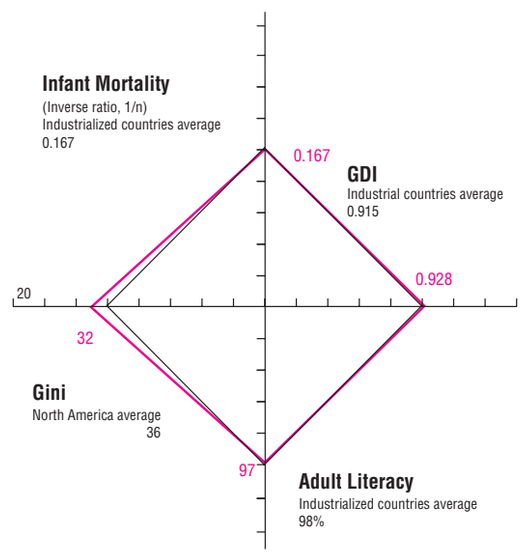

The Equity Diamond: National values in terracotta compared to regional ones in blue. *Source:* ***Infant mortality:*** UNICEF, *The State of the World's Children, 1998*; ***Adult literacy:*** UNICEF, *The State of the World's Children, 1998*; ***GDI*** (Gender Development index): UNDP, *Human Development Report 1998*; ***GINI***: World Bank, *World Development indicators 1998*. (The regional average for this indicator was calculated by *Social Watch*).

It is a bitter irony that the most drastic cuts ever to Canadian social programs began in 1995, the same year as the World Summit on Social Development. The introduction of the Canada Health and Social Transfer (CHST) and the elimination of the Canadian Advisory Council on the Status of Women marked a retreat from the goals of eradicating poverty and inequality in Canada. Nevertheless, a substantial budget surplus is expected for fiscal year 2000/2001 (Ministry of Finance estimates C$5.5 billion – USD 3.6 billion), which could be earmarked for the civil society recommendations articulated under the ten commitments.

BITTER IRONY

Canada's overall macroeconomic policy subordinates social goals to a preoccupation with fighting inflation. Monetary policy keeps unemployment high to put downward pressure on wages. So do below poverty level minimum wages and «workfare» programs that compel social assistance recipients to work for meagre benefits. Tighter eligibility requirements for unemployment insurance (UI) mean that just 36% of the unemployed received benefits in 1997, down from 74% in 1989 (McCarthy 1999).

The CHST replaced the Canada Assistance Plan (CAP) whose stated goals included the provision of *«adequate assistance to (...) persons in need and the prevention and removal of the causes of poverty.»* (Day and Brodsky 1998:14) Under the CHST the federal government drastically cut annual transfers to the provinces for health care, post–secondary education and social assistance by C$7.4 billion (USD 4.9 billion) over two years.

Eight of the ten provinces then either slashed welfare benefits or tightened eligibility requirements. As of 1996 no province extended benefits above the poverty line (NCW 1997–98). The number of Canadians living in poverty rose to 5,222,000 in 1997 (Statistics Canada 13–569–XIB). The poverty rate for seniors (over 65 years old) is 19%, virtually the same as the rate for children under 18 (Harper 1999). It is noteworthy that the poverty rate for senior men dropped by 55% between 1980 and 1996 and by 38% for senior women over the same period (NCW 1998). ***This drop can be directly attributed to the institution of forward–looking social policies, in particular public pensions and provincial income supplements for seniors.***

In 1989, Members of Parliament unanimously endorsed «the goal of eliminating poverty among Canadian children by the year 2000.» However, between 1989 and 1997 the number of children living in poverty rose by 38% to 1,397,000 (Statistics Canada 13–569–XIB). The increase in child poverty is intimately linked to cutbacks in social programs. Poor families with children experienced an average income decline between 1993 and 1996 of 6.5%. While their earnings from employment went up slightly (by just 2%) the biggest cause of the decline in overall income was an average 44% cut in unemployment insurance (Myles and Picot).

Campaign 2000 calls for increasing federal commitments to children by 1.5% of GDP over five years.

With respect to employment, the unemployed are the casualties in the war against inflation. Economic growth has been delinked

from employment and unemployment continues despite improved productivity. The official unemployment rate has come down from 11.3% in 1992 to 7.8% over the first three–quarters of 1999 due to a recovery from recession. Youth under 25 years experience unemployment at twice the general rate.

INTEGRATION AND EQUITY

A lack of affordable housing prevents the integration of disadvantaged people into Canadian society. An estimated 250,000 Canadians are homeless (AFB 1999:28). Governments have exacerbated the housing shortage by cutting funds for social housing and by abandoning rent controls.

The Income Protection Working Group estimates that as many as 60% of the homeless people who sleep in Toronto's hostels would have qualified for unemployment insurance, workers' compensation or disability programs under the rules that prevailed before the era of savage cuts to social programs (Dunphy 1999).

Civic groups advocate declaring homelessness a «national disaster» and dedicating 1% of federal expenditures to non–profit housing. The government recently dedicated $753 million over three years to emergency shelters but has yet to make a commitment to the construction of new social housing.

«For women, who are poorer than men, more vulnerable to domestic violence, and more likely to be caregivers for children and older people, the diminished commitment to social programs... has significant immediate and long–term consequences.» (Day and Brodsky 1998) It has become more difficult for low–income women to leave abusive partners (FAFIA 1999).

Generally, Canadian women are 1.2 times as likely to live in poverty as men. Single parent families led by women are twice as likely to be poor as those headed by men. As of 1996 the overall poverty rate for women 18 to 24 years old was 26.7%. For unattached women under 25 it skyrockets to 70.1%. ***Nine out of ten families led by single mothers under 25 years old live in poverty*** (NCW 1998).

Of the 29 OECD countries, Canada has the fifth largest wage gap between women and men (FAFIA 1999). Women working full–time make 73 cents for every dollar earned by males. Most women workers still earn below average incomes, although more women are entering higher earning categories in the health, education and social services (Scott and Lochead 1997). Only 31% of unemployed women qualify for regular unemployment insurance benefits. For young women, coverage is an abysmal 15% (AFB 1999:11).

Cutbacks in federal funding for post–secondary education have contributed to a 55% increase in tuition fees since 1994, putting students from low–income families deeper into debt and shutting–out many others seeking further education (AFB 1999:26). More women than men carry student debt and do so for longer periods due to lower incomes (FAFIA 1999).

Health services formerly in the public realm such as laboratories, diagnostic services, ambulances, and rehabilitation services are increasingly provided by private firms. As hospital beds are closed, more patients need homecare services and costly drugs that are not covered by public health insurance. The danger is increasing that Canada's publicly–funded, universal Medicare will become a two–tiered system where the ability to pay, not need, determines the quality of care.

Civil society organisations want to ensure the maintenance of current public programs in health and education and expand these programs to include home care as a public service covered by provincial health plans (AFB 1999).

RESOURCES FOR DEVELOPMENT

As a member of the Group of Seven (G7), Canada played a role in the Köln Debt Initiative of June 1999, promising «faster, deeper and broader» debt relief for highly–indebted, low–income countries. Although the G7 says that there is up to USD100 billion worth of debt relief, this constitutes less than half of the debts owed by the 41 Highly Indebted Poor Countries (HIPCs).

Before the Köln Summit, Canada offered to write off 100% of bilateral debts but only for the least developed among the HIPCs. Only 11 of these owe debts to Canada.

Civil society groups advocate that Canada extend its offer of 100% bilateral debt write–offs to the 50 poorest countries.

Canada supported the G7 Köln Debt Initiative's call for «a framework for poverty reduction» to be «integrated with structural adjustment programs». This ambiguous language implies that poverty reduction is somehow to be grafted onto SAPs. The only aspect of orthodox SAPs that the IMF and World Bank have modified so far involves social spending. The IMF maintains that between 1994 and 1998 *«about 80% of [its] programs [for low–income countries] sought increases in public spending on education and health care.»* (IMF 1999)

The new concern to protect social spending does not, by itself, constitute a new paradigm. Even if social spending is protected, SAPs' monetary, trade, agricultural and privatisation policies still contribute to poverty (CEJI 1999). Even when the quantity of social spending does increase, grave questions persist concerning the quality of World Bank and IMF advice. For example, when the IMF demanded that user fees be instituted in rural health clinics in Mozambique, many poor people were excluded from care.

Canada's official Official Development Assistance (ODA) has declined from 0.49% of GNP in 1991 to an estimated 0.27% in 1999/2000. Over 68% of Canadian bilateral and multilateral aid is tied to Canadian purchases despite evidence that tied aid adds up to 15% higher prices for goods and services.

Less than 35% of Canadian bilateral aid went to poverty alleviation in the early 1990s. For example, *«excluding emergency food aid less than 20% of Canadian ODA is spent on meeting basic human needs—supporting primary health care and basic education, providing safe water, sanitation, and family planning.»* (CCIC 1999)

Civil society organisations advocate gradually moving towards the official target of dedicating 0.7% of GNP to ODA and dedicating

a growing percentage of aid to improve conditions and rights for people living in poverty through social development and basic human needs.

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