



United Way Centraide Canada

Supplemental Policy Paper

A Renewed Voice for Social Canada

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Introduction

For the first time in more than a decade, Canada's federal government has explicitly adopted reducing poverty and inequality as a goal. A substantial increase in child benefits, increased pensions for low-income seniors, improvements to the Canada Pension Plan, the promise of a national housing strategy, a series of child care agreements with the provinces and territories, and many other measures are among its early initiatives, demonstrating Ottawa's determination to make progress towards realizing this goal.

To provide a framework and direction for ongoing progress, the federal government is launching an 'official' poverty reduction strategy. While all the provinces and territories (except BC) have had a poverty reduction strategy for many years, a strategy at the national level has been conspicuously missing. Yet it is the federal government that holds the most powerful tools for poverty reduction.

Ottawa is responsible for about 80 percent of the benefits paid through Canada's income security system. In addition to income security programs, many social, educational and health programs are operated by the national government, such as those offered through the Canada Mortgage and Housing Corporation and the programs of Indigenous Affairs and Northern Development. Ottawa funds a substantial portion of provincial and territorial health care, labour market programs and other social programs through its transfers to the provinces and territories. Perhaps most importantly, the federal government is responsible for most of the tax system that collects revenue as well as distributing multiple billions of income benefits.

The Government of Canada's development of an official poverty reduction strategy will go a long way towards a more coherent approach to reducing poverty and inequality – *if* we get it right. But 'getting it right' is no easy task in the face of the next several decades of economic, social and environmental uncertainty.

No one knows what the coming reality of powerful artificial intelligence and advanced automation (such as self-driving vehicles) will do to the labour market. We can be 100 percent certain that there will be accelerating change in the near future, indeed in the next few decades; but we do not know what this will mean. Will we see the dire warnings of mass unemployment come true or will new forms of employment arise as they have in the past? Nor is technology the only force of change: Demographics – a rising proportion of elderly, the relatively young Indigenous population, increased importance of immigration – will create new challenges and opportunities for Canada in the coming years. Critical economic and social changes will also arise due to climate change, particularly affecting the North and agriculture, but also having an immense impact on our cities.

While we cannot know what the next three or more decades will bring, we do know that they will be decades of disruption. If we want ‘social Canada’ to remain effective, we need to understand not only what works today. We must also be prepared to adjust to new and unanticipated conditions.

A federal poverty reduction strategy will therefore need to be an ongoing process, not a one-time effort. We must be able and willing continuously to modernize and adapt our social security system to current and emerging realities. Doing so will need constant reassessment of our programs and policies and an unceasing flow of new ideas.

Contrary to stereotype, government can be creative. But relying only on the creativity and openness to change within government will not be sufficient. Sustaining and improving Canada’s social security system requires an influential national non-partisan source for new thinking in social policy — to understand the benefits (and costs) of what we have today; to bring together the many local, regional and national groups engaged in poverty reduction efforts; and crucially, as a source for innovation and new ideas which can make their way into Canada’s economic and political dialogue. In this paper we propose that, as part of its poverty reduction strategy, the federal government support the establishment of a potent new voice for ‘social Canada’ to help accomplish this objective on a continuing basis by convening civil society, promoting innovation in social policy and monitoring outcomes.

But this is not a new idea.

What we had

In 2012, the Budget put the official stamp on the demise of the National Council of Welfare, eliminating all of its funding – \$1.1 million. The omnibus Budget Implementation bill then repealed the Department of Social Development Act under which the National Council of Welfare had been established. The Social Development Act had given the Council broad powers “to advise the Minister in respect of any matters relating to social development that the Minister may refer to the Council for its consideration or that the Council considers appropriate.” [Section 13 of the Department of Social Development Act; see Appendix A for the National Council of Welfare provisions of the Act.]

The National Council of Welfare sprung out of the somewhat unlikely roots of a federal-provincial Deputy Ministers’ committee set up in 1962 to provide advice on welfare programs. However, the federal-provincial Deputy Ministers’ group functioned only sporadically and, in 1969, it was reformulated as a National Council – a citizen’s advisory committee to the federal Minister responsible for social programs.

The Council was made up of 15 citizen members, approximately half of whom were those with lived experience of poverty and the rest Canadians with knowledge of social issues. Although the appointments to the Council were made by the government of the day, the Council throughout its 33 years remained a non-partisan advocate for improving the lives of low-income Canadians.

Steve Kerstetter, who was Director of the Council from 1993 to 2000, recounted:

In fact, members of the council who make up the group's board of directors are appointed by the federal cabinet and have often been close friends of the government of the day. However, that friendship never compromised the work of the council even once during my 13 years as a staff member...the new Liberal cabinet started appointing members to replace Conservatives appointees when their terms expired. I can't recall a single instance where the overall direction of the council or its specific policy proposals changed because of the change in government. My own analysis was that council members, regardless of any party affiliation, were committed first and foremost to the well-being of poor people." [Steve Kerstetter *Toronto Star* 8 April 2012]

The National Council of Welfare, despite its comparatively modest budget, played a significant role in Canadian social policy. For example, aside from issuing numerous reports and recommendations, the National Council also published *Welfare Incomes* each year. *Welfare Incomes* was the only report on social assistance incomes across Canada – the sole reference document providing authoritative and consistent accounts of welfare rates in provinces and territories. *Welfare Incomes* was critical in providing citizens with access to factual information about the incomes of social assistance recipients. The annual publication was also crucial within provincial and territorial governments as Ministers often demanded comparative data on how their social assistance rates compared with others.

Welfare Incomes would have been terminated along with the National Council of Welfare that produced it. The publication was not produced for two years until, with some expense and effort, the Caledon Institute of Social Policy took over publication of the *Welfare Incomes* reports because it recognized the vital necessity for public policy of a national report on welfare rates. As the Caledon Institute will be closing in November 2017, the Maytree Foundation has agreed to take over this responsibility. Yet these arrangements are just temporary patch-ups, relying on private philanthropy to provide vital information on a critical public program.

The *Welfare Incomes* report is just one, albeit essential, example of the role that was fulfilled by the National Council of Welfare over many years. More generally, there no longer is an advisory body on issues of poverty and inequality 'officially' established by the Government of Canada. This is in stark contrast to the numerous – hundreds – of advisory bodies in almost every other corner of government ranging from the Advisory Council on Economic Growth to the Species at Risk Advisory Committee.

While the National Council of Welfare provided advice from within government, there was also an even longer-standing social advocacy organization outside of government: the Canadian Council on Social Development.

The Canadian Council on Social Development was the main independent national organization advocating on behalf of Canadians living in poverty and, more generally, for increased social solidarity in Canada. Over the years, it played a critical role in many of Canada's most important social initiatives, ranging from the Old Age Security to universal medicare. In the 1980s, the Council published *Native Children and the Child Welfare System*, a report by Patrick Johnston who went on to become head of the Council. This report was the first to bring to national attention the removal of Indigenous children from their homes through the child welfare system and was central in initiating the modern repatriation of child welfare to First Nations.

Until the early 1990s, the Canadian Council on Social Development held biannual national social policy conferences which were an essential part of Canada's social infrastructure. These conferences were a unique institution that brought together social service agencies, social policy activists, academics, government officials and many others to exchange ideas and create networks across the country. While over the decades after the 1960s there were an increasing number of advocacy groups and think tanks in Canada, the Canadian Council on Social Development was the organization that provided all of 'social Canada' with a non-partisan and inclusive meeting place.

The Canadian Council on Social Development has a storied history: It had been founded in the 1920s as the Canadian Council on Child Welfare by the redoubtable Charlotte Whitton (a formidable personality and mayor of Ottawa). In 1930, its mandate was broadened and it was renamed the Canadian Council on Child and Family Welfare. In 1935, it became the Canadian Welfare Council and, finally, in 1971 was renamed the Canadian Council on Social Development, reflecting an ever-wider understanding of how social programs need to be seen within the context of society as a whole.

During those 50 years, the Canadian Council on Social Development evolved not only in name and its conception of the role of social policy in society, but in organizational structure to reflect its changing philosophy. It went from a traditional Board made up of influential (and usually wealthy) directors to a popular Board with representation of all sectors of Canadian society, including persons with lived experience of poverty. This evolution led to an ever larger Board so that at its most extensive the Board had 99 members. The Board had a complicated system of representation, with representatives from each region (elected annually by vote of members), representatives from provincial governments, some municipalities, local social planning councils and so on.

While this wide spectrum representation provided ample opportunities for inclusion, it also – not surprisingly – proved unwieldy. Finding the right way to combine representation with administrative capacity was one of the challenges facing the Canadian Council on Social Development. In the 1990s, under increasing financial pressures, the demands of efficiency overcame the need for representation and the Board was successively pared down until it reached 21 directors.

The main source of financial pressure was the withdrawal of federal core funding in the early 1990s. This was partially replaced by contract work from the Government of Canada (thanks to the efforts of Hugh Segal to save the Council) but this proved unpredictable and also carried its own demands. At the same time, many provinces and local organizations were withdrawing their support from the Council, sometimes to support their local organizations and sometimes just to save money. The Council's biannual social policy conferences had to be sacrificed in an effort to cut costs. Gradually, staff was eliminated and other functions given up.

The Canadian Council on Social Development valiantly carries on today but only as a shadow of its former self. It can no longer perform its previous function as the central national organization for convening all the parts of civil society and government engaged in social policy development and delivery across Canada. And there is no organization that has stepped in to take its place.

Today the National Council of Welfare is gone. The Canadian Council on Social Development barely exists, limping along with little national presence. These two core national agencies, which provided a prominent voice for 'social Canada,' are no longer heard. At the same time, many other national groups that were important to social policy have also disappeared, such as the Economic Council of Canada. As of November 2017, the Caledon Institute of Social Policy, to which this author is affiliated and which has been critical in developing many practical social policy innovations over the last two and a half decades (most notably the child benefit system introduced by the new Trudeau government), will also close up shop.

What we need now

For Canada to remain a nation that aspires to protect our most vulnerable citizens while providing equal opportunity for all, we cannot stand still in the face of the challenges to come. We must evolve and adapt our social security and development systems to the reality of the world around us. This is not a task for government alone. Business, labor, media, religious and Indigenous organizations and many others in both our economic life and our civil society must play a central role.

What Canada is missing is an 'institutional' national agency, which can bring together the many and varied elements of civil society, government and others towards

continuously assessing, improving and adapting our nation's social infrastructure to ever-changing circumstances. But neither the National Council of Welfare nor the Canadian Council on Social Development as they were established would be suitable for today's needs.

The National Council of Welfare was an in-house organization, too susceptible to constraints by the government of the day. If an agency is to be an effective voice for social Canada, it must be able to assess objectively – and be seen to assess objectively – the state of social needs in Canada and the effectiveness of what government is doing. It must also be able to bring forward new, innovative thinking even when it is challenging for governments. Although in its heyday the National Council of Welfare did achieve a surprising degree of autonomy, it is unrealistic to think that an in-house organization could maintain both the reality and the appearance of objectivity in the longer run.

The Canadian Council on Social Development did not find a sustainable way to mix a full spectrum of representation with efficient administration. Moreover,, the Canadian Council on Social Development remained dependent on annual grants from government so that it could not but be aware of its vulnerability in response to criticism. In the end, the Council proved susceptible on both counts, contributing to today's much reduced state.

A different type of organization is needed today: one that borrows from the best of the National Council of Welfare and the Canadian Council on Social Development, while learning from their weaknesses. We envisage the creation of a hybrid combination of the National Council of Welfare and the Canadian Council on Social Development. As a (very) provisional working title, we are here using the name the Canadian Council on Inclusion and Wellbeing.

The Council on Inclusion and Wellbeing would be established as a corporate entity through a statute by the Government of Canada. There are many examples of agencies created by a specific statute. At the federal level, a sample of three different types of agencies that were established by statute for a variety of purposes are: the Canada Council for the Arts; the Asia-Pacific Foundation of Canada; and the Law Commission of Canada.

The Canadian Council on Inclusion and Wellbeing statute would also set out the broad purposes of the Council. The Council would have as one of its core purposes the fostering of productive networks among Canadians from all sectors interested in our social and development programs. In addition, the Council would:

- track the progress of the government’s poverty reduction strategy, perhaps in a new annual ‘signature’ report to Parliament on Canadian Social Inclusion and Wellbeing;
- research and report on the effectiveness and efficiency of specific existing social programs (such as continuing the *Welfare Incomes* annual report)
- develop new approaches and innovations for social policy
- analyze and track trends in social and economic challenges in Canadian society including the technological and demographic changes noted previously
- improve public understanding of the successes and failures of our social and development programs based on rigorous analysis.

There are several reasons in favour of a federal statute:

- A statute of Canada makes it clear that this is a significant agency seen by government as playing a national role;
- Passing a new statute would require debate in Parliament to set up the Canadian Council on Inclusion and Wellbeing and would also require debate in Parliament should a later government wish to disestablish the Council;
- It would allow Parliament to set the terms and conditions for appointments to the Council in a transparent and open manner; and
- It allows Parliament as the primary funder (see below) of the Council to establish mandatory accountability mechanisms including, for example, provisions for including the Council as an agency to be audited by the Auditor General.

It is proposed that the Canadian Council on Inclusion and Wellbeing be built on three tiers: The first tier would be the general membership which would be open to any resident of Canada or non-resident Canadian citizen through mechanisms to be defined by the Council. The second tier would be the Council itself, which would be a large body (e.g., 100) with a nomination and appointment process to be defined in the Council statute (discussed further below). The third tier would be an executive Board of Directors of a functional size for administrative purposes (e.g., eight directors) to be elected by the Council from among its members with non-voting *ex-officio* members to be appointed by government. The Council would be supported by a CEO with a permanent secretariat and research staff, which would report to the Board of Directors.

The reason for this elaborate structure is twofold. A modern Council meant to be a voice for all of social Canada will require representation from many sectors of society as well as geographic representation, implying the need for many people. On the other side of the coin, a small Executive Board is meant to allow for administrative efficiency when combined with a large Council to solve the dilemma of the Canadian Council of Social Development. This structure also mirrors many of the local and regional

structures to support poverty reduction strategies [Building on the Strength of Communities: United Way Centraide Canada Response to the Poverty Reduction Strategy 30 June 2017].

As a starting point for discussion, we envisage that the Council membership could consist of a number of appointment methods defined in the Canadian Council on Inclusion and Wellbeing statute, such as the following:

- The statute would provide for the direct appointment by the federal government of a number of Council members with lived experience of reliance on Canada's social programs;
- Representation from organizations supporting local poverty reduction strategies;
- A number of prominent agencies and groups that would be asked to appoint a Council member;
- A rotating list of universities and teaching hospitals would be asked to appoint a member of the Council;
- It would include representation from business and labour, and from the municipal sector;
- The federal government would also appoint a number of additional members, some of whom might be Parliamentarians or federal officials;
- A number of Council members would be appointed by First Nations and Indigenous organizations; and
- Each provincial and territorial government would be asked to appoint a Council member.

Most of the activities of the Council, including election of the Directors, could take place in virtual space (with assistance provided for those who do not have access to their own equipment for this purpose). However, as a starting point for discussion, we would see the Council ordinarily convening once a year for a public, face-to-face meeting, which would operate mainly as an opportunity to debate and discuss major directions for social Canada. The Council meeting would function as a kind of 'mini-convention' of Canada's social voice. Participants on the Council would have their expenses paid, but would not otherwise be remunerated.

Directors of the Executive Board would be elected on a rotating basis from amongst the Council members for a fixed term, and would provide the day-to-day governance of the Council and its staff. The Government of Canada would also appoint one or two *ex-officio* members of the Board. The Board would elect a Chair and Vice-chair from among its members. The Board would set up the ordinary committees needed to oversee a corporate entity (e.g., audit committee, human resources). The Board would hire the Chief Executive Officer for the Council staff. As the Board is meant to function

as a serious oversight body of a significant entity, it is suggested that the Board be remunerated at modest levels and commensurately for the Chair, Vice-Chair and committee work.

It is proposed that the Council be granted an endowment sufficient to support its core functions in perpetuity through interest from highly secure investments. This approach would likely require an endowment in the order of \$100 million for an annual core operating budget of approximately \$2.5 to \$3 million. In addition, the Council would seek contributions from provinces, territories and charitable contributions. Strict accountability mechanisms could be established through the statute. The statute could provide for any outstanding endowment funds to be returned to the federal government in the event that, at a future date, the Parliament decides to revoke the Council's statutory incorporation. This provision would allow the endowment to be recovered but only subsequent to a Parliamentary debate.

Conclusion

A national poverty reduction strategy must be more than a one-time commitment to a handful of initiatives. It must provide for independent continuing appraisal and reappraisal of where we are and where we need to be. It must be able to respond to rapidly changing and unpredictable economic and social change – both positive and negative. It must assist Canada's civic society to remain robust and to have a well-respected non-partisan voice in national affairs. It must assist our civic society to communicate between sectors and regions, to exchange ideas and to come to consensus, where possible, on future directions. And it must provide for the development of well thought-out practical innovative policies, some of which may challenge prevailing ideas.

In this paper, we have proposed that the Government of Canada, as part of its poverty reduction strategy, put in place a new 'institution' to carry out these functions. We have provisionally called the new institution the Canadian Council on Inclusion and Wellbeing. We have suggested that the Council be established by federal statute and funded through a recoverable endowment from the Government of Canada. The structure we have proposed for the Council is meant to meet the objectives outlined above and to provide a foundation for Canada's social voice – a voice which will need to be an ongoing part of a successful poverty reduction strategy.

NOTE: This paper was written with the assistance and advice of United Way Centraide Canada; however the author is solely responsible for its contents.

Appendix A

Department of Social Development Act

Version of document from 2005-07-20 to 2005-10-04

National Council of Welfare

10 (1) The National Council of Welfare is continued, consisting of a chairperson and not more than fifteen other members to be appointed by the Governor in Council to hold office during pleasure for the term, not exceeding three years, that will ensure as far as possible the expiration in any one year of the terms of appointment of fewer than half of the members so appointed.

(2) The members of the Council are deemed to be employed in the public service of Canada for the purposes of the Government Employees Compensation Act and any regulations made pursuant to section 9 of the Aeronautics Act while in the course of their duties under this Act.

11 A member of the Council is eligible for reappointment.

12 (1) A member of the Council shall be paid, in connection with their work for the Council, the remuneration that may be fixed by the Governor in Council.

(2) A member of the Council is entitled to be reimbursed, in accordance with Treasury Board directives, for the travel, living and other expenses incurred in connection with their work for the Council while absent, in the case of a full-time member, from their ordinary place of work or, in the case of a part-time member, from their ordinary place of residence.

13 It is the function of the Council to advise the Minister in respect of any matters relating to social development that the Minister may refer to the Council for its consideration or that the Council considers appropriate.

14 The Council shall meet at the times and places that the Minister may direct.

15 (1) The Council may employ or retain the persons who are necessary for its proper functioning.

(2) No person employed or retained pursuant to subsection (1) shall, by virtue only of being so employed or retained, be considered to be employed in the public service of Canada.