



Quebec – Government Action Plan to Foster Economic Inclusion and Social Participation 2017-2023

May 29, 2019

Ministry of Labour, Employment and Social
Solidarity
Social Solidarity and Strategic Analysis
Sector

OUTLINE OF PRESENTATION



- **Overview of *Act to Combat Poverty and Social Exclusion***
- **Government Action Plan to Foster Economic Inclusion and Social Participation 2017-2023:**
 - Lift over 100,000 people out of poverty
 - Introduce a basic income for Quebecers with a severely limited capacity for employment
 - Improve living conditions for people at risk or living in poverty

OVERVIEW OF ACT TO COMBAT POVERTY AND SOCIAL EXCLUSION (ACT)

- Passed unanimously by the Quebec National Assembly in 2002, the Act:
 - Provides a definition of poverty (s. 2) and identifies goals (s. 6), orientations (s. 7 to 12), stakeholders (s. 5), and follow-up and reporting mechanisms (s. 21 and 58);
 - Requires that a government action plan be in effect at all times (s.13);
 - Establishes the Quebec Fund for Social Initiatives (s. 46 to 57).
- Section 4 of the Act sets a target for combatting poverty and social exclusion:
 - “The national strategy is intended to progressively make Quebec, by 2013, one of the industrialized nations having the least number of persons living in poverty, according to recognized methods for making international comparisons.”
- The third action plan gave Quebec an opportunity to think about ways of achieving the target identified in the Act.

GOVERNMENT ACTION PLAN TO FOSTER ECONOMIC INCLUSION AND SOCIAL PARTICIPATION 2017-2023

- Released on December 10, 2017
- Investments of nearly \$3G
- 4 thrusts:

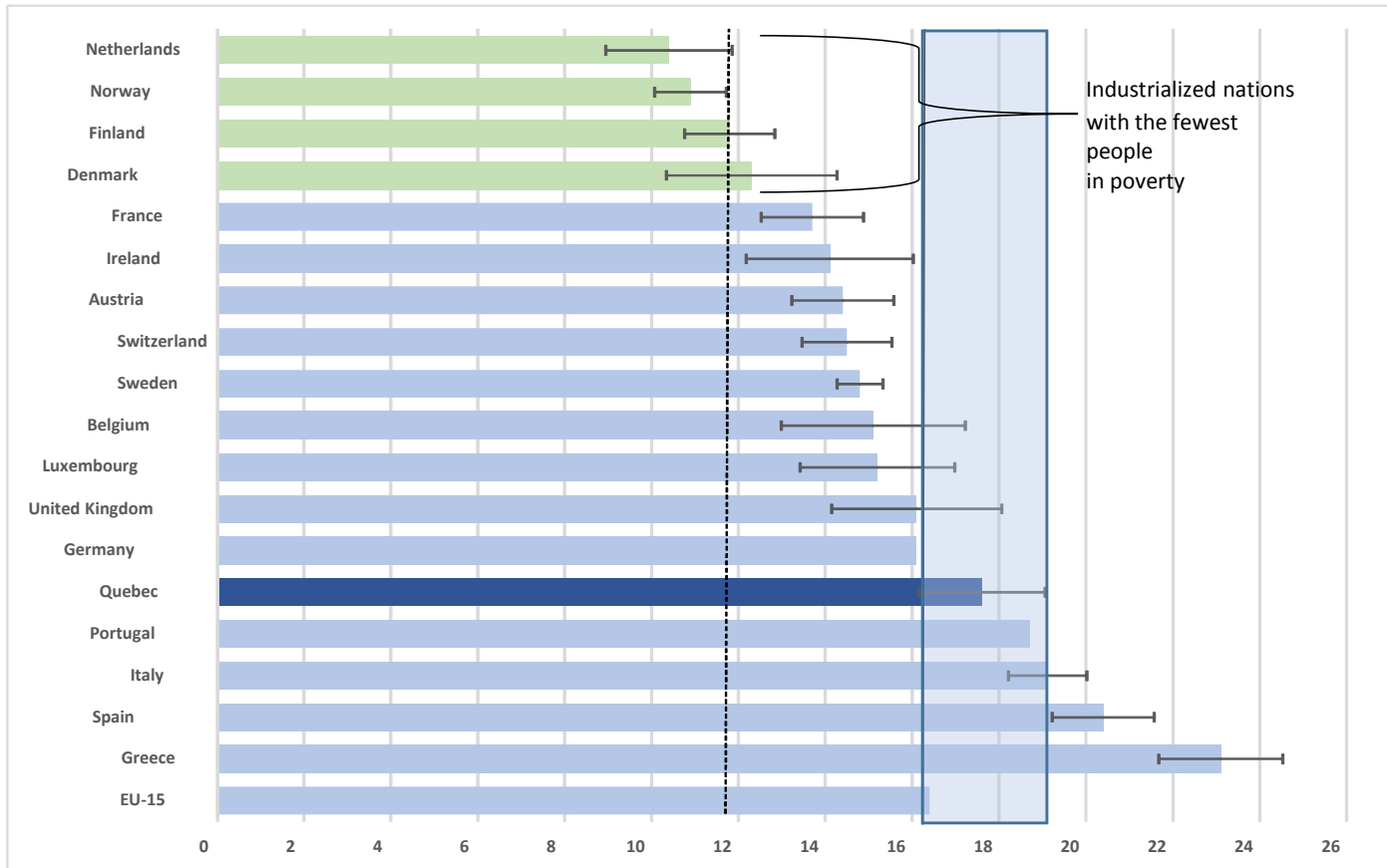
		Investments 2017-2023 (\$M)
1st thrust	Lift over 100,000 people out of poverty and increase the incomes of people living in poverty	\$2,325.2
2nd thrust	Invest to improve social housing	\$286.03
3rd thrust	Encourage the social participation of low-income individuals and families, and mobilize communities	\$379.3
4th thrust	Research and assessment	\$3.4
	TOTAL	\$2,993.9

- 43 new or improved measures and actions
- 18 proponent ministries and organizations

GOVERNMENT ACTION PLAN TO FOSTER ECONOMIC INCLUSION AND SOCIAL PARTICIPATION 2017-2023

Situation in Quebec in 2013

Personal Low-Income Rate (60% LIM) for Selected European Countries and Quebec with a 95% Confidence Interval Estimate, 2013



Source: Statistics Canada, Canadian Income Survey: Public Use Microdata, EU Statistics on Income and Living Conditions (EU-SILC). Canada (including Quebec) ranks between Spain and Greece.

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Achievement of target in Act

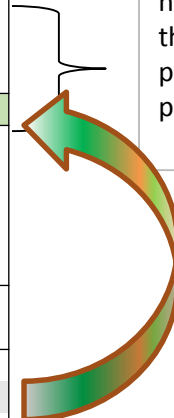
- Quebec ranks in the middle of the lead group when it comes to the fight against poverty.
- To achieve the target of progressively joining the ranks of the industrialized nations with the fewest people living poverty, an analysis of Quebec's international ranking indicates that the province would have to:
 1. Reduce the province's low-income rate by 1.4 percentage point;
 2. Doing so would entail lifting over 100,000 people out of poverty;
 3. This estimate takes into account the Canada Child Benefit (-0.4 p.p.) without which the low-income rate would have had to fall by 1.8 percentage points.
- With a 1.4-percentage-point reduction in the low-income rate, Quebec would join Norway, the Netherlands, Denmark, and Finland and achieve the Act's goal.

GOVERNMENT ACTION PLAN TO FOSTER ECONOMIC INCLUSION AND SOCIAL PARTICIPATION 2017-2023

Personal Low-Income Rate (threshold of 60% of median after-tax income), EU-15 members, Norway, Switzerland, and Quebec, 2013

Country	Low-Income Rate	Low Limit 95%	High Limit 95%
Block 1: Group of nations with the fewest people in poverty (low-income rate between 8.9% and 15.3%)			
Netherlands	10.4	8.9	11.9
Norway	10.9	10.1	11.7
Finland	11.8	10.8	12.8
Denmark	12.3	10.3	14.3
France	13.7	12.5	14.9
Ireland	14.1	12.2	16.0
Austria	14.4	13.2	15.6
Switzerland	14.5	13.5	15.5
Sweden	14.8	14.3	15.3
Block 2: Group of nations with more people in poverty (low-income rate between 13% and 20%)			
Belgium	15.1	13.0	17.2
Quebec with this plan	15.8	14.3	17.3
Luxembourg	15.9	15.9	15.9
United Kingdom	16.1	14.1	18.1
Germany	16.1	N/A	N/A
Quebec	17.6	16.1	19.1
Portugal	18.7	N/A	N/A
Italy	19.1	18.2	20.0
Block 3: Group of countries with the most people in poverty (low-income rate between 19.2% and 24.5%)			
Spain	20.4	19.2	21.6
Canada	20.9	N/A	N/A
Greece	23.1	21.7	24.5
EU-15	16.4	N/A	N/A

Industrialized nations with the fewest people in poverty



Sources: Statistics Canada, Canadian Income Survey: Public Use Microdata File; EU Statistics on Income and Living Conditions (EU-SILC)



How will meeting the target of lifting over 100,000 people out of poverty be assessed?

- The number of people lifted out of poverty will be measured by means of a simulation that determines what the low-income rate would have been had these measures to increase disposable income not been put in place.
- The amounts resulting from these measures will therefore be subtracted from the income of family units eligible for these measures so the government can determine what their disposable income would have been had they not benefited from these measures.
- Without the effects of these measures, certain family units would find themselves under the poverty threshold.
- A “simulated” low-income rate will therefore be calculated using this new income variable.

GOVERNMENT ACTION PLAN TO FOSTER ECONOMIC INCLUSION AND SOCIAL PARTICIPATION 2017-2023



How will this be done?

		Number of People Lifted out of Poverty
MEASURES PROPOSED IN THE ACTION PLAN		
Thrust 1.1	Increase the disposable income of people living in poverty	73,000
Thrust 1.2	Increase disposable income and create conditions favourable to labour market participation	12,000
Thrust 1.3	Assist Quebecers in gaining access to training and employment	15,000
Subtotal	Number of Quebecers who will be lifted out of poverty as a result of implementation of the action plan	100,000
OTHER ACTIONS		
	Increases in the minimum wage (2017 to 2020)	22,000
	Economic conditions conducive to job creation	40,000
Subtotal	Number of Quebecers who will be lifted out of poverty as a result of increases in the minimum wage or favourable economic conditions	62,000
Total	Quebecers lifted out of poverty	162,000

MEASURE 1: A FIRST BASIC INCOME

- Quebec sees employment as the best way of ensuring the economic self-sufficiency of Quebecers.
- However, there are some people who are unable, either by their own means or with help from existing support measures, to find and hold full-time employment providing sufficient income to reach the low-income threshold.
- This is the case for many adults with a severely limited capacity for employment who receive benefits under the Social Solidarity Program.

MEASURE 1: A FIRST BASIC INCOME

WHAT

- A monthly allowance paid to each eligible adult
- A base for meeting needs
- An income that, combined with existing income support, will make it possible for individuals to have a disposable income equal to the MBM threshold

WHO IS ELIGIBLE?

- Adults with a severely limited capacity for employment for at least 66 of the last 72 months
- Over 84,000 adults eligible

WHY?

- Finding a job is more difficult for people who, for health reasons, have persistent socio-professional limitations

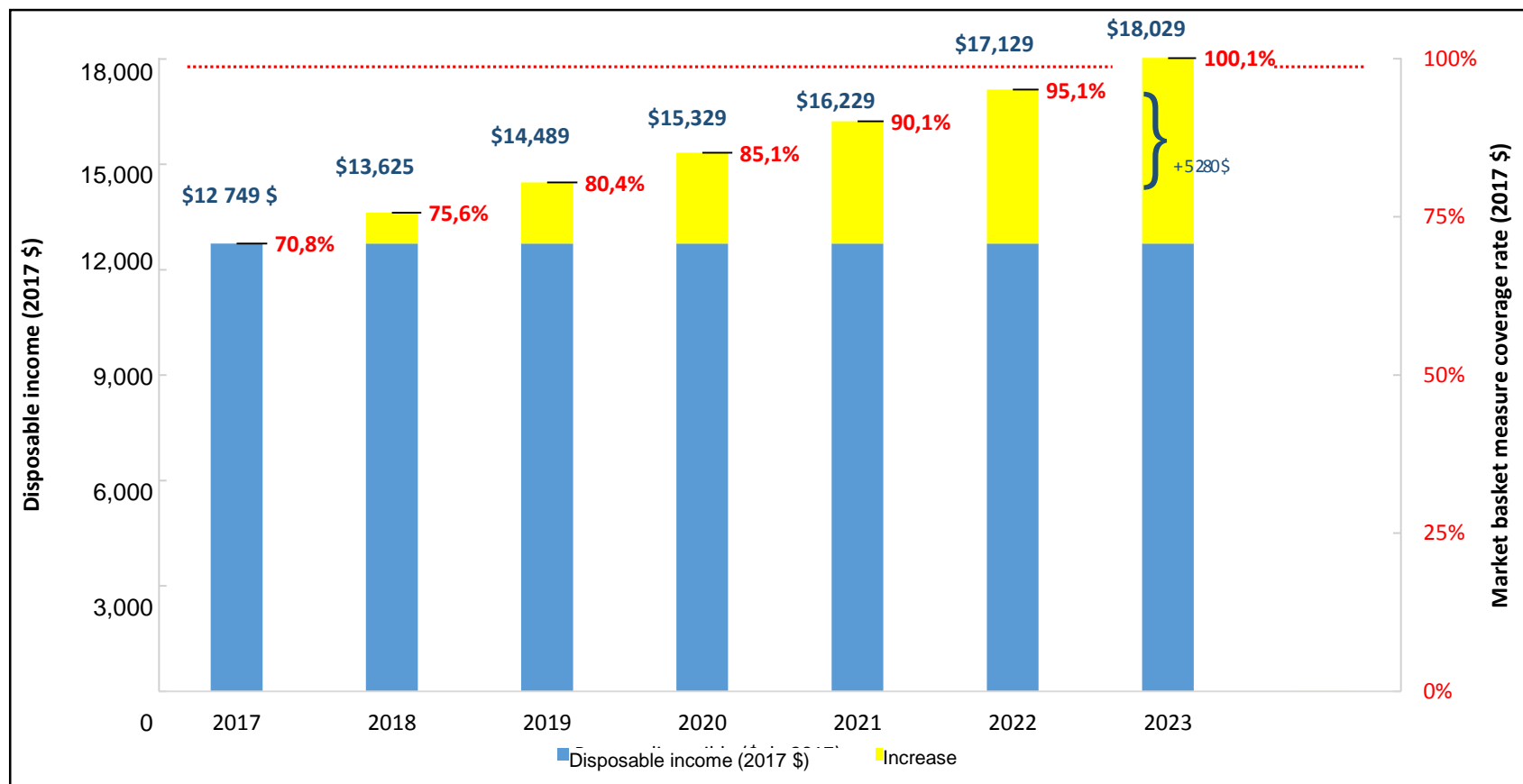
MEASURE 1: A FIRST BASIC INCOME



- Gradual, differentiated increase, starting in 2019, of the benefit for adults with a severely limited capacity for employment for at least 66 of the last 72 months.
- *Bill 173: An Act mainly to introduce a basic income for persons with a severely limited capacity for employment* was passed unanimously by the National Assembly on May 15, 2018.
- The Basic Income Program will come into effect in January 2023.

MEASURE 1: A FIRST BASIC INCOME

Impact of Introducing a Basic Income on the Disposable Income of a Single Person with a Severely Limited Capacity for Employment (in constant 2017 dollars)



Source: Ministère du Travail, de l'Emploi et de la Solidarité sociale.

GOVERNMENT ACTION PLAN TO FOSTER ECONOMIC INCLUSION AND SOCIAL PARTICIPATION 2017-2023

Since poverty is a multidimensional phenomenon, some of the measures in the plan are specifically intended to cover other aspects that are just as important as increasing disposable income, including:

- Support and assistance for gaining access to training and employment (1st Thrust)
- Improving social housing (2nd Thrust)
- Social participation and community mobilization (3rd Thrust):
 - Food security (\$40.4 M)
 - Equal opportunity (\$115.5 M)
 - Culture, recreation, and tourism (\$4.1 M)
 - A more human-centred form of justice (\$0.5 M)
 - Combatting prejudice (\$0.1 M)
 - Digital skills (\$1.8 M)
 - Support for community action (\$55.2 M)

MEASURE 11: PURSUE THE SOLIDARITY ALLIANCES INITIATIVE



Solidarity Alliances (2017-2023 / \$160.1 M)

- Approach to territorial governance that recognizes the autonomy of local and regional stakeholders when it comes to defining the needs and potential of their communities
- Approach to delegating a financial assistance fund by signing partnership agreements to combat poverty and social exclusion
- Funding based on regional population, population density, and material and social deprivation index
- Coverage of all Quebec
- Promotion of the social participation of people living in poverty or social exclusion in the process

CONCLUSION

- Increasing disposal income is a central thrust of the Government Action Plan to Foster Economic Inclusion and Social Participation
- Introduction of a first basic income in 2023
- Gradual, differentiated increase, starting in 2019, of the benefit for adults with a severely limited capacity for employment for at least 66 of the last 72 months
- Several other measures also reflect the multidimensional nature of poverty
- Targets and performance indicators associated with each action and measure in the Government Action Plan to Foster Economic Inclusion and Social Participation



Government Action Plan to Foster Economic Inclusion and Social Participation 2017-2023

https://www.mess.gouv.qc.ca/publications/pdf/ADMIN_plan_action_2017-2023_en.pdf

Centre d'étude sur la pauvreté et l'exclusion sociale

https://www.mtess.gouv.qc.ca/cepe/index_en.asp



QUESTIONS AND DISCUSSION PERIOD