

Poverty Reduction Policies and Programs

Northwest Territories

By Jeffrey Wilson, Alternatives North

Social Development Report Series, 2009

Commissioned by the CANADIAN COUNCIL ON SOCIAL DEVELOPMENT



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About Alternatives North

Alternatives North is a coalition of church, labour, and environmental organizations, as well as NGOs, women's groups, and individuals working for social and environmental justice in the Northwest Territories (NWT). For the past 13 years, the coalition has conducted research into issues of concern to the public interest with the goal of integrating inclusive social policy and legislation. Alternatives North is a registered society of the NWT operating with volunteer support and project funding from government, unions, and philanthropic organizations. Alternatives North is a member of the National Anti-Poverty Organization (NAPO), the Canadian Council on Social Development (CCSD), the Canadian Peace Alliance, and the Canadian Health Coalition (CHC).

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Poverty Reduction Policies and Programs

NORTHWEST TERRITORIES

INTRODUCTION

Economic statistics provide compelling data to suggest that these have been good times in the Northwest Territories (NWT). The NWT is experiencing a period of great economic wealth. It has the fastest growing economy in Canada, and residents of the NWT are, on average, the richest in the country.

Yet while the economy is robust, there is another Northern experience that is being neglected by the government. It is a much bleaker experience, one characterized by poor-quality housing and housing shortages, growing disparity in levels of education, employment and incomes, a rise in alcohol and substance abuse, and increasing rates of crime, suicide and homelessness. It is an experience shaped by a legacy of colonization and residential schools, and marked by geographic isolation and a high cost of living. And the burden of these social ills is increasingly falling on civil society actors to address.

The benefits of a rapidly growing economy are not being shared by all in the NWT, and it comes with social costs. The challenge is to take action to reconcile the disparity in these very different Northern experiences.

A PROFILE OF THE NORTHWEST TERRITORIES

Overview

The NWT is experiencing a period of great economic wealth. GDP grew by 55% between 2001 and 2006, and it is forecast to double by 2015. The NWT has the highest GDP per capita in Canada, and residents of the NWT have the highest income per capita. A 2008 report by the Parkland Institute reviewed the economic health of the Territories and concluded that it was very robust (Thompson, 2008). Personal income increased by over 25% between 2000 and 2005. In 2005, the average household income exceeded \$90,000, and 38% of households made \$100,000 or more a year – double the Canadian average (GNWT, 2008).

Yet while the economy is robust, compelling statistics suggest that not all of the 41,500 people in NWT communities are benefiting. A recent report on homelessness among women indicates that there are roughly 1,000 homeless women in the NWT – which constitutes over five per cent of the female

population (YWCA, 2007). The NWT has the highest percentage of households in Canada with houses in need of major repairs, double the Canadian average. According to the 2004 NWT Community Housing Needs Survey, 29% of households had some form of housing problem, and 16% lived in housing that was unsuitable or inadequate for their needs and was unaffordable, meaning the household did not have sufficient income to afford the costs of owning and operating a home or renting in the private market without government assistance.

There is also a vast disparity in incomes between the major centres and the smaller communities. In fact, in many of the smaller NWT communities, upwards of 50% of the population have household incomes below \$30,000 (GNWT, 2008b). And the severe shortage of housing in the Territories forces many people to live in compromised housing situations.

Crime is a serious issue in the NWT. Total crimes have increased dramatically, almost doubling between 1996 and 2007. The NWT has the highest rate of total criminal offenses (excluding traffic) in Canada, exceeding the national rate by over six times (Statistics Canada, 2008). Even more disturbing are the high rates of violent crimes, which exceed the national average by over seven times. Between 2000 and 2007, violent crimes in the NWT rose from 1,984 incidents to over 3,000 incidents, the fastest growth rate in the country (GNWT, 2008b; Statistics Canada, 2008).

A 2006 survey on addictions found that the rate of heavy drinking and binge drinking was more than double the Canadian average (GNWT). There is also a lack of affordable and reliable child care in the NWT. And as is true elsewhere, the economic and social burdens associated with child care fall more heavily on women, especially those experiencing low income.

Figure 1 provides a summary of key socio-economic statistics for the NWT, profiling data on the population, the economy, incomes, education, housing, mental health, addictions, and women and children. These data highlight the need to look behind the veil of wealth and ask some tough questions: How is the wealth distributed? Which groups are being left out? Which populations are most vulnerable to poverty, and why? What are the costs of poverty? How does the government deal with issues of poverty and low income? And which civil society actors are advocating for and supporting people living in poverty?

Figure 1

NWT by the Numbers			
Demographic			
Total Population	41,055	Total Aboriginal population	20,640
Population under age 25	40%	(80% live outside of Yellowknife)	
Population above age 65	5%		
Capital: Yellowknife - population	18,700	Total non-Aboriginal population	20,415
		(71% live in Yellowknife)	
Source: Statistics Canada, <i>Census</i> , 2006.			
Economic			
Total GDP	4,128,000,000	Unemployment rate	5.4%
GDP/ capita	\$96,674		
Source: GNWT, <i>Bureau of Statistics</i> , 2008a.			
Income			
Average personal income	\$46,176	Low income (LIM) all family types	15%
		Low income (LIM) lone parent	37%
Median household income	\$80,085		
Average household income	\$91,559	Households with income below \$10,000	4%
		Households with income below \$30,000	19%
Median after-tax household income	\$67,439	Households with income above \$100,000	38%
Average after-tax household income	\$75,443		
Sources: GNWT, <i>Bureau of Statistics</i> , 2008b.; GNWT, Department ECE, 2007.			
Education			
Graduated from high school, aged 25 and older	74%		
University degree or diploma, aged 25 and older	22%		
Source: Statistics Canada, <i>Census</i> , 2006.			
Housing			
Housing in need of major repair	18%	Homeless women in NWT	1,000
		Homeless women in Yellowknife	500
Some form of housing problem	29%	Women working, cannot afford housing	25%
Housing in core need	16%		
Sources: GNWT, <i>Bureau of Statistics</i> , 2004.; Statistics Canada, <i>Census</i> , 2006.; YWCA Yellowknife, 2007.			
Crime			
Total crime rate* (excluding traffic)	18,659	6 times the National rate (#1 in country)	
Violent crime rate*	7,071	7 times the National rate (fastest growth rate in country)	
*rate per 100,000 population			
Source: Statistics Canada, <i>Juristat</i> , 2008.			
Addictions			
Heavy drinking (aged 15+)	36%	Smoking rate (aged 15 and older)	41%
Alcohol-related harms*	22%	Smoked during pregnancy	27%
*This includes negative impacts on health, social life, family, marriage, job, friendships.		Cannabis use (within last year)	21%
		Use of other illicit drugs	3%
Source: GNWT, <i>Department of HSS</i> , 2006.			
Women and Children			
Shelter use by women, per 1,000 (aged 15+)	20	Reported child abuse/neglect per 1,000 population	15
		Children in care (Welfare Services) per 1,000 population	70
Shelter use by children, per 1,000	36		
Source: GNWT, <i>Department HSS</i> , 2005.			

Discussion Points Unique to the North

While the impact of poverty and low income is seen across Canada, there are a number of variables unique to the North that influence the scope and experience of poverty in the NWT.

Demographic trends

In 2006, the population of the NWT was just over 41,000; slightly less than half were non-Aboriginal. Over 70% of the non-Aboriginal population live in Yellowknife, which has a population of 18,700, whereas 80% of the Aboriginal population live in communities outside of Yellowknife. This is dramatically different than in the rest of Canada, where the Aboriginal population represents only three per cent of the total population.

The NWT is also a young population in comparison to the Canadian average. The median age in the NWT is 31 years, compared a median of 39 years for the Canadian population. Approximately 40% of the NWT population is under age 25 and only 5% are aged 65 or older.

Socio-cultural changes

Rapid development in the North has led to dramatic socio-cultural changes. A notable example is the decreasing reliance on traditional ways of life and the mixed economy, especially in regard to food supply. Income support benefits in the NWT were originally based on the premise that people would supplement their diet with traditional foods (Brockman, 2008). But reliance on hunting and fishing as a source of food has decreased dramatically with the growth of the formal economy and greater access to store-supplied goods.

Economic development in the North has facilitated greater access to consumer goods, changing the perception of what is a “necessity” and putting additional strains on income allocations. The rapid industrial development has also created divides in communities between those who are benefiting from the development and those who are left out. In addition, the development of non-renewable resources has fostered inequality in the distribution of wealth and economic opportunities between the genders, as men have benefited disproportionately with the vast majority of jobs in the mining and industrial sectors.

Northern economic development has also fuelled a rise in the social ills that contribute to poverty. Current research by Christensen (2008) exploring the relationship between economic development and housing insecurity finds that the influx of money has aggravated addictions and strained family structures as male income-earners must often work outside their communities for employment in resource extraction. Another consequence of the rapid development has been an increase in housing prices and rents, which contributes to housing insecurity among those not benefiting from the economic boom times.

Legacy of colonialism

The legacy of colonialism contributes significantly to conditions of chronic poverty and intergenerational poverty in the North. Institutional prejudice and intergenerational reliance on income supports have reinforced a system of dependency and perpetuated a legacy of intergenerational trauma, particularly among survivors of residential schools and their families. While the relationships between poverty and colonialism are complex, it is critical that solutions to address poverty in the North reflect the historical and cultural context.

High costs of living

A 2006 report commissioned by Alternatives North and presented to the Legislative Assembly of the NWT concluded that because of the high costs for food, shelter and fuel in the North, people who relied on income supports or worked for low wages were living in poverty. The costs of living in the North are significantly higher than in southern Canada. For example, data on price differentials indicate that in many Northern communities, the costs of living are up to 65% higher than in Edmonton, the nearest Census Metropolitan Area. Figure 2 lists differentials in the cost of living by community.

Figure 2

Costs of Living Differentials, by Northwest Territories Community

<u>Beaufort Delta</u>		<u>Sahtu</u>	
Aklavik	162.5	Colville Lake	167.5
Fort McPherson	152.5	Deline	162.5
Inuvik	147.5	Fort Good Hope	162.5
Paulatuk	167.5	Norman Wells	152.5
Sachs Harbour	167.5	Tulita	157.5
Tsiigehtchic	152.5		
Tuktoyaktuk	162.5	<u>South Slave</u>	
Ulukhaktok	167.5	Fort Resolution	137.5
		Fort Smith	127.5
<u>Deh Cho</u>		Hay River	127.5
Fort Liard	132.5	Lutselk'e	152.5
Fort Providence	132.5		
Fort Simpson	137.5	<u>Tlicho</u>	
Jean Marie River	142.5	Behchoko	122.5
Kakisa	132.5	Gameti	147.5
Nahanni Butte	142.5	Whati	147.5
Trout Lake	157.5	<u>Yellowknife</u>	117.5
Wrigley	152.5		

Living costs differentials by community
Edmonton=100

Source: Government Northwest Territories. *Bureau of Statistics, Statistics Quarterly*, Volume 29, No. 4, December 2007.

The price differentials are even more dramatic if we focus on food. With the exception of a few communities along the main highway, food costs in the communities are 50 to 100% higher than in Yellowknife – and food prices in Yellowknife are already inflated in comparison to urban communities in Southern Canada. The high cost of food puts financial strains on those living on limited or fixed incomes. In addition, high food prices make it very difficult for people living on income supports or low wages to afford a healthy diet; in many cases, people have little choice but to select less expensive, less healthy foods. In Northern communities, it is cheaper to buy chips than it is to buy fruits and vegetables.¹

Geographic isolation

Many Northern communities are geographically isolated. The degree of isolation varies, depending on the season and your definition of isolation. Fifteen communities and more than 15% of the NWT population live in communities that do not have year-round road access. Only five communities in the Territory are accessible by paved road. As a consequence of this geographic isolation, most communities have limited access to support services such as mental health and addictions services, women's shelters, or counselling services. There are also very few training and educational opportunities in the smaller communities.

Lack of adequate housing options

There is a shortage of adequate housing in the NWT. The shortage leads to inflated rents, difficulties in finding housing, overcrowding, and unsafe and unhealthy living environments. The housing shortage is more severe in the smaller communities. The 2004 NWT Community Housing Needs Survey indicated that 29% of households had some form of housing problem and 16% were in "core housing need." In smaller communities, 43% of households had some form of housing problem and 35% were in core need – more than double the Territorial average. Core housing need among Aboriginal households was 25%, also well above the Territorial average.

Governance

Governance in NWT is significantly different than in the provinces. Three main differences include: the federal involvement, especially through the workings of the Department of Indian and Northern Affairs Canada and the importance of transfer payments; a consensus-style governance structure that doesn't involve political parties; and, the growing role of Aboriginal governance.

Federal involvement

Being a territory, NWT has a very different governance structure than do the provinces. A large share of the territorial budget comes from the federal government. Moreover, because the NWT does not own the resources on federal land, it is therefore unable to raise money to the same extent as provinces through non-renewable resource development. And while responsibility for education, health and other matters have been devolved to the GNWT, land and resource management is still largely administered through Indian and Northern Affairs Canada. Emerging Aboriginal governments are playing increasingly important roles when it comes to fostering and regulating development.

Northwest Territories - Provincial Governments

George Braden
1980 – 1984

Richard Nerysoo
1984 – 1985

Nick Sibbeston
1985 – 1987

Dennis Patterson
1987 – 1991

Nellie Cournoyea
1991 – 1995

Don Morin
1995 – 1998

Jim Antoine
1998 -2000

Stephen Kakfwi
2000 – 2003

Joe Handley
2003 – 2007

Floyd Roland
2007 - present

Consensus government

The Territorial government has no political parties and it functions on a consensus system. All members of the Legislative Assembly are elected as independents in their constituencies. The elected members then select a Speaker of the Legislative Assembly, a Premier and an Executive from their midst. Cabinet portfolios are subsequently assigned by the Premier to the Executive Members. With a consensus system, there are no party positions to shape public policies and programs, including those that target low-income households. While there are clear benefits to this form of government, it can be challenging to achieve consensus and move a legislative agenda forward, such as on poverty reduction.

Aboriginal Governance

There are a number of regional Aboriginal governments at various stages of development. For example, the Tlicho Government is increasingly in control of the delivery of health, education and social services in that region. However, Aboriginal governments are not currently mandated or structured to directly address poverty. This continues to be an obligation of the Territorial Government, and Aboriginal organizations are reluctant to spend money from claims settlements to take over these obligations of the public government. Many Aboriginal communities do, however, have health and social development departments that deal with the consequences of poverty or provide employment, training or economic development programs that help to alleviate poverty and low incomes in their communities. The division of responsibilities is an on-going challenge in the NWT as governments and communities grapple with strategies to improve the economic and social well-being of their residents.

Poverty in the NWT

The GNWT does not endorse an official definition of poverty. Statistics Canada does not calculate Low Income Cut-offs (LICO) or Market Based Measures (MBM) of low income for the NWT. And while these measures do not officially define poverty, they are often used in the rest of country as proxy measurements for poverty. Omitting the NWT from these calculations makes it difficult to estimate a rate of low income for the NWT or to make comparisons with other jurisdictions in Canada.

Statistics Canada does report the Low Income Measure (LIM) for the NWT. According to the LIM, low income describes the percentage of households drawing one-half the median income or less of an equivalent household. While the LIM is easily calculated, it is an arbitrary measure that fluctuates based

on median income, and it does not indicate whether those categorized as having low income have sufficient income to meet their basic needs. Figure 3 presents the LIM by Administrative Region, based on after-tax income. For the Territories as a whole, 15% of all households were living on low incomes in 2006, and in the Administrative Regions of Beaufort-Delta, Dehcho, and Tlcho, it was more than 20%. According to the LIM, almost 37% of lone-parent families experienced low income; the Tlcho region had the highest rate for lone-parent families, at 40%.

Figure 3

LIM and % of Households Below \$30,000 Income, by Administrative Region, NWT

	Low Income Measure (LIM)		Below \$30,000
	All	Lone-parent families	All households
NWT	15%	37%	15%
Beaufort Delta	22%	37%	27%
Sahtu	16%	37%	25%
DehCho	22%	39%	25%
South Slave	16%	37%	16%
Tli cho	22%	40%	37%
Yellowknife	10%	33%	5%

Source: Government Northwest Territories, 2007.

Another measure of low income in the NWT is the proportion of individuals or households living on less than \$30,000 total income per year. As noted in Figure 3, using this measure we find that 15% of all households in the Territories have an annual income of less than \$30,000. Rates range from a high of 37% in the Tlcho region, to a low of five per cent in Yellowknife.²

Almost 75% of lone-parent families living on low income are female-led. Of the more than 2,700 families living on less than \$30,000 per year, 20% are female lone-parent families. The significance of the poverty is even more pronounced when we consider the number of lone-parent families with young children: 25% of families with children under the age of six are female-led lone-parent families (GNWT, 2008b). Seniors are another vulnerable group, with almost 40% of households with a senior having incomes below \$30,000 per year (GNWT, 2007).

Figure 4 provides a more detailed breakdown by income categories for communities in NWT using data from the 2006 Census. Data on the average and median household income are reported and the percentage of households with less than \$10,000 income, less than \$30,000 income, and more than \$100,000 income per year.

Figure 4

	Total Households	% Under \$10,000	% Under \$30,000	% \$100,000 and over	Median household income \$	Average household income \$
Canada	12,437,470	5%	26%	19%	53,634	69,548
Northwest Territories	14,235	4%	19%	38%	80,085	91,559

Aklavik	220	16%	45%	9%	34,944	44,077
Behchokò	450	6%	30%	31%	59,264	75,409
Colville Lake	..	..	..	..	..	..
Deline	170	9%	38%	12%	40,064	50,260
Detah	..	..	..	..	..	..
Enterprise	..	..	..	..	..	..
Fort Good Hope	180	6%	36%	17%	41,472	58,691
Fort Liard	175	6%	37%	14%	45,440	56,859
Fort McPherson	265	11%	43%	13%	34,688	50,178
Fort Providence	235	6%	36%	13%	44,843	56,283
Fort Resolution	175	11%	34%	11%	45,611	54,286
Fort Simpson	435	7%	23%	32%	67,072	80,100
Fort Smith	865	4%	20%	33%	72,997	80,572
Gamètì	70	0%	29%	14%	37,333	52,967
Hay River	1,320	3%	15%	39%	81,664	89,705
Hay River Dene	90	11%	44%	11%	43,136	50,272
Inuvik	1,245	4%	18%	37%	77,312	87,507
Jean Marie River	..	..	..	..	..	..
Kakisa	..	..	..	..	..	..
Lutselk'e	110	9%	41%	18%	32,704	51,698
Nahanni Butte	..	..	..	..	..	..
Norman Wells	300	0%	8%	50%	96,512	110,559
Paulatuk	75	13%	40%	13%	44,928	53,803
Sachs Harbour	..	..	..	..	..	..
Trout Lake	..	..	..	..	..	..
Tsiigehtchic	..	..	..	..	..	..
Tuktoyaktuk	275	16%	38%	13%	40,064	50,980
Tulita	145	7%	34%	14%	52,992	58,853
Ulukhaktok	135	15%	44%	11%	33,280	45,065
Wekweèti	..	..	..	..	..	..
Whatì	115	0%	13%	13%	49,856	60,230
Wrigley	..	..	..	..	..	..
Yellowknife	6,625	3%	12%	50%	100,468	111,419

Notes:

1. Statistics Canada employs a random rounding procedure for confidentiality. As a result, totals may not be the exact sum of their components.
2. Income data are suppressed for communities with less than 250 persons or less than 40 private households. This is denoted by "..".

Source: Statistics Canada, 2006 *Census* of Canada (Prepared by NWT Bureau of Statistics, 2008a.)

Figure 4 reveals that both median and average incomes in the NWT are very high, considerably higher than comparable figures for Canada. For example, the median household income in NWT was 1½ times the national average in 2005. In percentage terms, there were fewer households with incomes of less than \$10,000 and less than \$30,000. And at the same time, 38% of the households in NWT had incomes of more than \$100,000 in 2005, double the national proportion.

These data illustrate the highly skewed distribution of income in the NWT. In eight of the 20 communities for which data are available, the percentage of households with income below \$30,000 was double the Territorial average of 19% in 2005. Wealth is concentrated in Yellowknife and in a few smaller communities such as Norman Wells and Hay River. Communities outside of these centres struggle with significant economic challenges and high levels of economic insecurity, as do many vulnerable groups such as people with disabilities, lone-parent families, and unemployed individuals living across the territory.

POLICIES AND PROGRAMS

Overview

The GNWT uses the term “income security” to describe programs aimed at assisting persons living in poverty to meet their financial needs. According to the report on the Income Security Review, the Government spent approximately \$100 million dollars in 2006 on Income Security programs and services.³ Programs are grouped into four categories: 1) Basic needs programs; 2) Cost of living programs; 3) Home ownership programs; 4) Access programs. Benefit levels for all Income Security programs are determined using the Market Basket Measure to reflect the different costs of living in Northern communities. Almost half – 48% – of all Income Security expenditures are on programs that provide for basic needs; 20% is spent to mitigate the costs of living, 12% is spent on home ownership programs, and 20% is spent on programs that provide access to health, legal and education programs and services (GNWT, 2007).

“Income Support” is used to describe the welfare or income assistance program. Payments are designed to help individuals and families compensate for low income. In 2007, an average of 2,034 beneficiaries, or five per cent of the population, relied on Income Support benefits each month. As suggested in the Alternatives North report, *“Poverty” A Whispered Word in the NWT*, this accounts for only a fraction of the people in NWT who could be considered poor (Saunders, 2006). Statistics on Income Support assistance do not include the working poor, lone parents living on child maintenance payments, people on Employment Insurance benefits, those living in shelters, a significant number of homeless people, and those relying on family members to help fulfill their basic needs.

Income Support Beneficiaries

The number of Income Support beneficiaries varies substantially by community. Those with the largest number of Income Support beneficiaries include the communities of Ulukhaktok, Aklavik, Fort Providence, Fort Resolution, and Paulatuk (see Figure 5). The percentage of beneficiaries in these communities is three to five times the Territorial average.

Figure 5

Beaufort Delta Region	9%
Aklavik	19%
Fort McPherson	5%
Inuvik	4%
Paulatuk	15%
Sachs Harbour	2%
Tsiigehtchic	7%
Tuktoyaktuk	11%
Ulukhaktok	27%
DehCho Region	10%
Fort Liard	9%
Fort Providence	18%
Fort Simpson	3%
Kakisa	1%
Nahanni Butte	2%
Wrigley	7%
Sahtu Region	5%
Colville Lake	7%
Deline	8%
Fort Good Hope	6%
Norman Wells	1%
Tulita	7%
South Slave Region	5%
Fort Resolution	16%
Fort Smith	5%
Hay River	3%
Lutselk'e	9%
Tlcho Region	10%
Behchokò	11%
Gamètì	3%
Whatì	9%
Yellowknife	2%

Source: Government Northwest Territories,
Bureau of Statistics, 2008b.

The total number of beneficiaries Territorial-wide has decreased substantially over the last decade, from 3,751 in 1998 to 2,034 by 2007 – a decline of 45%. However, a decrease in the number of beneficiaries does not necessarily reflect a decrease in the need. In their Income Security Review report, Alternatives North suggests that the lower numbers have been influenced by policy changes which make it more difficult to qualify for support payments (Saunders, 2006), a point discussed further below.

As a result, annual government expenditures on Income Support payments and average caseloads also declined over the decade, as shown in Figure 6. However, total Income Support payments per caseload have increased. The average total payment per caseload in 2007 was 17% higher than in 1998, while inflation over that same period was more than 17%. In real terms, Income Support recipients have lost ground. According to the National Council of Welfare, average benefits for Income Support recipients in 2007 ranged from \$14,888 per year for single employable clients, to \$31,560 for couple families with two children.

Figure 6

	1998	2007	LESS
Total Beneficiaries (monthly average)	3,751	2,034	1,717
Total Cases (monthly average)	1,737	1,121	616
Total Payments (Annual)	\$12,860,000	\$9,706,000	\$3,154,000

Source: GNWT, Bureau of Statistics, 2008b.

Income Security Review

As a cost saving measure in the mid-1990s, at about the time of the demise of the Canada Assistance Plan (CAP), the GNWT moved the Income Support program from Health and Social Services to the Department of Education, Culture and Employment. The program emphasis became getting people to work, regardless of their physical, mental or emotional capacity to earn a living, and without adequate supports or training programs. This philosophical shift was, in part, an attempt to reduce people's dependency on government support. Under the new regulations, Income Support clients could jeopardize their benefits unless they engaged in a "productive choice" which entailed working, looking for work, volunteering, or looking after very young children.

The new system, however, was not accompanied by adequate support programs or training tools tailored to the needs of communities that were entrenched in a legacy of colonialism and residential schools (Hache, 2008). Social workers who had administered the previous system and provided case management services were replaced with lower-paid administrative clerks. This single change had profoundly negative consequences for the program beneficiaries. It is also important to recognize that a large proportion of Northerners have experienced intergenerational impacts of the residential school

system, and many were raised by institutions, or by parents who had been raised in institutions. Hache notes that as a consequence, many Northerners never learned the skills necessary to be independent in a market economy (2008).

Problems in the income security system and efforts by civil society groups working to eliminate poverty prompted a review of Income Security programs in 2004. That review process led to the development of an Income Security Policy Framework for Self-Reliance (2005). This new framework set out the Territory's vision for the development of policy and promoted consistency across income support programs. It was significant in that it formally reflected a transition in the view of income support programs from being "programs of last resort" to "programs aimed at increasing self-reliance." It also signalled that the Government was monitoring efforts in other jurisdictions as it began to use the language of poverty reduction.

With a policy framework in place, the government began its review of Income Security programs by focusing on the subsidy programs. The government led an NWT-wide consultation process to determine whether or not income security programs worked to build self-reliance among beneficiaries. As a result of those findings, the system for delivering benefits was restructured and benefit levels were increased in several areas. In the first phase of reform, a coordinated approach for the delivery of programs has been established; to that end, the Territories is switching back to a case management strategy in working with clients, and a single point of contact is being established in all communities. Increases in Income Support have been targeted at raising food and clothing allowances; as well, more assistance is now available to seniors and people with disabilities who have incidental expenses. In addition, shelter assistance for single individuals was increased. The first phase of benefit increases went into effect in 2007, and several more program benefit increases are expected (GNWT, 2007). The Public Housing Rental Subsidy is the next program scheduled for review.

The Income Security Review has received criticism from several non-governmental organizations. While most groups commended the GNWT for making efforts to address poverty reduction, there were concerns that the consultation process did not adequately include all those living on income security programs or address the issues facing all those living in poverty. The Review was also criticized for not defining measurable outcomes and failing to set targets to measure progress towards poverty reduction (Saunders, 2006). Critics argued that the Income Security Policy Framework falls far short of being a comprehensive strategy for poverty reduction.

CRITICAL ISSUES GOING FORWARD

Picking up on the different trends identified earlier in this report, this section highlights several key issues facing low-income Northerners – issues that are important to consider in framing an effective response to poverty and low income, namely housing, child care, and mental health and addictions.

Housing

As noted earlier, there is a critical lack of affordable, safe and secure housing in the NWT. Select housing issues directly related to poverty and low income include the following:

Housing shortages

There is a shortage of adequate and affordable housing in both the private and public housing stock. Home ownership rates in the NWT are 53%, well below the national average of 68%. Renters are in a difficult situation with rental housing in very short supply. As a result, landlords are able to provide inadequate housing, yet demand astronomical rents and require would-be tenants to undergo unreasonable screening processes. According to the 2007 study, *Women's Homelessness in the North*, the landlord and tenant Acts are outdated and offer few protections to tenants. Landlords are able to evict people without cause or recourse (YWCA). Without changes to the Acts, legal redress is not possible.

Public housing

The most severe housing shortages are in the stock of public housing. In many NWT communities, most, if not all, housing available is public housing. With a severe shortage of housing, community members have few options and are often forced to live in compromised situations. Too few houses translates into high rates of overcrowding, unhealthy living environments, and increased wear-and-tear on existing units.

Federal policy changes over the last couple of years have reduced support for public housing and made an already difficult situation even worse. And there is no indication that there will be a significant increase in public housing stock anytime soon. Minimum residency requirements have become commonplace in communities across the NWT. For example, people arriving in Yellowknife or Inuvik must live in the community for at least six months before they are eligible for public housing. Even once eligibility is gained, waiting lists are often very long. Minimum residency requirements are especially problematic for people trying to escape abuse or problems in their home communities by coming to the larger centres of Yellowknife, Inuvik or Fort Smith. In many cases, they arrive without adequate resources and cannot afford a place to live, so they end up living in compromised situations. This is also a problem for people who must move to Yellowknife because of special medical needs or to gain access to social services.

The Centre for Northern Families argues that rental subsidy rates are too low and thus perpetuate a system where people often fall into arrears (Hall, 2008). The low subsidy forces individuals to make difficult budgeting decisions and to forgo other important necessities such as eating a nutritious diet or buying decent work clothes.

The structure of the Public Housing Rental Subsidy Program has been widely criticized as being highly political, especially in the smaller communities (Hache, 2008). While the GNWT oversees public housing through the NWT Housing Corporation (NWT HC), Local Housing Organizations (LHOs) administer the

program. The functions of LHOs include allocating units, collecting the household member's portion of the rent, and handling maintenance and repairs for the units. Discrepancies have been noted on who gets housing, how rental rates are set, and which units receive maintenance and repairs. In March 2008, the Department of Employment, Education and Culture released the *Public Housing Rental Subsidy Policies and Procedures Manual* to harmonize the policies governing LHOs.

There are some signs of improvement around the provision of public housing. The government has made more housing available for seniors, and a building targeted to people with disabilities recently opened in Yellowknife. Also, the Public Housing Rental Subsidy Program is being reviewed as part of the Income Security Benefits review process. The Auditor General's recent *Report on the Housing Corporation's Public Housing and Home Ownership Programs* also made key recommendations aimed at a more equitable housing system by increasing the Corporation's involvement in LHO operations (Office of the Auditor General, 2008).

Single housing provider

With the exception of a few major centres, the GNWT is the *only* housing provider in the Territory. As a consequence, people can be shut-out from housing. If a person gets evicted, it is very difficult to access housing again. In addition, if a person owes money to the Housing Authority (such as for rent arrears or damage costs), they cannot rent in any other location until the money is repaid. The Centre for Northern Families notes that this is likely the single biggest contributor to homelessness in the NWT (Hache, 2008).

Similarly, the Territorial Report on Women's Homelessness reported that Housing Authority policies contribute to homelessness, especially among women (YWCA, 2007). Key recommendations in the report included:

- A formal review of housing policies using a cultural and gender lens to address conditions that contribute to homelessness in the North;
- The implementation of priority housing policies to protect women trying to leave abusive relationships;
- The creation of a national housing policy, outlining national standards for the design, implementation, monitoring and enforcement of laws, policies, and strategies for housing support programs.

Addictions

Preliminary research by Christensen on housing insecurity in the North has identified addictions as being at the core of housing insecurity and homelessness (2008). Addictions make it incredibly difficult to maintain stable housing and they are noted as a main factor in evictions. Participants in Christensen's research study reported that housing programs would continue to fall short, until the underlying issues of addiction are dealt with. The 2006 NWT Addictions Survey suggested a link between heavy drinking and poverty, noting that the highest rates of heavy drinking were among those living in low income households.

Hidden homelessness

Chronic housing shortages and poor-quality housing are considered to be the major contributors to “hidden homelessness.” Hidden homelessness describes people who have severe problems with housing affordability, live in overcrowded and inadequate conditions, or who are “at-risk” of absolute homelessness. According to Christensen, hidden homelessness is thought to be much more prevalent in the NWT than visible or “absolute” homelessness (2008). In addition to the lack of housing stock, Christensen reports that hidden homelessness in the North may also be influenced by issues surrounding poverty, addictions, domestic violence, a lack of tenancy skills, and low self-esteem. Many people who experience homelessness in Inuvik and Yellowknife – whether hidden or absolute – are in that position because they have been evicted from public housing and now owe arrears. And with arrears on their record, they have no other housing options. As a result, many people try to move around from place to place, staying with friends or family until their welcome wears out, or living in other compromised housing situations (Christensen, 2008).

Women’s homelessness

A 2007 study of homelessness among women in the NWT estimated that there were 500 homeless women in Yellowknife alone and over 1,000 homeless women across the territory – which accounts for 5% of the entire female population. The magnitude of these numbers is extraordinary, particularly considering the harsh climate in the North and the perception that Canada is a country with strong social support systems. Women’s homelessness in the NWT is not a reflection of unemployment: 25% of women interviewed for the report said they were working, but still could not afford housing.

The study identified the following characteristics as contributing to homelessness: the remote geography; a harsh climate; a high cost of living and limited employment opportunities; inadequate access to appropriate social services; problems with domestic violence and intergenerational dependency on income supports; underdeveloped infrastructure; a small population base; the lack of accessible and affordable transportation systems; and the high cost of labour and materials needed to increase the housing stock (2007). Homelessness is often considered to be one of the most severe consequences of poverty.

Child Care

Demand for child care

There is a significant demand for affordable and reliable child care in the NWT. As noted in the 2006 survey by Alternatives North, child care facilities are now operating at full capacity, and two-thirds of the centres maintain waiting lists. The highest unmet needs are for infant spaces within day cares and day homes and pre-school spaces within pre-school programs. Due to low wages and the high costs of living in the North, there is significant turnover among child care staff. High staff turnover places additional stresses on child care facilities and ultimately impacts the quality of care.

The economic and social burdens associated with child care fall more heavily on women, especially those living on low incomes. With the high costs of living in the North, many women don't have the option of staying home to care for their children. Sixty-six per cent of women with children under age 6 in the NWT work outside the home, and an additional 16% are actively trying to find work (Statistics Canada, 2006). The participation of women in the labour force means greater demands for child care.

There are also large numbers of lone-parent families in the NWT, the vast majority of which are headed by women, and it is well-documented that female-led lone-parent families are one of the groups most vulnerable to poverty. One in five families in the NWT is a lone-parent family (Statistics Canada, 2006), and 37% of lone-parent families in the NWT have incomes below the LIM. And while Statistics Canada does not calculate the prevalence of low income rates in the NWT, nationally the rate of low income among female lone-parent families was 32.2% – almost four times the rate of the general population (2006).

Child care subsidy program

The Child Care User Subsidy Program is available to eligible low-income parents and is designed to help pay a portion of the family's child care costs so that the individual or family member can attend school or work outside the home. The program has been widely criticized for its inadequacy. Major criticisms documented by Lutra and Associates in the NWT Child Care Survey include:

- low income ceilings for eligibility, relative to the high costs of child care;
- a shortage of reliable child care; and
- late payment of the subsidy. (2006)

In 2006-07, only 92 NWT families qualified for the Child Care User Subsidy. According to 2006 Census data and the rate of low income calculated for the Income Security Review document (2007), there were over 200 two-parent families with children under the age of six who qualified as being low income, which suggests that many families that could use the Child Care User Subsidy did not qualify.⁴ And as noted above, while we cannot determine the number of lone-parent families with children under age six, we do know that 850 lone-parent families can be categorized as living in low income according to the LIM. Clearly, providing child care subsidies for only 92 families is grossly inadequate.

Late payment of the subsidy also creates problems for the parent(s) and child care providers. Individuals already experiencing low income may not have the cash flow to be able to pay for child care in advance. Similarly, many child care providers are reluctant to take on children who may qualify for a subsidy because delays in getting the subsidy payments interfere with the cash flow of their operations. And with long waiting lists, child care providers can be selective about who they accept.

The 2006 NWT Child Care Survey, commissioned by Alternatives North, made six major recommendations to improve the provision of child care. They are as follows:

1. Start-up and operating grants currently provided by the GNWT should be increased to sustain existing child care facilities and support the creation of new ones, and a portion of any increases should be applied to staff salaries. Further, grants should not be tied to daily attendance.
2. The GNWT needs to set yearly targets for the development of new child care spaces.
3. The GNWT must address factors that negatively affect the subsidy program, such as the low income ceilings for eligibility and late payment of subsidies.
4. Education and training opportunities for early childhood staff need to be provided at the community level, with financial support for staff to attend and/or funding to cover costs for temporary workers.
5. The GNWT should further survey the need for child care during irregular hours and in centres with significant needs, and provide additional funding for day cares to offer these services.
6. Child care facilities need to build relationships and connections with organizations that have an interest in child care issues and the capacity to lobby on behalf of the facilities.

Mental Health and Addictions

Mental health and addictions are major issues of concern in the NWT and they are directly tied to the issue of poverty. Addictions are a social and economic reality for many people, profoundly influencing their security and well-being, as well as that of their families and communities. A report prepared by the Inuvik Interagency Committee identified addictions as the top social priority requiring immediate action. The report also named mental health and addictions services as the most significant gap in local services and programs (2006).

A 2005 report by Chalmers and Associates noted that drug-use patterns for marijuana, cocaine and possibly crystal methamphetamine were changing due to improved economics in the NWT and the greater availability of drugs. The increase in illegal drug use is cause for great concern, especially in light of the impending expansion of natural resource development. Increased drug use has been linked to a host of other social and economic problems, including family violence, chronic health conditions related to addictions, problem gambling, and adults living with Fetal Alcohol Spectrum Disorder.

The Department of Health and Social Services has implemented a framework to deliver community-based counselling services across the Territory. This continuum of services encompasses mental health, addictions and family violence services through prevention, treatment, and aftercare (Chalmers et al., 2005). The expansion in community-based services is clearly a step in the right direction.

That being said, however, there remains a critical lack of mental health treatment facilities and psychiatric services. The only mental health treatment facilities are located in Hay River and Yellowknife, but the Yellowknife Stanton Hospital has been without a psychiatrist for over three years. Psychiatric services are currently provided on an *ad hoc* basis by locums (Hall, 2008). This patchwork of mental health services and the absence of a permanent psychiatrist are critical considerations in any efforts to address poverty in the NWT.

CIVIL SOCIETY ORGANIZATIONS WORKING TO ALLEVIATE POVERTY

There are numerous civil society actors in the NWT that play vital roles in supporting and advocating for those living in poverty or low income. A number of these organizations are highlighted below, with a brief description of their role in addressing poverty. This list is not exhaustive, but rather a selection of organizations working to address the causes and consequences of poverty and low income. For example, the list does not include food banks or faith groups which play vital roles in supporting those living on low income.

Alternatives North: Alternatives North is a social justice coalition operating in the NWT. Members include representatives of churches, labour unions, environmental organizations, women's groups, family advocates, and anti-poverty groups.

Alternatives North has been a strong advocate for a territorial poverty-reduction strategy, and they played a key role during the Income Benefits Support review process. In addition, they have advocated for and commissioned several key studies related to child care, poverty, the cost of living in the North, the social and economic impacts of non-renewable resource development, and the implications of government cut-backs.

Inuvik Interagency Committee: The Inuvik Interagency Committee is a non-profit network of community members representing 30 different agencies that are collaborating to implement community-driven social change. The Committee works to identify, address, and resolve gaps in social services programming. The group is responsible for establishing the Inuvik Food Bank, a Victim Services Program, and a Suicide Hotline. In addition, they have commissioned reports on homelessness and social well-being.

Yellowknife Homelessness Coalition: This partnership includes participation from all orders of government and more than 15 non-governmental organizations. The Coalition's mandate is to provide a seamless continuum of housing and support services for marginalized individuals and families living in or moving to the City of Yellowknife.

The Yellowknife Women's Society and Centre for Northern Families: This organization is a leading advocate for social justice issues in the North. It has formed partnerships with local, territorial, national and international groups to highlight the particular needs of Northerners, and has developed and implemented programs to support the health, social, cultural and economic autonomy of women.

The Yellowknife Women's Society and Centre for Northern Families plays an instrumental role in supporting women and their families who are living on low incomes or in poverty. It serves as a drop-in centre, providing basic services and support, and there is a medical clinic on-site. In addition, the Centre for Northern Families operates an emergency shelter which can accommodate up to 18 women. In 2006-2007, 800 women accessed the emergency shelter, generating 5,910 bed nights for the year. The Centre also offers a small amount of transition housing. Other critical Centre programs include a

homelessness travel fund, a residential tenancy advocacy program, a poverty law clinic, a basic assistance program, a family support program, respite care, a day care, and a healthy baby and toddler club.

YWCA: The YWCA provides numerous programs that directly or indirectly assist those experiencing low income or poverty. These include transitional and emergency housing, life skills counselling, support to help resolve poor tenancy histories and build damage deposits, community inclusion and in-home support for adults with developmental disabilities or chronic psychiatric illnesses, and family violence programs. The YWCA also has a food bank and clothing depot on-site in Yellowknife, and the organization has been a leading advocate for measures to address homelessness in the Territory.

CONCLUSION

Until recently, the boom in economic wealth being experienced in the North made it easy to overlook poverty and low income as significant issues. But civil society actors in the NWT have been instrumental in pointing out that not all Northerners have benefited equally from the boom years, and there continue to be significant disparities between those who have made large economic gains and those who are bearing the social costs. For example, the state of housing and the severe housing shortage in the North have reached a crisis point. Homelessness and crime and addiction rates are among the highest in the country – and still rising. The lack of child care is having a negative impact on young families and single parents. The high costs of fuel and food continue to impact those living in poverty and on low income, but income security benefits have not kept pace with these increases.

The current world-wide economic crisis will only lead to greater hardship for many in the NWT. It has hit at a time when the GNWT is considering staff cut-backs that will result in reduced programs and services.⁵ Due to public opposition, the government has reduced its staffing cuts from the 135 civil service positions and elimination of 88 vacant positions that were projected last winter (Parkland Institute, 2008). Still, there are on-going concerns that spending on health and social services will be reduced and that the next phase in implementing recommendations from the Income Benefits Review will be deferred.

In light of the economic downturn and the possibility of the massive Mackenzie Gas Project, civil society organizations are making the case that there has never been a more important time for the government to develop a poverty-reduction strategy to improve the living conditions and well-being of low-income Northerners. These efforts need to be located within a larger vision and framework for social development, one that is tied to an equitable and sustainable vision of economic progress. Economic growth alone cannot accomplish this task – as evidence from the last decade amply demonstrates. Rather, a comprehensive approach to poverty reduction is needed, one that brings together communities, governments, employers and citizens to ensure that *all* share in the potential and the promise of the NWT.

ENDNOTES

¹ The statement, “It is cheaper to eat chips than fruits and vegetables” was referenced in The Public Consultation Report on Income Security (GNWT, 2006). The quote has since been referenced in other documents to advocate for the need to increase income security benefits.

² The Income Benefit Review document does not provide a rationale as to why \$30,000 per household was selected as a cut-off point, and there is no indication whether \$30,000 per household represents an adequate income to provide for basic necessities. Also, given differences in the cost of living across the Territory, a single low income cut-off is likely not appropriate.

³ Income security programs include the Income Assistance Program, Public Housing Rental Subsidy, and the Senior Home Heating Subsidy.

⁴ The prevalence of low income in couple families with children aged 0 to 17 was 9.2% (GNWT, 2007). There were 500 couple families with children at home. Children under age six represented 25% of the total number of children at home (Statistics Canada, 2006).

⁵ The territorial government proposed cuts of \$135 million in the January 2008 budget.

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