

**POVERTY REDUCTION STRATEGIES IN  
QUEBEC AND IN NEWFOUNDLAND AND LABRADOR**

**Chantal Collin  
Political and Social Affairs Division**

**26 October 2007**

**The Parliamentary Information and Research Service of the Library of Parliament works exclusively for Parliament, conducting research and providing information for Committees and Members of the Senate and the House of Commons. This service is extended without partisan bias in such forms as Reports, Background Papers and Issue Reviews. Analysts in the Service are also available for personal consultation in their respective fields of expertise.**

**CE DOCUMENT EST AUSSI  
PUBLIÉ EN FRANÇAIS**

## TABLE OF CONTENTS

	<b>Page</b>
INTRODUCTION .....	1
QUEBEC'S STRATEGY TO COMBAT POVERTY AND SOCIAL EXCLUSION .....	1
A. Framework Legislation .....	1
B. Action Plan to Combat Poverty and Social Exclusion.....	4
C. Mobilizing the Stakeholders.....	5
D. Agencies: Research Centre and Advisory Committee.....	5
E. Measuring Progress .....	6
F. Critique of Quebec's Action Plan.....	8
NEWFOUNDLAND AND LABRADOR'S POVERTY REDUCTION STRATEGY .....	9
A. Consultation Process .....	9
B. Poverty Reduction Strategy.....	10
C. Definition and Measurement of Poverty .....	10
D. Action Plan.....	11
E. Current Funding and Future Assessments.....	12



CANADA

LIBRARY OF PARLIAMENT  
BIBLIOTHÈQUE DU PARLEMENT

## POVERTY REDUCTION STRATEGIES IN QUEBEC AND IN NEWFOUNDLAND AND LABRADOR

### INTRODUCTION

To date, only two provinces in Canada have implemented a comprehensive anti-poverty strategy: Quebec, and Newfoundland and Labrador. All other Canadian jurisdictions have implemented initiatives and programs to reduce poverty, but they do not have specific comprehensive poverty reduction strategies. The National Council of Welfare (NCW)<sup>(1)</sup> and other social policy advocates and anti-poverty organizations have been calling on the federal government to design and implement a national poverty reduction strategy.<sup>(2)</sup> Such a strategy, it is argued, would serve to integrate poverty reduction efforts across all federal departments and would support provincial and territorial governments in their efforts to reduce poverty and income inequality in Canada. This paper provides a brief overview of the strategies adopted in Quebec and in Newfoundland and Labrador.

### QUEBEC'S STRATEGY TO COMBAT POVERTY AND SOCIAL EXCLUSION

#### A. Framework Legislation

The province of Quebec is the only jurisdiction in Canada that has enacted a law to combat poverty and social exclusion. The idea of a framework law for the elimination of

- 
- (1) The National Council of Welfare is a citizens' advisory body to the federal government on matters of concern to low-income Canadians. It was established by the *Government Organization Act* in 1969.
  - (2) Among other documents, see National Council of Welfare, *Solving Poverty: Four Cornerstones of a Workable National Strategy for Canada*, Vol. 126, Winter 2007, <http://www.ncwcnbes.net/documents/researchpublications/ResearchProjects/NationalAntiPovertyStrategy/2007Report-SolvingPoverty/ReportENG.pdf>.

poverty was initiated by a broad-based citizens' movement called The Collective for a Poverty-Free Québec (Le Collectif pour un Québec sans pauvreté).<sup>(3)</sup> After conducting wide consultations across Quebec, the Collective publicly launched, in May 2000, a proposal for an act to eliminate poverty.<sup>(4)</sup> A petition supporting the proposed law was tabled in the National Assembly of Quebec in November 2000. That same day, the National Assembly adopted a motion "requesting that the government develop a global strategy for combating poverty."<sup>(5)</sup> The next two years were marked by collective action and public deliberations on the orientation that should be endorsed by the Government of Quebec to reduce poverty and social exclusion. On 12 June 2002, the Quebec government introduced Bill 112, An Act to Combat Poverty and Social Exclusion.<sup>(6)</sup> The Committee on Social Affairs (Commission permanente des affaires sociales) held public hearings on the bill in October and November 2002.<sup>(7)</sup> The National Assembly of Quebec adopted Bill 112 on 13 December 2002.

Quebec's legislation establishes a "national strategy to combat poverty and social exclusion" that "is intended to progressively make Quebec, by 2013, one of the industrialized nations having the least number of persons living in poverty."<sup>(8)</sup> The Act adopts a definition of poverty that goes beyond a simple relation to low income. Poverty is defined 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," a definition that integrates the concept of social exclusion.<sup>(9)</sup>

- 
- (3) For more detailed information on the Collective for a Poverty-Free Québec and its actions to support the passage of a law to eliminate poverty in Quebec, see William Ninacs with the collaboration of Anne-Marie Béliveau and Francine Gareau, *The Collective for a Poverty-Free Québec: A Case Study*, Caledon Institute of Social Policy, Ottawa, September 2003, <http://www.caledoninst.org/Publications/Detail/?ID=373>.
- (4) Collectif pour une loi sur l'élimination de la pauvreté, *Proposal for an Act on the Elimination of Poverty*, 20 April 2000, [http://www.pauvrete.qc.ca/rubrique.php3?id\\_rubrique=113](http://www.pauvrete.qc.ca/rubrique.php3?id_rubrique=113).
- (5) William Ninacs et al. (2003).
- (6) *An Act to Combat Poverty and Social Exclusion*, R.S.Q. L-7, updated to 1 October 2007, [http://www2.publicationsduquebec.gouv.qc.ca/dynamicSearch/telecharge.php?type=2&file=/L\\_7/L7\\_A.html](http://www2.publicationsduquebec.gouv.qc.ca/dynamicSearch/telecharge.php?type=2&file=/L_7/L7_A.html).
- (7) Committee proceedings are available in French at <http://www.assnat.qc.ca/fra/publications/debats/cas.htm>.
- (8) *An Act to Combat Poverty and Social Exclusion*, R.S.Q. L-7, c. II, s. 4.
- (9) *Ibid.*, c. I, s. 2.

The goals of the strategy to combat poverty and social exclusion, as defined in the Act, are:

- to promote respect for and protection of the dignity of persons living in poverty and combat prejudices in their regard;
- to improve the economic and social situation of persons and families living in poverty and social exclusion;
- to reduce the inequalities that may be detrimental to social cohesion;
- to encourage persons and families living in poverty to participate in community life and social development; and
- to develop and reinforce the sense of solidarity throughout Québec, so that society as a whole may participate in the fight against poverty and social exclusion.<sup>(10)</sup>

To achieve these goals, the government proposed different approaches, which included implementing prevention measures, strengthening the social and economic safety net, promoting access to employment, encouraging the involvement of society as a whole, and ensuring consistent and coherent intervention.<sup>(11)</sup>

The Act requires that the government develop a specific action plan that would set forth activities and targets to fulfil the purpose of the legislation and would also propose amendments to the Employment-Assistance Program with respect to income support, employment assistance and social solidarity.<sup>(12)</sup> The Minister of Employment and Social Solidarity must submit an annual report to the government on the progress of the activities undertaken under the action plan.<sup>(13)</sup> The Act also calls for the establishment of an advisory committee on the prevention of poverty and social exclusion,<sup>(14)</sup> a research centre on poverty and social exclusion (an *observatoire*),<sup>(15)</sup> and a fund to support social initiatives (Fonds québécois d'initiatives sociales) dedicated to combating poverty and social exclusion.<sup>(16)</sup>

---

(10) Ibid., c. II, s. 6.

(11) Ibid., c. III, s. 7.

(12) Ibid., c. III, ss. 13, 14 and 15.

(13) Ibid., c. III, s. 21.

(14) Ibid., c. IV, s. 22.

(15) Ibid., c. V, s. 35.

(16) Ibid., c. VI, s. 46.

## **B. Action Plan to Combat Poverty and Social Exclusion**

In its 2004-2005 Budget, the Government of Quebec announced that a total of \$2.5 billion would be allocated over five years to carry out the provisions of the *Act to Combat Poverty and Social Exclusion*.<sup>(17)</sup> Subsequently, in April 2004, the government released its action plan, *Reconciling Freedom and Social Justice: A Challenge for Tomorrow*.<sup>(18)</sup> The approach adopted in this plan evokes policies similar to those pursued in some English-speaking European countries such as the United Kingdom and Ireland.<sup>(19)</sup> The plan promotes “economic security and social inclusion through employment” and increases “protection for people with significant employment limitations.”<sup>(20)</sup>

The action plan includes a comprehensive set of initiatives and programs to raise the standard of living of social assistance recipients<sup>(21)</sup> and low-income earners, and to assist people in making the transition from social assistance to employment. For example, the plan provides for the full indexation of social assistance benefits for those with significant work limitations; the creation of a participation premium for social assistance recipients who are able to work, as well as partial indexation of their benefits; the establishment of a work premium; an increase in the minimum wage; and a new universal refundable tax credit for low-income families with children.<sup>(22)</sup> Among other measures, the plan also includes initiatives to improve access to affordable housing, adapt the dwellings of people with disabilities, support employment for people with disabilities, facilitate the integration of immigrants and members of visible minority groups, continue to develop high-quality early learning and child care services, support young parents and children, facilitate the integration of young people into the labour market,

---

(17) Finances Québec, *2004-2005 Budget Speech*, Delivered before the National Assembly by Yves Séguin, Minister of Finance, 30 March 2004, p. 20, [http://www.budget.finances.gouv.qc.ca/budget/2004-2005/index\\_en.asp](http://www.budget.finances.gouv.qc.ca/budget/2004-2005/index_en.asp).

(18) Government of Quebec, *Reconciling Freedom and Social Justice: A Challenge for the Future – Government Action Plan to Combat Poverty and Social Exclusion*, Ministère de l’Emploi, de la Solidarité sociale et de la Famille, April 2004.

(19) For a brief overview of anti-poverty strategies in the United Kingdom and Ireland, see: Chantal Collin, *Poverty Reduction Strategies in the United Kingdom and Ireland*, PRB 07-28E, Parliamentary Information and Research Service, Library of Parliament, Ottawa, forthcoming publication 2007.

(20) Government of Quebec (2004), *Reconciling Freedom and Social Justice*, p. 8.

(21) It should be noted that the Government of Quebec recently adopted a new terminology and no longer refers to social assistance recipients but to recipients of last-resort financial assistance.

(22) Government of Quebec (2004), *Reconciling Freedom and Social Justice*, p. 21. For more information on the new child assistance measure (which replaces family benefits, the non-refundable tax credit for dependent children, and the tax reduction for families), see Régie des rentes du Québec, *The Régie des rentes du Québec and child assistance*, [http://www.rrq.gouv.qc.ca/en/programmes/soutien\\_enfants/](http://www.rrq.gouv.qc.ca/en/programmes/soutien_enfants/).

support academic success and literacy programs in underprivileged areas, and promote the social participation of seniors living on low incomes. In addition, the plan puts an end to penalties imposed on social assistance recipients who refuse to take steps toward integration into the labour market. Administrative sanctions can be imposed only in cases of fraud or debt repayment. This minimum benefit principle is protected by law.<sup>(23)</sup>

### **C. Mobilizing the Stakeholders**

To fulfil its commitment to involve society as a whole, the government allocated \$16 million in 2004-2005 to a fund (Fonds québécois d'initiatives sociales) that will be used to “promote the emergence of local strategies to fight poverty and social exclusion in designated priority areas.”<sup>(24)</sup> Specific tools will also be created to ensure a consistent, intersectoral approach at the provincial, regional and local levels. Among others, a review of all government activities will be undertaken to assess their direct impact on the incomes of people living in poverty. The government also indicated its intention to work with Aboriginal groups to fight poverty and social exclusion.

### **D. Agencies: Research Centre and Advisory Committee**

In the first year after the launch of the action plan, a research centre – Centre d'étude sur la pauvreté et l'exclusion sociale – was established under the aegis of the ministère de l'Emploi et de la Solidarité sociale (“the Department”). The mandate of the research centre is to provide reliable and rigorous information on poverty and social exclusion issues.<sup>(25)</sup> An advisory committee, the Comité consultatif de lutte contre la pauvreté et l'exclusion sociale, was created several months later to advise the Minister of Employment and

---

(23) The principle is enshrined in Section 59 of the *Individual and Family Assistance Act* (Bill 57), which creates two programs designed to provide last-resort financial assistance: a social assistance program for people who are able to work but temporarily need assistance, and a social solidarity program for those with severe work limitations. The Act came into effect on 1 January 2007. For more information see *Emploi et Solidarité sociale Québec, Solidarité sociale – Last-resort financial assistance (Eligibility)*, [http://www.mess.gouv.qc.ca/securite-du-revenu/programmes-mesures/assistance-emploi/index\\_en.asp](http://www.mess.gouv.qc.ca/securite-du-revenu/programmes-mesures/assistance-emploi/index_en.asp).

(24) Government of Quebec (2004), *Reconciling Freedom and Social Justice*, p. 70.

(25) For more information on the Centre d'étude sur la pauvreté et l'exclusion sociale and its work, see its website at [http://www.cepe.gouv.qc.ca/index\\_en.asp](http://www.cepe.gouv.qc.ca/index_en.asp).

Social Solidarity on the planning, implementation and evaluation of the national strategy to combat poverty and social exclusion.<sup>(26)</sup> The advisory committee will also monitor government policies to ensure that they are moving the poverty reduction agenda forward, and will follow the developments in the communities affected by poverty.<sup>(27)</sup> Both institutions, the research centre and the advisory committee will collaborate to ensure that government policies are achieving the desired outcomes of reducing poverty and social exclusion in Quebec.

In a recently published document, the advisory committee described its planning, aims and objectives for 2006-2009. In addition to its advisory role, the committee aims to establish income improvement targets of people living in poverty and to find the most effective means of reaching these targets.<sup>(28)</sup> To help ensure that the life experience and input of people living in poverty are taken into account, the advisory committee plans to consult anti-poverty organizations and people living in poverty on a regular basis.<sup>(29)</sup>

### **E. Measuring Progress**

The advisory committee will also maintain ongoing contact with the research centre to have access to the most up-to-date information on poverty in the province. Quebec has not adopted an official poverty line, and there is no consensus on how best to measure the complex reality of poverty and social exclusion in that province. However, the *Act to Combat Poverty and Social Exclusion* provides that the research centre shall develop indicators to measure poverty and social exclusion in the province. The centre will submit its proposed indicators to the Minister, who will then select the appropriate measures.<sup>(30)</sup> Pending a decision from the Minister as to the official poverty indicators that will be retained, unofficial indicators are used as transitional measures of poverty in Quebec. They include Statistics Canada's low

---

(26) For more information on the Comité consultatif de lutte contre la pauvreté et l'exclusion sociale, see its website at <http://www.cclp.gouv.qc.ca/mission.asp> (in French only).

(27) Government of Quebec, *2004-2009 Government Action Plan To Combat Poverty and Social Exclusion – Year Two Report*, October 2006, p. 5.

(28) Comité consultatif de lutte contre la pauvreté et l'exclusion sociale, *Planning, Aims and Objectives 2006-2009*, Government of Québec, 2007, p. 32.

(29) *Ibid.*, p. 33.

(30) *An Act to Combat Poverty and Social Exclusion*, R.S.Q. L-7, c. V, s. 43.

income cut-offs (LICOs) and low income measures (LIMs), as well as the market basket measure.<sup>(31)</sup> According to the advisory committee, “[t]he three measures, when tailored to the Quebec context (cost of living and effects of redistribution via taxation), yield strikingly similar results.”<sup>(32)</sup>

It is premature to assess the success of Quebec’s strategy to combat poverty and social exclusion, but available data show that the proportion of people living on low incomes in the province has decreased steadily from 1997 to 2005. Based on the after-tax LICO, the overall proportion of people living on low incomes in Quebec went from 19.3% in 1997 to 11.8% in 2005, and the proportion of children living in low-income families decreased from 22.4% in 1997 to 9.6% in 2005.<sup>(33)</sup> According to the most recent progress report on Quebec’s action plan, the number of recipients of last-resort financial assistance has also decreased from 404,360 in 2003 to 379,694 in 2007. There were also about 20,000 fewer children living in families receiving last-resort financial assistance in 2007 (119,939 children) than in 2003 (139,869 children) – a reduction of 14.2%.<sup>(34)</sup>

The main factor contributing to the decline in the number of people living on low incomes and those relying on social assistance benefits has been economic growth. Only people capable of integrating into the labour market have been able to take advantage of this phenomenon. Other factors contributing to the observed decline include “more stringent control measures and the effect of employability measures, measures for assisting low-income workers, and family assistance initiatives.”<sup>(35)</sup>

---

(31) For more information on these measures see Chantal Collin and Bonnie Campbell, *Measuring Poverty: A Challenge for Canada*, TIPS-71E, Parliamentary Information and Research Service, Library of Parliament, Ottawa, 2007, and Philip Giles, *Low Income Measurement in Canada*, Cat. No. 75F0002MIE – No. 011, Statistics Canada, 2004, <http://www.statcan.ca/english/research/75F0002MIE/75F0002MIE2004011.pdf>.

(32) Comité consultatif de lutte contre la pauvreté et l’exclusion sociale, *Planning, Aims and Objectives 2006-2009*, Government of Québec, 2007, p. 22.

(33) Statistics Canada, Percentage of persons in low income, Low income cut-offs after tax, 1992 base, Quebec, CANSIM Table 202-0802, [http://cansim2.statcan.ca/cgi-win/cnsmcgi.exe?Lang=E&RootDir=CII/&ResultTemplate=CII/CII\\_&Array Pick=1&ArrayId=2020802](http://cansim2.statcan.ca/cgi-win/cnsmcgi.exe?Lang=E&RootDir=CII/&ResultTemplate=CII/CII_&Array Pick=1&ArrayId=2020802).

(34) Government of Quebec, *Plan d’action gouvernemental en matière de lutte contre la pauvreté et l’exclusion sociale 2004-2009 : Bilan de la troisième année*, October 2007, pp. 17-18 (English version forthcoming).

(35) Comité consultatif de lutte contre la pauvreté et l’exclusion sociale, *Planning, Aims and Objectives 2006-2009*, Government of Quebec, 2007, pp. 26-7.

The client base for last-resort financial assistance in Quebec is different than it was a decade ago. Many of those who are still relying on last-resort financial assistance have multiple and complex problems that make social and economic integration particularly difficult. There has been an increase in the incidence of “heavy cases” involving adults with severe limitations, older adults (45 years and over), and adults who have been relying on last-resort financial assistance for 4 consecutive years or more.<sup>(36)</sup> Since 1996, there has also been a slight increase in the proportion of recent immigrants who need to rely on last-resort financial assistance programs.<sup>(37)</sup> The challenge of improving the integration of immigrants into Quebec society is shared by many jurisdictions across the country.

The advisory committee recognizes that concerted efforts are needed to assist people with multiple barriers to employment and that, without appropriate assistance, “an entire cohort risks exclusion at a time when Quebec cannot afford to leave anyone aside.”<sup>(38)</sup> The Government of Quebec, in its action plan, indicated that it would improve access to employability assistance, particularly for those most affected by poverty. “It intends to negotiate broader access to Employment Insurance Account funds and to maximize the funds allowed under the *Employment Insurance Act*.”<sup>(39)</sup> But the advisory committee also believes that Quebec’s government will need “to increase its own investments given the looming labour shortages that could compromise the future development of Québec.”<sup>(40)</sup>

## **F. Critique of Quebec’s Action Plan**

Reactions to the approach adopted by the Government of Quebec to reduce poverty and social exclusion have been mixed. Although many people agree that the law to combat poverty and social exclusion is a significant step forward and that some specific measures announced in the government’s action plan will likely reduce poverty among families living in Quebec, some concerns have been raised by the Collectif pour un Québec sans

---

(36) Government of Quebec (2007), *Plan d’action*, pp. 17-21.

(37) Comité consultatif de lutte contre la pauvreté et l’exclusion sociale (2007), *Planning, Aims and Objectives*, pp. 27-8.

(38) *Ibid.*, p. 29.

(39) *Ibid.*

(40) *Ibid.*

pauvreté, the citizens' movement that initiated the fight against poverty and social exclusion in Québec in the late 1990s. The organization is particularly critical of the limited income security protection given to unattached individuals considered able to work, the focus on employment as a solution to poverty without tackling the conditions affecting the working poor, the limited improvements in the minimum wage and working conditions, and the lack of commitment and investments in labour market measures.<sup>(41)</sup> However, given that system reforms take years to implement and results can take many more years to become evident, it is fair to say that it is too early to assess whether Quebec will achieve the goals it has set in its national strategy to combat poverty and social exclusion.

## **NEWFOUNDLAND AND LABRADOR'S POVERTY REDUCTION STRATEGY**

### **A. Consultation Process**

In 2006, Newfoundland and Labrador became the second province in Canada to adopt a comprehensive poverty reduction strategy. Following up on a commitment made in 2003 in the Progressive Conservative Party Plan<sup>(42)</sup> and in the 2005 Speech from the Throne,<sup>(43)</sup> the government pledged to transform Newfoundland and Labrador from a province with the most poverty to a province with the least poverty over the next decade. The government acknowledged that poverty carries significant social and economic costs. Reducing poverty, it argued, will improve quality of life and ensure a strong and prosperous future for the province.<sup>(44)</sup> A formal consultation process was carried out to ensure that all interested parties

---

(41) Collectif pour un Québec sans pauvreté, *The Quebec Government Action Plan to Combat Poverty – Forward, backward, sideways ...*, 18 April 2004, [http://www.pauvrete.qc.ca/article.php3?id\\_article=184](http://www.pauvrete.qc.ca/article.php3?id_article=184). Also see Collectif pour un Québec sans pauvreté, *Analyse détaillée du Budget du Québec 2007-2008 – Un coup de poker vers la concentration de la richesse*, 4 Octobre 2007 (French only), [http://www.pauvrete.qc.ca/article-impr.php3?id\\_article=471](http://www.pauvrete.qc.ca/article-impr.php3?id_article=471).

(42) Progressive Conservative Party of Newfoundland and Labrador, *Real Leadership – The New Approach*. PC Plan 2003, p. 40.

(43) Newfoundland and Labrador, Lieutenant Governor, *Speech from the Throne*, 2<sup>nd</sup> Session, 45<sup>th</sup> General Assembly, 15 March 2005, <http://www.exec.gov.nl.ca/thronespeech/2005/speech2005.htm#Addressing>.

(44) Government of Newfoundland and Labrador, *Reducing Poverty in Newfoundland and Labrador: Working Towards a Solution*, Background report and workbook, June 2005, p. iii, <http://www.hrle.gov.nl.ca/hrle/publications/povertydiscussion/Default.htm>.

could share their knowledge and contribute to the development of a poverty reduction strategy that would meet the needs of people living in poverty or at risk of poverty in Newfoundland and Labrador.

## **B. Poverty Reduction Strategy**

The government's Poverty Reduction Strategy received unanimous support in the House of Assembly on 6 December 2006.<sup>(45)</sup> The Minister of Human Resources, Labour and Employment has the responsibility to lead the government's effort to reduce poverty.<sup>(46)</sup> The Minister must provide the House of Assembly with a statement of progress every year and a report on the implementation of the strategy every two years. A Ministerial Committee, supported by a Deputy Ministers' Committee and an Interdepartmental Working Group, will guide the work of the strategy.<sup>(47)</sup>

## **C. Definition and Measurement of Poverty**

As in Quebec, the Government of Newfoundland and Labrador uses a definition of poverty that not only reflects a lack of adequate financial resources but also includes social exclusion, as it prevents people from participating fully in the social and economic activities of a society and therefore from reaching their full potential.<sup>(48)</sup> The government, recognizing that no measure of poverty is perfect, indicated in 2006 that it will primarily use the after-tax low income cut-offs (LICOs) produced by Statistics Canada as a benchmark and will use other indicators to round out and more fully assess the impact of its anti-poverty strategy.<sup>(49)</sup>

---

(45) Newfoundland and Labrador, House of Assembly, *Proceedings*, Vol. XLV, No. 35, 6 December 2006.

(46) Seven departments of the Government of Newfoundland and Labrador are key internal partners in the implementation of the poverty reduction strategy. They are: Human Resources, Labour and Employment (lead); Education; Finance; Health and Community Services; Innovation, Trade and Rural Development; Justice; and Labrador and Aboriginal Affairs.

(47) Government of Newfoundland and Labrador, *Reducing Poverty: An Action Plan for Newfoundland and Labrador*, June 2006, p. 10.

(48) Government of Newfoundland and Labrador (2005), *Reducing Poverty in Newfoundland and Labrador*, p. 1, <http://www.hrle.gov.nl.ca/hrle/publications/povertydiscussion/Default.htm>.

(49) Government of Newfoundland and Labrador (2006), *Reducing Poverty: An Action Plan*, p. 3.

In 2005, the latest data available on the after-tax LICO indicated that 8.6% of people were living on low incomes in the province of Newfoundland and Labrador. The prevalence of low income among unattached individuals under 65 years of age was much higher, at 38.6%, and differed considerably between males and females (35.1% and 43.8% respectively). Children were also particularly affected by poverty, as almost 11% lived in low-income families. The prevalence of low income among children living in female lone-parent families was much higher, at 30.5%.<sup>(50)</sup>

#### **D. Action Plan**

To prevent, reduce and alleviate poverty, the government decided on a comprehensive, integrated and multi-faceted approach that addresses “the connections between poverty and gender, education, housing, employment, health, social and financial supports, and tax measures, as well as the link between women’s poverty and their increased vulnerability to violence.”<sup>(51)</sup> Building on a series of initiatives announced in Budget 2005 and Budget 2006, the government announced in its 2006 action plan that it would improve access and coordination of services for those living on low incomes, establish a stronger social safety net, improve earned incomes, increase emphasis on early childhood development, and take action to achieve a better-educated population.<sup>(52)</sup> A number of initiatives will be undertaken to fulfil these four goals, including tax reductions for low-income individuals and families; measures to enhance both the supply of and demand for labour; increased social and financial supports; increased access to affordable housing; improved access to health programs and other essential services; enhanced justice system supports; and actions to strengthen early learning and child care programs, improve the primary and secondary school system, and provide greater access to post-secondary education, literacy, and adult basic education.<sup>(53)</sup>

---

(50) Statistics Canada, Percentage of persons in low income, Low income cut-offs after tax, 1992 base, Newfoundland and Labrador, CANSIM Table 202-0802, [http://cansim2.statcan.ca/cgi-win/cnsmcgi.exe?Lang=E&RootDir=CII/&ResultTemplate=CII/CII\\_&Array\\_Pick=1&ArrayId=2020802](http://cansim2.statcan.ca/cgi-win/cnsmcgi.exe?Lang=E&RootDir=CII/&ResultTemplate=CII/CII_&Array_Pick=1&ArrayId=2020802).

(51) Government of Newfoundland and Labrador, *Budget Speech 2005*, 21 March 2005, p. 25, [http://www.budget.gov.nl.ca/budget2005/speech\\_1.htm](http://www.budget.gov.nl.ca/budget2005/speech_1.htm).

(52) Government of Newfoundland and Labrador (2006), *Reducing Poverty: An Action Plan*, p. 15.

(53) *Ibid.*, pp. 16-22.

The action plan also includes a commitment to consult regularly and engage in an ongoing dialogue with community-based agencies involved in poverty reduction activities and with individuals living in poverty to ensure that programs and policies move the government's poverty reduction strategy forward. Working in collaboration with the federal government is also a priority. The action plan identifies a number of areas in which the federal and provincial government could work together: income tax-related issues, Aboriginal people, people with disabilities, affordable housing, the creation of a new Labour Market Development Agreement, child benefit programs, student loan programs, and literacy programs.<sup>(54)</sup>

### **E. Current Funding and Future Assessments**

Budget 2006 committed over \$30.5 million in 2006-2007 to develop and implement an integrated package of 20 initiatives aimed at reducing poverty in Newfoundland and Labrador, and \$64 million annually thereafter.<sup>(55)</sup> Budget 2007 promised an additional \$28.9 million for the poverty reduction strategy, for a total annualized investment of over \$91 million.<sup>(56)</sup>

Progress on the implementation of the government's action plan will be monitored over the next four years, and an assessment of its impact on reducing poverty and promoting social inclusion will be conducted at the end of this period.

---

(54) Ibid., pp. 13-15.

(55) Ibid., p. 16.

(56) Government of Newfoundland and Labrador, *Budget 2007*, Budget highlights, 26 April 2007, <http://www.budget.gov.nl.ca/budget2007/highlights.htm>.