

July 3, 2019

The Honourable Jean-Yves Duclos, P.C., M.P.
Minister of Families, Children and Social Development
House of Commons
Ottawa, ON
K1A 0A6



Dear Minister Duclos:

Re: Announcement of Investment Readiness Program for the Social Finance Fund

As you know, the National Union of Public and General Employees (NUPGE) is very concerned that the proposed Social Finance Fund could be used to fund privatization. In your March 8, 2019 reply to my letter you said, “that the Social Finance Fund was not intended to replace public funding for social services, nor is it designed to displace the work of more traditional charitable and nonprofit organizations.” Unfortunately, the Canadian Press article on your announcement of the Investment Readiness Program (IRP) gives a very different impression.

According to the Canadian Press article, “Federal officials have been working on a strategy for social finance, as it’s known, for years, hoping to bring private funding, incentives and discipline into social services governments provide themselves or directly fund.” The statement in the Canadian Press article was not attributed and I realize that sometimes media reports are not accurate. However, given that the comment in the Canadian Press article gives the impression that the Social Finance Fund will be used to subsidize the privatization of social services, the fact there has been no reaction to the statement is worrying for those opposed to privatizing social services.

Without a repudiation of the statement, the only reasonable conclusion is that the statement in the Canadian Press article is an accurate description of how the Social Finance Fund will be used. Using private funding for services traditionally provided or funded by government is privatization. So too is any funding method that results in private investors having control over social services.

While the Social Finance Fund could be very effective if used to support community economic development, using social finance to privatize public services is neither

innovative nor effective. If the intent is to come up with an innovative way to address social problems, the federal government would be better off reversing the cuts to federal funding for social services that were made in the 1990s. As front-line workers in social services will tell you, we are still paying the price of those cuts. And as front-line workers will also tell you, adequate long-term funding for social services would be very different from what is being done now.

Sincerely,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Larry Brown
President

cc: Elisabeth Ballermann, Secretary-Treasurer
National Executive Board