



CASW HUMA SPEAKING NOTES:

Exploring the Potential of Social Finance in Canada

Good afternoon, on behalf of Board of the Canadian Association of Social Workers and our provincial and territorial federation partner organizations, I would like to thank the HUMA Committee for allowing the perspective of social workers to be brought forward in this exploration of the potential of social finance in Canada.

- I will be sharing the presentation time today with Dr. James Mulvale, who is joining us from Winnipeg.
- To begin, CASW is deeply concerned about growing inequity in Canada and has focussed its advocacy efforts in recent years to highlighting ways that all levels of Government can work together to support a more equitable Canada.
- CASW reaffirms the importance of a pan-Canadian vision of social policy based upon a concept of coordinated federalism in which the federal government negotiates with the provinces and territories and helps to finance social programs under certain guiding principles. It is a vision ensuring that all Canadians have basic rights to a common minimum standard of service across the country.
- CASW appreciates the intention behind Social Investments is to hold investments accountable to benchmarks of achievement – a return on investment. CASW is advocating that the federal government begin to ask of itself what it is already expecting from others.
- The Canadian Social Transfer is the primary source of federal funding in Canada that supports provincial and territorial social programs. The Canadian Social Transfer funds many programs that are important to maintaining a good quality of life for all Canadians. At present, the Canadian Social Transfer is largely an unconditional transfer which has no agreed Principles of Accountability to ensure equity of social programs across Canada or in other terms, return on investment.
- As this committee deliberates the potential of social finance in Canada, CASW asks that it entertain principles of accountability that can be applied to all investments by government, whether it is the Canada Social Transfer, or the financial backstopping of differing forms of social investment.
- The Government of Alberta has adopted a Social Policy Framework with principles that guide decisions and program delivery. CASW suggests that Canada adopt a similar vision when it comes to the Canada Social Transfer and social enterprise.
- The Canada Health Act guides the delivery of healthcare in Canada, similarly, a Social Services Act, with broad principles including need; comprehensiveness; accessibility; fairness; portability; universality; and public or non-profit administration – if adopted, would guide all investments in social services.
- I now will pass the time to Dr. James Mulvale.



Dr. James Mulvale

- The spectrum of Social Finance being reviewed by this committee is very broad.
- In principle, CASW is fully in support of social enterprise - not-for-profit organizations and foundations playing a vital role in service innovation, and partnering with government and other funders to address social needs and problems in novel ways.
- As this committee has heard from previous presenters, Social Enterprise offers opportunities for individuals, communities and organizations the ability to leverage financial and social support to meet identified needs.
- Accountability to community is key to the success of Social Enterprise – with end being a social good.
- With that being said, CASW does have deep reservations behind the overall stated profit motivations behind ‘Social Investments or Finance’ including social impact bonds.
- CASW understands the intention of these types of Social Investments is to move forward with pay-for-performance agreements, which would see public dollars, cover premiums to businesses that invest in social services and/or Return-On-Investment (ROI).
- CASW notes that the experiences and results of other jurisdictions that have adopted for-profit models of human service program delivery (health care, corrections, delivery of social assistance) are not encouraging.
- One problem that has arisen in for-profit health care is 'cream-skimming.' The profit-seekers will address the needs that promise the quickest and largest ROI, thereby diverting financial and human resources as well as policy makers' attention, away from the needs which don't have such readily available 'solutions.'
- The great moral and ethical challenges that we face as a country – such as the elimination of poverty, and health for all – are public policy questions in which governments and elected officials must take the lead. Business has an important but subsidiary role to play in addressing these challenges, including the responsibility to pay their fair share of taxes to underwrite the cost of necessary public services.
- Highly unequal societies are not healthy ones and have a lower quality of life, as evidenced by an abundance of research on the Social Determinants of Health and on the negative social outcomes of high levels of economic and social inequality (e.g. Wilkinson and Pickett).
- Measuring the impact of longer-term public investment can be done, although it is perhaps more difficult than measuring concrete outcomes of a Social Impact Bonds with a three or four year investment cycle. However CASW contends that longer-term public investment in addressing the 'root causes' of social distress might ultimately have more impact in addressing social problems and creating opportunities for individuals and a better quality of life for all.
- **Finally, CASW's key recommendations on social finance in Canada include:**



Recommendation 1

The Government of Canada pool financial resources to fund projects that show promise as innovative and more effective ways of meeting social needs.

Recommendation 2

The Government of Canada should make a binding commitment that existing public social services provided by a community organizations or non-for-profits will not be reduced in order to engage in a Social Investment Bonds or other social finance initiatives.

Recommendation 3

The Government of Canada develop a Social Services Act, with broad principles including need; comprehensiveness; accessibility; fairness; portability; universality; and public or non-profit administration that would guide all investments in social services to ensure transparency and accountability for all the investments it makes towards social finance initiatives.

Thank you.