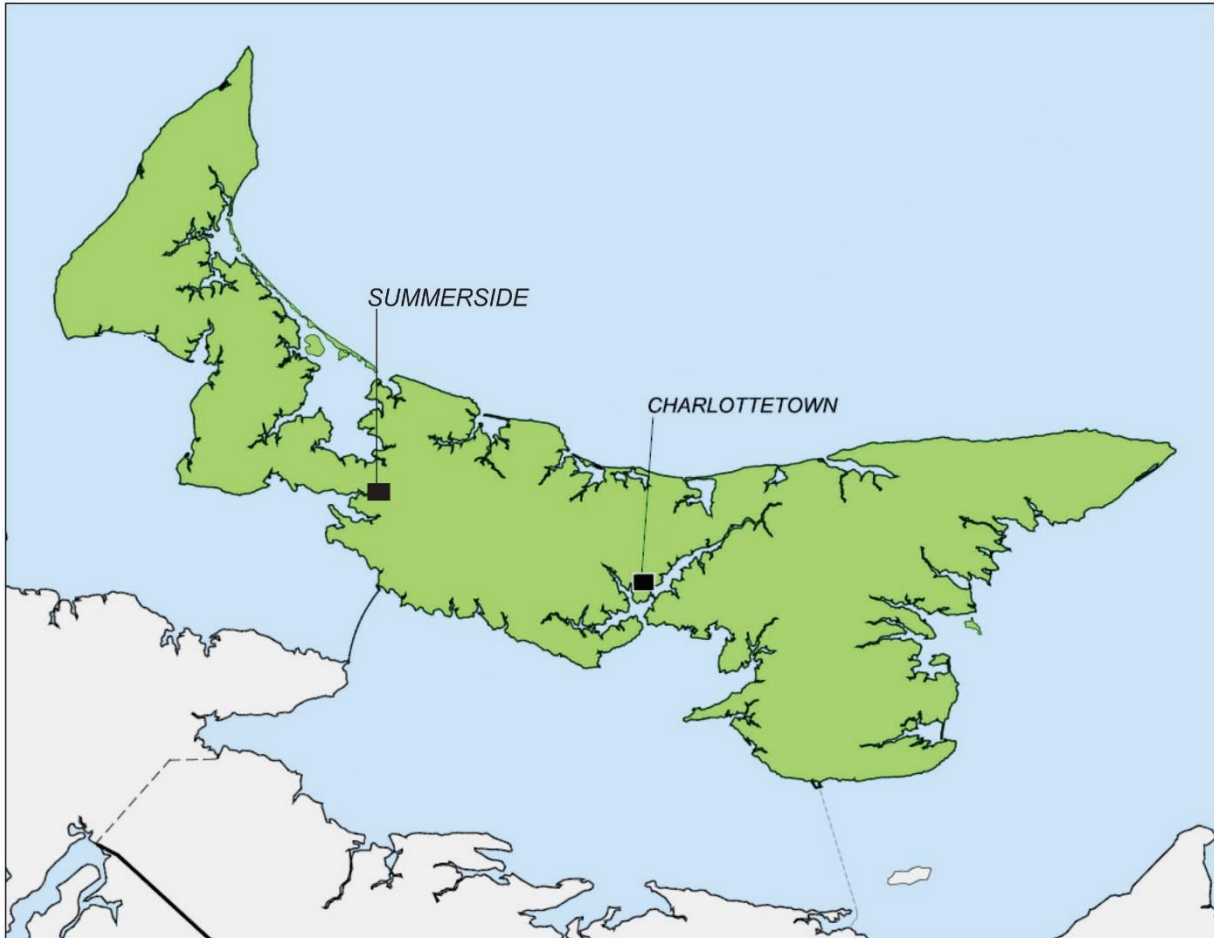


SMALL IMPROVEMENTS AFTER 30 YEARS

Report Card on Child and Family Poverty on Prince Edward Island



Sixth Annual Report on Child and Family Poverty on Prince Edward Island - 2019

January 14, 2020

CAMPAIGN 2000
END CHILD & FAMILY
POVERTY

CAMPAGNE 2000
METTONS FIN À LA PAUVRETÉ
DES ENFANTS ET DES FAMILLES

INTRODUCTION

It is over 30 years since the House of Commons, all party resolution to eradicate child poverty by the year 2000. The politicians who passed the resolution got it right. The federal government has a huge responsibility for poverty eradication. Statistics show that all governments over the past 30 years have lacked the political will to end poverty in Canada. Some attempts have been made but Prince Edward Island and Canada are still far from ending poverty. Campaign 2000 began in 1991 to monitor progress of this very important resolution. Its 120 pan Canadian member groups with partners in every province and the territories share the goal of eradication of poverty and each year provincial, and national organizations release report cards that track poverty and the progress made on its eradication.

The PEI Child Poverty Report Card is prepared by the MacKillop Centre for Social Justice, a non-profit research/education and action centre, and the PEI Coalition for a Poverty Eradication Strategy which is composed of over 20 Island groups. Each year these groups take care to research the problems of provincial and national poverty. We rely on the most appropriate poverty measurements to enable us to include everyone in the equation. The report card includes the aspects of poverty that damage those who experience it. Canadians wonder, as we do, why their governments are taking so long to get on with the task of making good the 1989 resolution, which is so neglectfully overdue. Poverty eradication requires strong federal leadership, targeted investments, actions and accountability measures.

Our governments continue to allow poverty to exist, an injustice and a denial of a fundamental human right. The percentage of children in poverty in Prince Edward Island, according to the latest figures is tied with the national average at 18.6% or almost 1 in 5. In Canada, an astonishing 1.350,000 children are trapped in poverty. Between 2015 and 2017, some improvement was made as almost 132,000 Canadian children were lifted out of poverty. These improvements were unevenly distributed across the country and have still left the number of children in poverty today above the 1989 number of 1,066,150 although the rate of poverty decreased from 22% to 18.6%. Campaign 2000 points out that at the slow rate things have gone it “will take 155 years for government to reach its goal of ending child poverty.” (2020: Setting the Stage for a Poverty Free Canada, Campaign 2000)ⁱ

This is the sixth Annual Prince Edward Island Child Poverty Report Card. Each year we highlight the fact that policy-makers have been lingering too long on poverty eradication. This year after 18 months of the Canada Child Benefit (CCB) it is clear that the CCB helped somewhat to ease poverty, although its resources are far from sufficient.

The poverty data in this report card is measured by the Low Income Measure After-Tax (LIM-at), using tax filer data. The rate of poverty by age group on PEI is:

18.6% OR 5,324 CHILDREN.

15.7 % OR 13,910 PEOPLE 18 – 64

15.7% OR 4,480 PEOPLE 65 AND OVER

16.6 % OR 23,710 FOR PEOPLE OF ALL AGES ON PEI

**NUMBER AND PERCENT OF LOW INCOME
BY AGE, PRINCE EDWARD ISLAND, 2000-
2017**

Year	ALL PERSONS		PERSONS 0-17		PERSONS 18-64		PERSONS 65+	Total
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
2000	20,680	15.2	6,820	19.7	11,950	14.2	1,920	10.7
2001	20,000	14.6	6,680	19.7	11,140	13.2	2,190	12
2002	20,350	14.9	6,820	20.4	11,120	13.2	2,410	13.1
2003	20,390	14.9	6,720	20.4	11,380	13.3	2,290	12.2
2004	20,950	15.3	6,870	21.2	11,720	13.6	2,360	12.5
2005	21,490	15.8	6,570	21.2	12,190	14.2	2,740	14.2
2006	21,030	15.5	6,310	20.6	11,980	14	2,730	13.9
2007	21,730	15.9	6,230	20.5	12,300	14.3	3,210	15.9
2008	22,680	16.6	6,590	22	12,820	14.9	3,270	15.9
2009	21,630	15.7	6,200	20.9	12,380	14.2	3,050	14.4
2010	21,820	15.7	5,910	20.2	12,620	14.4	3,300	15.1
2011	22,280	16	5,970	20.6	13,030	14.8	3,290	14.5
2012	22,640	16.3	6,240	21.9	13,010	15	3,390	14.3
2013	23,050	16.6	6,250	22.3	13,210	15.3	3,590	14.5
2014	23,750	17	6,300	22.6	13,610	15.8	3,840	15
2015	23,790	16.9	6,250	22.3	13,640	15.8	3,910	14.7
2016	23,280	16.2	5,750	20.3	13,560	15.5	3,970	14.4
2017	23,710	16.3	5,320	18.6	13,910	15.7	4,480	15.7
	-80		-930		270		570	
	-0.33628		-14.88		1.979472		14.57801	

The CCB is not the complete answer to child and family poverty eradication in Canada. It has reduced the overall child poverty rate in Canada by 9.3% between 2015 and 2017. PEI did better than the Canadian average as there are 930 fewer children in poverty for a reduction of 14.5% causing a 3.7% change in the poverty rate in those 2 years. The child poverty rate declined by 1.7% from 2016 to 2017.

The 1.7% decline in child poverty over last year includes the Canada Child Benefit (CCB), improvements in the Island economy such as more people working, increases in the minimum wage and some improvements in social assistance. For the first time since the year 2001, PEI is under the 20% rate for child poverty.

At the same time, poverty among seniors is trending upwards. It rose from 14.4% in 2016 to 15.7% in 2017, an increase of 1.3 percent, and the highest since the year 2000, except for 2007 and 2008 when it reached 15.9 percent.

Families with Children								
After Tax Median Income and Poverty Gap, 2017								
Canada and Provinces								
	lone parent With 1 c	couple With 1 child	lone parent With 2 c	couple With 2 children				
	median in	poverty gap	median in	poverty gap	median in	poverty gap	median in	poverty gap
CANADA	18630	11399	26350	10428	24450	12328	31960	10508
PRINCE ED	21290	8739	25010	11768	27550	9228	29940	12528

The above graph compares average after tax median income in Canada and PEI in 2017. The median income for a lone parent with 1 child on PEI was \$21,290 compared to a Canadian average of \$18,630. PEI exceeded the Canadian rate by \$2,660.

For a couple with 1 child, the Canadian median after tax income was \$26,350 while the PEI median income is \$25,010. Here PEI fell behind the Canadian average by \$1,340.

A lone parent with 2 children in Canada had a median income of \$24,450 while in PEI the same family had an income of \$27,550. PEI exceeded the Canadian rate by \$3,100.

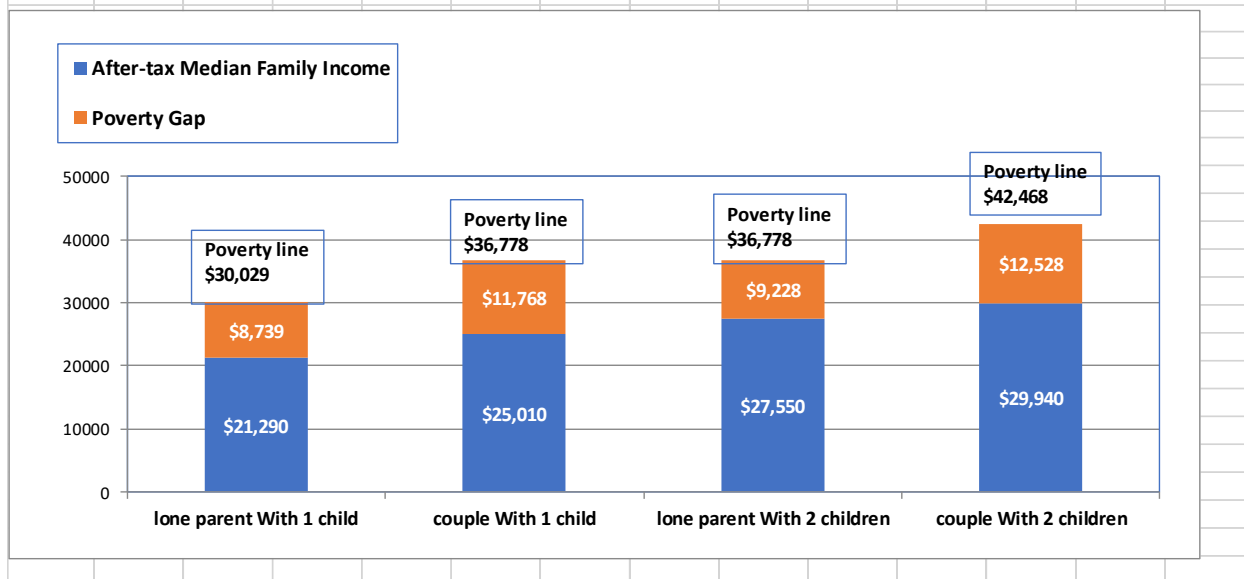
For a couple with 2 children, the median income for Canada is \$31,960 while the median income for PEI is \$29,940. PEI fell behind the Canadian rate in this category by \$1,750.

The above graph illustrates that lone parent families on PEI fare better at the moment than the Canadian average and better than couples with children. They are above the Canadian average by \$5,760 in total while couples with children fall below the Canadian average by \$3,090.

LIM THRESHOLDS 2017					
lone parent With 1 child	couple With 1 child	lone parent With 2 children	couple With 2 children		
30029	36778	36778	42468		

The above graph shows the LIM-AT thresholds for 4 family types on PEI.

Depth of Low Income for Poor Families in Prince Edward Island , 2017



On PEI Couples with children on social assistance have the highest poverty rate. The poverty line in 2017 for a lone parent with one child was \$30,029. On PEI, this family received \$21,290 for a gap of \$8,739. Lone parent families fell behind by \$621.00 in 2017 compared to 2016.

The poverty line for a PEI couple with one child was \$36,778. They received \$25,010 for a gap of \$11,768. They experienced some improvement - \$510.00 – over the previous year when the gap was \$12,278.

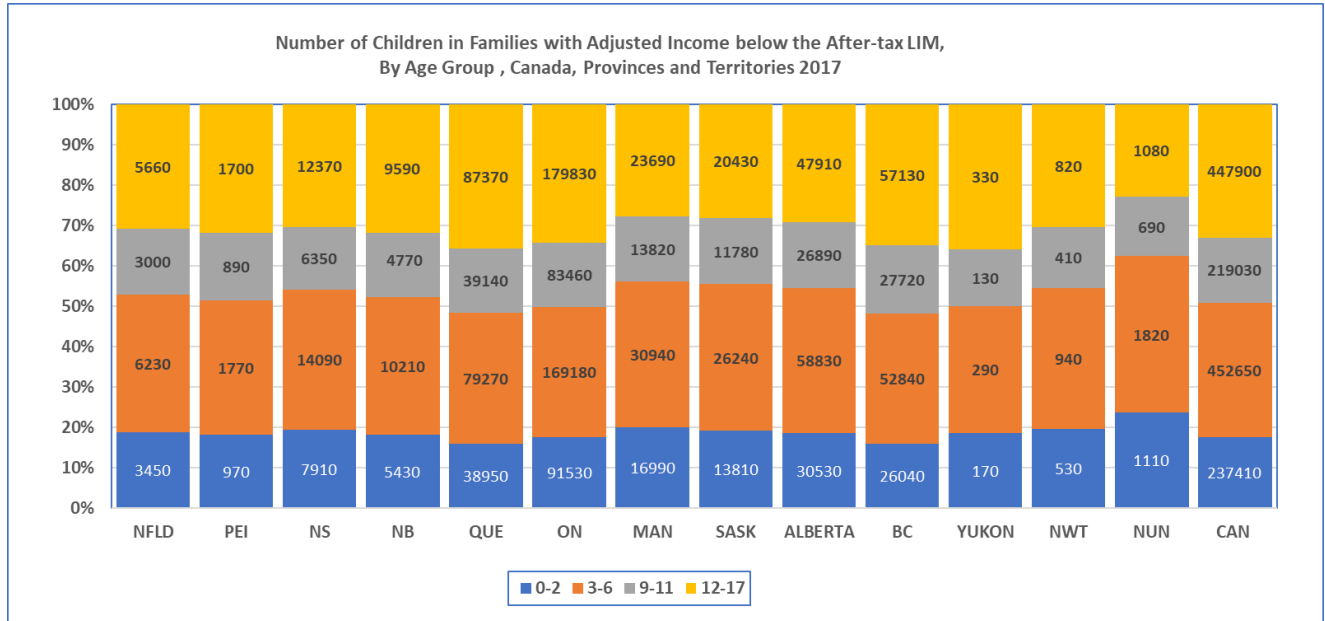
The poverty line for a lone parent with 2 children was \$36,778. This family received \$27,550 for a gap of \$9,228. They fell behind by \$520.00.

The poverty line for a couple with 2 children was \$42,468 but they received \$29,940 for the largest gap - \$12,528. In 2016 the gap was \$11,847, so this family lost ground from 2016. This year some ground may be made up for families on Social Assistance.

The increases coming into effect in early January of 2020 will still fall far short of the poverty line. Contrary to some parts of the country, couples with children experience the most poverty. (Source: Low Income Measure (LIM) based on Low Income Tax-Filer data.) The above categories show that islanders are still way below the poverty line, an indication of the depth of poverty on PEI. After 18 months in existence, the CCB has moved the poverty statistics in a favourable direction but hasn't alleviated poverty in a significant way according to tax filer data.

The depth of poverty on PEI has been evident in food insecurity and housing costs as well as lack of public transportation and low average weekly wages. If there were no transfer payments, the poverty rate would be 28%. The figures are indicators of just how important government transfers are in alleviating poverty. The depth of poverty statistics give an idea of the challenges that lie ahead in overcoming poverty. Families with children under 18 experience the highest rates of poverty in Canada.

This is evident in the gap between their income and the poverty line and the fact that overall, children have the highest rates of poverty in Canada.



In the above graph it is clear that PEI children ages 3 to 6 are by far the largest number of children suffering from poverty on PEI.

POVERTY BY FEDERAL RIDING

According to the latest statistics, Malpeque continues to be the federal riding with the least child poverty.

- Malpeque, 11.7
- Cardigan, 15
- Egmont 16
- Charlottetown 22.3

RURAL POVERTY

A further breakdown of the numbers reveals a great deal of poverty in some rural areas. Three Charlottetown postal areas have very high poverty rates - District 3 at 24.9%, District 8 at 22.4% and District 31 at 22.3%. Some rural postal areas also have high rates.

In Cardigan riding, the poverty rate in Georgetown is 32.1%, Murray Harbour 25.9%, Belle River 20.6%, Montague 20.6%, and Mount Albion 20%.

In Malpeque riding the rate in North Rustico is 21.1%.

In Egmont riding, the Lennox Island reserve rate is 46.9%, Slemon Park is 21.2%, Coleman is 19.5%, O’Leary is 19.3% and Ellerslie is 19.2%.ⁱⁱ

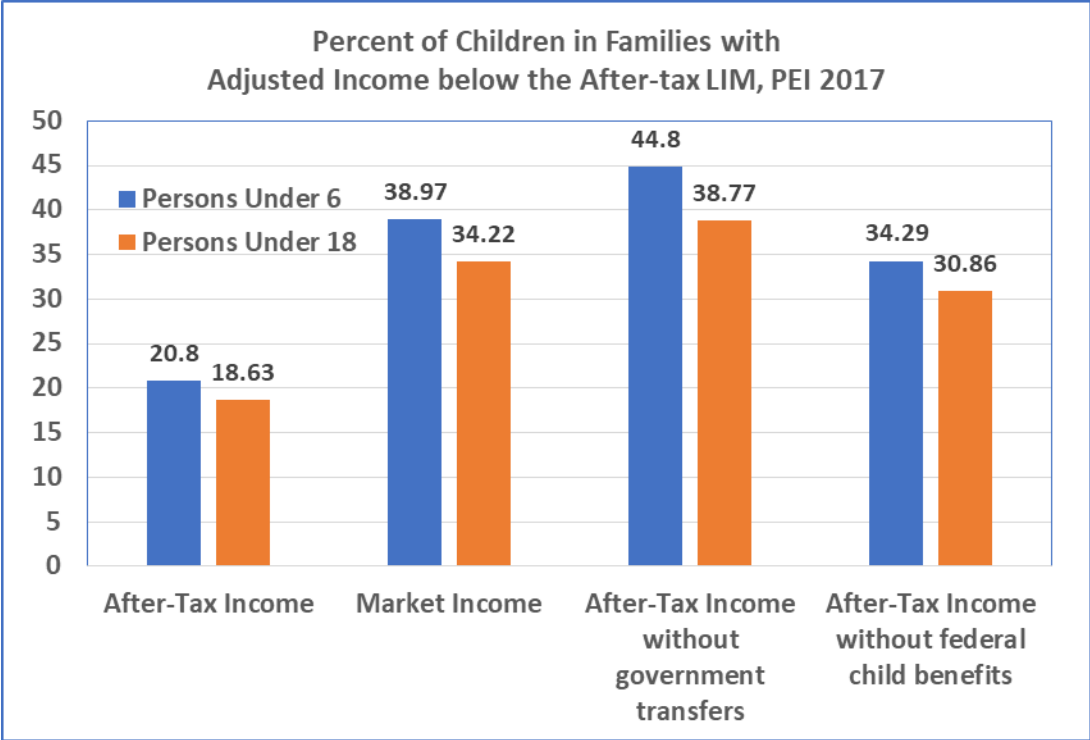
The federal government boasted last year that its stated goal is to reduce poverty by 20% by 2020 and 50% by 2030. It claims to have already achieved its 2020 goal, using 2015 data and the CCB to back up its claim that 300,000 children and 900,000 Canadians overall have been lifted out of poverty. There is a problem in that the data does not verify that claim. In the riding report, the government claimed there was a 20% change when in effect the change was a 10% change. Reliable data reveals that 132,000 children, not 300,000 children have been lifted from poverty and that 1.350,000 million children still suffer from poverty and its accompanying stress, anxiety, stigma, hunger, poor nutrition and hopelessness. (2020: Setting the Stage, Campaign 2000)

A POSITIVE PROVINCIAL SIGN

The province announced on December 23, 2019, that it will increase social assistance for food by \$6.4 million early in the New Year. As of January 8, 2020, monthly social assistance food rates will increase by \$109 for single adults, from \$233 per month to \$342, an increase of 47%. A couple with one child under the age of 12 will receive a 36% increase from \$570 per month to \$777. A couple with two children under the age of 12 will receive a 37% increase from \$644 to \$885 per month, as well as an additional \$34 for each additional child. The increase acknowledges the rise in food prices and the cost of living in general. The premier stated that food insecurity, especially among younger generations, is extremely troublesome. The Minister of Social Development and Housing stated, “This is a matter of renewing and improving our commitment to lower-income Islanders, and sharing the success of our economy with those who need it most.” The release also said the government will be transitioning to a single living allowance for social assistance clients allowing recipients to budget their own personal finances for items such as food, clothing, household expenses and personal items. (Government of PEI, December 23, 2019.)ⁱⁱⁱ

Food Bank use continues to be high on PEI and especially in the months before Christmas, 2019. According to Food Banks Canada, Hunger Count, 2018, 35% of children under 18 years depend on Food Banks. PEI has the highest percentage of children in Canada (36.5%) who depend on Food banks.^{iv} Single people are also heavy users at 38.8% and 38.9% are on social assistance.

IMPORTANCE OF GOVERNMENT TRANSFERS



This graph illustrates the impact of government transfers on the level of poverty on PEI. **Figures on the left show that the rate of poverty for children under 6 is 20.8% and the overall rate of poverty is 18.63%. The market income or earned income without government transfers would increase the under six poverty rate to 38.97% and the overall poverty rate to 34.22%. After tax income without government transfers for children under 6 would be 44.8% and the overall rate would be 38.77% while After-tax Income without federal child benefits transfers would be 34.29% for children under age 6 and 30.86% for all children under 18 years.** What this does to the overall rates is evident in statistics for PEI which show that **if all government transfers were removed from working families, 34% of Island children would be in poverty and the most shocking of all these numbers is that children under 6 would suffer a 44.8% rate of poverty.** There is something radically wrong with the way we continue to organize our economy. ^v

HOUSING

There is a general consensus in the province that PEI has a housing crisis. Housing costs increased by 39% in the last 4 years. The vacancy rate earlier this year was 0.1% and according to the Mayor of Charlottetown the vacancy rate for Charlottetown now stands at 0.2%. Efforts are being made to correct this in order to provide affordable and accessible housing to citizens. In his annual report, Mayor Philip Brown stated that building construction - market and non-market - increased by 60% over the previous year (2018). He stated that student residences will cater to short-term rentals as well. One of those efforts is an example of a questionable private development proposed for the Charlottetown waterfront. How the Hauz complex, a 7 story 108 rooms combo of condos and hotel rooms plus business spaces, will help to ease the lack of affordable housing for PEI citizens remains questionable. The

development will also affect parking in the area and diminish the amount of green space citizens and visitors need in these days when housing plays a big role in climate change.

Numerous housing starts have begun throughout the Island as well as efforts to alleviate the housing shortage for students. Many people are finding themselves homeless as landlords turn to renovations for short term rentals and hand out eviction notices to their tenants. Short term rentals have become a very hot issue in PEI and people want more data on the extent of those rentals. The city of Charlottetown promised to enact a by-law expected in the spring of 2020. During the federal election last October the Green party's Charlottetown federal candidate estimated that one in three houses in some downtown neighbourhoods are AirB&B or short term rentals. This situation deprives people of long-term housing security as many rentals are for the post tourist season only, about 8 months duration. A new 250 – 300 unit residence at the University of PEI and a 60 unit residence in downtown Charlottetown, near Holland College are two examples of efforts to alleviate the shortage of student housing.

The major challenge is to supply affordable and accessible housing for ownership and rentals. Meeting this challenge means more public housing units. The public sector should set the trend to ensure that housing is available for those who need it most, allowing renters to leave the slum-like housing that many tenants experience and landlords who refuse to make necessary repairs. New housing affordability needs to be based on wage levels and this is very problematic for Islanders and many Canadians whose wages have not kept up with costs. Waiting lists are long for affordable housing and in the meantime people are using benefits meant to help with other needs as well as money for food and medication to cover rising housing costs.

Concerted efforts need to be made to reduce the housing shortage and homelessness in keeping with the Sustainable Development goals. Canada and its provinces should be at 50% of the 2030 goal of eradicating poverty and its accompanying ills including housing shortages by 2025. (2020: Setting the Stage, Campaign 2000.)^{vi} In order to accomplish this, the federal and provincial governments need to increase funding for housing in general including rural and urban indigenous housing, people in poverty including homeless people, people with disabilities and senior housing. To accomplish this the federal government needs to double its contribution to the Canada Housing Benefit. Communities need to have more say in the planning and delivery of those programs.

The public sector can also set a standard for quality and affordability as well as a standard for building environmentally efficient and decarbonized housing as a protection against climate change. Private developers build expensive multi-unit buildings geared to middle and upper income people but too costly for many people. All new housing starts need to install heating units that are in step with alternative energy standards in order to reduce dependence on fossil fuels and to lower energy costs while ensuring safety and comfort. New home construction needs to follow guidelines that counteract global warming and are able to endure climate upheaval, more frequent and severe storms and other weather threats.

PEOPLE WITH DISABILITIES – POINTS TO PONDER

This is a group of people that needs sufficient government income support to at least meet their basic needs. The evidence for this is clear. These Islanders live well below the poverty line.

65% of homes that receive social assistance on PEI are headed by a person with a disability.

75% of single men receiving social assistance on PEI have a mental health diagnosis

50% of Islanders living with a disability are unemployed or under employed

50% of women with disabilities are and will be experiencing sexual violence in their life time

80% of Islanders born with a severe disability will spend their entire life in extreme poverty

200 Islanders with disabilities are currently living in inappropriate housing situations

45% of Islanders that have the onset of a disability will be living in poverty within one year. (Points to Ponder, Marcia Carroll)^{vii}

The above is a prime example of government neglect of those in poverty. More money – at least \$2 billion annually needs to be invested in appropriate housing for people with physical and mental disabilities.

The level of help for people with disabilities thus far has been nothing short of disgraceful. They suffer from housing problems, poverty level income and food insecurity to name some of their daily problems. Women are vulnerable to sexual violence. . It is a prime example of government neglect of those in poverty. Marcia Carroll, Executive Director of the PEI Council for People With Disabilities, calls the picture “Grim,” and we agree.

SOCIAL ASSISTANCE

The need for social assistance is not well understood and still carries a stigma that robs recipients of their human dignity and denies them their rights. Low housing allowances leave them vulnerable to poor quality housing. According to the latest figures there are 3,400 individuals receiving social assistance and this number doesn't change much from year to year. Their food allowance has been less than 70 percent of what is needed for an adequate diet.

POVERTY MEASUREMENT

Canada now has an official poverty measure which is part of its Poverty Reduction Strategy (PRS) announced in August, 2019. It is called the Market Basket Measure (MBM). The 2019 Campaign 2000 Child Poverty Report card, *2020: Setting the Stage for a Poverty Free Canada*, states that the MBM is limited in its ability to measure poverty. It is an indicator of material deprivation and does not measure the many other aspects of poverty included in the strategy's definition. The federal government's PRS defines it as: “the condition of the person who is deprived of the resources, means, choices and power necessary to acquire and maintain a basic level of living standards and to facilitate integration and participation in society.” As campaign 2000 points out, “the capacity of a person to integrate and participate in a society can't be limited to the purchase of a particular market basket of goods.”^{viii}

Relative measures such as LIM are far more policy relevant because they are much more strongly related to health status, child development, performance and risk behaviours, educational and occupational outcomes. (Setting the Stage, Campaign 2000)

Campaign 2000 believes that the MBM “could be used as a supplementary measure to the LIM in order to describe the variations in material deprivation in a manner sensitive to local market conditions, once it has been improved to accurately reflect current Canadian norms regarding standards of living. The basket should be costed annually, and its contents reviewed regularly to ensure consistency.”^{ix}

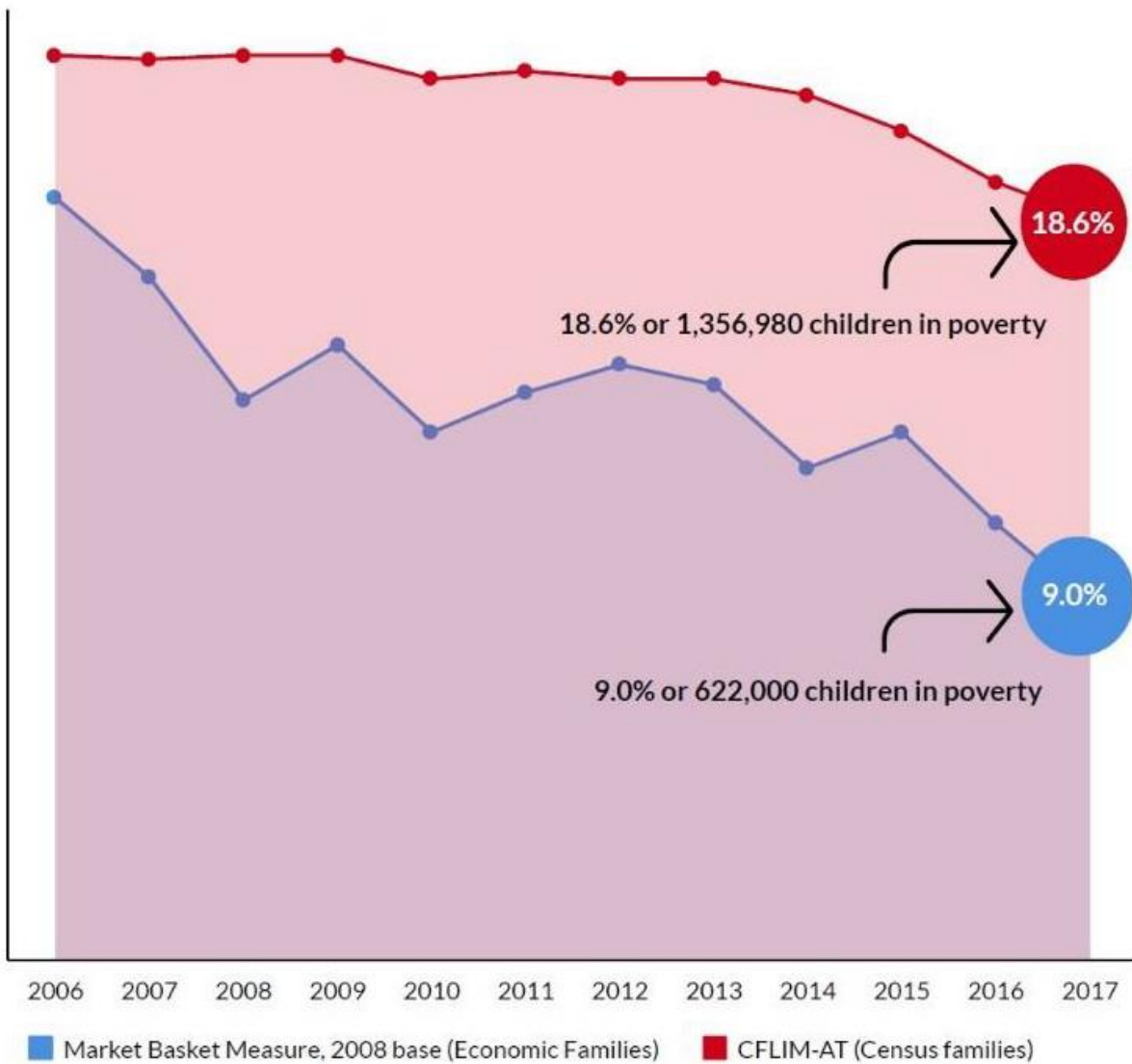
The MBM contains a large oversight in that it does not apply to First Nations Reserves or the territories where some of the highest rates of poverty in the country exist. Campaign 2000 states that:

“THE DIFFERENCE BETWEEN THE POVERTY REDUCTION PERFORMANCE OF THE MBM AND LOW INCOME MEASURE AFTER TAX IS SIGNIFICANT.”^x The MBM indicates that the child poverty rate was reduced by 32.3% (from 13.3% in 2015 to 9.0% in 2017) between 2015 and 2017.” The Census family Low Income measure, After-Tax indicates only an 11% decrease. The percentage decrease is almost three times greater using the MBM. The official poverty measure, the Market Basket Measure, underestimates the poverty threshold and therefore the rate and prevalence of poverty. According to the MBM, the national child poverty rate was 9% in 2017 compared to the Census Family Low Income Measure, After Tax (CFLIM – AT) which was 18.6 % in the same year.

The Canadian and provincial governments have a moral obligation to use the proper measure for poverty and those concerned about poverty have a moral obligation to remind them when they fail to fulfill this obligation.

At the end of the day there is still a very large number of children in poverty on PEI and in Canada. Improvements have been made but there is much more to be done. It is encouraging that things have improved but not to the extent that any real dent has been made on child or family poverty. We do have to keep track of the measurements.

Chart 1: Child Poverty Rate Comparison: MBM vs CFLIM



Source: Statistics Canada, Table 11-10-0135-01. Low income statistics by age, sex and economic family type, 2006 to 2017.

ETHNIC POVERTY

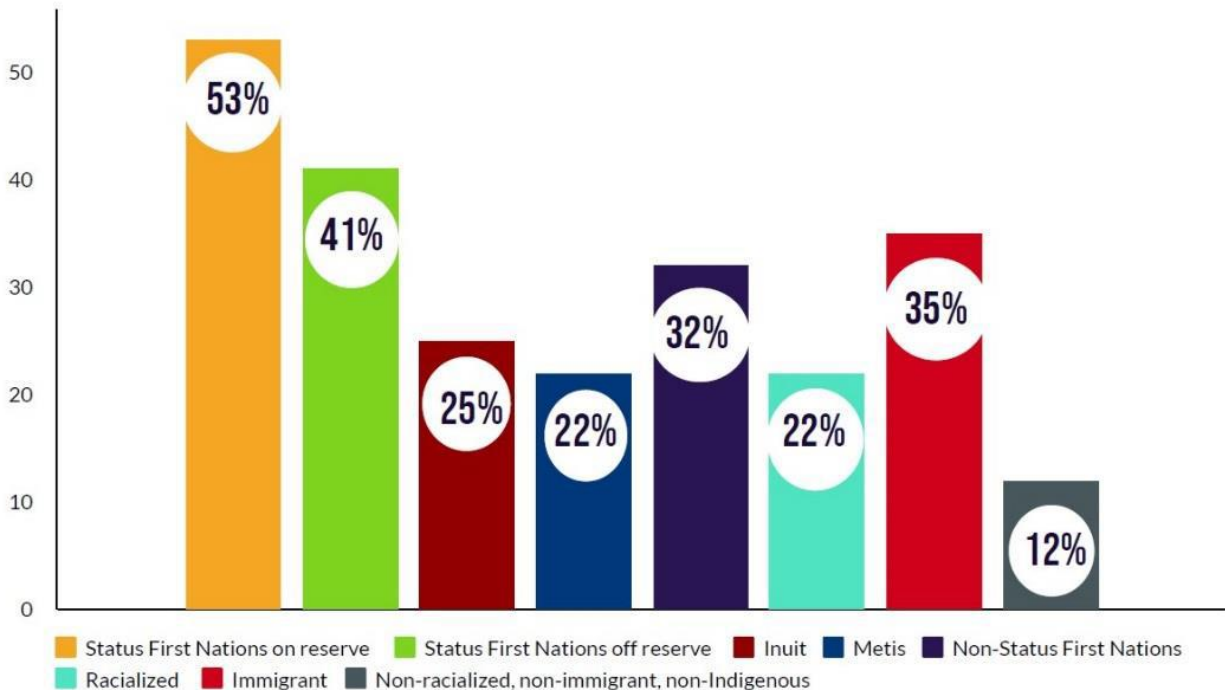
The indigenous population has the highest rate of poverty on PEI at approximately 37.9% and Lennox Island Reserve has the highest rate of poverty of any community on PEI at 46.9%.

In 2018, the Native Council of PEI (NCPEI) conducted a literature review and community mapping survey of NCPEI members on the specific needs and vulnerabilities of off-reserve Aboriginal communities. Of the 988 members, 283 answered the questionnaire, which focused on health and wellness, housing, economic development, and education of off-reserve Aboriginal communities.

The most common identified key advocacy issues included health services (73%), education services (68%), employment development and sustainability (66%), environmental issues (64%) and social housing (64%), according to report authors, Nishka Smith and Matthew MacDonald. The main economic development issues identified included fishing (65%), green energy (53%), arts and crafts development and sales (51%) and entrepreneurship (50%). Youth under 30 placed educational supports (69%), healthy living and life skills (65%) and employment preparation (60%) at the top of their list... Adults 30-64 listed life skills and healthy living (71%), employment preparation (62%) and educational supports (58%) as their main concerns.^{xi}

The challenge on PEI like elsewhere in Canada is to reduce, eradicate and prevent indigenous poverty. Immigrant poverty on PEI was shockingly high in 2015, more than 63% a rate that gives a sobering insight into the struggles newcomers face when attempting to begin a new life in Canada.

Chart 5: Child Poverty in Indigenous Communities, 2016



Source: Statistics Canada, custom tabulation. As reported in "Towards Justice: Tackling Indigenous Child Poverty in Canada" by Upstream, 2019.

WHAT IS THE JOB GUARANTEE?

- **A public option** for jobs offering decent work at decent pay - \$15.00 per hour plus benefits (Medicare, childcare, paid leave)
- The missing **employment strategy**: part of a broader safety net for economic security
- **Permanent** program

- **Federally funded, locally administered**
- **Voluntary** employment opportunities **on demand** at a **living wage**
- **Public service** work in the community
- **Open to all** people of legal working age who want to work, irrespective of labour market status, race, sex, color, or creed
- An employment **safety-net** and a **transitional** job opportunity (Dr. Pavlina Tcherneva, Levy Economics Institute, Bard College)^{xii}

THE JOB GUARANTEE IS FASTER, BETTER AND CHEAPER WAY TO ERADICATE POVERTY.

It is faster because there will be no more jobless recoveries. In 2009, 20 million living wage jobs were created following the 2008 recession. Research shows that large scale employment programs can be up and running quickly, and that much needed and neglected work is created that includes care for the environment; communities and people. The jobs would be mostly in the public sector where a job pool would be created and applicants would be trained for the particular job they choose.

BETTER ECONOMIC STABILIZER

It is cheaper because unemployment is 'paid for' already. The direct costs for the Job Guarantee are 1.5% - 3% of GDP with a net budget effect of 0.9% - 1.3% of GDP. It permanently reduces other welfare expenditures, permanently increases **real** GDP (by **\$500 – 600 billion in USA**) and has an insignificant impact on inflation.

Dr. Tcherneva calls unemployment "a Silent Epidemic" with a stigma and the "mark" unemployment. It causes lasting and very destructive effects on the individuals, their families and their communities. People who experience unemployment, like others trapped in poverty, face many obstacles. Both mental and physical health is affected in a negative way in this stressful situation.

UNEMPLOYMENT IS ALREADY PAID FOR according to Dr. Tcherneva, who points out that families with no employed workers or with only one part time worker, are far more likely to fall under the poverty line. Once in poverty, food insecurity becomes one of many huge problems.

The Job Guarantee is not compulsory workfare; not a handout or make work; not temporary; not 100% employment; and not an “infrastructure program,” she told a Charlottetown audience on November 25, 2019.

IMPACT ON POVERTY

It guarantees full-time work at a living wage, and tackles the 3 main poverty-related labour market problems at once.

A full time Job Guarantee worker per family would lift **a family of 5** out of poverty (or – 2/3rds of all poor children).

1 full-time JG worker and 1 part-time JG worker per family would lift **a family of 8** out of poverty and 83% of all poor children.

Dr. Tcherneva points to three market problems that prevent working people from escaping poverty - **low earnings, unemployment and involuntary part-time employment.**^{xiii} All three problems are prominent in the PEI economy. Involuntary part-time work is rampant in this province’s economy as many businesses in shopping malls, grocery stores, clothing stores, food outlets and tourist outlets do not hire workers for full time work or enough hours to qualify for benefits or to raise their wages to a level that takes them out of poverty. The seasonal nature of the economy is a particular problem as many jobs are low paying and when on Employment Insurance (EI) they receive only 55 percent of their earned wages. Dr. Tcherneva states that Canada currently needs one million jobs and recommends Job Guarantee as a way to eradicate poverty.

The unemployment rate for PEI is now 8.0%, tied with New Brunswick for the second highest rate in the country. This is the third straight quarter in which unemployment dipped below 9% although the figure doesn’t include the discouraged who gave up looking for work.^{xiv}

The Job Guarantee differs from a Basic Income (BI). Surveys show that people still want to work and cannot find it. The BI does not eliminate the unemployment yo yo effect that is used to stabilize the economy and its associated costs. It does not eliminate the “Mark of unemployment.”^{xv}

CONCLUSION

PEI and Canada have let a lot of people down and left them with severe and heavy burdens. There is no excuse for this as Canada is one of the wealthiest countries in the world and yet its performance on child poverty eradication, for indigenous peoples, immigrant and racialized children has gone on at a snail’s pace, reducing overall poverty by only 3.4% in 30 years. This is woefully behind poverty eradication attempts in many other wealthy countries. There is no question that Canada has the means to overcome poverty and it needs to get on with the fulfillment of the United Nations Sustainable Development Goals of eradicating poverty by 2030. It is essential that Canada and PEI play a leading role in reversing the trend in the economy that causes the rich to get richer and the poorer to get poorer. Poverty cannot be overcome by simply changing the way it is measured.

The Job Guarantee is a better way [than the BI] to advance the eradication of poverty. It includes: an effective Minimum Wage policy (\$15.00 per hour with benefits), invests in the public good and is an investment in people, communities, and the environment. It addresses social ills, inoculates against the vast economic, social and political costs of unemployment, and guarantees a basic human right.^{xvi} It helps strengthen the social safety net.

It is important that we find the most effective way to eradicate poverty. After 30 years of lingering, we need to step up the effort. Most important of all we have to get it right. There are no silver bullets, and it is not a political football. Canada has signed international treaties that commit to everybody's right to decent work with decent pay, education, healthcare, shelter – all recognized basic necessities that sustain life. There is no reason why poverty cannot be reduced by 50% by 2025, using the correct measurement. The contribution of the CCB cannot be underestimated and yet, its application has been unevenly felt across Canada. Many Canadians are still not able to access it and although PEI has done better than most places, our neighbour, Nova Scotia has fared poorly with an increase of less than 1%.^{xvii}

Universal Pharmacare, like universal Medicare would make a big difference in the lives of those in poverty and in the lives of all Canadians.^{xviii} Many Islanders struggle to pay for their medication and contrary to common belief, many medications needed by seniors are not on the provincial formulary. This calls for strengthening the social safety net as a way to end poverty. Above all, we believe that PEI and Canada have the ability to overcome the many problems that weigh on people in poverty, especially affordable adequate housing for indigenous and other Canadians in poverty, nutritious food, universal Pharmacare and dental care, affordable daycare, decent long-term reliable jobs with decent pay, changes in the punitive way EI and Social Assistance are administered, clean water for indigenous communities and many more socially useful and environmentally friendly services for people, communities and societies. These changes are long overdue.

RECOMMENDATIONS

First of all, we agree with the recommendation made in the 2019 Campaign 2000 Report Card. We underline that:

1. That PEI and the federal governments throw their support behind the establishment of a Universal National Pharmacare Plan based on the same principles as the Canada Health Act, and based on the recommendations of the Hoskins Report and that the plan is set in motion in 2020. There is no time to linger on this recommendation.
2. That the PEI and federal governments view the existence of poverty in this country as a violation of peoples' human rights.
3. That the PEI and federal governments establish a Job Guarantee Strategy based on public service work in communities, led by the federal government to provide decent jobs with decent pay (\$15.00 per hour and benefits) as a quicker, cheaper and better way to eradicate poverty.
4. That the federal government allocate \$6 billion dollars in the 2020 budget to strengthen its poverty reduction strategy and keep it on target to eradicate 20% of poverty by 2020.

5. That the federal and PEI governments collaborate with First Nations, Inuit and Metis governments and indigenous organizations to reduce, eradicate and prevent child and family poverty in indigenous communities.
6. That the federal government comply with the rulings of the Human Rights Tribunal by providing adequate funding for child welfare services on reserve, compensation to parents and grandparents of children in care and ensure full application of Jordan's Principle for First Nations communities.
7. That the federal government increase the Canada Child Benefit (CCB) so that in combination with a proposed new benefit called the Dignity Dividend – a targeted GST credit of \$1,800 per adult and child for all those living below the poverty line – it would reduce the child poverty rate by 50% by 2025 as we strive for a 100% reduction in 2030.
8. That the federal government replace the absolute Market Basket Measure (MBM) with the relative Low Income Measure – After Tax and that the MBM be adopted as a supplementary measure to the Low Income measure
9. That the PEI and federal governments step up their efforts to provide new social housing units that are adequate, affordable, energy efficient and that the public sector lead the way in order to assure affordability.
10. That the PEI government continue to make investments in delivery of programs that assure affordable, nutritious food to children in the schools and in communities.
11. That the City of Charlottetown and the province expand their public transportation systems and that all vehicles purchased for that purpose be run on electricity.
12. That the federal government end immediately the division of EI on PEI into 2 zones thereby ending the disparity that currently exists among EI recipients in this province, and that the hours required for qualifying for EI be a uniform 360 hours across the country. It is also necessary to eliminate some of the requirements for receiving EI and to raise the level of benefits.
13. That the minimum wage for PEI be increased to a living wage, which includes benefits for all workers.
14. That the federal government collaborate with First Nations, Inuit and metis governments and indigenous organizations to reduce, eradicate and prevent child and family poverty in indigenous communities.
15. That government co-develop indicators for material deprivation as well as health and well-being indicators with indigenous led communities and organizations and commit a reasonable timeframe for the development of these measures.
16. That the federal government double its contribution to the Canada Housing Benefit and continue to expand it to a universal benefit.
17. That the federal government invest more dollars annually to build housing for people suffering from physical and mental disabilities.

ENDNOTES

ⁱ 2020: *Setting the Stage for a Poverty Free Canada*, Campaign 2000, 2019 Child and family Report card

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- ⁱⁱ Sarangi, L. and Meisner A., *Child Poverty by Federal Riding: The Work Ahead for Canada's Next Parliament*, October, 2019
- ⁱⁱⁱ Government of Prince Edward Island, December 23, 2019
- ^{iv} Food Banks Canada, Hunger Count, 2018
- ^v Raworth, K., *Donut Economics*, 2017
- ^{vi} 2020: *Setting the Stage for a Poverty Free Canada, Campaign 2000*, 2019 Child Poverty Report Card
- ^{vii} Carroll, M. Points to Ponder, January, 2020
- ^{viii} 2020: *Setting the Stage for a Poverty Free Canada, Campaign 2000*, 2019 Poverty Report Card
- ^{ix} Ibid
- ^x Ibid
- ^{xi} N. Smith, and Matthew MacDonald, *Literature Review and Community Mapping Report*, Native Council of PEI, March 2018
- ^{xii} Tcherneva, P. presentation on Zoom to PEI audience, Charlottetown, November 25, 2020
- ^{xiii} Ibid
- ^{xiv} Statistics Canada Labour Force Survey, Government of PEI, December 6, 2019
- ^{xv} Tcherneva, P. November 25, 2019.
- ^{xvii} Frank, L., Sociology Department, Acadia University.
- ^{xviii} Canadian Health Coalition, *Saving Money With A National Drug Plan*, June, 2019

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