



# Quebec Provincial Poverty Profile

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## OVERVIEW

Quebec was the first province to enact a law for poverty reduction in December 2002 and initiate a Poverty Action Plan (PAP) in April 2004. Quebec's PAP focuses on reforming income support to combat poverty.<sup>1</sup> Its four objectives align closely with the five "axes of actions" outlined in the Act to Combat Poverty and Social Exclusion. In the spring of 2010, the government released its second PAP, called the "Government Action Plan for Inclusion and Solidarity: 2010 – 2015." The second PAP maintains most of the measures of the first PAP and builds upon existing initiatives with additional investments.<sup>2</sup>

### Plan Components and Highlights (2004 PAP)

The goal of Quebec's PAP is "To progressively make Quebec, by 2013, one of the industrialized nations having the least number of persons living in poverty."<sup>3</sup> Four main objectives in the PAP are:

#### **1. Improve the lives of people living in poverty**

- Fully index Employment Assistance (EA) for people with significant employment limitations
- Partially index EA and create a Participation Premium for those who are able to work
- Establish a Work Premium
- Other amendments to EA including more flexibility for assets, a broader partial exemption for child support income, and protection of the basic benefit from administrative sanctions
- Raise the minimum wage to \$7.60 by May 2005<sup>4</sup>
- Improve access to affordable housing, good quality food, and prescription drugs for low-income people<sup>5</sup>

#### **2. Prevent poverty and social exclusion**

- Strengthen family supports through a Child Assistance program (universal tax credits and supplementary credits for low-income families)
- Better access to early intervention and early childhood education
- Develop and pilot initiatives to address school outcomes for low-income children and youth
- Support low-income seniors<sup>6</sup>

#### **3. Involve society as a whole**

- Support the development of regional and local plans to combat poverty and social exclusion based on provincial priority areas
- Invest in community initiatives
- Coordinate actions across government departments and agencies<sup>7</sup>

#### **4. Ensure consistent, coherent action**

- Proposed laws will be assessed based on the impact they have on people's incomes
- Dialogue with the federal government and Native nations to coordinate actions
- Follow-through with regular reporting requirements
- Review the PAP annually; Issue public updates<sup>8</sup>

#### **Renewed commitment: "Government Action Plan for Inclusion and Solidarity: 2010 – 2015"**

The government's second PAP outlines four "thrusts" as guidelines for action: reviewing standard practices to make regional and local communities key players in decision-making, focusing on work and individual self-sufficiency, supporting incomes of disadvantaged individuals, and improving living conditions of low-income individuals and families.<sup>9</sup> The 2010 PAP maintains key measures from the 2004 PAP, such as the Work Premium, Adapted Work Premium, Work Premium Supplement, Child Assistance, and annual minimum wage review. It also seeks to address criticism of the 2004 PAP with a greater focus on individuals through a new refundable Solidarity Tax Credit favouring low-income single working individuals, childless couples, and people on income support. The 2010 PAP adds a renewed focus on affordable housing and enhanced funding for regional and local initiatives to combat poverty.<sup>10</sup>

#### **Community Engagement in Plan Development and Implementation**

Community engagement was a vital part of the development of Quebec's Act and two PAPs. In May 2000, a citizens' movement called Le Collectif pour un Québec sans pauvreté publically launched a proposal to eliminate poverty. Following two years of public consultations, Bill 112 was passed in December 2002.<sup>11</sup> The government then launched the PAP in 2004.

The role of the community in the implementation of the PAP has been more limited; community members have been engaged primarily through the Comité Consultatif, which includes 17 members from a variety of sectors who advise the Minister on planning, implementing, and evaluating the PAP.<sup>12</sup> Le Collectif has criticised the PAP for its silence on citizen involvement.<sup>13</sup> However, consultations to develop the second PAP (called the "Rendez-vous de la solidarité") were undertaken in 2009 with over 2,500 stakeholders from all sectors and regions.<sup>14</sup>

#### **Quebec's Poverty Reduction Act (enacted December 2002)**

<http://www2.publicationsduquebec.gouv.qc.ca/dynamicSearch/telecharge.php?type=5&file=2002C61A.PDF>

##### **Purpose**

To guide the government and Quebec society "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 Quebec."

**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 quebécois 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 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)**

	<b>LICO<sup>15</sup></b> <i>Low Income Cut-off After-tax</i>	<b>LIM<sup>16</sup></b> <i>Low-Income Measurement</i>	<b>MBM<sup>17</sup></b> <i>Market Basket Measure</i>	<b>Food Bank Usage<sup>18</sup></b>	<b>Welfare Recipients<sup>19</sup></b>
<b>1995</b>	1,247,000, <b>17.6%</b>	1,075,000, <b>15.2%</b>	-	-	-
<b>2000</b>	1,067,000, <b>14.8%</b>	1,079,000, <b>15.0%</b>	836,000, <b>11.6%</b>	189,518, <b>2.6%</b>	-
<b>2005</b>	870,000, <b>11.7%</b>	1,048,000, <b>14.1%</b>	664,000, <b>8.9%</b>	178,368, <b>2.4%</b>	500,212, <b>6.6%</b>
<b>2009</b>	719,000, <b>9.4%</b>	1,057,000, <b>13.7%</b>	728,000, <b>9.5%</b>	137,464, <b>1.8%</b>	485,114, <b>6.2%</b>
<b>2010</b>	-	-	-	154,364, <b>2.0%</b>	479,284, <b>6.1%</b>

\* 2004 – 1st PAP came into place

\* – data not available

\* 2010 – 2nd PAP came into place

**The Quebec Government’s Success Indicators**

Under the Act, the Observatoire de la pauvreté et de l’exclusion sociale is tasked with providing reliable and objective information on poverty and social exclusion.<sup>20</sup> The Centre d’étude sur la pauvreté et l’exclusion was created in place of the Observatoire. The Centre’s 2009 report made the following recommendations to the Minister regarding indicators for measuring poverty:

- 1. Low-income measures:** The Market Basket Measure (MBM) should be 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 interquintile comparisons.

**3. Social exclusion measures (to be developed):** “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.<sup>21</sup>

### **Progress to Date**

As the first province to enact a law for poverty reduction and introduce a poverty action plan, Quebec has been recognized for its progressive efforts to combat poverty. The Act has been praised for its comprehensiveness and definition of poverty as encompassing of social exclusion.<sup>22</sup> The Act defines poverty as “the condition of a human being who is deprived of the resources, means, choices and power necessary to acquire and maintain economic self-sufficiency or to facilitate integration and participation in society.” The government’s first PAP was accompanied by an investment of \$2.5 billion over five years,<sup>23</sup> and efforts were renewed in the second PAP with an investment of \$7 billion over five years, \$1.3 billion of this in new investments.<sup>24</sup>

Since the late 1990s, the proportion of people living in low-incomes dropped by all measures in Quebec. From 1999 – 2009, Quebec’s poverty rate dropped 40 percent.<sup>25</sup> However, the extent to which this drop is a result of the PAP is questionable; the Comité Consultatif itself credits economic growth as a main reason for this success.<sup>26</sup>

### **Views From Outside the Quebec Government**

In many respects, civil society has echoed the acknowledgement of Quebec as a leader in addressing poverty, but community organizations remain uncertain of the government’s commitment to poverty.<sup>27</sup> By all measures, poverty rates in Quebec have continued to drop since the 1990s, illustrating positive progress. Introduced in 1997, Quebec’s model of universal childcare for only \$7/ day has been praised by childcare advocacy groups in Ontario and British Columbia (B.C.), and by the Organization for Economic Development and Cooperation (OECD), for its positive effect on child development, child poverty, and economic growth through increased female participation in the labour market.<sup>28</sup>

However, overall reviews of the province’s first PAP have been mixed, with Make Poverty History calling it a “(partial) success.”<sup>29</sup> Other community organizations, researchers, and members of the press have argued that government actions have fallen short of their intent.<sup>30</sup> The government’s focus on adjusting income support has been criticized by some scholars as a “structuring rather than programmatic”<sup>31</sup> initiative based on cash flows that are vulnerable to budgetary changes.<sup>32</sup> Le Collectif has criticized the PAP for insufficient increases in income support benefits, particularly for childless individuals on welfare (which the government has sought to address in the second PAP). Le Collectif calls for a basic level of

benefits to cover essential needs, protection for benefits from future reductions, and an increase in the amount of money a person can earn before being taxed.<sup>33</sup> Similarly, Make Poverty History is concerned that the PAP brought only limited protections for income security and limited increases in the minimum wage and working conditions.<sup>34</sup> Other initiatives, like the Work Premium, the Child Tax credit, and full indexation of benefits, have been praised by Le Collectif and scholars as steps in the right direction.<sup>35</sup>

### **Notes on Critical Thematic Areas**

- 1. Human Rights:** Although the preamble to the Act sets out core principles and includes a reference to the Charter of Rights and Freedoms,<sup>36</sup> the Act and PAP do not situate poverty elimination squarely within the framework of human rights. Section 2 of the Act, which sets out a definition of poverty, does not explicitly put poverty within the realm of human rights, nor does the PAP address poverty in a particularly normative way, focusing on wealth distribution rather than social justice.<sup>37</sup>
- 2. Income Support:** In the 2004 PAP, the government committed to reforming income support by fully indexing EA for people with significant employment limitations and partially indexing EA and creating a Participation Premium for those who are able to work.<sup>38</sup> In January 2009, the government exceeded their initial commitment and fully indexed benefits for all recipients. An investment of \$82 million for 2009-2010 resulted in benefits being index-adjusted by 2.36%.<sup>39</sup> The government also made other changes to income support, including more flexibility for assets, broadening the partial exemption for child support income, and protecting the basic benefit from administrative sanctions.<sup>40</sup> The 2010 PAP committed to a new refundable Solidarity Tax Credit for low-income people, which combines the Quebec Sales Tax credit, the property tax refund, and the tax credit for people living in northern villages, providing \$10 million more in annual tax assistance for low and modest-income households.<sup>41</sup>
- 3. Housing:** The government committed to investing \$1.041 billion in building 27,000 public and low-cost housing units. As of 2010, almost 24,000 were completed or under construction.<sup>42</sup> The 2004 PAP also committed to adapting the homes of over 6,000 people with disabilities. As of 2010, an investment of \$43.7 million has adapted homes for 4,440 people.<sup>43</sup> The government also committed to invest \$34 million in rent supplements to benefit 5,276 households from 2004 – 2007.<sup>44</sup> The 2010 PAP committed to building 3,340 new social housing units and renovating additional low-cost rental housing units.<sup>45</sup> A long-term housing strategy was not part of either PAP.
- 4. Education:** The government committed to developing and piloting initiatives to address school outcomes for low-income children and youth.<sup>46</sup> From 2008-2009, the government invested \$80.5 million in community mobilization pilot projects, homework assistance projects, school wellness programs, and alternative schools and programs for disadvantaged children and youth, resulting in funding for a cumulative total of 4,072 projects and over 1000 schools. The government has also invested \$4.3 million in 77 literacy projects since 2004 and \$156.2 million in 1000 more remedial and resource teachers from 2006-2008.<sup>47</sup> In the 2004 PAP, the government also committed to

investing in job-training for out-of-school youth,<sup>48</sup> with a cumulative total of \$22.6 million in programming reaching 6,749 youth in 2008-2009.<sup>49</sup>

- 5. Early Childhood Education & Care:** The government committed to a Child Assistance program (featuring universal tax credits and supplementary credits for low-income families).<sup>50</sup> In 2008, 870,000 families claimed the tax credit (corresponding to an investment of \$221 million), which was worth just under \$3000 for a single-parent household with one child in 2010.<sup>51</sup> The government also committed to early intervention and early childhood education,<sup>52</sup> investing \$4.3 million in early childhood services since 2004.<sup>53</sup> Quebec's model of universal childcare, introduced in 1997, already offers regulated childcare services to all families for a very low fee of \$7/ day; the government's investments in the PAP build on this strong foundation. Additionally, the 2008-2009 budget created a \$400 million fund over 10 years for other projects aimed at children under five living in poverty.<sup>54</sup> The 2010 PAP committed to increasing the child support payment exemption for households receiving last-resort financial assistance, representing an investment of \$7.1 million and benefiting approximately 5,700 families.<sup>55</sup>
- 6. Healthcare:** The government committed to expanding access to good quality food and prescription drugs for low-income people.<sup>56</sup> Free access to medication under the prescription drug plan for low-income people expanded in 2005 and again in 2007. The government invests \$29 million annually, resulting in an additional 313,460 people with access.<sup>57</sup>
- 7. Employment Support:** The government committed to establishing a Work Premium, which is a refundable tax credit, intended to make "work pay" at every income level. The Work Premium was introduced in January 2005, and an investment totalling \$321.3 million resulted in 514,000 households benefitting from the premium in 2008.<sup>58</sup> The government also committed to a Work Premium Supplement in 2008, which is a tax credit to encourage people to stay employed, and has invested \$6.8 million in benefits reaching 9000 individuals and families.<sup>59</sup> The PAP also committed to raising the minimum wage, which reached \$9/ hour in May 2009.<sup>60</sup> Finally, the government has invested in job readiness programs through an investment of \$18.4 million to enrol 6,430 people on social assistance in these programs in 2008-2009.<sup>61</sup> In the 2010 PAP, the government committed to adding a provincial increase to the federal Working Income Tax Benefit, benefiting single individuals and childless couples.<sup>62</sup>
- 8. Community Building/Investment:** The government committed to supporting locally developed plans for poverty alleviation and in investing in local initiatives, with an investment of \$794.7 million in community organizations in 2008-2009.<sup>63</sup> The 2010 PAP emphasizes an increased focus on involving regions and communities in decision-making processes. The government has committed to increasing funding for local and regional action, and to making funding more flexible for action against poverty.<sup>64</sup>

## **THE BOTTOM LINE**

In many respects, Quebec has blazed the trail for action on poverty in Canada with its robust Act legislating the government's responsibility to combat poverty, its definition of poverty as encompassing of social exclusion, and its commitment to universal child care. However, although Quebec enacted the first Act and developed the first provincial plan to combat poverty, reviews of the first PAP have been mixed. Civil society organizations have questioned whether government actions have been adequate to address poverty in the province, with particular concern around income support. Public consultations have informed the second PAP; it remains to be seen whether the government's renewed commitment to action will yield a more uniformly positive response from civil society and solid results on the ground.

## **FOR MORE INFORMATION**

Canada Without Poverty  
@UnderOne Roof  
251 Bank Street, 2<sup>nd</sup> Floor  
Ottawa, ON K2P 1X3  
613-789-0096 (1-800-810-1076); info@cwp-csp.ca

## ENDNOTES

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- <sup>7</sup> Ibid, 70-73.
- <sup>8</sup> Ibid, 75.
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**Quebec Poverty Progress Profile**  
**Canada Without Poverty, May 2012**

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<sup>33</sup> Labrie

<sup>34</sup> Make Poverty History

<sup>35</sup> Labrie; Noel, 1, 3, 5

<sup>36</sup> Torjman, 1.

<sup>37</sup> Lamarche & Greason, 15, 16.

<sup>38</sup> Government of Quebec (April 2004), 21, 28, 39.

<sup>39</sup> Government of Quebec (February 2010), 7.

<sup>40</sup> Government of Quebec (April 2004), 21, 28, 39

<sup>41</sup> Government of Quebec, Emploi de Solidarité sociale (June 2010), 31.

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<sup>44</sup> Government of Quebec (April 2004), 27.

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<sup>61</sup> Ibid, 9.

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