

GOVERNMENT ACTION PLAN TO COMBAT POVERTY AND SOCIAL EXCLUSION 2004–2009

THIRD-YEAR PROGRESS REPORT

October 2007

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WORD FROM THE MINISTER

I am pleased to present this third-year progress report on the implementation of the 2004-2009 Government Action Plan to Combat Poverty and Social Exclusion, entitled *Reconciling Freedom and Social Justice: A Challenge for the Future*. The government action plan flows from the National Strategy to Combat Poverty and Social Exclusion and is aimed at applying the *Act to combat poverty and social exclusion*. This law guides the government's efforts in this area and sets Québec society the ten-year challenge of becoming one of the world's industrialized nations with the smallest number of people struggling with poverty and social exclusion.

With this third-year update, we have now completed half of the distance under the government action plan. I am happy to say that all of the action plan measures have now been implemented and are already generating tangible results. I am also proud to point out that the initial investment, estimated at \$2.5 billion, has been boosted to just over \$3 billion over a five-year period.

The number of adults who receive last-resort assistance has declined by 6.1%, particularly among women (decrease of 8.5%), young people under age 25 (13% reduction) and single-parent families (15.2% reduction). There are currently 20,000 fewer children who are members of families receiving last-resort assistance — a reduction of over 14% since April 2003. Despite this improvement, the economic situation of close to 120,000 children is still highly difficult. This is why families are at the heart of the government action plan. There has also been a significant improvement in the disposable income of poor families since the implementation of the action plan. For a single-parent family with a three-year child, where the parent works full-time at minimum wage, for example, disposable income has surged ahead by 23.3%. For a single-parent family receiving benefits under the Social Assistance Program, the increase has been 21.9%.

I am proud of the 10% increase in the number of new participants in job-entry measures who are members of cultural communities and visible minorities. I am also pleased by the 20% rise in the number of participants aged 50 or over in public employment services, and by the more than 12% increase in participation in measures designed to favour labour-market access for people with handicaps. These statistics are a sign of hope for thousands of people who want to live with dignity, achieve their ambitions and contribute fully to our society's socioeconomic development.

Our combat against poverty is ongoing. Education, training, employment and solidarity are at the core of sustainable solutions to fight the poverty that we are determined to eliminate. This is why we want to make employment more attractive, combat early school-leaving and social exclusion, prevent poverty and provide people with better support in enhancing their social and vocational self-reliance.

In closing, I would like to express my sincere gratitude to all of the people who have contributed on a daily basis, in their respective communities, to the major progress that we have made in eliminating poverty and social exclusion. To a very large extent, we can thank them for our success.

Sam Hamad
Minister of Employment and Social Solidarity

SUMMARY

The Government Action Plan to Combat Poverty and Social Exclusion, launched in April 2004 by the Government of Québec, comprises a series of measures designed for application over a five-year period in order to meet the objectives set forth in the *Act to combat poverty and social exclusion*. The action plan is based on a governmental, inter-sectoral approach involving all stakeholders.

By virtue of the Act, the Minister of Employment and Social Solidarity has to submit an annual report to the Government on the activities deployed as part of the action plan. Two such reports have been tabled so far at the National Assembly.

In addition to the measures implemented in 2006-2007, the current report covers the activities deployed since March 2003, i.e., further to the adoption of the Act.

POSITIVE RESULTS

The year 2006-2007 marks the start of implementation of the remaining measures provided for by the government action plan. Since April 2004 the Government has met its commitments and deployed the following measures:

- index adjustments of benefits under last-resort financial assistance programs, in January 2005, 2006 and 2007;
- increases in the minimum wage in May 2005, 2006 and 2007;
- introduction of a minimum benefit protected against any reduction due to failure to participate in job-entry measures;
- coming-into-force on January 1, 2007, of the *Individual and Family Assistance Act* and *Individual and Family Assistance Regulation*, leading to the deployment of the Social Solidarity Program and Social Assistance Program and, since April 2007, the Youth Alternative Program, which helps young people under age 25 acquire or regain personal, social and vocational self-sufficiency;
- implementation of social assistance and support programs that provide recipients with customized support for their efforts to achieve self-sufficiency and social and vocational integration;
- launch of the Jeunes en action measure;
- deployment of the Work Premium, a new tax credit accessible to households comprising low- and middle-income workers with or without children, designed to make it more appealing for people to enter, re-enter or remain in the labour market;
- coming-into-force of the new Child Assistance measure, which improves the coverage of needs for children aged under 18 and provides more generous support, particularly for low-income families;

- major investments in social and affordable housing, with the goal of 20,000 social and community housing units by 2009;
- adapted housing for people with handicaps;
- deployment of measures to encourage academic success, combat early school-leaving and facilitate social and vocational integration for young people;
- free prescription drugs for elderly people who receive at least 95% of the Guaranteed Income Supplement and for all benefit recipients under last-resort financial assistance programs;
- update of the legal aid eligibility thresholds, to allow more people to use these services;
- creation of the Comité consultatif de lutte contre la pauvreté et l'exclusion sociale;
- creation of the Centre d'étude sur la pauvreté et l'exclusion;
- creation of the Fonds québécois d'initiatives sociales, to fund community initiatives;
- deployment of an integrated territorial approach in various regions of Québec.

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1. 2006-2007 HIGHLIGHTS

Deployment of the measures set forth in the Government Action Plan to Combat Poverty and Social Exclusion was completed in 2006-2007, and certain new measures were launched during the year.

1.1 Measures to favour recipients' social or vocational integration

SOCIAL ASSISTANCE AND SUPPORT PROGRAMS

Three social assistance and support programs offer participants structured assistance and support to help them develop or maintain certain skills, attitudes and behaviours, and find ways to overcome obstacles to their socioprofessional development.

The Devenir program provides last-resort financial assistance recipients with customized support, within the framework of specific projects, to help them play a more active role in society, and prepares them during their 12-month participation to take part in a public employment service measure with the ultimate goal of entering the labour market.

The Interagir program is aimed primarily at adults who receive benefits under the Social Assistance Program or the Social Solidarity Program. It allows people for whom job entry is necessarily a long-term objective to develop or maintain skills, attitudes and behaviours that facilitate their personal growth and social integration.

The third program, Réussir, targets adults with a severely limited capacity for employment who are eligible for the Social Solidarity Program. It provides eligible individuals who attend a secondary-level educational institution in a vocational program or a postsecondary educational institution full-time or part-time with access to last-resort financial assistance to supplement the financial assistance that they receive for their studies.

YOUTH ALTERNATIVE PROGRAM

This program offers people under age 25 an alternative to last-resort financial assistance. As defined in the *Individual and Family Assistance Act*, the purpose of the Youth Alternative Program is to provide young adults who require financial assistance to meet their basic needs with support, on a voluntary basis, in order to encourage them to engage in activities enabling them to acquire or regain personal, social and vocational self-sufficiency.

The program is designed to be the preferred gateway to public employment services for young people who are eligible for or already receiving benefits under social assistance and social solidarity programs. It is based on the principle of compensation, whereby, in return for a young adult's commitment to take part in a job-entry measure, the program provides him or her with customized support and financial assistance, including a youth allowance.

JEUNES EN ACTION

Among other public employment services, young people under age 25 can take part in a new measure called Jeunes en action. It is designed for young people who are experiencing significant socioprofessional problems that prevent them from entering the labour market in the short to medium term. Jeunes en action has replaced the Solidarité jeunesse program since April 1, 2007. It helps participants develop their personal, social and vocational self-sufficiency and supports their efforts to find and keep a job, return to school or deploy a vocational project that does not involve an active employment measure.

1.2 Preventive measures

IDEO 16-17

Created under the Youth Action Strategy, IDEO 16-17 is a coaching measure for 16- and 17-year-olds, designed as an alternative to last-resort financial assistance programs for young people who run the risk of dropping out of school or who have already done so. Participants are encouraged to complete their studies. Calling on a network of community partners, the measure allows young people aged 16 and 17 to take part in a project that will help them develop their social, vocational and personal self-sufficiency and, in the longer term, enhance their feeling of belonging to their community. The Ministère de l'Emploi et de la Solidarité sociale is a collaborator in this experimental project overseen by the Secrétariat à la jeunesse.

TWO-YEAR EXTENSION OF AGIR AUTREMENT

Agir autrement (also known as New Approaches, New Solutions) is an action strategy designed to support secondary schools with students from highly underprivileged environments. Among other things, it provides each targeted school with financial and professional support, to enable the school to deploy customized measures to favour its students' academic success. The strategy was originally to have ended after five years, in 2006-2007, but the Government has agreed to extend it for another two years in order to meet its objectives and evaluate the experience.

SUPPORT FOR CHILDCARE PROVIDERS IN UNDERPRIVILEGED ENVIRONMENTS

A three-year agreement (2006-2009) between the Ministère de la Famille et des Aînés (MFA) and the Lucie and André Chagnon Foundation is designed to boost support for home childcare providers in underprivileged environments. The agreement is twofold. The first part, under the responsibility of the MFA, provides for the payment of an additional allowance for coordinating offices located in underprivileged areas. The second part, under the responsibility of the Foundation, focuses on designing a training strategy for coordinating office personnel, with a view to developing and applying best practices.

The amount of \$12.5 million (\$9 million from the MFA and \$3.5 million from the Foundation) will enable the coordinating offices to take part in efforts and activities deployed under the personnel-training section of the agreement, call on specialists (speech therapists, psychoeducators, etc.), hire professional resources to meet home childcare providers' special needs, and add resources to meet community needs.

1.3 Measures that help achieve the objectives of the combat against poverty and social exclusion, without being directly linked to the strategy

GOVERNMENT POLICY TO COMBAT RACISM AND DISCRIMINATION

Immigrants and members of visible minorities sometimes face job-entry problems that reduce their chances of financial self-sufficiency, social integration and participation in Québec society.

In the fall of 2006, with technical support from the Ministère de l'Immigration et des Communautés culturelles, the Government held a public consultation aimed at drafting a policy to combat racism and discrimination. The consultation was in keeping with the efforts deployed by the Government in recent years to facilitate the integration and full participation of citizens of all origins, by ensuring equal opportunities for all individuals and respect for differences. Development efforts are continuing in 2007-2008, with a view to preparing an integrated policy for combating racism and discrimination. An action plan should follow the new government policy.

GOVERNMENT ACTION PLAN TO PROMOTE HEALTHY LIFESTYLES AND PREVENT WEIGHT-RELATED PROBLEMS

Universal access to healthy foods at all times depends on a variety of factors, including individuals' buying power and the availability and accessibility of foods. Achieving food security for all Quebecers requires the collaboration of an array of governmental and non-governmental players, and thus requires an inter-sector action strategy.

The Government Action Plan to Promote Healthy Lifestyles and Prevent Weight-Related Problems (2006-2012) involves joint efforts by a number of government departments in areas such as food security. The plan also provides for an update of the Québec Nutrition Policy, which will be expanded to include issues such as food security.

2. GOVERNMENT ACTION PLAN: HOW MUCH PROGRESS HAVE WE MADE IN THREE YEARS?

2.1 Progress in the area of economic security

There has been a radical improvement in the living conditions of citizens in the member countries of the Organisation for Economic Co-operation and Development (OECD) over the past few decades, thanks in particular to economic growth. One of the most tangible signs of this improvement is the return to employment of millions of individuals, leading to impressive reductions in unemployment figures and the number of people reliant on social assistance programs. The same changes can be seen in Québec, where the context has improved significantly since the end of the 1990s.

The number of full-time jobs, for example, grew by 509,200 in Québec between 1996 and 2006, compared with an increase of 100,000 between 1986 and 1996. The percentage of the

population engaged in paid employment (employment rate) has also reached a record level in recent years. The same applies to full-time employment. As a result, there has been a dramatic reduction in the unemployment rate, which has been under 10% since 1999 — the longest period under this threshold in the past three decades. The unemployment rate stood at 7.6% in March 2007.¹

Combined with the improvement in the economic context, the measures that have been implemented since the adoption in December 2002 of the *Act to combat poverty and social exclusion* and the deployment in April 2004 of the government action plan have helped improve the living conditions of many people.

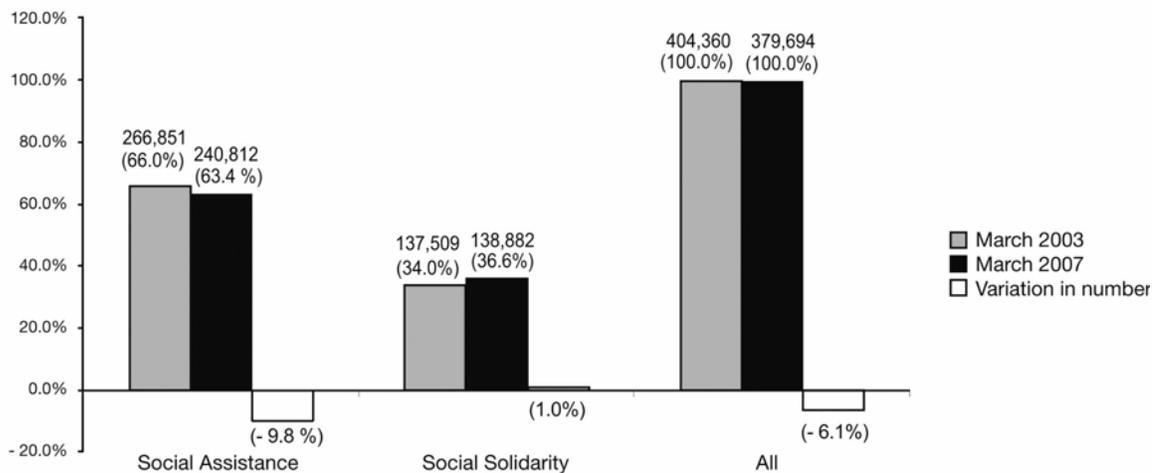
2.1.1 Last-resort financial assistance recipients

The improved economic context has also had a significant impact on the number of people who rely on last-resort financial assistance programs. Between the most recent peak, in 1996, and 2004, the number of adult recipients of last-resort financial assistance shrank by 26.6% (from 483,060 in March 1996 to 354,624 in March 2004). The number of adult recipients has continued to decline since the deployment of the government action plan, albeit at a slower pace.

Between March 2003 and March 2007, there was a 6.1% decrease in the number of adult recipients of last-resort financial assistance, which shrank from 404,360 to 379,694 (Table 1). The reduction is particularly significant among adult recipients under the Social Assistance Program, whose ranks declined by 9.8% (from 266,851 to 240,812). The number of adult recipients under the Social Solidarity Program (adults with a severely limited capacity and their spouses), on the other hand, grew by 1% (from 137,509 to 138,882).

TABLE 1

Changes in the number and breakdown of adult recipients, by last-resort financial assistance program, March 2003 and March 2007



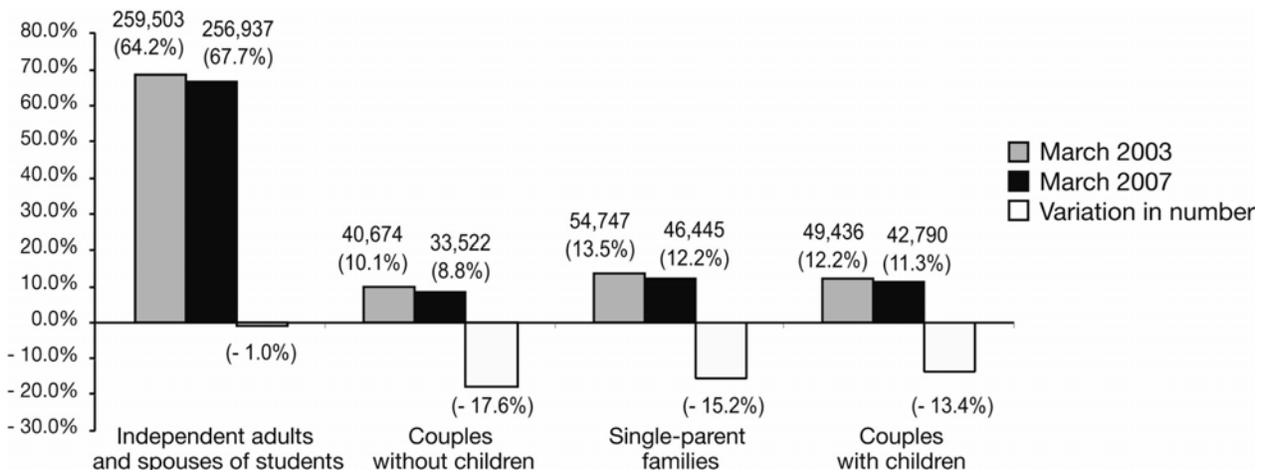
¹ Seasonally adjusted Statistics Canada figures.

The reduction in the ranks of last-resort financial assistance recipients was particularly significant for families: 15.2% fewer single-parent families received benefits in March 2007 (46,445 adults, compared with 54,747 in March 2003) and 13.4% fewer two-parent families received benefits (42,790 adults, versus 49,460 four years earlier) (Table 2). The number of childless couples receiving benefits shrank by 17.6% (from 40,674 to 33,522 adults). The number of independent adults,² on the other hand, remained relatively stable, decreasing by just 1% (from 259,937 to 256,503 adults).

The reduction in the number of family recipients has also had a significant impact on the number of child members of families receiving benefits under last-resort financial assistance programs. Indeed, the number of children in this category shrank by almost 20,000, from 139,869 to 119,939, between March 2003 and March 2007, i.e., a 14.2% reduction.

TABLE 2

**Changes in the number and breakdown of adult recipients,
by family situation,
March 2003 and March 2007**



The most significant reduction was among recipients with no limitations to their capacity for employment, with an 11.5% drop in the number of adult recipients under the Social Assistance Program. On the other hand, the number of adult recipients under the Social Solidarity Program, whose capacity for employment is severely limited, grew by 2.2%³ (Table 3). The proportion of adult recipients of last-resort assistance programs who received benefits under the Social Solidarity Program thus increased from 34% in March 2003 to 36.6% in March 2007 (Table 1).

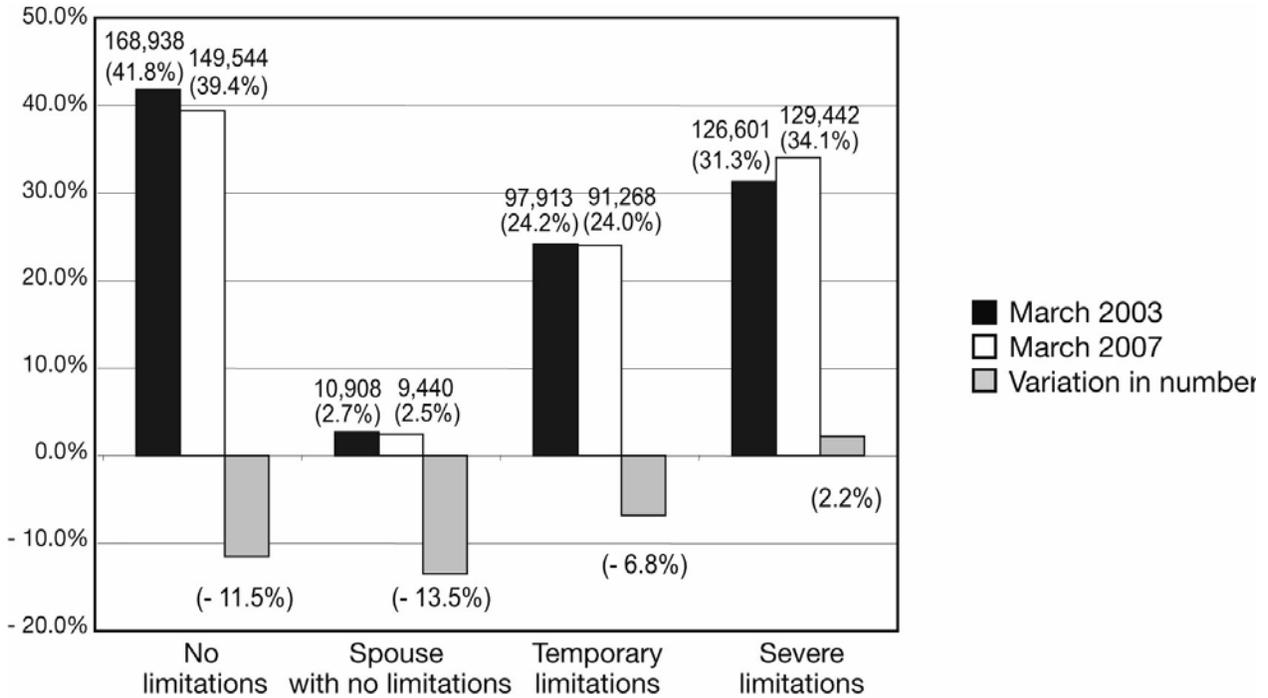
² Including spouses of students (832 adults in March 2007).

³ The difference between this 2.2% increase and the 1% indicated on the previous page, with respect to the number and breakdown of adult recipients according to the type of program, may be explained by the fact that the 2.2% figure takes into account only people with a severely limited capacity, whereas the 1% figure also includes spouses without a severely limited capacity, whose ranks have declined significantly.

This means that a growing percentage of adult recipients of last-resort financial assistance have a limited capacity for employment.

TABLE 3

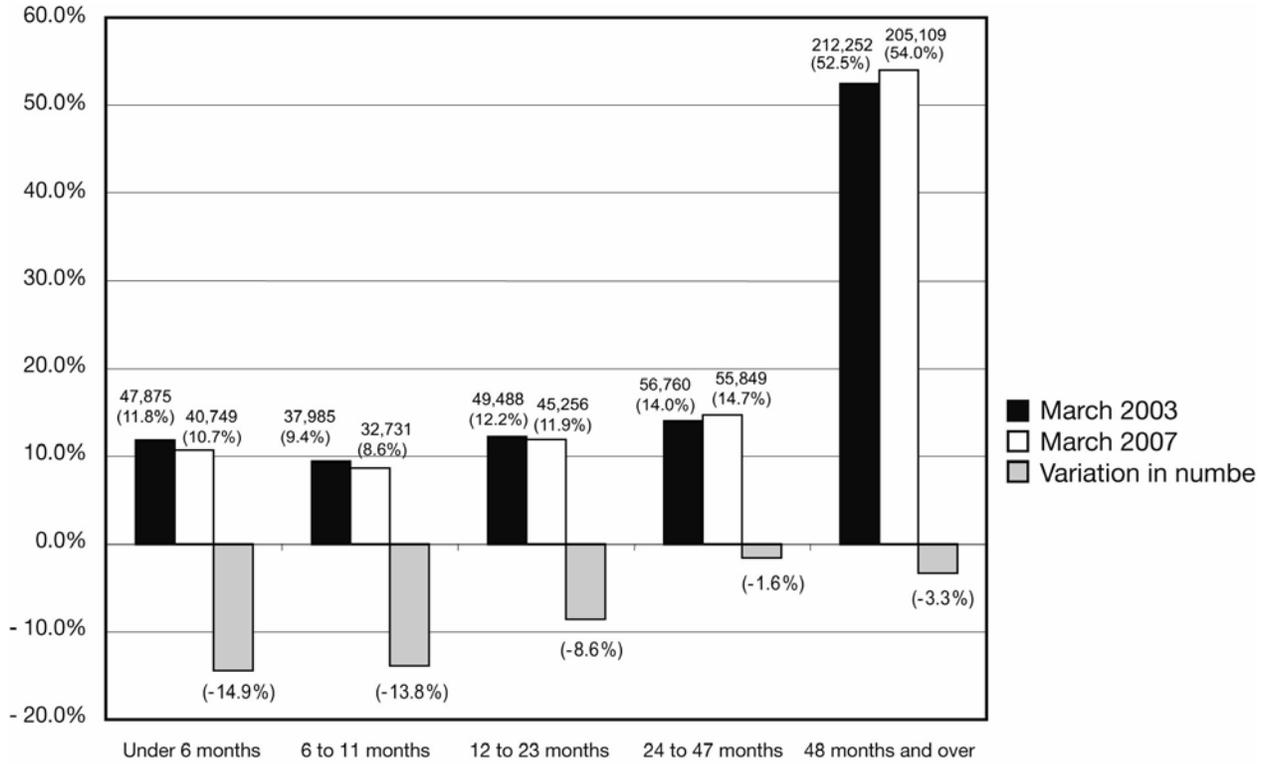
**Changes in the number and breakdown of adult recipients,
by type of limitation,
March 2003 and March 2007**



Similarly, although their ranks decreased, people who had been receiving last-resort financial assistance without interruption for four years or more accounted for 54% of all adult recipients in March 2007, compared with 52.5% in March 2003 (Table 4).

TABLE 4

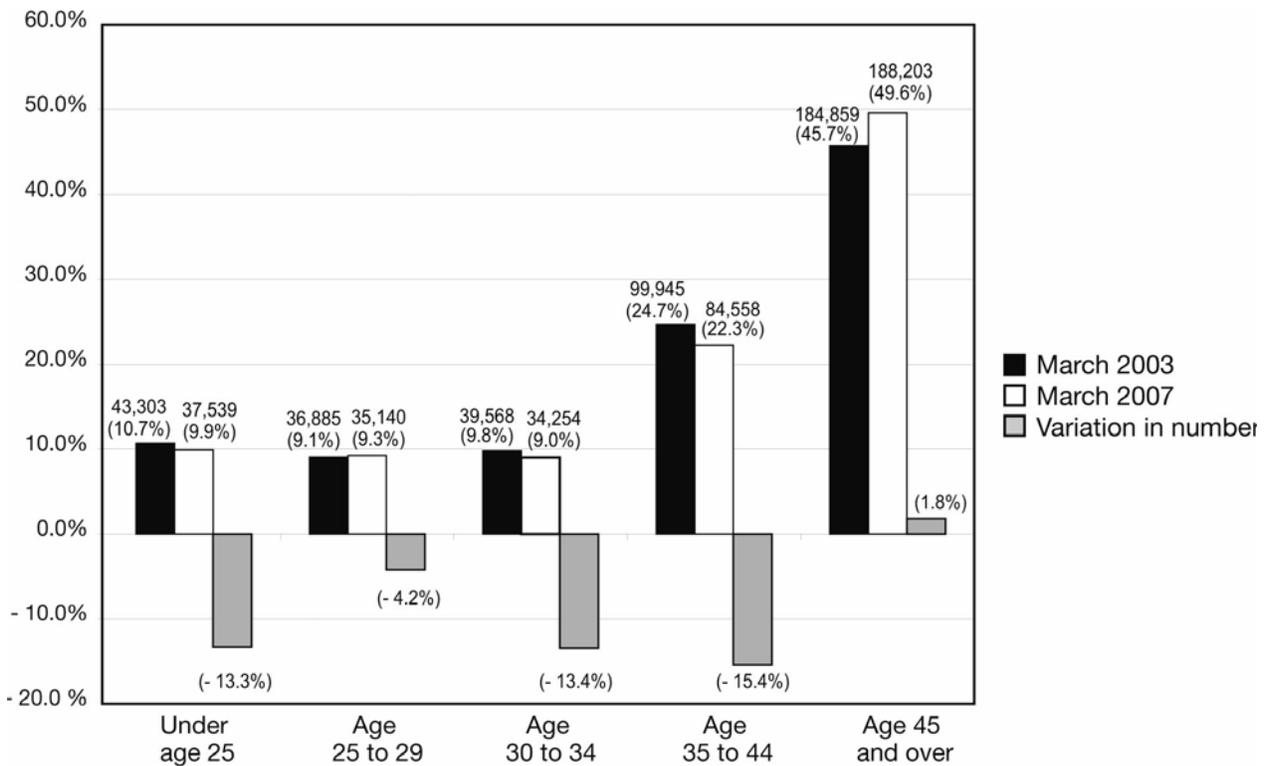
**Changes in the number and breakdown of adult recipients,
by period of uninterrupted receipt of last-resort financial assistance,
March 2003 and March 2007**



From March 2003 to March 2007, the number of adult recipients under age 45 shrank by 12.8%. There was also a 13.3% reduction in the number of adult recipients under age 25 during the same period (Table 5). On the other hand, the number of adult recipients aged 45 or over grew by 1.8% during this period, from 45.7% to 49.6% of all last-resort financial assistance recipients. This situation is a sign of the aging of the population.

TABLE 5

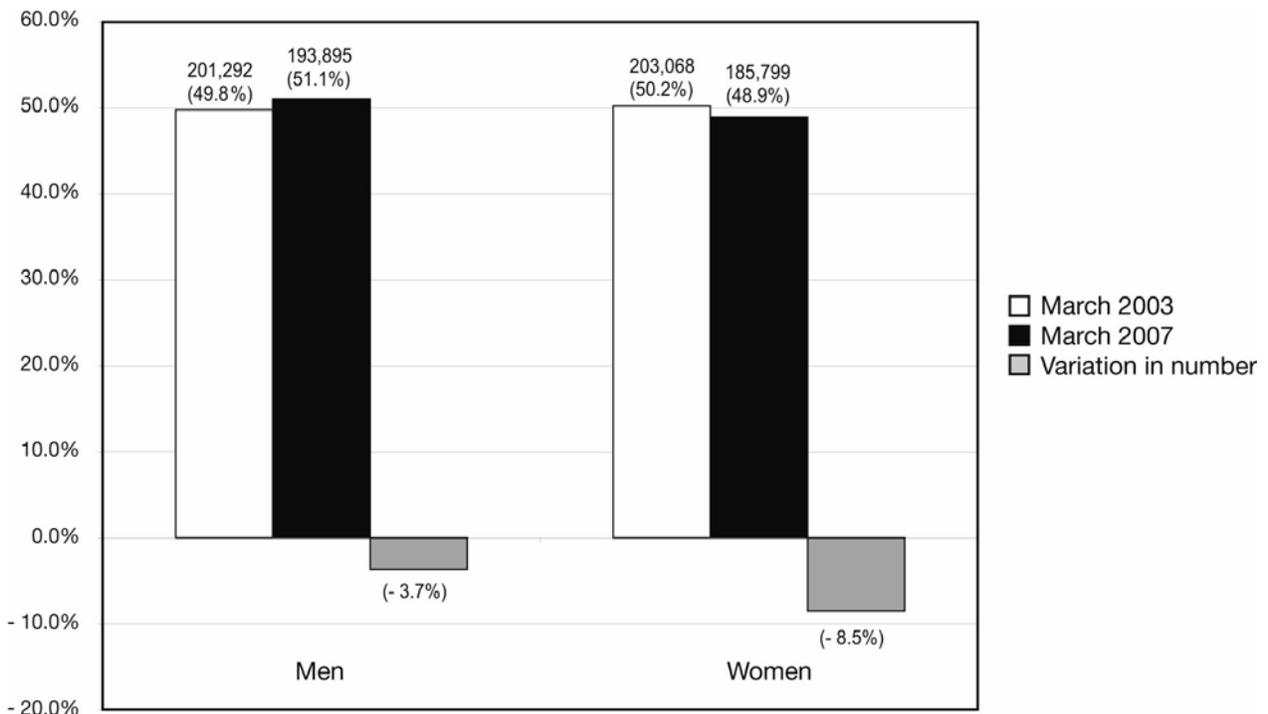
**Changes in the number and breakdown of adult recipients,
by age,
March 2003 and March 2007**



There was a decrease in the number of adult recipients of both sexes. The decline in the number of female recipients, however, was greater than that for men (-8.5% versus -3.7%) (Table 6). As a result, more men than women currently receive last-resort financial assistance (51.1% compared with 48.9%). In March 2003, these proportions were 49.8% and 50.2%.

TABLE 6

**Changes in the number and breakdown of adult recipients,
by gender,
March 2003 and March 2007**



In summary, since the adoption of the *Act to combat poverty and social exclusion* and the deployment of the government action plan, there has been a decrease in the number of recipients under last-resort financial assistance programs, particularly recipients with no limitations to their capacity for employment, young people under age 25, families with children (single-parent families and couples with children) and women. It should nevertheless be pointed out that these changes have also been influenced by factors such as the favourable economic context in recent years, which has had a positive impact, particularly for young people. The number of independent adult recipients remained relatively stable, and there was a slight increase in the number of recipients with a severely limited capacity and recipients aged 45 or over.

2.1.2 Assistance for families

The government action plan also pays special attention to families. A number of measures have been implemented to improve their situation, from both the economic and social viewpoints. These initiatives have had a significant impact on family income.

CHILD ASSISTANCE

Introduced in 2005 in order to enhance inter-family equity and provide higher financial support, the Child Assistance measure has replaced certain programs and measures. For the 2006 calendar year a total of over \$2 billion was paid out in tax-exempt, refundable tax credits for child assistance — \$550 million more than under the former system in 2004 — including \$204 million for low-income families.

For example, families that receive benefits under last-resort financial assistance programs and low-income families with one dependent child are entitled to the following amounts under the Child Assistance measure in 2007: single-parent families, \$2,823; two-parent families, \$2,091. These amounts are \$898 and \$1,466 higher, respectively, than the annual amounts payable in 2004 under the former family allowance plan. Amounts granted under the Child Assistance measure are index-adjusted on January 1 each year, by the same percentage as benefits payable under the Social Solidarity Program.

WORK PREMIUM

Under the Work Premium measure, implemented in January 2005, a new tax credit is available for low- and middle-income workers, to encourage them to enter and remain in the labour market. The amount of the premium depends on the applicant's income and personal and family situation. For 2005, 543,100 households received a total of \$330.1 million under the Work Premium measure, compared with the initial forecasts of 536,000 households and a total outlay of \$269 million. The investment in the Work Premium measure for the five years covered by the government action plan has thus been revised upward, from \$510 million to \$655 million. In 2007, the maximum Work Premium amounts are \$515.06 for an independent adult, \$2,207.40 for a single-parent family, \$796.74 for a couple with no children and \$2,845.50 for a couple with children.

EXTENSION OF THE SUPPORT-PAYMENT EXEMPTION TO ALL FAMILIES WITH CHILDREN

Some 11,000 households that receive last-resort financial assistance are now eligible each month for an exemption for support payments. The exemption means an increase of up to \$1,200 per year in the disposable income of eligible families.

QUÉBEC PARENTAL INSURANCE PLAN

Since January 1, 2006, the Québec Parental Insurance Plan has replaced the federal government's maternity and parental benefits plan. Among other things, the new plan allows a greater number of Québec families, including certain families that receive last-resort financial assistance, to receive parental benefits. For families that receive last-resort financial assistance, benefits received under the Québec Parental Insurance Plan are covered by the same

exemptions as those for work income, i.e., up to \$2,400 per year for independent adults and up to \$3,600 per year for couples.

OTHER INITIATIVES

Effective January 1, 2005, and for the four following years, the government action plan provides for the index adjustment of benefits payable under last-resort financial assistance programs. The benefit amounts granted to recipients with a severely limited capacity for employment and their families were therefore adjusted upward on January 1, 2005, 2006 and 2007, by the same percentage as that applied under the personal income tax system. In keeping with the action plan commitments, social assistance benefits for recipients who are fit to work were increased by a percentage corresponding to half of the tax system index rate. The index adjustment of benefits paid out under last-resort financial assistance programs on January 1, 2007, has generated additional costs of \$10.4 million for 2006-2007 and \$41.6 million for 2007-2008.

In addition, since the deployment of the government action plan in April 2004, the minimum wage has been increased on four occasions.⁴ Since the latest raise, in May 2007, it has been \$8 an hour, i.e., an aggregate improvement of 70¢ an hour. Increases in the minimum wage encourage people to work, by taking into account changes in the cost of living.

2.1.3 Changes in the disposable income of underprivileged individuals and families

The above-described measures have had a particularly positive impact for low-and middle-income families, regardless of whether or not they receive benefits under last-resort financial assistance programs.

FAMILIES RECEIVING BENEFITS UNDER LAST-RESORT FINANCIAL ASSISTANCE PROGRAMS

Families that receive benefits under last-resort financial assistance programs and government transfers (child assistance tax credit, Canada child tax benefit, shelter allowance, tax credits for the Québec sales tax and the federal goods and services tax, property tax refunds) saw a significant rise in their disposable income between 2003 and 2007. For example, the annual disposable income of a single-parent family with two children, aged 3 and 7, receiving benefits under the Social Assistance Program grew by 25.3%, from \$17,247 to \$21,608, between March 2003 and March 2007 (Table 7). For a couple with two dependent children aged 3 and 7, the increase was 26.4%.

There was also a change in the breakdown of sources of income. The percentage of income received in the form of benefits under last-resort financial assistance programs declined, compared with amounts received in the form of federal and provincial family benefits and other transfers. For a single-parent family with two children, aged 3 and 7, for instance, benefits received under the Social Assistance Program accounted for 38.2% of overall household income in 2007, compared with 45.7% in 2003. For a couple with two children, the relative share of

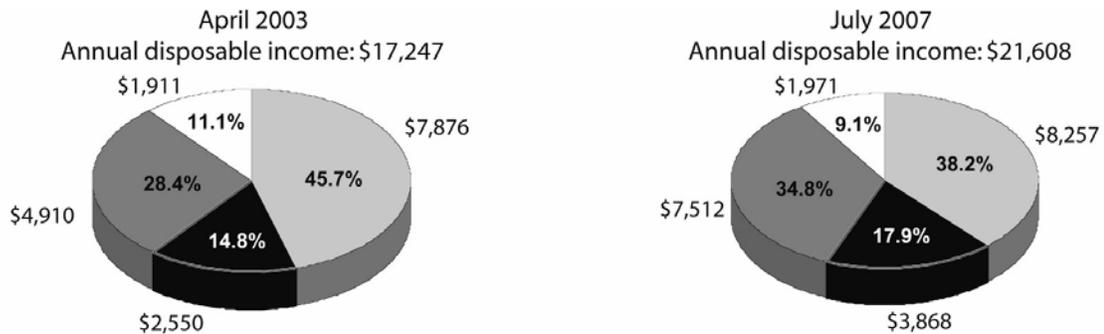
⁴ The increase in the minimum wage depends on several factors. It is based primarily on changes in the average wage in Québec. The rise in the cost of living and the impact of the proposed minimum wage increase on work, employment and the ability of businesses to compete are also taken into account.

assistance granted under the Social Assistance Program shrank from 58.9% in 2003 to 48.9% in 2007; the other sources of income consist of family benefits and other transfers.

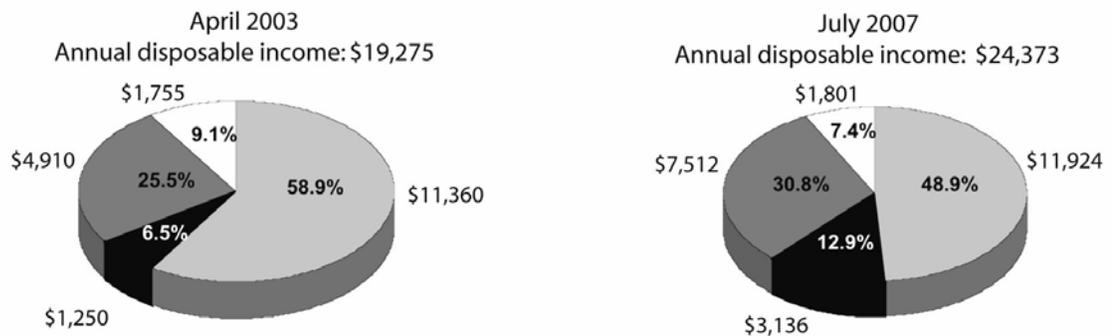
TABLE 7

Changes in disposable income

Single-parent families receiving benefits under the Social Assistance Program, with two children, aged 3 and 7



Couples receiving benefits under the Social Assistance Program, with two children, aged 3 and 7



Social assistance
 Family benefits – Québec
 Family benefits – Canada
 Other transfers

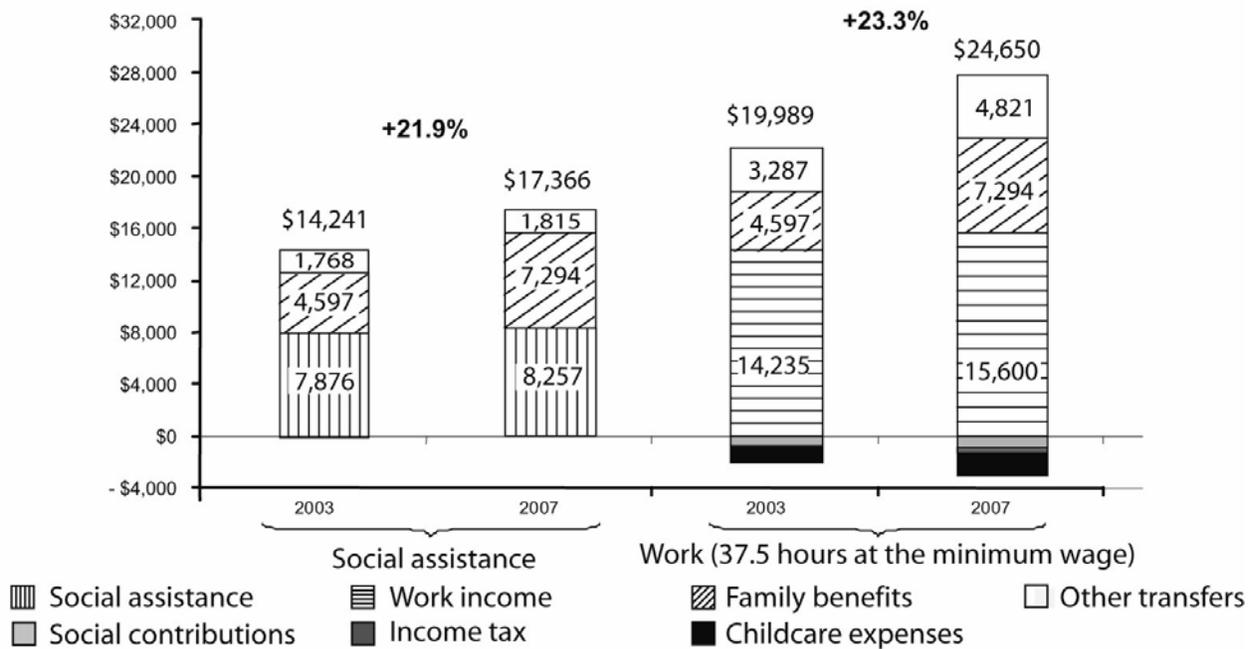
INDIVIDUALS AND FAMILIES STRUGGLING WITH POVERTY

As described above, a number of measures have been implemented to increase the disposable income of individuals and families grappling with poverty. Some of these initiatives are aimed at people who are employed, such as increases in the minimum wage and the Work Premium measure, while others target families, regardless of whether or not the parents are employed.

For single-parent families with a 3-year-old dependent child, where the parent works full-time for the minimum wage, there was a 23.3% rise in disposable income (Table 8), from \$19,989 in 2003 to \$24,650 in 2007. The increase was also substantial for single-parent families receiving benefits under the Social Assistance Program, whose disposable income grew by 21.9%, from \$14,241 to \$17,366, over the same period.

TABLE 8

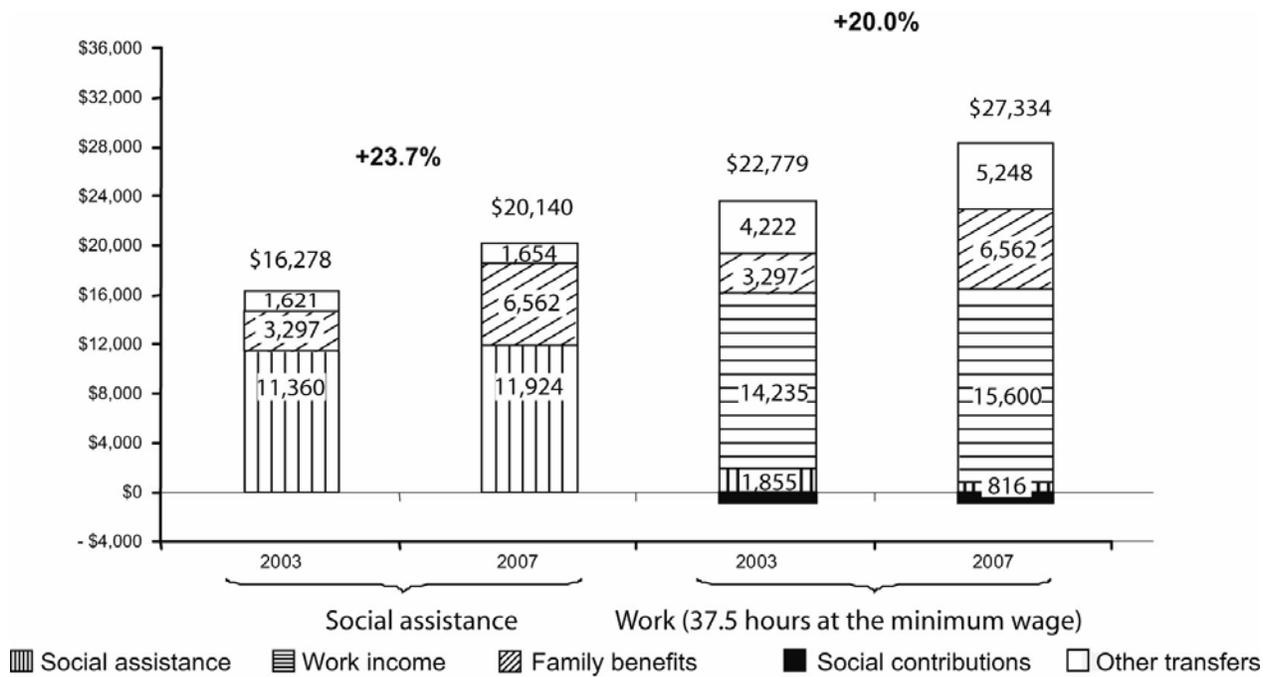
**Changes in the disposable income
of single-parent families with a 3-year-old child,
April 2003 and July 2007**



There has also been an improvement for couples with children. For example, for a couple with a 3-year-old dependent child, where one of the parents works full-time for the minimum wage, there has been a 20% increase in disposable income (\$27,334, compared with \$22,779). For couples who receive benefits under the Social Assistance Program, the increase in disposable income amounts to 23.7% (\$20,140, compared with \$16,278) (Table 9).

TABLE 9

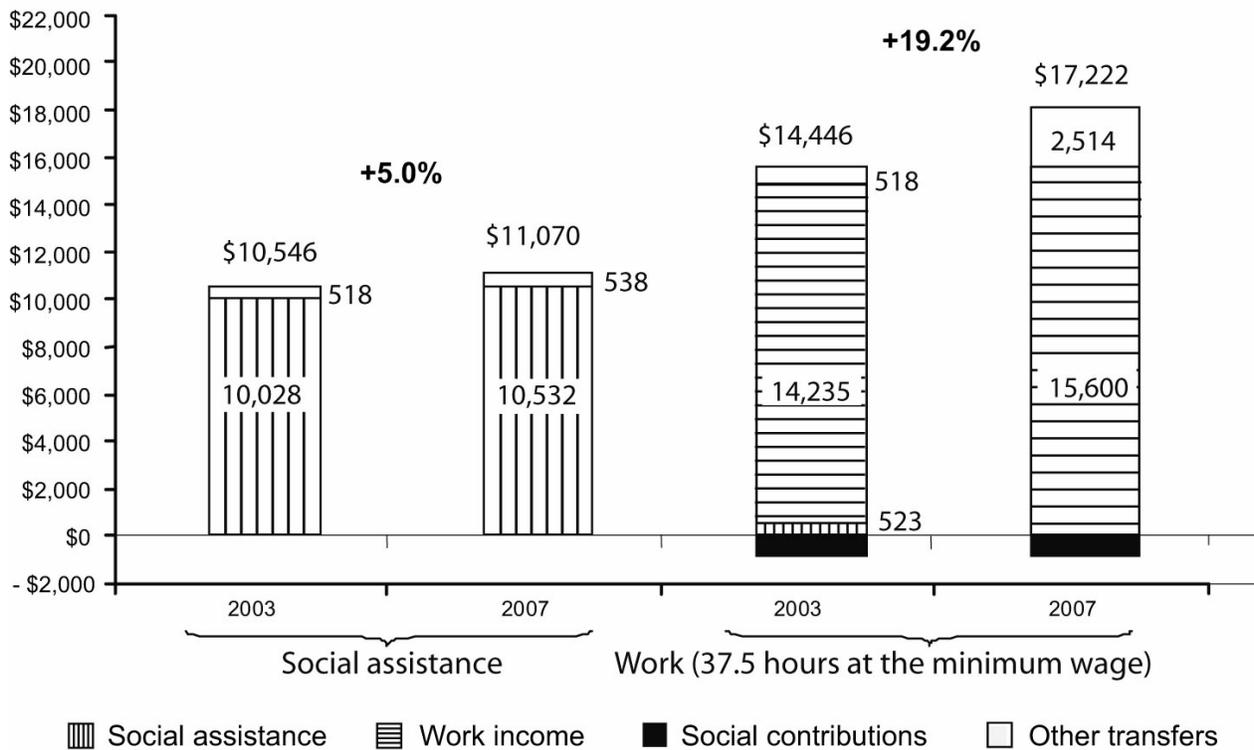
Changes in the disposable income of two-parent families with a 3-year-old child, April 2003 and July 2007



For childless couples, where one of the spouses works full-time for the minimum wage, disposable income has grown by 19.2%, from \$14,446 to \$17,222. For childless couples receiving last-resort financial assistance, disposable income has increased by 5%, from \$10,546 to \$11,070 (Table 10).

TABLE 10

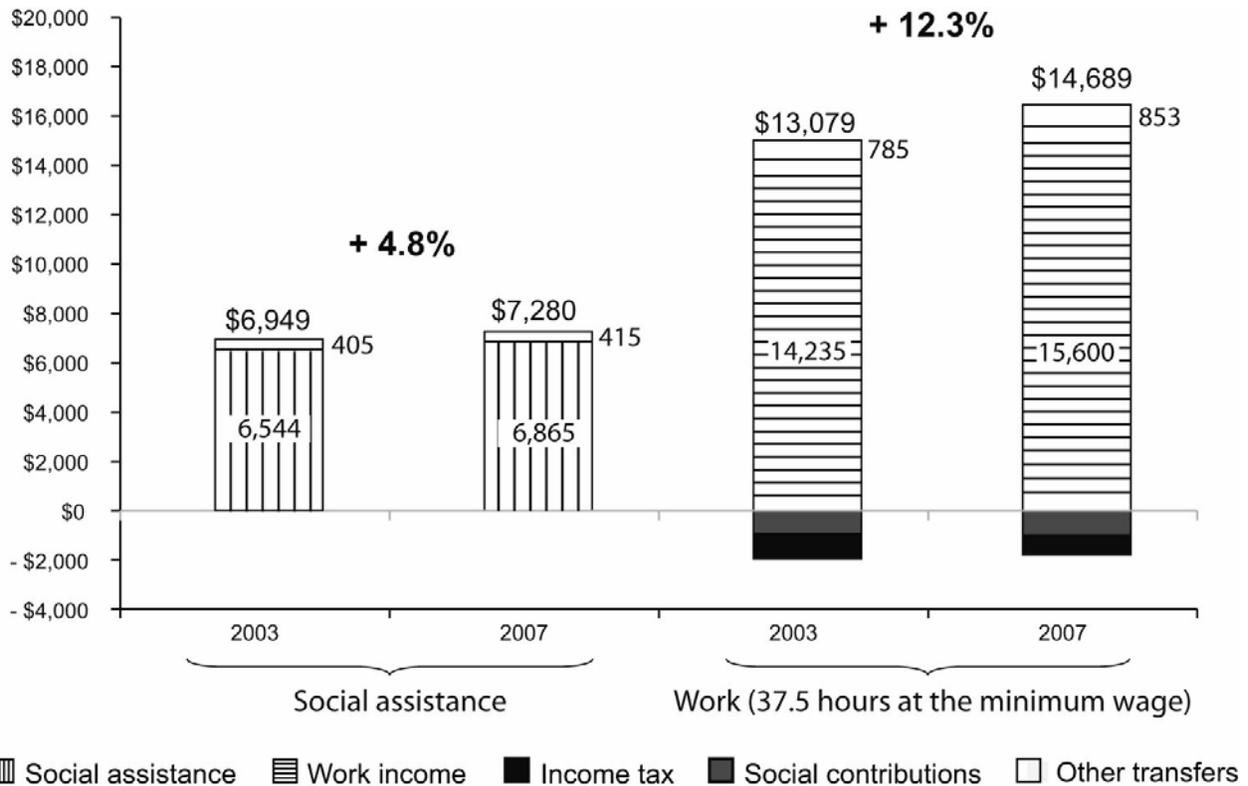
**Changes in the disposable income of couples without children,
April 2003 and July 2007**



Albeit to a lesser extent, independent adults have also seen a rise in their disposable income since 2003. The increase has been significantly greater for people who work full-time for the minimum wage than for recipients under the Social Assistance Program (12.3% versus 4.8%) (Table 11).

TABLE 11

**Changes in the disposable income of independent adults,
April 2003 and July 2007**



There has thus been an increase in disposable income for all categories of low-income households, regardless of their situation. The most effective way of increasing disposable income nevertheless remains full-time employment, even at the minimum wage. This is particularly true for independent adults: for people in this category, disposable income is twice as high for workers than for recipients under the Social Assistance Program (\$14,689, compared with \$7,280) (Table 11). The corresponding difference is 55% for couples without children, 42% for single-parent families and 36% for couples with a 3-year-old child where one of the parents is employed.

These results are encouraging. They nonetheless raise certain questions, particularly about the situation of independent adults, who, despite the advantages of full-time work, remain the group with the smallest decrease in participation in last-resort financial assistance programs.

2.2 Broader access to better living conditions

2.2.1 Social housing

Under the Government Action Plan to Combat Poverty and Social Exclusion, the Government committed itself to add the required amounts (\$256.2 million) to build 16,000 low-rental and affordable housing units. This target has been raised several times since April 2004, to the current total of 20,000 new dwellings. Québec is well on the way to meeting the new target: in March 2007, 10,445 housing units had been built, 5,390 units were on their way to completion and 1,735 projects were under analysis, for a total of 17,570 units.

2.2.2 Access to medication for people with low incomes

Thanks to the new medication policy announced on February 1, 2007, over a million people in vulnerable financial situations are now fully entitled to free prescription drugs. Indeed, since July 1, 2007, close to 280,000 additional citizens, in the following groups, have been entitled to free medication under the Public Prescription Drug Insurance Plan:

- adult recipients under the Social Assistance Program;
- all other people with medication claim slips who were not previously entitled to free prescription drugs (e.g., surviving spouses entitled to claim slips under the *Health Insurance Act*);
- people aged 65 or over who receive 94% to 99% of the Guaranteed Income Supplement.

These groups are in addition to those already entitled to free medication under the Public Prescription Drug Insurance Plan, namely dependent children, adult recipients under the Social Solidarity Program and, since July 2005, people aged 65 or over who receive the maximum amount of the Guaranteed Income Supplement.

2.3 Enhanced job entry for certain groups

The government action plan features programs, measures and services to help people enter the labour market.

It provides for improved access to public employment service measures for the groups most affected by poverty, particularly workers aged 55 or over, people facing significant obstacles to employment, immigrants and members of visible minorities.

All told, the number of participants in public employment service measures shrank by 5.8% between 2003-2004 and 2006-2007. There was nevertheless an increase in the participation of certain groups, including people aged 50 or over, handicapped people with a severely limited capacity for employment and people born outside Canada — i.e., groups targeted by the government action plan.

2.3.1 Immigrants and members of visible minorities

For adults born outside Canada, the number of new enrolments in public employment service measures grew by 10.0% (from 62,318 to 68,542) between 2003-2004 and 2006-2007. This increase may be explained by higher participation in the following initiatives: Employment-

Assistance Services (69.2%), Wage Subsidy measure (22.0%), Contrat d'intégration au travail (CIT) program (15.6%), Job Readiness projects (13.4%), Training measure (3.7%).

One of the main initiatives deployed under Government Action Plan to Combat Poverty and Social Exclusion is a program to help immigrants and members of visible minorities enter the labour market. Known as the Programme d'aide à l'intégration des immigrants et des minorités visibles en emploi (PRIIME, for short), this program provides support for small- and medium-sized businesses, to encourage them to hire newcomers and members of visible minorities to fill available permanent positions. PRIIME complements the measures contained in the Emploi-Québec "toolkit," including the Wage Subsidy measure. Between June 1, 2005, and March 31, 2007, over 1,500 people took advantage of the new program. According to a preliminary analysis of a large sampling of participants, 80% of the people who took part in PRIIME were still employed three months after the end of their wage subsidy. The findings of a formal analysis currently under way will be available in 2008.

2.3.2 People aged 50 or over

Overall, the number of new enrolments in public employment service measures among people aged 50 or over grew by 20.1%, from 56,896 to 68,327, between 2003-2004 and 2006-2007. This increase may be largely explained by higher participation in the following measures and services: Employment-Assistance Services (71.4%), Contrat d'intégration au travail (CIT) program (47.3%), Job Readiness projects (20.3%), Training measure (18.2 %).

2.3.3 People with handicaps facing major obstacles to employment

Emploi-Québec services are aimed at the entire Québec population. People with handicaps nevertheless have access to certain special services and measures, namely the Contrat d'intégration au travail (CIT) program, the Programme de subventions aux entreprises adaptées (subsidy program for adapted businesses) and specialized services offered by community resources that have signed an agreement with Emploi-Québec.

The number of new enrolments in the CIT program grew by 12.2% between 2003-2004 and 2006-2007. As for subsidies for adapted businesses, a total of 3,798 were in effect in March 2007.

It should be pointed out that Emploi-Québec funds 30-odd specialized manpower organizations, which provide services for people with handicaps under the Employment-Assistance Services measure and the Job Readiness measure. Thanks to their expertise, these organizations play a complementary role to that of local employment centres. Financial commitments toward these specialized organizations add up to \$14 million a year.

In short, these figures show that the measures that have been deployed to help people who face certain obstacles to entering the labour market have generated positive results in terms of participation.

2.4 Progress in preventing poverty and social exclusion

The Government Action Plan to Combat Poverty and Social Exclusion provides for preventive measures targeting poor and highly vulnerable families. Designed to step up efforts in

underprivileged environments, these measures focus on parents and their children, among other ways by favouring school success and the deployment of an array of services to meet the target groups' needs.

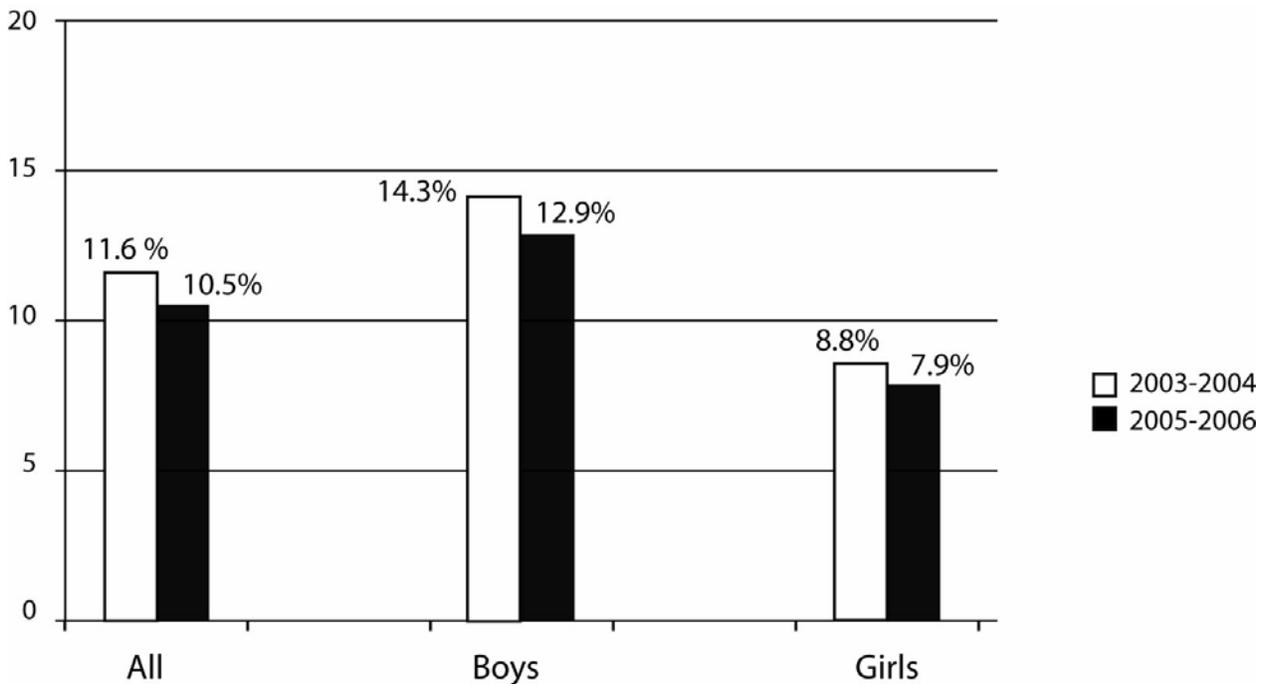
2.4.1 School success and student retention

Insufficient education is one of the causes of poverty and inequality, which hinder personal development. Developing Quebecers' full potential is hence at the heart of efforts to prevent poverty and social exclusion. Even today, too many young people leave school without earning a diploma. This makes it harder for them to enter the labour market and increases their risk of social exclusion.

After edging upward between 1999 and 2003, the school drop-out rate shrank from 11.6% at the end of the 2003-2004 school year to 10.5% in 2005-2006 (Table 12). The rate is higher for boys than girls, but the gap has narrowed slightly over the past few years.

TABLE 12

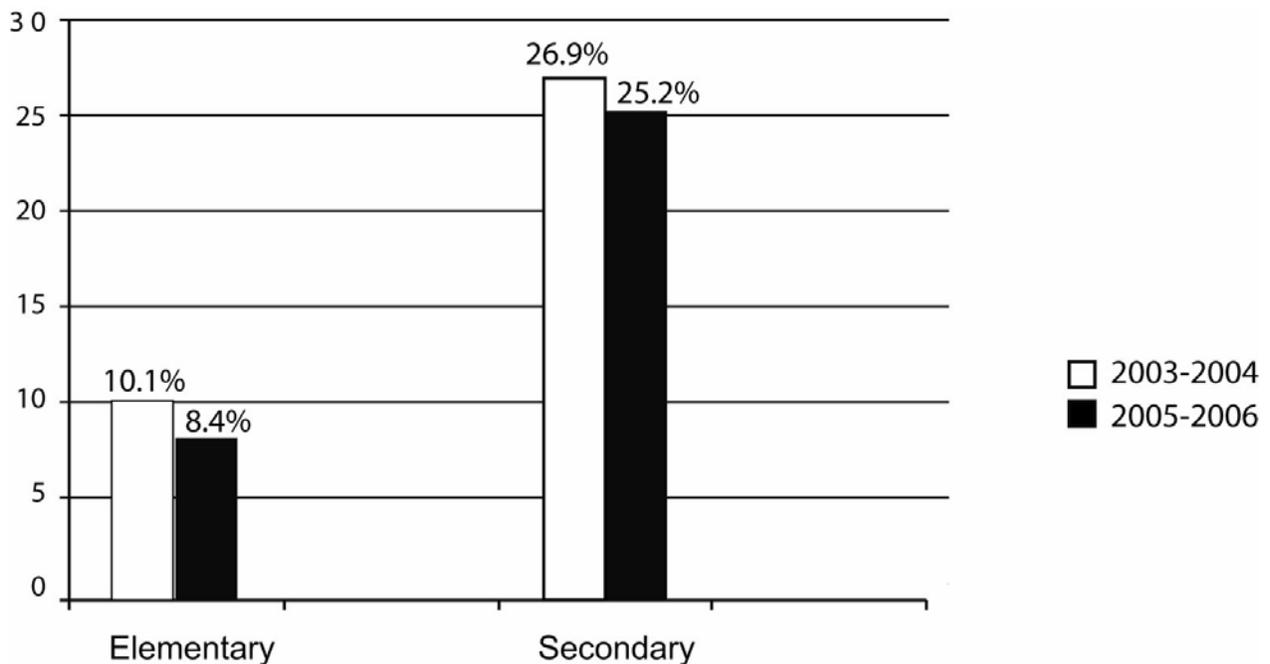
School drop-out rate at age 17,
2003-2004 and 2005-2006



Slow learning, particularly at the elementary school level, often rhymes with early school-leaving. It is therefore important to take action as swiftly as possible to help students who have trouble completing a grade of school per year. In this context, the Ministère de l'Éducation, du Loisir et du Sport has implemented programs targeting youngsters in underprivileged environments, where this type of problem is frequently noted. Between 2003 and 2005 there was a decrease in the proportion of students who complete less than a grade of school per year, from 10.1% to 8.4% at the elementary level and from 26.9% to 25.2% at the secondary level (Table 13).

TABLE 13

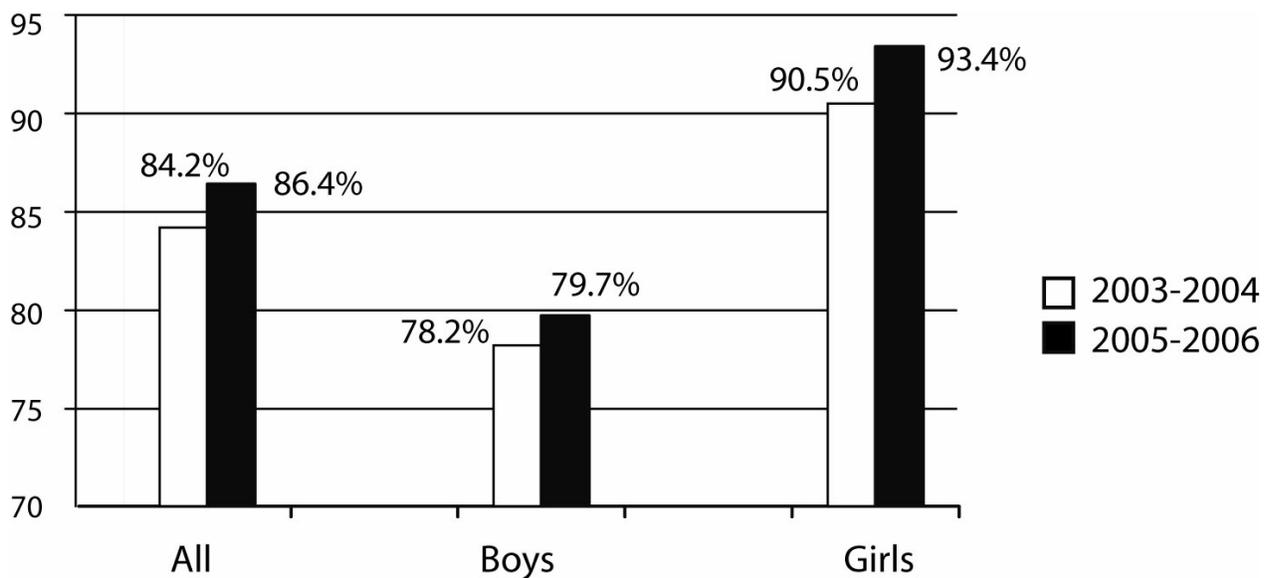
**Percentage of slow learners at the elementary and secondary levels,
2003-2004 and 2005-2006**



Finally, the secondary school graduation rate in 2005-2006 was 86.4% (Table 14) — the highest since 1995-1996. After declining steadily between 1998-1999 and 2003-2004, the rate has since risen back to the level of the mid-1990s. The likelihood of obtaining a secondary-school diploma is greater for girls than boys. In 2005-2006, the graduation rate was 93.4% for girls and 79.7% for boys.

TABLE 14

**Secondary school graduation rate in Québec,
2003-2004 and 2005-2006**



2.4.2 Measures for parents

In addition to measures designed to counter early school-leaving, a variety of preventive measures designed for parents have been implemented under the Government Action Plan to Combat Poverty and Social Exclusion. On top of measures to increase families' disposable income, these initiatives include *Ma place au soleil*, a program to help young parents who receive last-resort financial assistance enter and remain in the labour market, and *Autonomie Jeunes Familles*, a project created under a funding agreement with the Lucie and André Chagnon Foundation, aimed at preventing poverty among youngsters aged 0 to 6 and their parents.

2.5 Progress in organizing and coordinating services

Given Québec's territorial diversity and the concentration of poverty in certain geographical areas, the government action plan provides for an integrated territorial approach aimed at promoting the commitment of society as a whole to combat poverty and at consolidating this

commitment in communities. It favours the inclusion of local strategies to combat poverty and social exclusion in agreements between partners, consolidating efforts deployed by community stakeholders.

As the Government is not alone in combating poverty and social exclusion, which also directly concerns various civil society partners, including community groups and businesses, an advisory committee called the Comité consultatif de lutte contre la pauvreté et l'exclusion sociale has been created. The committee is made up of representatives of organizations and groups active in the area. Its role is to advise the Minister responsible for preparing, implementing and evaluating efforts aligned with the government strategy.

As part of the combat against poverty and social exclusion, the Government has also created the Centre d'étude sur la pauvreté et l'exclusion. Its role is to gather, integrate, compile, analyse and disseminate information, particularly statistics, about poverty and exclusion.

A number of government departments and agencies have levers to combat the causes and effects of poverty and social exclusion, and they play a role in improving the population's living conditions. To ensure coherent, ongoing efforts at the national level, the Government has therefore set up an interdepartmental committee comprised of these departments and agencies.

2.5.1 Integrated territorial approach

Emploi-Québec is currently providing information across Québec about the orientations leading to the signing of local and regional agreements concerning social and economic development. These agreements should favour joint action by local players and lead to action plans linked to regional strategic planning. In April 2007, ten such agreements were in effect. Deployment of the approach is ongoing in all regions of Québec.

More specifically, the regional county municipalities of La Haute-Gaspésie and Témiscouata have reached the final phase of pilot projects involving collaboration between local stakeholders. A similar, Aboriginal initiative is also under way.

2.5.2 Comité consultatif de lutte contre la pauvreté et l'exclusion sociale

In January 2007, the Comité consultatif de lutte contre la pauvreté et l'exclusion sociale (advisory committee on the combat against poverty and social exclusion) published its plan and orientations for the period ending March 31, 2009, under the title *Collectivement plus riches de moins de pauvreté, nous serons mieux*.

To help achieve the goals of the National Strategy to Combat Poverty and Social Exclusion, the advisory committee has retained three strategic orientations:

- Propose efforts to improve the economic situation and ability to act of individuals and communities grappling with poverty and social exclusion;
- Through reflection, action and partnerships, favour the mobilization of all social players in favour of people affected by poverty and social exclusion;

- Help ensure that the views and experience of people affected by poverty and social exclusion are taken into account in government decisions that concern them.

Work groups within the advisory committee are currently focusing on the following areas:

- Poverty in Aboriginal communities;
- The impact of rate increases on people with low incomes;
- Updating the Government Action Plan to Combat Poverty and Social Exclusion;
- Income improvement targets and how to reach them.

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

The Centre d'étude sur la pauvreté et l'exclusion concentrates on monitoring, research and dialogue, with a view to providing accurate and reliable information about poverty and social exclusion. It is managed jointly by a board of directors. Appointed in the spring of 2006, the members of the board represent the research and government sectors and people struggling with poverty.

A joint research effort was launched in April 2006, in partnership with the Ministère de la Santé et des Services sociaux (MSSS), the Ministère des Affaires municipales et des Régions (MAMR), the Société d'habitation du Québec (SHQ), the Lucie and André Chagnon Foundation and the Fonds québécois de recherche sur la société et la culture (FQRSC), as part of the FQRSC's joint action program. Over the next three years, 11 initiatives (seven research projects, a knowledge integration project and three doctoral scholarships) will share \$1.27 million in funds provided by the various partners.

The centre is currently looking at low-income indicators, with a view to submitting a proposal to the Minister in the coming months.

2.5.4 Interdepartmental committee on the combat against poverty and social exclusion

An interdepartmental committee responsible for coherent, joint implementation of the government action plan was created in June 2004. Led by the Ministère de l'Emploi et de la Solidarité sociale, the committee is made up of representatives of the following government departments and agencies: Ministère de la Santé et des Services sociaux (MSSS), Ministère de l'Éducation, du Loisir et du Sport (MELS), Ministère des Affaires municipales et des Régions (MAMR), Ministère de l'Immigration et des Communautés culturelles (MICC), Ministère du Travail (MT), Société d'habitation du Québec (SHQ), Secrétariat à la jeunesse (SJ). Over the past year the committee began work on the next action plan, which should come into effect in April 2009.

CONCLUSION

The combat against poverty and social exclusion is far from over and Québec still has a good way to go before it becomes one of the industrialized nations with the smallest number of people grappling with poverty and social exclusion. The results obtained so far nevertheless confirm that we are on the right track. Indeed, as we have seen, our efforts have not been in vain.

On the one hand, since the adoption of the *Act to combat poverty and social exclusion* and the deployment of the government action plan, we have witnessed a decrease in the percentage of adults who rely on last-resort financial assistance, particularly among people with no limitations to their capacity for employment, young people under age 25, families with children (single-parent families and couples with children) and women. This decrease has also led to a significant reduction in the number of children who are members of families that receive last-resort financial assistance. Indeed, the number of children in this situation shrank by close to 20,000 between March 2003 and March 2007.

At the same time, there has been a real improvement in the financial situation of all types of households, especially families. In some cases this improvement has been achieved thanks to job entry. This is even more encouraging, given the numerous economic and social advantages of paid employment. This improvement is also a sign of lasting progress and significant advantages for Québec society, which can count on the active participation of a larger percentage of its citizens. The improved financial situation of families also means that significantly fewer families and individuals rely on last-resort financial assistance to meet their needs.

As pointed out earlier in this report, families are at the heart of the Government's efforts to combat poverty and social exclusion. The improvement in the situation is excellent news, as families are the building blocks for individual and community development. Once again, all of society has come out ahead.

It should be pointed out, however, that although there has been a small improvement in the situation of independent adults, this category of citizens warrants our special attention. As we have seen, unlike other types of households, there has been only a minor decrease in the number of independent adults receiving last-resort financial assistance, even though the advantages of paid employment for people in this category have been clearly demonstrated. It therefore appears that financial incentives alone are insufficient to encourage independent adults to free themselves of last-resort financial assistance and enter the labour market.

Other groups have benefited from targeted measures designed to help them enter the labour market, namely people facing certain obstacles due to their special situations, including workers aged 50 or over, people with significant limitations to their capacity for employment, handicapped people with a severely limited capacity for employment and members of visible minorities. The results obtained so far show that people in these groups now have easier access to public employment services than in 2003-2004.

Certain efforts take longer to produce results. We therefore have to continue and even step up our combat. Additional efforts have to be devoted, for example, to deploying the integrated territorial approach in high-priority geographical areas.

New measures have been added to those initially provided for by the government action plan, and financial investments have been increased. Some of these new measures focus on job entry for the largest number of people, and will therefore amplify the progress already achieved. Others will step up and consolidate preventive efforts, particularly efforts aimed at helping children who are struggling with poverty succeed at school and at enhancing the self-confidence of their parents, for the greater good of their youngsters. Special attention will also be paid to people aged 45 or over.

We can only be pleased with the results obtained, and will stay the course toward achieving our objectives. It is nevertheless too soon to cry victory. While continuing to work toward the goals set in the current government action plan, the Ministère de l'Emploi et de la Solidarité sociale, in collaboration with other government departments and agencies involved in the combat against poverty and social exclusion, has already launched efforts aimed at preparing a new action plan, for deployment as of April 2009. To date, these efforts have allowed us to identify certain issues that the department intends to tackle over the coming months. These issues include the aging of the population, changes in the nature of households (more independent adults, single-parent families and elderly people with reduced autonomy), the combination of obstacles to social and vocational integration (low education and skill levels, specific ethnic and family characteristics), and the concentration of poverty in certain areas and neighbourhoods.