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Poverty and Social Exclusion

Solving Complex Issues through Comprehensive Approaches

Poverty and social exclusion continue to be a universal problem. Recognition of our failure as a society to adequately address these challenges is leading many governments to adopt comprehensive strategies with timelines and targets aimed at reducing poverty and social exclusion.

Increasingly governments across Canada are also seriously considering the broader impact of social exclusion. The concept of 'social exclusion' is relatively new in Canadian policy discourse but it has been used in Europe for some time. Its origins are political rather than academic, tracing back to France where it was first used by the government in 1974 to draw attention to the failure of the French economy to address poverty and inequality.

The term social exclusion later gained political popularity in the European Union as an alternative and less "accusatory expression" to describe "poverty". While often used by politicians to narrowly describe the issues affecting individuals unattached to the labour market, 'social exclusion' was later picked up by researchers and anti-poverty advocates because of its potential to

move beyond a narrow financial-deprivation definition of poverty.

Definitions of social exclusion

Used in its broadest sense, social exclusion speaks to the lack of income as central to all exclusion, but it includes many other dimensions, such as health, education, access to services, housing, debt, quality of life, dignity and autonomy. Social exclusion can describe something more complex than is colloquially understood by poverty, in that it is dynamic, multi-dimensional, often deeply rooted and relational. It allows room for understanding that discriminatory and exclusionary practices may be causes of poverty.

While creating economic opportunity through employment is often the focus of social exclusion policy, it should be noted that intervention at this level alone will have a limited impact. Narrowly defined social-inclusion policies that emphasize labour force attachment will not sufficiently address social exclusion. Complementary and equally crucial supports such as raising benefit levels to reduce poverty and ensuring access to childcare, recreation and decent housing are required to more effectively reduce poverty and exclusion. Furthermore,

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employment strategies need to encompass training for decent-paying, long-term jobs rather than the kind of low-wage precarious employment currently offered to many individuals trying to escape social exclusion.

Government strategies to address poverty and social exclusion

It has quite recently become common for governments to present strategies and action plans for how they aim to address poverty and social exclusion. Increasingly governments are responding to the call for comprehensive, multi-department plans. Usually these action plans are developed in cooperation with a broad cross section of community members.

Canadian initiatives have looked to the European Union (EU) for models of practice that have evolved since the mid 90s. In Britain, the Social Exclusion Unit was established in 1997 to study issues such as school truancy, homelessness, housing, crime and unemployment.

In 2000, EU countries established the ‘Social Inclusion Process’ with the aim of eradicating poverty by 2010. This was followed by the development of a framework for national strategy development and policy coordination between EU nations based on 5 key challenges.

1. To eradicate child poverty by breaking the vicious circle of intergenerational inheritance
2. To make labour markets truly inclusive
3. To ensure decent housing for everyone
4. To overcome discrimination and increase the integration of people with disabilities, ethnic minorities and immigrants
5. To tackle financial exclusion and over-indebtedness

Strategies focusing on the above themes have since emerged in several EU countries as a result of the 2000 process. For example:

- Ireland adopted the *National Anti-Poverty Strategy* in 1997. In 2007 the government released the *National Action Plan for Social Inclusion 2007-2016*. The plan “has a strong emphasis on targets, clearly defined and measurable”. The Strategy recognizes the complexity of poverty and social exclusion and outlines a comprehensive, multi-department plan.

- Social Exclusion was identified as a priority in Scotland in 1997. The document *Social Inclusion*

Strategy: opening the door to a better Scotland was released in 1999. This was followed by the report *Social Justice: A Scotland where everyone matters*. This report laid out a policy vision and targets. *The Policy Framework for tackling Poverty and Social Exclusion in Scotland* was later released in 2000, providing an overview of processes put in place in keeping with their vision.

- *Sweden’s Strategy Report for Social Protection and Social Inclusion 2006-2008* also outlines very specific objectives that were developed in consultation with non-government organizations (NGOs). The Swedish model emphasizes universal welfare policy in addition to active labour-market policy.

Outside of Europe, governments have been reluctant to emulate the direction in Europe, although Australia’s labour government very recently established a Social Inclusion Board tasked with consulting with the public and bringing advice to government. The current federal governments in the U.S. and Canada have shown no interest in developing comprehensive plans to address poverty and social exclusion.

Perhaps the closest Canada has come in this regard was in 1989 when the House of Commons unanimously passed a resolution to seek to achieve the goal of eliminating poverty among Canadian children by the year 2000. But action to follow was less than enthusiastic. Some initiatives were put in place, such as the National Child Benefit. But government departments continued to develop programs within silos, overlooking the complexity of issues that would be more adequately addressed through a comprehensive strategy linking child poverty to the poverty and exclusion faced by their parents. The result of this narrow approach is that child poverty rates remain as high in 2008 as when the resolution was declared in 1989.

While the Canadian government has chosen not to show a plan of action to address poverty and social exclusion, there have been some interesting developments at the provincial level.

The Quebec government initiated a growing trend toward poverty and exclusion policy with the passing of the *Act to Combat Poverty and Social Exclusion* in 2004. A central requirement laid out in the Act was the development of a strategy, annual reporting, and the implementation of an advisory committee. Quebec’s *Government Action Plan to Combat Poverty and Social Exclusion* includes targets and timelines. Since 2004, Quebec reports investing \$3.3 billion over five years in its strategy in initiatives that include increases to the

minimum wage, increased commitment to housing, a new work premium for low-income earners; enhanced financial support for low-income families; and an Employment Pact aimed at integrating individuals with barriers into the labour market.

In June 2006, the Newfoundland government introduced *Reducing Poverty: An Action Plan for Newfoundland and Labrador*. The plan, developed in consultation with NGOs, includes specific targets and timelines. The initiative engages participation across government, and is coordinated through the department of Human Resources, Labour and Employment. While it is still early to evaluate progress, Newfoundlanders concerned about poverty issues are optimistic and generally pleased with the government's commitment to the initiative.

More recently the governments of Nova Scotia and Ontario have initiated processes for the development of comprehensive strategies in their provinces. In December 2007 Nova Scotia passed Bill 94--*Poverty Reduction Working Group Act* and set up a working group. This group, which included representatives of many NGOs, presented its report to government in June 2008. The recommendations from this group will inform the work of the government's Poverty Reduction Strategy interdepartmental committee, which is to develop a strategy for release in 2009. Ontario has completed consultations and is in the process of developing a strategy to be released before the end of 2008. Prince Edward Island is in the early stages of looking at an integrated approach.

West of Ontario, there appears to be less enthusiasm for the development of integrated approaches to poverty reduction. While it might be expected that a social democratic government would show leadership in this area, Manitoba's NDP government has hesitated to formalize a comprehensive multi-department approach to address poverty.

In May of 2008, Manitoba's liberal party introduced *Bill 226 – The Social Inclusion and Anti-Poverty Act*, fashioned after the Quebec legislation. The NDP government has shown no indication of supporting the bill and it is expected to die in the House when session commences in the fall of 2008.

Some elected NDP government officials and their advisors maintain that they have implemented many initiatives aimed at addressing poverty and they don't see a need to put forward a formal strategy with timelines and targets. But others in government have

advised us that a forward-looking strategic plan is being developed and public consultation will be included in the process.

Saskatchewan, Alberta and British Columbia have shown no signs of interest in implementing integrated approaches to addressing poverty and social exclusion.

Common features of poverty and social exclusion strategies

While poverty reduction and social inclusion strategies are taking somewhat different shape across parts of the country, they appear to have some common features that can provide a lesson for Manitoba. For example:

- The most effective strategies have been those that integrate targets and timelines. This is difficult for governments as it can be politically risky. Economic circumstances beyond government control can quickly throw a wrench in the best of plans. Nonetheless, timelines and targets show that governments are serious about this issue and those who have gone down this path are to be commended for taking the risk. Multi-year timelines and targets make governments accountable and provide incentive to follow through with action. Without targets and timelines, strategies can become little more than a public-relations exercise.
- A process to consult with citizens is an important element. The social exclusion legislation adopted in Quebec, the poverty reduction strategies established in Newfoundland and others in earlier stages such as Ontario and Nova Scotia have engaged NGOs, the general public and anti-poverty advocates in identifying key issues and targets.
- Strategies and action plans are used to highlight what governments have done, but they don't stop there. They also map out where they aim to go.
- There is a mechanism in place to ensure that departments are integrating poverty reduction and inclusion objectives in policy and program development. Quebec's legislation requires that departments report on their progress annually. Newfoundland and Labrador has a unit responsible for coordinating poverty reduction activities across governments. This is important because when combined with strong political support, such as in the case of Newfoundland where the poverty reduction plan is prominently

profiled on the government's main website, coordination across government helps prevent the silo effect.

- Evaluation of progress is a critical feature. EU strategies are regularly evaluated by an independent evaluator to show where gains have been made and where more work is required. Evaluation facilitates accountability.

Why Manitoba needs a Strategy

The causes of poverty and social exclusion are complex and often deeply rooted. Solutions are equally complex and require multiple policy and program interventions. Strategies and action plans to address poverty reduction and social exclusion can be extremely helpful tools for several reasons:

- They can highlight existing initiatives, expose gaps, and provide direction for future action.
- They can act as an education tool to raise awareness of the complex nature of poverty and social exclusion and why prioritizing its elimination is important for the entire community.
- They can provide a mechanism for governments to engage citizens in discussion about what might be incorporated in a comprehensive strategy.
- They can demonstrate that governments take seriously the issue of poverty and social exclusion and aim to make it a priority.

Manitoba has implemented some important initiatives to address poverty and social exclusion. For example, Manitoba's childcare plan is arguably the best in the country outside of Quebec and the elimination of the national child benefit supplement clawback has helped many families struggling to survive on social assistance. Neighbourhoods Alive! has been an extremely important initiative for targeted poor communities. The fact that Manitoba has the second highest child poverty

rate before tax, third after tax, and where 15.2% of persons between 18-64 earn low income (before tax, 2006) suggests that we have a lot more to do.

But without a comprehensive strategy we don't really know how far we have come and we certainly don't know where we are going.

The Province of Manitoba can learn from other jurisdictions and begin to work in collaboration with community organizations and others interested in developing a comprehensive plan to address social exclusion and poverty in Manitoba.

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