

CHAPTER THREE

The Causes of Poverty

Until the age of 10 I was fairly comfortable. . . . I never really wanted for anything because money was never an issue with us. I usually had what I wanted. Things changed. My parents separated while we lived in Germany and my mother brought my brother and me back to Canada. . . . When I arrived back in Ottawa it was hard for me to adjust, and I could not believe what had happened because we now lived in a low-income project. My first impression was of the pollution. It was very dirty. The parks were littered. There was graffiti everywhere. I was not accustomed to that. (Liz, a teenager growing up in poverty)⁵⁵

Many of the witnesses appearing before the Sub-Committee felt that, over time, there has been an erosion of support for families. As evidence of this decline, the partial de-indexation of child benefit programs, the limit on the rate of increase of Canada Assistance Plan funding to provinces not receiving fiscal equalization payments, reduced social housing spending and the lack of a child care strategy were cited. Further, some witnesses felt that other factors are contributing to child poverty, including high rates of unemployment in some areas, minimum wage rates which yield an income below the poverty line and which are being eroded each year, social assistance rates which are too low and other problems associated with the social assistance system, pay and employment inequity, and inadequate training for employment.

A. INCOME INADEQUACY

Repeatedly, the Sub-Committee was told that child poverty is the result of "parent poverty," and that the latter exists, in large measure, due to inadequate income. One low-income mother, when speaking to the Sub-Committee about the importance of an adequate income in enabling parents to care for their children, said:

When a child of a single parent goes to school, the first person he deals with is the child psychologist and then it is the social worker. If the parent is on welfare, or family benefits, then he deals with the worker for the parent. Children's Aid will step in and talk. Suddenly this child has all these workers. He is at no risk of having not enough authority. . . . This child from the time [he] is in day care, if [he] is lucky enough to get day care, has helping hands all the time and lots of helping hands [he] does not really need. . . . If the family had enough money, the mother usually would be quite well enough endowed to direct her child without all these workers. . . . Nine times out of ten the mother knows exactly what to do. If she has enough money and a decent house to live in, she will do the right thing. ⁵⁶

Income inadequacy was thought to reflect several factors: the perceived lack of a full employment policy on the part of the federal government and inadequate job training, low minimum wage rates, social assistance rates which are too low, and pay and employment inequity.

⁵⁵ *Proceedings*, Issue 13, p. 36, 37.

⁵⁶ *Proceedings*, Issue 10, p. 102, 103, 104.