

Senator Pate Speaking Notes – Bill C-17

December 9, 2020

The federal government’s response to the COVID-19 pandemic so far—including the measures set out in the Supplementary Estimates (B)—has repeatedly emphasized the importance—in human, health and economic¹ terms—of addressing economic marginalization and inequality as part of a successful post-pandemic recovery.

Over the past nine months, COVID-19 has hit hardest those most marginalized, those most systemically excluded, and those with the least. Indeed, the Fall Economic Statement stressed, “recent data from Toronto Public Health shows that people with lower income levels and racialized communities experience higher rates of both contracting and being hospitalized for COVID-19 ... Black, Latin American, Arab, Middle Eastern or West Asian people are at least seven times more likely to contract COVID-19 than non-racialized people in the city.

¹ <https://www.budget.gc.ca/fes-eea/2020/report-rapport/toc-tdm-en.html>: “Income support through the Canada Emergency Response Benefit, which covered millions of Canadian workers ineligible for other income supports, meant that Canadian workers were not forced to choose between public health directives and paying the bills. This stabilized overall demand for goods and services, removing the anxieties of consumers and businesses worried about being able to meet their basic needs and payments. In addition to direct effects, there are substantial indirect benefits for business and household confidence.”

Across Canada, Statistics Canada data shows that communities with the highest numbers of racialized Canadians had the highest mortality rates during the first wave of the pandemic.”²

While COVID-19 is an unprecedented situation, the stark link between income and health highlighted by this pandemic -- however devastating – is not new.

Over the past nine months, we have witnessed how providing direct income support to people benefits not merely those in need, but all of us. Income support measures like the Canada Emergency Response Benefit helped some Canadians to be able to afford to stay home from work, follow public health guidelines, get the supplies and treatment they needed, and keep themselves, their families and all of us safe.

The CERB and other direct support to individuals during the pandemic have also helped the economy. It helped to stabilize demand for goods and services³ and sustain a rebound in commercial spending.⁴

²<https://www.budget.gc.ca/fes-eea/2020/report-rapport/toc-tdm-en.html>: “Tragically, COVID-19 is having the worst impact on our most vulnerable and those already facing greater health inequities. Indigenous peoples are at increased risk. Our elders have suffered the most severe cases and face the highest mortality rate. And, recent data from Toronto Public Health shows that people with lower income levels and racialized communities experience higher rates of both contracting and being hospitalized for COVID-19. Another report found that, in Toronto, Black, Latin American, Arab, Middle Eastern or West Asian people are at least seven times more likely to contract COVID-19 than non-racialized people in the city. Across Canada, Statistics Canada data shows that communities with the highest numbers of racialized Canadians had the highest mortality rates during the first wave of the pandemic.”

This should come as no surprise. Canada is deriving economic benefit as a result of guaranteed-income type measures such as the Canada Child Benefit, whose economic contributions represent 2.1% of Canada’s total GDP and which generates \$1.97 in economic activity for every dollar disbursed to families, in addition to keeping 277,000 families out of poverty.⁵

As the report just issued by the Canadian Centre for Economic Analysis emphasized, a national guaranteed livable income, if adopted, would, in five years,

³ **Fall Economic Statement** <https://www.budget.gc.ca/fes-eea/2020/report-rapport/toc-tdm-en.html>: Income support through the **Canada Emergency Response Benefit**, which covered millions of Canadian workers ineligible for other income supports, meant that Canadian workers were not forced to choose between public health directives and paying the bills. **This stabilized overall demand for goods and services, removing the anxieties of consumers and businesses worried about being able to meet their basic needs and payments. In addition to direct effects, there are substantial indirect benefits for business and household confidence**³

⁴ **Fall Economic Statement:** While many Canadians continue to face challenges as a result of unemployment or reduced income, there are signs that, overall, government transfers have meant that many Canadian households were able to avoid taking on debt during in the first half of 2020. This factor, combined with reduced spending opportunities, actually led many people to substantially increase their savings, a feature of this recession that is **unlike others** (Chart 2.17). These savings helped fuel a quick rebound in retail and consumer spending over the summer and fall. ... More important than just sustaining the rebound in consumer spending for the economy, this positions households to be a central force within our economic recovery. These savings are a **preloaded stimulus** Canadians will be able to deploy once the virus is vanquished and the economy fully reopens. And, as a result of meaningful government support, vulnerable Canadian workers—a group typically with limited savings—who experienced pandemic-related unemployment, did not, in aggregate, take on additional debt just to pay for essentials

⁵ <https://www.cancea.ca/CCB> “families who receive CCB income contribute economic activity by spending this additional income according to their needs. In so doing, they increase the demand for certain goods and services, which creates ripples throughout the economy through indirect and induced effects. To fulfil the larger demand generated by the CCB, some businesses require more staff and workers, for example, additional store clerks, truck drivers, and supply chain managers. The industries and sectors of the economy which benefit the most from CCB-induced spending depend on the expenditure patterns of recipient families.”

contribute from 1.6 to 2.4% of Canada's total GDP, create between 300,000 and 450,000 more jobs, and lift at least 3.2 million families out of poverty.⁶

The Fall Economic Statement cautions that “traditional economic measurements such as gross domestic product (GDP) alone do not give a full picture of Canadians’ quality of life,” acknowledging that COVID-19 recovery requires “thinking holistically about factors like health and mental health, communities and culture, safety and human rights, job quality and opportunity. It also means thinking inclusively about the distribution of outcomes.”⁷ The report concludes that “[i]nequality makes our economy less resilient which is why a robust and complete recovery must leave no one behind.”⁸

All of us stand to benefit when we move forward together and refuse to leave others behind. It is painfully clear that the COVID-19 responses encapsulated in

⁶ Canadian Centre for Economic Analysis, Potential Economic Impacts and Reach of Basic Income Programs <https://www.cancea.ca/publications/ubi>

⁷ **Fall Economic Statement:** The July Economic and Fiscal Snapshot noted that traditional economic measurements such as gross domestic product (GDP) alone do not give a full picture of Canadians’ quality of life, and that the government is already incorporating broader quality of life measurements into decision-making. ... This means thinking holistically about factors like health and mental health, communities and culture, safety and human rights, job quality and opportunity. It also means thinking inclusively about the distribution of outcomes. And it means thinking about the long-term impact of decisions we make today on our future prosperity and way of life, including our green transformation.

⁸ **Fall Economic Statement,** <https://www.budget.gc.ca/fes-eea/2020/report-rapport/toc-tdm-en.html>: Inequality makes our economy less resilient which is why a robust and complete recovery must leave no one behind. Our recovery must be feminist and intersectional. This means ensuring that young people have opportunities to gain skills and work experience, that all Canadians have a roof over their heads, that women in all their diversity participate fully in our economy, that lost opportunities for racialized Canadians and Indigenous peoples are restored, and that all communities have the 21st century infrastructure people need

the Supplementary Estimates and summarized in the Fall Economic Statement do in fact leave people behind. Worse still, despite many promises, the government has yet to provide adequate supports to more than 3.5 million people in Canada⁹—those living below the poverty line.

Those with the least have been excluded from income support measures like the CERB and enhancements to EI. Only those who have earned at least \$5,000 per year qualify for the CERB or its successors.¹⁰ Unintuitively—outrageously, incomprehensibly—this has created a system where, in a time of need and crisis, emergency income support systems are actually turning people away on the grounds that they have **too little**. They do not have enough income to qualify for help. Colleagues, this is wrong and we should not once again turn away because the government continues to say **not yet**.

In most provinces and one territory, income supports like the CERB have been clawed back from those on social or disability assistance who do qualify for them.¹¹ For those who do not qualify, the alternative is to try to weather a pandemic on social or disability assistance that—in every provincial and territorial

⁹ <https://globalnews.ca/news/6590433/statistics-canada-poverty-report-2020/> “Statistics Canada said its proposed new formula for calculating poverty would increase the rate by 2.3 percentage points and bump the number of Canadians considered to be living in poverty from just under 3.2 million to almost four million.”

¹⁰ https://www.pbo-dpb.gc.ca/web/default/files/Documents/LEG/LEG-2021-043-S/LEG-2021-043-S_en.pdf

¹¹ <https://maytree.com/wp-content/uploads/Policy-Backgrounder-CERB-interactions24Aug2020.pdf>

jurisdiction—is not merely too meagre to meet basic needs – it is criminally low and us passing these estimates make us complicit.

Colleagues, among the more than 3.5 million people who are still waiting are:

- those—disproportionately women and racialized people—who lost a job and were not eligible for EI prior to the pandemic or who were working multiple, inadequately waged gigs but still not able to make \$5,000;
- People who were in the process of starting new businesses or who were self-employed, living contract to contract, in fields such as the arts;
- Seniors in need who applied for the CERB which will then result in decreased amounts they will receive through the guaranteed income supplement in the future;
- People—especially women and racialized women—who, pre-COVID, were doing unpaid work caring for children, elderly or loved ones with disabilities;
- People with undiagnosed disabilities themselves, or who were not working while in hospitals or in recovery
- People who could not, before COVID-19, afford the transportation, childcare or clothing to look for work

- People not working because they are unable to afford to lose the pharma care benefits provided through social assistance programs.

Of a \$407 billion¹² COVID-19 response plan those with the very least have at most perhaps received a one-time payment of \$400, and only then if they were on the CRA rolls and registered for the GST tax credit.¹³

Conversely, during the pandemic, the total wealth of Canada's 20 richest -- already billionaires -- has grown by at least \$37 billion,¹⁴ while 1 in 5 households with children have become food insecure.¹⁵ At the outset of the pandemic, those who were low-wage workers were more likely to have lost work—a 38% decline in employment compared to 13% for higher waged workers; and a 41% decline for women low-wage workers in particular.¹⁶

¹² <https://www.budget.gc.ca/fes-eea/2020/report-rapport/toc-tdm-en.html>

¹³ <https://www.budget.gc.ca/fes-eea/2020/report-rapport/toc-tdm-en.html>

¹⁴ Hemingway, A. and Rozworski, M. (2020) Polycynote. Canadian billionaires' wealth skyrocketing amid the pandemic, cited in Office of The Honourable Rosa Galvez, Building Forward Better: A Clean and Just Recovery from the COVID-19 Pandemic White Paper (November 2020)

¹⁵ **Fall Economic Statement:** In early May, almost 1 in 7 Canadians (15 per cent) reported that they lived in a household where there was food insecurity in the past 30 days. Households with children were more likely to be food insecure (19 per cent) than households without children (12 per cent). Prior to the pandemic, lone-parent households, especially loneparent households headed by women, were particularly at risk of food insecurity. For example, in 2017-18, 9 per cent of all households suffered from food insecurity, while 25 per cent of woman-headed lone parent households faced moderate to severe food insecurity

¹⁶ **Fall Economic Statement:** Early labour market impacts from COVID-19 were more strongly felt among low-wage workers, with a 38 per cent decline in employment between February and April, compared to 13 per cent for all other employees. Women low-wage workers (41 per cent) fared worse than men low-wage workers (34 per cent). Very recent immigrants (five years or less) were also strongly affected, with employment declining 23 per cent from February to April, compared to 14 per cent for those born in Canada

For those most marginalized and in precarious or service-delivery and hospitality sectors, their low-paying jobs have been slower than other jobs to re-emerge¹⁷ and less likely to be able to be accomplished through telework.¹⁸

Colleagues, just because the stigma and lack of resources render so many below the poverty line of limited significance in the other place does not **allow** us to **also** render them voiceless. We have an obligation to represent minority interests, so let's do our job.

We need measures to ensure that all make it through this crisis **and** to counter increasing economic inequality and marginalization that amplifies vulnerability to this continuing crisis, and future waves of this or the next health, environmental or economic crisis.

Last April, 50 of us joined together to call for the evolution of the CERB into a guaranteed livable basic income, accessible to all in need.¹⁹ In July, the Senate

¹⁷ **Fall Economic Statement:** the rebound has been uneven and partial. Higher-wage workers in sectors such as tech and professional services to finance and public service, and who tend to be able to work from home have experienced less job loss or have even seen employment rebound to levels higher than before the pandemic. Meanwhile, lower-wage workers in industries still affected by public health restrictions and weaker demand due to COVID-19 – including hotels, travel, entertainment and restaurants – are facing shortened hours or unemployment

¹⁸ **Fall Economic Statement:** Remote work is out of reach for many Canadians, reflecting a range of barriers and generally lower feasibility for telework in lower-wage jobs and for some health care workers on the front lines of the pandemic. Adoption of remote work is much less common in rural areas, and for youth (Chart 3.7). A recent study from Statistics Canada found that financially vulnerable workers, including persons with lower educational attainment, and low-income families, are less likely to be found in jobs that can more easily be done from home

National Finance Committee, called for priority consideration of a guaranteed basic income program.²⁰ Not only would such a measure allow people to definitively leave poverty behind, the Parliamentary Budget Officer²¹ and the then governor of the Bank of Canada²² were just two among the chorus of experts emphasizing that such a measure could better position Canada to respond to the next emergency we face.

As we near the holidays, the winter and the end of 2020, the devastating impact of the pandemic continues with no – as in zero, none, zilch -- support measures on the horizon for those who need them most.

The federal government has been clear that Canada's COVID-19 response cannot afford to leave anyone behind.

For nine months we have urged measures that would make that true and instead we have watched program after program roll out ignoring the more than 3.5 million people in most desperate need.

¹⁹ https://sencanada.ca/media/366255/senpate_open-letter_2020-04-21_canadian_emergency_response_benefit_e.pdf

²⁰ https://sencanada.ca/media/366255/senpate_open-letter_2020-04-21_canadian_emergency_response_benefit_e.pdf

²¹ <https://sencanada.ca/en/Content/Sen/Committee/431/NFFN/12ev-54982-e>

²² <https://www.ctvnews.ca/politics/cerb-like-tool-could-help-canada-respond-to-future-economic-shocks-polo-1.4949014>

Some might say that a pandemic is not the time to risk bold change for the better. If not now, when inequality and marginalization have disproportionately pushed poor people – many of whom are women, racialized and living with disabilities – to the brink of illness and death—**if not now, then when?**

We have seen the government make bold changes quickly through measures like the CERB, to assist in protecting middle class folks from being plunged into poverty. We need equally bold measures to ensure that the working poor and others struggling to survive in poverty are provided with measures that allow them to not merely climb out but to emerge from and rebound from poverty.

To the credit of the government, Bill C-17 contains \$20 billion dollars of spending to fund laudable measures to fight COVID-19 and protect many of those living in Canada. However, because the COVID-19 response has continually and systemically left out those most in need, these measures come to us at the expense of and therefore on the backs of those most marginalized. We should not let this happen.

For too long we have lamented and empathized with the plight of those living below the poverty line while spending on programs that do not allow them to get out of poverty, or worse entirely leave them behind. We have a chance to make a difference for them.

What I am asking of us, colleagues, is a bold but vital step. As unelected Senators, it is not within our power to legislate the kind of spending that we would like to see. As the chamber of sober second thought, however, it is our duty to keep a clear and unflinching eye on the long-term best interests of Canada, in particular for the marginalized groups that we are mandated to represent.

We cannot in all good conscience leave it too late to build guard rails for the more than 3.5 million Canadians plummeting off the cliff into the chasm of poverty.

I therefore move, in amendment:

That the motion be amended by deleting all the words after the word “That” and substituting the following therefor:

“Bill C-17, An Act for granting to Her Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2021, be not

now read a second time because the Senate is of the view that it does not include sufficient expenditure to reduce the effects of poverty in Canada, which is currently experienced by more than three and a half million people whose lives have been disproportionately affected by the COVID-19 pandemic, including high infection rates and ensuing serious illness and death.”