both socio-economic and health status. Simply put, people at the bottom of the social ladder (the poorest) suffer the greatest burden of poor health. This is true even when an individual's income and health are assessed using a range of measures for both (Phipps, 2003). Life expectancy is one area where extensive study has been done, and it shows that people living in poverty have a shorter life span as compared to their affluent counterparts with gender variations; men fare worse than women (Raphael, 2011). Certain diseases of the heart, especially diseases of the heart vessels, adult-onset diabetes, diseases of the respiratory system, and some cancers have been found to be related to the material and social deprivation associated with poverty (Raphael, 2001, 2011). Every form of disease that exists threatens the health of people living in poverty, in addition to death from injuries (Raphael, 2001, 2011).

For children, a wide range of health indicators exists, all showing in very strong terms that the health of children is, to a greater extent, determined by their living conditions and that parental income is pivotal. Children living in poverty are at a greater risk of both poor physical and mental health outcomes, and studies have demonstrated that childhood poverty has a negative outcome on their current health and their health in adulthood (Raphael, 2002, 2011). The timing, degree, and period

of exposure to poverty conditions further determine the magnitude and severity of adverse health outcomes, and exposure in the earliest years of a child's life is the most critical (Gupta, 2007; Phipps, 2003). As will be explained in the later section, exposure to adverse living conditions at an early period of life even before birth, repeated or cumulative exposure during early childhood, and interactions with adverse experiences later in life, all combine to produce poor health outcomes both in childhood and adulthood.

A comparison of cognitive development and educational attainment has ranked children living in poverty lower as compared to their counterparts who do not live in poverty, and this is more pronounced when the exposure to poverty occurs early in life (Wood, 2003). Through material deprivation related to poverty, they are subjected to poor nutrition that can lead to poor structural or imperfect brain development and function through stress-induced neuroendocrine/metabolic mechanisms (u Ottawa; Raphael, 2011; Dorman, 2016).

The physical health effect of poverty in children is manifested in areas of increased rates of disability, higher chances of being accident prone (domestic or otherwise), frequent hospital attendance, and even higher death rates due to poor or inadequate access to health care services, in addition to poor nutrition (Wood, 2003). Psychologically, children in poverty have been shown to have poor academic performance, poor cognitive and affective development, and are prone to the adoption of unhealthy lifestyles and behaviour (Raphael, 2011).

A greater proportion of children of low-income, lone-parent families has been found to suffer from various forms of mental health problems and school and other social delinquencies as compared to low-income, two-parent families (OAFB, 2008).

Child poverty is rooted in family poverty (Best Starter Resource Centre, 2017), which results in overcrowding and poor housing conditions that predisposes children to exposure to house moulds, development of asthma, ease of transmission of communicable diseases, and reduction in physical activity (Campaign 2000 Canada, 2015; U Ottawa), which is a precursor to obesity development (Daneman & Hamilton, 2010; Public Health Ontario, 2013). The effect of poverty on children can even predate their birth through its effects on pregnant women. This results in low birth weight; a condition that predisposes children to multiple disease afflictions (Wood, 2003, Raphael, 2011). Prenatal and early child poverty has also been linked to abnormal foetal organ development and altered systemic neurological and endocrine control mechanisms that affect a child's brain growth, maturity, and function, as well as their voluntary and involuntary actions (Raphael, 2011).

In his extensive literature review, Raphael (2011) demonstrated the association of child poverty to increased death in adulthood from numerous disease afflictions, many of which manifest in adulthood, including heart attacks, high blood pressure, brain bleed, adult-onset diabetes, asthma, a variety of mental illnesses, arthritis, poor bone quality, dementia, as well as certain cancers of the lungs and stomach, all of which are mediated through different postulated mechanisms.

Moreover, poor children have a greater propensity of being poor adults, and where this is rooted in family low literacy and poor educational attainment, it can equally result in a child's low educational attainment and societal inferiority complex, further reducing the zeal for academic interest, success, and integration potentials (OAFB, 2008).

Societal Cost of Poverty

Poverty is more than income deficit alone; it may be generated by or contribute to adverse socioeconomic, political, and cultural conditions among individuals or families within a society (OAFB, 2008; CWP, 2017). The societal wellbeing implications of persistently high levels of child poverty can also be viewed from another perspective, that of the cost of poverty. The cost of poverty to Canada is enormous and cuts across its economy, healthcare, and criminal justice (CWP, 2017). At the federal level, \$19.9 billion and \$4.0 billion was spent on the provision of employment insurance and transfers to low-income families (through Goods and Services Tax credit) respectively in 2011 (Government of Canada, 2012; CWP, 2017). The story is the same among the provinces, where yearly spending on poverty has been put at between \$10.4 and \$13.1 billion for Ontario (CWP, 2017; OAFB, 2008), \$2.4 billion for Nova Scotia (CCPA Nova Scotia, 2015; CWP, 2017), \$3.8 billion for Saskatchewan (Poverty Costs Canada, 2017) and between \$8.1 and \$9.2 billion for British Columbia (CCPA BC, 2011; CWP, 2017).

Health Cost

Poverty has been rated as the biggest health determinant (WHO, 2008), and it can cause illness as well as result from illness (CWP, 2017). The cost of poverty on the Canadian health-care system is estimated to be as a high as \$7.6 billion (Table 8). The burden is equally high at provincial levels, where almost half of the annual budget is spent on health, and the pressure continues unabated (Hodgson, 2013). In 2010–2011, healthcare accounted for 40.3% of the total Ontario expenditure (\$44.77 billion) and was projected to increase to 44% by 2017–2018 (Ontario Ministry of Finance, 2012). The health cost of poverty to Ontario is put at \$2.9 billion (2007 dollars) (Table 8). Narrating the work of Mustard et al, OAFB pointed out that though the lowest quintile is made of 20% of the poorest individuals or families, they

consume 30.9% of the overall health cost and that this trend in health cost sharing decreases as the income increases. They went further to illustrate that improving the income of the poorest quintile by lifting them up to the next level could save 7.1% of Canadian and 7.2% of Ontario's health expenditure in that index study (2008).

Table 7:

The Costs of Poverty in Canada and Ontario (2007 Dollars)

CANADA	PRIVATE COSTS	SOCIAL COSTS	
Health Care		\$7.6 billion	
Crime		\$1 - 2 billion	
Intergenerational	\$8.2 - \$10.3 billion	\$3.1 - \$3.8 billion	
Lost Productivity	\$35.8 - \$41.2 billion	\$8.6 - \$13 billion	
- Adjustment for understatement of productivity loss	+\$4.1 billion		
- Adjustment for transfer payments		+\$4.1 billion	
TOTAL	\$48.1 - \$55.6 billion	\$24.4 - \$30.5 billion	
ONTARIO	PRIVATE COSTS	SOCIAL COSTS	
Health Care		\$2.9 billion	
Crime		\$0.25–\$0.6 billion	
Intergenerational	\$3.3–\$4.3 billion	\$1.3–\$1.6 billion	
Lost Productivity	\$16.6–\$19 billion	\$4–\$6.1 billion	
- Adjustment for understatement of productivity loss	+\$1.9 billion		
- Adjustment for transfer payments		+\$1.9 billion	
TOTAL	\$21.8–\$25.2 billion	\$10.4 billion–\$13.1 billion	
GRAND TOTAL	\$32.2–\$38.3 billion 5.5%–6.6% of Ontario's GDP		

Source: http://www.oafb.ca/assets/pdfs/CostofPoverty.pdf"

Crime and Judicial Costs

Although poverty is related to high rates of detention or imprisonment (CWP, 2017), a firmly established causal relationship is still lacking (OAFB, 2008). There is, however, literature evidence of the contributory role of poverty and poor literacy

skills to crime, as high crime levels parallel income inequality and low literacy in communities studied and among prosecuted or sentenced offenders (OAFB, 2008). The judicial cost of poverty to Canada in 2002–2003 was put at \$12.7 billion, comprising various aspects of judicial process including policing, court sessions, legal assistance, criminal proceedings, etc. but excluding property crimes and the cost of pain and inconveniences for individuals or groups as a result of violence, whose figure is estimated at \$9.8 billion and 35.8% for the same year (OAFB, 2008). At the provincial level, a high cost of judicial spending is also observed with a figure of between \$50 and \$120 million per year being spent by Saskatchewan for this purpose (Poverty Costs Canada, 2017). A similar high cost of the judicial processes may be applicable to other provinces. It has been hypothesized that by raising only the literacy level of the lowest income quintile to the next, the federal expenditure on crime will be reduced by \$1–\$2 billion and that of Ontario by \$250–\$550 million, due to level of crime in the province (OAFB, 2008) (Table 7).

Child Integration Cost of Poverty

Family poverty has an integration cost on children, which refers to the tendency to inherit the poverty status of their parents, earn a low income when they grow up, and contribute less to the economy of the state through the reduced higher tax that would have been generated if they had escaped poverty (OAFB, 2008). Putting a figure to the integration cost of poverty, OAFB estimates that Canada loses between \$3.1–\$3.8 billion while Ontario loses between \$1.3–\$1.6 billion per year from income-tax-generated revenues (OAFB, 2008). The cost has again been linked to low literacy levels/skills, higher school drop-out numbers, and poor educational achievements prevalent among children living in poverty. These children acquire the above conditions directly from their parents, who, due to poverty, had similar poor

performances (OAFB, 2008). Thus, an escape from or inheritance of parental poverty is directly related to success or failure in school achievement and successful early interventions aimed at educational enhancement pay off in the long run (OAFB, 2008).

Social Assistance Spending

There is a high toll on the increasing social assistance cost to both the federal and provincial governments, at an estimated value of \$11.2 billion and \$720 million per year respectively (Poverty Costs Canada, 2017). Furthermore, the federal government spent \$4.0 billion on social transfers to low-income families in addition to \$3 billion on Federal Housing and Mortgage Corporation, all in 2011 (Government of Canada 2012; CWP, 2017). This huge amount could have been saved and channelled to other projects if poverty was seen as a national issue and appropriate measures were taken to mitigate or eradicate it.

Poverty the Forgone Alternative Cost

The opportunity cost of child poverty is the result of low productivity from various causes such as inadequate skill, poor employment, low wages, etc., all culminating to the reduced measure of the wealth of the nation or the Gross Domestic Product (GDP = labour force x productivity). This negatively affects the federal revenue and its spending potential (OAFB, 2008). The individual or family opportunity cost of poverty is the economic or social deprivation due to poverty and the extra income loss as a result of the inability to move above the poverty line. Quantifying the figures and using the LICO-AT on the aggregate households living in poverty in Canada and Ontario, the OAFB estimated that the opportunity cost of the inability to rise from the lowest quintile to the next at a household level was \$41.2 billion (OAFB, 2008). This represents the amount of loss by families as a result of the

failure to lift them out of poverty and the equivalent government expenditure that could have been reduced in the form of social benefits or transfers if they had moved a step upwards.

The above physical and mental health effects of poverty, in addition to the negatively impacted societal wellbeing, are brought about by a confluence of interrelated factors and are mediated through various mechanisms. The approach adopted by nations in mitigating these poverty-mediated problems, however, differ and account for differences in poverty rates among nations as discussed below.

Chapter 6: Child Poverty in Canada Compared to other Developed Nations and the Welfare States

Child poverty exists in all developed countries, but a government's action is the principal determinant of the level of poverty and the difference between nations despite having a similar or even better economic status. A high level of child poverty in any society is, therefore, a function of misplaced priorities and inadequate policies rather than coincidence (UNICEF Report card 10). Canada is a signatory to the Rights of Children as enshrined in the UN Convention, and it is therefore obliged to uphold its principle of putting children first. This is a call that mandates the government to prioritize the course of children in wealth and resource allocations, to provide enough material resources that will guarantee full physical and mental development at all times, even in the face of difficulties and especially in the early years of the life course. Nothing shall stand in the way of this responsibility, and how well it is executed is the single best indicator of a government's willingness to reduce child poverty and provide a society compatible with congenial child development, which is a measure of societal health and wellbeing. In Canada, UNICEF Report Card noted that neither the federal nor the provincial and territorial governments applied the principle of putting children first in the budget sessions, resulting in a higher poverty level and its associated socio-economic costs, despite a recent increase in child benefits.

A comparative analysis of the child poverty rate in Canada and other developed countries shows that Canada has not fared well and that it has no justification for that. The Nordic countries and the Netherlands generally have lowest child poverty rate amongst the developed countries, ranging from 4.7–7.3% whereas 10–15% of children in Canada, Australia, New Zealand, and the UK live in poverty

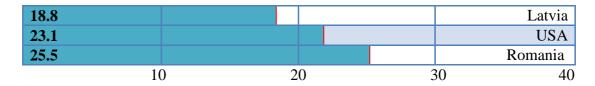
(UNICEF Report card 10). Figure 8 shows that Canada is ranked 24 out of the 35 developed nations, with a relative poverty rate of 13.3%, more than twice the level in Finland, 5.3%.

Figure 7: Child poverty rate in 35 economically advanced countries 2009

Percentage of children (aged 0 to 17) who are living in relative poverty, defined as living in a household in which disposable income, when adjusted for family size and composition, is less than 50% of the national median income.

Source: UNICEF Innocenti Report Card 10

4.7	Iceland
5.3	Finland
6.1	Cyprus
6.1	Netherlands
6.1	Norway
6.3	Slovenia
6.5	Denmark
7.3	Sweden
7.3	Austria
7.4	Czech
	Republic
8.1	Switzerland
8.4	Ireland
8.5	Germany
8.8	France
8.9	Malta
10.2	Belgium
10.3	Hungary
10.9	Australia
11.2	Slovakia
11.7	New Zealands
11.9	Estonia
12.1	UK
12.3	Luxembourg
13.3	Canada
14.5	Poland
14.7	Portugal
14.9	Japan
15.4	Lithuania
15.9	Italy
16.0	Greece
17.1	Spain
17.8	Bulgaria

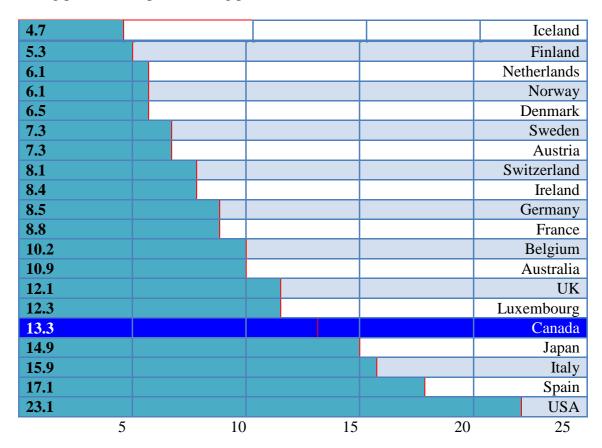


Similarly, an examination of child poverty rates in the selected 20 countries of OECD with annual per capita incomes of more than \$31,000, places Canada among the last four countries (16 out of 20) with the highest level of child poverty (Figure 9). When the depth of poverty is considered, Canada position is no better taking the 23rd position out of 35 industrialized countries (UNICEF Report card 10).

Figure 8: Relative poverty in selected OECD countries

Child poverty rate (% of children 0-17 living in households with equivalent income lower than 50% of the national median)

Source: UNICEF Innocenti Report Card: Available at: https://www.unicefirc.org/publications/pdf/rc10_eng.pdf

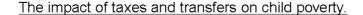


Furthermore, poverty reduction measures in the form of transfers and tax credits produced moderate effects in Canada, as seen in the poverty rates before and

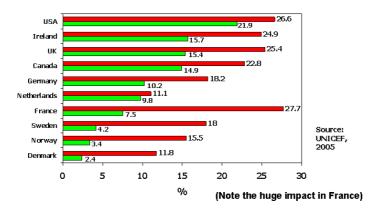
after tax and transfers (25.1% and 13.3% respectively), taking the middle position as compared to other well-performing countries and being among the 7 top countries with high pre-transfer rates (Figure 10).

Figure 9: Fiscal interventions: The main approach to alleviating poverty lies in graded taxation and physical transfers to the poor.

Source: U Ottawa Society, the Individual and Medicine. Child poverty.







Thus, countries that invest little resources in child poverty reduction generally have high rates. Canada has achieved low poverty rates of 6% among the seniors through the investment of more than 40 billion dollars, and yet, child poverty remains higher than the national average at 13.3% vs. 11.4%, buttressing the fact that children are far from being prioritized in national policies (UNICEF Report card 10).

The poor performance of Canada has been linked to the type of welfare state operational in the country (Raphael, 2011; Bryant et al, 2003). Traditionally, three types of welfare states have been described: The social democratic, the liberals and the conservatives (Esping-Andersen, 1990; Raphael, 2011; Bryant et al, 2003). The Nordic countries (Sweden, Denmark, Norway, and Finland) are examples of social democratic welfare states while USA, Canada, UK, and Ireland belong to the liberal

category. Germany, France, and the Netherlands, etc. represent the conservatives. The nations operating with the social democratic political economy appear to be more sensitive to income and social inequality, which is the precursor of poverty and are therefore very receptive to the concepts of quality of SDOH that address poverty and its consequences (Raphael, 2011; Bryant et al, 2003; UNICEF Report card 10). On the contrary, the guiding principle of a liberal welfare state is the operation of the market economy characterized by limited help to those most in need or "meanstested" assistance, strict entitlement criteria, market solutions to social problems, and minimal government intercession, and they are, therefore, less receptive to the application of the SDOH concept, lagging behind in its distribution and resultant increase in income / social inequality and poverty (Raphael, 2011; Bryant et al, 2003). This liberal political economy does not operate in a vacuum but is manipulated by few individuals or groups who use their political position, powers, and influences to turn the economy to their personal or corporate advantage at the expense of the citizenry (Raphael, 2011). The result is what has been variously described as a skewed distribution of SDOH (Raphael, 2011; Bryant et al, 2003), reduction in social transfers and tax credits, less government spending in social safety nets despite increasing GDP, and high child poverty rates (Raphael, 2011).

In addition to a reduction in overall public spending resulting from such influences and the market-based political economy, there is, specifically, a truncation of labour unions and their activities (Raphael, 2010). Raphael explored the OECD analysis and rankings of member nations on various indicators of the government's commitment to the welfare of its citizenry and noted the appalling positions taken by Canada in different categories. Canada's positions on spending on various indicators based on the percentage of the GDP include general public expenditure (19.5%, 18

out of 24 nations), income support (2.8%, 27 out of 30), social services (2.2%, 8 out of 30), labour policies (0.4%, 19 out of 29), family benefits (32 out of 37), early child education and care (36 out of 37), and parental leave (13 out of 25 countries) (Raphael, 2010). This is the opposite of other wealthy countries like Sweden, France, Denmark, Finland, and Iceland that have persistently taken almost the first 5-10 positions by increasing their public spending on the above parameters. The result is a marked improvement in the various indicators of societal wellbeing for the nations that invest more in the welfare of their citizens through the implementation of the SDOH concept. Canada and allied liberal welfare counterparts lag behind by prioritizing the market economy at the expense of the citizens, with a resultant rise in income and health inequalities and poverty. Similarly, in the evaluation of the OECD's prescribed minimum care bundle, consisting of 10 set criteria that guarantee early child care and development, Canada scored only one out of ten marks in the category of the relevant staff qualifications that are needed to work in early child care, thus occupying the last position with Ireland and behind the United States (3) and Australia (2). Again, the Nordic countries, together with France, achieved high scores signifying the priority accorded to children in policy developments (Raphael, 2010).

Chapter 7: Remedies to Child Poverty and Conclusion

What can Canada do to Reduce Child Poverty?

Catalogues of studies have been done on child and family poverty, revealing the root causes and proffering achievable solutions discussed below (Campaign 2000 Canada, 2015, 2016; OAFB, 2003, 2008; Raphael, 2002, 2009, 2011; UNICEF Canada Report Card10). In Canada, therefore, the problem is not the paucity of evidence on what to do or lack of resources to achieve them, but the willingness/unwillingness of the government to take a bold step to their implementation (Raphael, 2010; Campaign 2000 Canada, 2016). The recommendations discussed below are based on the premise that for meaningful and effective child poverty eradication measures in Canada, there is the need to undertake a drastic change in the way that incomes and resources are distributed, including enhancement of employment opportunities for parents rather than relying on changes in tax and benefits alone as well as critically assessing the true value of any observed fall in poverty rate. The recommendations are the outcomes of extensive research by many institutions and organizations, including Campaign 2000 Canada (2016), UNICEF (UNICEF Canada Report Card 10), OAFB (2008), etc. in addition to selected individual contributions or national experiences. They are mainly based on two interrelated principles, giving children the desired priority in national resource allocation and policy makers to have low thresholds in taking issues concerning children seriously (UNICEF Canada Report Card 10).

1 Establish a unified standard poverty measurement tool using the Low Income Measure After Tax (LIM-AT) that has gained international acceptance. This will make international comparison feasible. Two paired measurement methods: relative (LIM) and absolute (Child deprivation Index) poverty

- measurements have been suggested by the UNICEF Report Card to provide policy makers all the necessary information needed for effective poverty-sensitive policy formulations (UNICEF Canada Report Card 10).
- 2 Child and family poverty is a national issue. Therefore, strategies aimed at eradicating it must be embraced at all levels of the government, including indigenous organizations, local and non-governmental organizations, as well as the people impacted by poverty (Campaign 2000 Canada, 2015, 2016).
 Provincial or regional augmentation tailored to the vulnerable group will be desirable. This may take the form of additional provincial commitments to poverty eradication through the introduction of new safety nets or an increase in the value of existing programs.
- 3 Recognition of children as a social construct that forms a unique structural and cultural component of the society, and formulating policies that will improve the socio-economic conditions of children and their families is a prerequisite to child and family poverty elimination (UNICEF Report Card 12).
- 4 Specific intervention areas or targets must be stressed, mapped out, and clearly defined with a specific time frame to achieve the target established, with commitments backed up with appropriate laws and monitoring systems that should be open to the public (Campaign 2000 Canada, 2015, 2016). In case studies of scaling up poverty reduction and successes and failures in child poverty eradication in Chile, Alejandro Foxley (2004) noted that isolated monetary investment in poverty alleviation programmes without appropriate institutional changes and monitoring may not be cost-effective, and the desired result may not be achieved.

- 5 Paid employment should be used as a strategy to lift individuals and families out of poverty. To this end, it has been suggested that minimum wage be raised to fifteen dollars on a pro-rata basis (Campaign 2000 Canada, 2017).
- The seemingly persistent precarious employment that engulfs more than 2 million people in Canada (Campaign 2000 Canada, 2016) must be addressed. Enhanced employment strategies coupled with appropriate work environments have been recognized as one of the pathways out of poverty (OAFB, 2003; UNICEF Canada Report Card 10). Researchers have noted that aggressive fundamental changes in income distribution can be achieved through the creation of more decent employment opportunities with full benefits that will engage parents and lift them out of poverty. This will complement the effects of changes in tax and other benefits, which, taken as individual interventions, do not guarantee poverty eradication (Shaw, 2007). In Chile, Foxley (2004) reported that substantial economic growth orchestrated by government development and employment policies (60%) and aggressive positive povertyoriented social policies were responsible for a reduction in the poverty ratio between the lowest and the top 20% from 1:20 to 1:11 between 1990 and 1996. The above supposes that a democratic country like Canada that believes in equal opportunities should focus more on preparing its citizens towards gainful employment as well as creating jobs as part of the strategy for poverty reduction.
- 7 By the same token, the government should ensure equal opportunities in federal and provincial jobs, avoid discrimination, and equalise women's payments to that of their male counterparts by removing the 72% barrier (Campaign 2000 Canada, 2016).

- 8 Housing initiatives should be expanded to provide adequate and affordable accommodation in order to reduce homelessness, that involves 1 in 7 children, with the federal government committed to long-term funding and harmonization of rent incremental guidelines (Raphael, 2002; Campaign 2000 Canada, 2016).
- 9 Early childhood education and care, that is currently being enjoyed by only a quarter of children between the ages of 0–12 years, should be expanded to reduce the stress of working parents (Campaign 2000 Canada, 2016). The staffing should conform to the standard set by OECD.
- 10 Policy evaluations should favour of children and families through an increase in benefits (cash or kind), educational opportunities, and achievements for the poor through resource allocation and support grants (Raphael, 2002). The CCB scheme, for example, should have established a minimum amount that is fully accessible to the vulnerable groups including Aboriginals, refugees, and immigrant families (Campaign 2000 Canada, 2016). Suggestions have been made for the federal government to increase the Child Tax Benefit to 5,000 dollars per year with plans to keep up with the inflation rate (UNICEF Canada Report Card 10).
- 11 The federal government should step up social fund transfer, remove all barriers to full access, and facilitate the stoppage of deductions made on family income as it relates to child support and employment insurance benefits (Campaign 2000 Canada, 2016).
- 12 Facilitate employment insurance (EI) including criteria for full benefits, regulate the hours that qualify for its benefit to 360, increase the period of

- benefit to fifty weeks, and promote training initiatives for those that are not on it (Campaign 2000 Canada, 2016).
- 13 Involve the professionals and workers in the public sector. Raphael noted the lackadaisical attitude of the public health sector and professionals in issues concerning economic inequality, poverty, and their health consequences and suggested action-based strategies for this group (2011). Top on the list is the need for the exchange of information among the various sectors concerned with economic inequality and enhancement of interdisciplinary cooperation.
- 14 Check and dethrone the influential powers through a well-planned and executed public enlightenment. The public has been on the receiving end of the government's public policies that create and promote economic inequality and poverty that adversely impacts their health, yet they lack basic information about these policies and their health implications (Raphael, 2002). Well-planned and articulated public education will raise public awareness on the forces that are behind economic inequality and poverty and their political connections, sensitizing them to use their casting vote rights to choose the party that is pro-equitable of SDOH distribution (Raphael, 2009).
- 15 Encouragement and active participation in labour union formation and functions (Raphael, 2009). This can be achieved through canvassing at workplaces especially among colleagues who may be apathetic to unionization due to previous experiences.
- 16 Enhance education. Poor educational attainment and literacy are among the root causes of poverty and, therefore, policies that foster education from early childhood through to adulthood would leverage on the development of manpower resources, which have been noted to be less capital intensive but

more rewarding in the long run (OAFB, 2008). Reporting the Statistics Canada work on human development and skills acquisition, OAFB pointed out that improvement on the mean literacy score of 1% achieved by a country relative to another would raise the per capita GDP by 1.5% at a later stage, in addition to the substantial social savings that can be made from such investments up to the tune of a \$4 to \$6 return for every dollar invested (Table 1) (OAFB, 2008). Similar returns on investments in literacy and educational enhancement of single mothers have been documented. Moreover, there is documentary evidence that children in poor families or of parents with limited educational qualification (e.g. not completed high school) have a high probability of towing their parents' line of low educational attainment as compared to those whose parents bagged a diploma or university degree (OAFB, 2008). No nation would fancy the recycling of poverty in this or any other form. It has, therefore, been suggested that tuition fees in tertiary institutions be abolished to encourage and ensure that education at this level is available to all (Campaign 2000 Canada, 2017).

17 Foreign credentials recognition. It is well established that foreign credentials, especially from non-conventional nations, are highly scrutinized and with a high degree of reluctance for recognition or acceptance by Canadian institutions and employers. This has also been documented as an easy pathway that draws immigrants down the poverty line (OAFB, 2008). A research by the Conference Board of Canada revealed both the economic and human capital costs of failure to recognize foreign credentials. It reported that in addition to forestalling the brain drain that could be precipitated, Canada could gain \$4.1–\$5.6 billion if the learning gap is eliminated (CBOC, 2001). Suggested line of

actions, among others, include establishing links between national and international institutions for assessment and verification, setting up a national standard that should be met, facilitating protocols for assessment and verification including transfer of credentials, forming a board that would be responsible for valuing experiences and credentials, and to facilitate all protocols for more recognition/acceptance of foreign credentials (CBOC, 2001).

18 Student loans. Institutional barriers to poverty escape abound and, for students, are not far from the loan boards. Students are given loans to help them acquire the necessary education that would help them get a decent and well-paying job that would, in turn, guarantee poverty escape. Nevertheless, a majority of the students are already subjected to huge debt through the interests accumulated by the loan even before they get any employment. There is a grace, interest-free period of six months, after which payment and associated interests start regardless of any employment (Ontario, 2017). Moreover, interests paid on student loans are far more than those paid on equivalent individual or corporate institutions (CWP, 2017), negating the purported assistance and dragging them down the poverty line. Ontario Student Assistance Program (OSAP), for instance, charge prime rates in addition to 2.5% for federal government input, all summing up to 5.2%, whereas similar loans from private establishments can attract an interest of 4.7% or even lower (CWP, 2017). Interests on student loans should be scrapped and protocols put in place for the relief of debts incurred by poor students or those from low-income families (Campaign 2000 Canada, 2017). This is meant to help in two dimensions. First, as an incentive to spur them

- into academics, and second, to give them hope for a better starting point after graduation and reduce the stress and anxiety of accumulated debt.
- 19 Aboriginal poverty in general and child poverty, in particular, cannot be properly addressed without adequate/true reconciliation and action-based income and health inequality reduction strategies. Implementation of the "Jordan's Principle" and "Truth and Reconciliation Commission" report is a tangible step to address the issue (Campaign 2000 Canada 2016, 2017).

Conclusion

This research paper has explored the root causes of persistent child poverty in Canada using the social inequality and social exclusion framework. The research confirms that the poverty situation in Canada is not because of a lack of information or evidence on what needs to be done, or even a lack of resources to tackle the problem. Poverty in Canada is primarily a result of the government's reluctance to capitalize on evidence-based strategies of poverty eradication. This, in turn, is due to the liberal welfare state system of government operations in the country that is characterized by minimal interference in the operation of the market economy. In this system, the top, rich minority group uses their political positions, power, and influence to control the government policies for their personal or corporate advantage. There is, therefore, less government intervention, a reduction in government spending in the safety nets, minimal help to those in need, and persistent poverty. Child poverty is still a reality in Canada, especially among the at-risk groups; the health and societal well-being implications have been explored. One of the qualities of good government is the ability to establish a solid-based macroeconomic policy that accumulates substantial savings in good times that can be turned onto as reserve in bad times to

maintain social services spending and other essential services without economic destabilization. Arguably, Canada has a good growing economy and substantive savings as evidenced by the growing GDP, but it continues to hesitate in tackling child poverty with full force. Foxley blames the poor macroeconomic policy on the Latin American governments that resort to cuts in social service spending as the first measure of economic adjustment during hard years, reiterating its adverse effects on the at-risk groups (2004). But can this blame apply to Canada? Useful suggestions on how to reduce child poverty in Canada have been proposed and the ball is in the court of the government and policy makers.

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