



Quebec Provincial Poverty Profile

OVERVIEW

Nearly a decade has passed since Quebec implemented its first Poverty Action Plan in 2004. Various initiatives and programs were specifically created and implemented pursuant to the mandate and objectives of the *Act to Combat Poverty and Social Exclusion* to prevent poverty and social exclusion by developing the potential of individuals, to strengthen social and economic safety net and to promote access to employment. A second plan, “*Government Action Plan for Inclusion and Solidarity: 2010—2015*,” was introduced in 2010 to continue the commitment to fight poverty and social exclusion. While Quebec has achieved significant progress in poverty reduction since its initial legislative implementation of the Poverty Action Plan, the pace of the progress appears to have considerably slowed down in the past few years. For instance, from 1999 to 2009, the overall poverty rate dropped 40% in Quebec.¹ In contrast, statistics indicate the number of welfare recipients in the province remained largely the same over the past three years.² Moreover, the English-speaking population as well as the English-speaking visible minority population in Quebec continue to experience challenges in achieving socio-economic parity.³ Government policies and actions lack targeted efforts to address the particular vulnerabilities of the sub-groups in society.⁴

Updated Plan Highlights: *Government Action Plan for Inclusion and Solidarity: 2010—2015*

The second poverty action plan emphasizes “efficiency, protection of the purchasing power of individuals, and renewed support for local and regional action.”⁵ It is structured around four thrusts:

1. Review our standard practices and make regional and local communities key players in the decision-making process
2. Acknowledge the value of work and foster the self-sufficiency of individuals
3. Support the income of disadvantaged individuals
4. Improve the living conditions of low-income individuals and families.⁶

Act to Combat Poverty and Social Exclusion⁷ – the original plan

Purpose

To guide the Government and Québec society as a whole towards a process of planning and implementing actions to combat poverty, prevent its causes, reduce its effects on individuals and families, counter social exclusion and strive towards a poverty-free Québec.

Key Provisions

- Establishes a provincial strategy to combat poverty and social exclusion, within which the government must draft an action plan for implementation. The strategy is accompanied by a Fund (Fonds québécois d’initiatives sociales [FQIS]) with which to carry out initiatives.
- Specifically stipulates that the government must address the causes and consequences of poverty and social exclusion by pursuing the five goals and five axes of action outlined in the

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- strategy.
- Outlines that the government should undertake specific actions under each goal aimed at certain objectives and aligning with targets, including proposing amendments to the Employment Assistance (EA) program, and considering the impacts of proposed legislation on people living in poverty.
 - Includes consideration for specific needs, such as gender, age, ethnicity, disability, and regional discrepancies.
 - Stipulates the government must report on results in 2010 and every three years thereafter.

MEASURING PROGRESS AND SUCCESS

Statistical Indicators of Poverty in Canada (unofficial measurement tools)

	LICO⁸ <i>Low Income Cut-off After-tax</i>	LIM⁹ <i>Low-Income Measurement</i>	MBM¹⁰ <i>Market Basket Measure</i>	Food Bank Usage¹¹	Household Food Insecurity¹²	Welfare Recipients¹³
2005	870,000, 11.7%	1,048,000, 14.1%	664,000, 8.9%	178,368, 2.4%	-	500,212, 6.6%
2007	784,000, 10.4%	1,076,000, 14.3%	629,000, 8.3%	-	10.9%	-
2008	828,000, 10.9%	1,172,000, 15.4%	754,000, 9.9%	127,536, 2.0%	9.4%	-
2009	686,000, 8.9%	1,030,000, 13.4%	735,000, 9.6%	137,464, 1.8%	11.3%	-
2010	778,000, 10.0%	1,129,000, 14.5%	787,000, 10.1%	154,364, 2.0%	9.7%	230,470, 2.9%
2011	745,000, 9.5%	1,095,000, 14.0%	842,000, 10.7%	156,279, 2.0%	12.5%	228,918, 2.9%
2012	-	-	-	155,574, 1.9%	-	216,910, 2.7%

* 2004 – 1st PAP came into place

* - data not available

* 2010 – 2nd PAP came into place

The Quebec Government’s Success Indicators

1. **Low-income measures:** The Market Basket Measure (MBM) can be used as the primary measure with the Low Income Cut-Off (LICO) and Low-Income Measure (LIM) as complimentary measures that allow for longitudinal, interprovincial and international comparisons. Disposable income should also be monitored at various thresholds, as should supplemental indicators, such as intensity, dispersion, gap and severity of poverty, to give a well-rounded picture of low income in Quebec.
2. **Inequality measures:** Gini coefficient and/or inter-quintile comparisons.
3. **Social exclusion measures:** “Social exclusion” must be defined and indicators developed.
 - Other measures (to be developed): Determinants and consequences of poverty, and innovations in indicators, such as a trend chart to explore many of the dimensions of poverty targeted in the Act.¹⁴

Progress to Date

Over the past year, the Quebec government has continued to demonstrate a particular focus on poverty reduction in the province through various initiatives and strategies. Most notably, in May 2013, the

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government put forth a plan aptly named “*Breaking the Cycle of Poverty through a Comprehensive and Coherent Approach*.”¹⁵ This plan introduced several regulatory changes with respect to social assistance programs and reflected the government’s “deepest conviction...that the best way to fight against poverty is employment.”¹⁶ Shortly after, in October 2013, the government introduced another initiative, “*Solidarity: an Asset for Quebec*,” which reiterated the government’s commitment to increase consistency in its actions to achieve solidarity for the people of the province.¹⁷ The initiative included several new structural measures representing an additional investment of \$320 million by 2017.¹⁸

In addition, through its budget plans, the government also allocated specific investment amounts to assist the low-income populations in areas including affordable housing, healthcare contribution, and childcare assistance.¹⁹ Notably, a new progressive health contribution system was implemented in 2013 that better respects the ability of individual taxpayers to contribute to the funding of health care. Over two-thirds of taxpayers will see their tax burden reduced and some of these low-income individuals will be exempt altogether.²⁰ Moreover, the government continues its “One Child, One Space” effort to create and provide affordable childcare spaces to all Quebec families.²¹ Statistics indicate the total number of household relying on social assistance continues to decrease, but the pace of which seems to be greatly reduced. As of August 2013, 2,750 fewer households relied on social assistance compared to the figure in August 2012.²² This represented a 0.8% decrease.²³ However, in the previous year, there was a 3.2% decrease of 10,684 households.²⁴

Views from Outside the Quebec Government

Le Collectif pour un Québec sans pauvreté has been highly critical of the government’s actions in the past year.²⁵ In its view, the government “deliberately impoverished thousands of citizens by cutting the social assistance programs and refusing to implement new measures.”²⁶ There are 750,000 Quebecers living below the poverty line, and Le Collectif urges the government to take actions to ensure those people who live in poverty an income at least equal to the Market Basket Measure.²⁷ Specifically, to meet the minimum income level above poverty of \$23,647, the minimum hourly wage must be at least \$11.37 for a 40-hour work week.²⁸ The current minimum wage has only been increased to \$10.15/hour in May 2013. Moreover, the amount of social assistance currently available is equally insufficient to supplement employment income to cover a person’s basic needs in light of the expected increases in food prices, rent, and utility rates.²⁹ In regards to the government’s latest plan, “*Solidarity: An Asset for Quebec*,” Le Collectif recognizes that the government finally seems to be asserting greater efforts to fight poverty, but it questions the government’s commitment and the adequacy of the proposed measures.³⁰

From another perspective, the government’s fundamental understanding and its ideological conception of “poverty” are also criticized. Quebec’s anti-poverty strategy distinguishes the “deserving poor” and “undeserving poor” based on their ability to work.³¹ In other words, the basis of the government’s poverty reduction initiatives is to incorporate the poor into the paid labour market.³² Although paid employment may likely improve a person’s financial situation, “the largest growing group of poor people in Canada today are the working poor.”³³ This criticism echoes Le Collectif’s concern that the current

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minimum wage does not cover the costs of a person's basic needs. The government's focus on getting people to work, in and of itself, is not sufficient to address and remedy the poverty issue.

In regards to certain specific government initiatives, relevant organizations have applauded the efforts. For example, the Quebec Federation of Housing Cooperatives ("CQCH") welcomed the government's announcement of an increase in funding for community organizations.³⁴ It anticipates funding dedicated to the Assistance to Community Housing Organization programs.³⁵ However, the CQCH also noted the progress on the development and construction of community housing units has been inconsistent, despite the government's promises of investments.³⁶ In addition, Front d'action populaire en réaménagement urbain (FRAPRU) has also been consistently monitoring and scrutinizing the government's actions, or the lack thereof, in relation to affordable housing issues. In particular, FRAPRU condemned the government's lack of effort to inform the public about the available housing allowance and the changes in eligibility criteria.³⁷ FRAPRU coordinator accused the government of "deliberately hiding the information from low-income households."³⁸ Furthermore, FRAPRU advocates for housing allowances without age discrimination, given the large number of renters who desperately need financial assistance but fall below the eligible age requirement.³⁹

Notes on Critical Thematic Areas

- 1. Human Rights:** There have been very limited government actions to address poverty as a human rights issue. In its latest action guideline, "*Solidarity: an Asset for Quebec*," the government made mention of the social prejudice and stigma suffered by the poor.⁴⁰ To help break the cycle of poverty, the government will launch public service campaigns to combat social prejudices and injustices.⁴¹
- 2. Income Support:** The government amended the *Individual and Family Assistance Regulation*. The new rules came into effect on July 1, 2013 and introduced more stringent eligibility criteria for welfare recipients. Previously, an additional \$129 per month was available to welfare recipients who are over 55 years old and to couples with children under 5 years of age. The amendments increased the eligible age from 55 to 58, and made families with two adults ineligible if they seek assistance for reasons of caring for their preschool children. In order to receive additional support, qualifying families must be registered with Emploi Quebec for job-finding activities. On October 30, 2013, the government announced new measures to enhance the financial assistance available to people receiving welfare.⁴² In particular, welfare assistance will increase by \$20 per month from February 1, 2014, and it will continue over the next three years to an increase of \$50 per month by 2017.⁴³ This represents an investment of \$71.4 million, which is expected to benefit nearly 60,000 people.⁴⁴
- 3. Housing:** To address rental housing shortages, the government announced the construction of 3,000 new social, community and affordable housing units.⁴⁵ These new units represent an investment of \$231 million and are funded under the AccesLogis Quebec program.⁴⁶ This new planned construction will add to those currently in progress, resulting in an expected total of over 14,400 housing units becoming available in the near future.⁴⁷ The total social, community and affordable

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housing units will reach 38,000.⁴⁸ In addition, the eligibility criteria for the Shelter Allowance Program have been adjusted annually to enable more low-income Quebecers to receive aid. Specifically, the latest adjustments in 2013 lowered the eligibility age to 52 and increased the maximum qualifying household income was increased to \$24,729.⁴⁹ Low-income families with at least one dependent child continue to be eligible.⁵⁰

- 4. Education:** At the Summit on Higher Education as a conclusion of the consultative process, the Quebec government announced several plans for action to promote access to higher education and to ensure stability and sustainability of the university systems.⁵¹ Most importantly, the government promised to cancel the 82% increase in tuition fees enacted by the previous government; instead, the rate of growth of tuition increase will be indexed against disposable family income, which is approximately 3% per year.⁵²
- 5. Early Childhood Education & Care:** The government reiterated its commitment to provide affordable, universal childcare program, and pledged to “meet the needs of parents and give every child access to a space within four years.”⁵³ In the Budget 2013-2014, the government announced the creation of 28,000 new subsidized daycare spaces, representing an investment of \$262 million a year.⁵⁴ In addition, it committed to accelerating the speed at which these spaces are created, recognizing a growth in birth rate in recent years.⁵⁵ By 2016-2017, the total number of reduced-contribution childcare spaces will reach 250,000.⁵⁶
- 6. Healthcare:** Through the Budget 2013-2014, the government implemented a new progressive health contribution which came into effect on January 1, 2013.⁵⁷ Previously, as a general rule, every Quebec resident over 18 years of age was required to pay a health contribution of \$200 when filing his/her annual income tax return.⁵⁸ The new health contribution introduced progressivity which reflects each person’s ability to participate in the funding of health care, such that the burden on low-income taxpayers will be significantly reduced and high-income taxpayers will be expected to contribute a greater share.⁵⁹ In particular, individuals with income less than \$18,000 are exempt from health contributions.⁶⁰ For those with income between \$18,000 and \$20,000, they can be expected to pay up to \$100, and a fixed rate of \$100 is applied to all taxpayers with income between \$20,000 and \$40,000.⁶¹ At the other end of the spectrum, taxpayers earning above \$150,000 are required to pay \$1000 in health contribution.⁶² The expected result of this new progressive structure is that 3.1 million taxpayers will see their contribution reduced and over \$400 million will be contributed by taxpayers with higher incomes.⁶³
- 7. Employment Support:** As part of its commitment in the Poverty Action Plan, the government announced an increase of minimum wage by 25 cents to \$10.15/hour on May 1, 2013.⁶⁴ In addition, the government introduced a new strategy in February 2013, “*All for Employment: A New Impetus with Partners.*”⁶⁵ One of the priorities in developing the strategy was to “rethink solidarity and break the cycle of poverty” and one of its goals is to decrease social assistance rates and increase the employment rate of working age population.⁶⁶ The strategy included various measures and plans to expand the access to subsidy programs and committed an additional \$70 million investment in the

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Fund for the Development and Recognition of Workforce Skills which will support 3000 new projects.⁶⁷

- 8. Community Building/Investment:** In its action guideline, “Solidarity: an asset for Quebec,” the government announced measures to help community organizations who work to achieve community solidarity.⁶⁸ There will be an increase in funding of \$54 million per year for the next three years to community organizations working in health and social services, education, family, employment, and housing services.⁶⁹

THE BOTTOM LINE

With the introduction of the third pillar of Quebec’s poverty reduction strategy, “*Solidarity: An Asset for Quebec*,” the Quebec government continues its commitment under the second Poverty Action Plan. Nevertheless, there has been no conclusive indication of whether or not Quebec has achieved its original goal in the 2004 Poverty Action Plan – “To progressively make Quebec, by 2013, one of the industrialized nations having the least number of persons living in poverty.” In fact, while Quebec has considerably reduced its poverty rate over the last decade, the pace of progress seems to have slowed down in recent years. In any event, the government has shown a consistent effort and willingness to address the level of poverty in the province through increased investments and new and innovative programs. Moreover, the government has specifically identified as a priority to “break the cycle of poverty” with legislative changes, even though particular members and organizations of the civil society disagree with the government’s ideological motivation for its actions. Ultimately, positive outcomes can only be achieved if the government can ensure a consistent and timely implementation and execution of its promised actions.

FOR MORE INFORMATION

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ENDNOTES

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