

Causes of poverty in canada | essay



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Poverty in a section of Canadian society remains a major concern, with the nation scoring one of the highest poverty rates among the highly industrialized and wealthiest nations (CBC, 2013). The government of Canada, in a bid to help reduce the poverty level, has been making efforts to set up wide range of social welfare programs, including universal public education systems, universal medical systems, minimum wage among others (Conference Board of Canada, 2013). It has, however, been argued that poverty depends on individuals and that the poor are only so because they wish. These steps imply that the government structural adjustment of socio-political structures may not save the prevailing situations. Against the background of the controversial source of poverty, this paper explores some of the causes of poverty in Canada, with a special attention of whether the poor can be so out of their wish. The paper argues that even though some personal attributes may account for the poor, poverty is also a product of structural malfunctions, and however much individual's reform poverty will persist if corresponding structural adjustments are not made.

Explaining the Poverty in Canada

Poverty in a developed state like Canada can be explained from various theoretical standpoints. Some scholars view poverty as a product of personal failure so that the poor remain so because of their personal limitations and traits (Lusted, 2010). This school of thought stem from the notion of meritocracy, which assert that the rewards in the society are given based on merit. From this perspective, the rich are so because they poses unique personal attributes that the poor do not have, and the superior traits or characteristics that attract of societal reward with good earnings and wealth

(Lusted, 2010). Going by meritocracy, the poor Canadians are those who have personal traits that limit them from utilizing the money making opportunities available. Such trait could include laziness, poor attitude or low educational attainment. Following this perspective the poor have simply failed to pull out of poverty, not because of any structural or societal failure, but essentially of the poor's personal failure. This notion is reflected in the resistance to socio-economic programs that Canadian government has sought to put in places such as progressive income tax system, minimum wage laws and child credits. The opponents of such programs argue that by letting the poor benefit the support, at the expense of those economically endowed, the government is rewarding personal failure.

The notion of meritocracy and the view that poverty is an evitable personal failure should be treated with caution. Indeed, the Canadian society and the rest of the world are becoming highly competitive. Individuals need to have high educational attainment and adequate training to secure well-paying jobs. Those who venture into entrepreneurship equally have to be diligent and innovative to survive business competition and avoid being edged out of the competition. However, it proceeds from an assumption that personal efforts and capability are all needed for wealth creation. This is a wrong and misleading assumption. Entrepreneurs, for instance, need not only enterprising skills but also capital and at times land to start up and run their businesses. Accessing capital remains challenging too many Canadians, more so for those who have no security and good social network to help raise the same (Raphael, 2011). Similarly, those seeking to be employed could have high academic qualifications but the employment opportunities

that match their qualifications would be very scarce (Raphael, 2011). This leads to unemployment and underemployment, which increases the poverty level. There is also evidence that structural adjustments in Canada have slowed down and reduce the nation's poverty rate. For instance, according to Conference Board of Canada (2013) reduced tax burden on the low income earning Canadians has helped limit poverty rate by up to 11 percent. Without this social relief, the Board estimates that Canadian poverty rate would now be standing at 23 percent rather than the 12 percent as it stood in 2013. This evidence disapproves the concept that poverty is associated with personal limitations because the adjustments were on structures rather than people's traits.

An alternative view is that poverty in Canada is mainly attributed to key economic and social structural failings. According to structural theorists, poverty in a society is a product of failures at the structural levels of the society (Rank, Yoon & Hirschl, 2003). Structures in society refer to social, economic and political institutions, policies and programs. Ideally, these structures should be designed in accordance with the demands and circumstances of the society. That way, there will be structural fit between the structures and limitations they are designed to remedy or goals they are designed to achieve. When the systems fail to meet the goals, needs and demands they are meant to address, or when the structures turn out to be insufficient a structural failure occurs with adverse societal consequences (Rank et al., 2003).

In the context of Canada, key social and economic structures include labor market, government policies, social safety nets and resource allocation

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among others. One of the failures that could explain Canadian poverty is the failure in the labor market to provide adequate job that would raise adequate pay and keep Canadian families out of the poverty (Raphael, 2011). Though Canada has relatively low unemployment level, the job market is relatively saturated so that a substantial population are absorbed in low paying part time jobs with fewer benefits (Rank et al., 2013). If the labor market would offer full time, well-paying jobs with benefits. Then the poverty level would drop. The minimum wage is equally fixed at a low rate that would hardly sustain families outside the poverty level. Few social safety net and devotion of fewer resources to helping the poor are yet further explanations of Canadian poverty. Evidence by Conference Board of Canada (2013) gives strong evidence that had Canadian government not set a progressive tax system with more relief to the poor, the poverty level would be far much higher than it is today. Without socially-driven tax relief, the Board estimates that Canadian poverty rate would now be standing at 23 percent rather than the 12 percent as it stood in 2013. Similarly, various social programs such as mandatory employment insurance programs and transfer programs from the poor to the old have lessen the poverty level evidence in reduction of income inequality by 27 percent away from what it would currently be.

Conclusion

To conclude, while personal failures could explain isolated cases of poverty in Canada, Canadian poverty is mainly due to structural failures. Personal traits are just but one of the several determinants of wealth creation.

However hard working, enterprising and well-educated Canadians may be, they can hardly get outside the poverty cycle without adequate and proper

social and economic structures. Some of the social and economic structural adjustments are already helping reduce poverty rates significantly, confirming the view that structural failures would escalate poverty rate.

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