

For Community Discussion

# Human Dignity for All: Working for a Poverty Free Ontario

**Presentations**

Spring 2011



# UNIVERSAL DECLARATION OF HUMAN RIGHTS

Adopted by the United Nations On December 10, 1948  
(Draft text prepared by a Canadian law professor John Humphrey)

Preamble [first sentence]

“Whereas recognition of **the inherent dignity and of the equal and inalienable rights of all members of the human family** is the foundation of freedom, justice and peace . . . “

Article 25

“ **Everyone has the right to a standard of living adequate for the health and well-being of himself (herself) and of his (her) family**, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or **other lack of livelihood in circumstances beyond his (her) control.**”

**Poverty is a Violation of Inherent Human Dignity**

# THE INTERNATIONAL COVENANT ON ECONOMIC AND SOCIAL RIGHTS

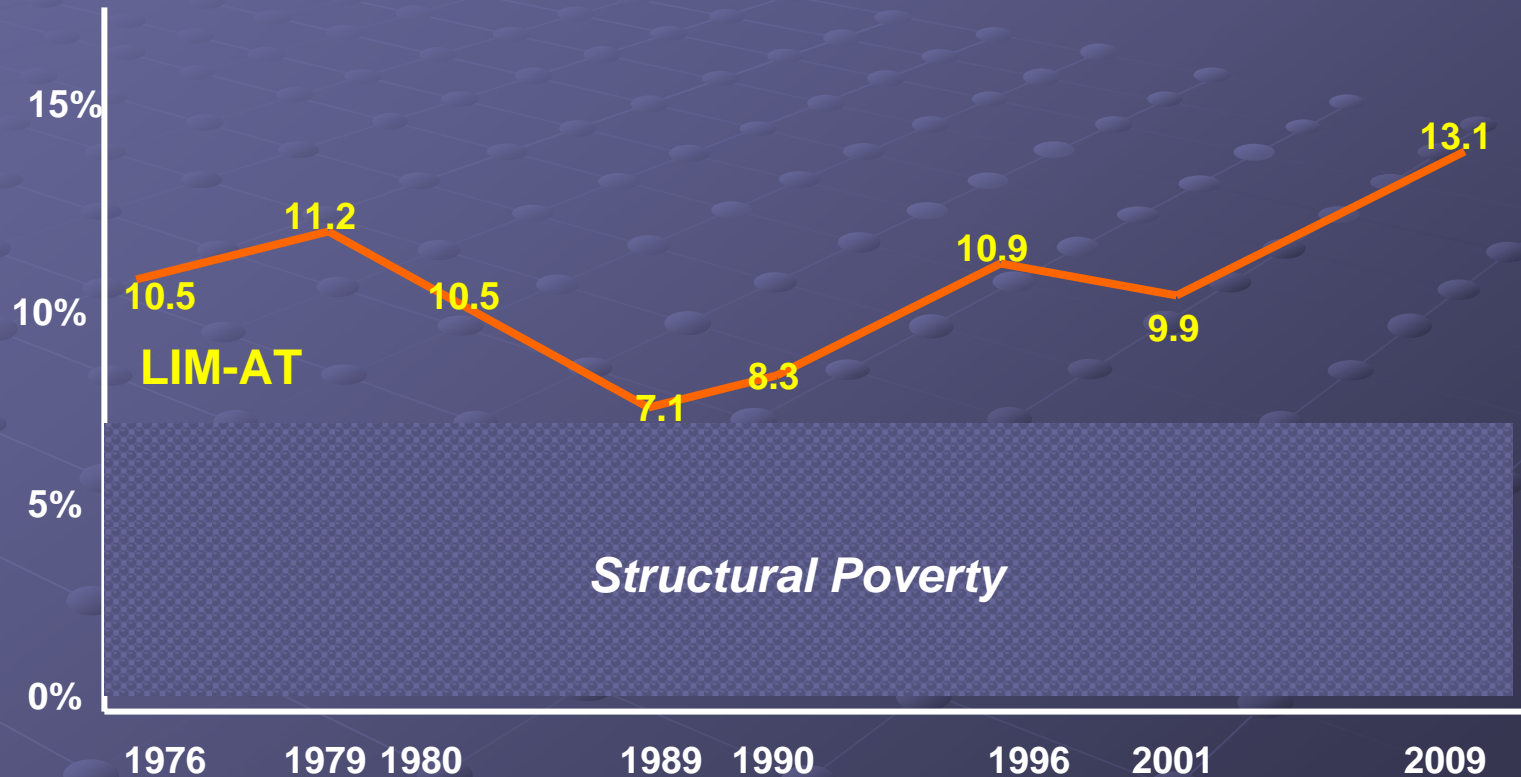
Adopted on December 16, 1966, re-affirms the inherent dignity of the human person and then goes on to state:

“ . . . the ideal of free human persons enjoying freedom from fear and want **can only be achieved if conditions are created** whereby everyone may enjoy his (her) economic, social and cultural rights, as well as his (her) civil and political rights, . . . “

**The Persistence Of Poverty Across Ontario Reflects A Failure  
of Collective Responsibility To Create Basic Conditions Of  
Health And Well-being For All**

# THE STATUS OF POVERTY IN ONTARIO

## A. Structural Levels of Poverty In Ontario Remain High After 30+ Years



**Reliance on food banks in Ontario grew from 314,258 users in March 2008 to a record level of 402,056 users in March 2010**

## B. Social Assistance Incomes Remain Unacceptably Low (2008)

Poverty line for one adult is \$18,582/yr (LIM-AT)

Single adult on OW gets \$7,352/yr (39.6% LIM-AT)

Basic income gap is - **\$11,230/yr**

Poverty line for a lone parent with one child is \$26,279/yr (LIM-AT)

Lone parent on OW with a young child gets \$16,683/yr (63.5% LIM-AT)

Basic income gap is - **\$9,596/yr**

Living in **deep poverty on social assistance (below 80% of LIM-AT)** means that tens of thousands adults and children across Ontario experience chronic cycles of hunger and hardship each month when money runs out to meet basic necessities.

# CHRONIC CYCLES OF HUNGER AND HARDSHIP

*In this country, the poorest don't starve.  
They starve a while, get ill.*

*Eat a while, almost get healthy.*

*Then starve a while again, then get sicker, then eat  
a while get a little energy then get hungry and go  
through it all again and again and again.*

**Excerpt from "A Definition of the Poor"  
by John Palmer, Sudbury**

## Findings From Do The Math Survey

The Put Food in the Budget Campaign has been calling on the Ontario Government to introduce a \$100/month Healthy Food Supplement for all adults on social assistance.

As part of the campaign, members of the public (9,000) as well as Ontario MPPs completed the on-line Do the Math survey to estimate the cost of basic living expenses required by a single adult for one month and compare their results to what a single adult gets from OW -- \$592/month (\$7,104/yr).

Twenty-one MPPs who completed the Do the Math survey came up with the following estimates of the monthly income required by a single adult:

All MPPs (21)	\$1,301/month (\$15,612/yr) (84% LIM-AT 2008)
PC MPPs (6)	\$1,264/month (\$15,168/yr) (82% LIM-AT 2008)
Liberal MPPs (10)	\$1,281/month (\$15,372/yr) (83% LIM-AT 2008)
NDP MPPs (5)	\$1,386/month (\$16,632/yr) (90% LIM-AT 2008)



## **C. Low Pay And Poor Jobs Keep Too Many People Trapped In Poverty**

Most adults and parents in poverty seek to improve their circumstances through earnings.

- ❖ In 2004, 60% of parents and single adults living in poverty were employed but with insufficient earnings to live above poverty
- ❖ One-third of all children living in poverty in Canada in 2008 were in families with full-time, full-year hours of work (LICO-BT)
- ❖ While education has value in itself, it is not necessarily a pathway out of poverty
  - >> 80% of low income parents in Canada had completed high school (2004)
  - >> 50% had some post secondary studies
  - >> 45% of the unemployed in Canada had completed a post-secondary education (October 2010)
- ❖ Canada along with the United States has the highest proportion of low-paid workers among major industrialized countries in the OECD (2004)



# Key Findings of Recent UK Study (2010) Examined “Low-Pay, No-Pay” Cycles of the Working Poor

## ➤ A STRONG WORK ETHIC

“ A key finding points to **the resilience and lasting work commitment** shown by our interviewees, despite the frustrations and setbacks associated with their repeated periods of unemployment and low-paid jobs. It would not be an overstatement to say that most deplored claiming welfare benefits. Some avoided making claims altogether, or at least for as long as they possibly could.”

## ➤ THE POVERTY TRAP

“ A very significant finding of the study was . . . **that levels of educational attainment did *not* predict improved labour market fortunes.** Even the best qualified – those with degrees and diplomas – participated, at least at times, in ‘low-pay, no-pay’ churning labour market careers in the same ways as the least qualified. Contrary to the widely held view that ‘employment is the best route out of poverty’, **the sorts of work available to our interviewees kept them in poverty rather than lifting them out of it.**”

## D. We Continue To Blame The Poor for Their Disadvantage And Hardship

### Historical Perspectives:

“ Hunger will tame the fiercest animals . . . It is only hunger which can spur and goad them (the poor) on to labour; yet our laws have said they shall never hunger.”

(Joseph Townsend on the Poor Laws, 1786)

“Every penny that tends to render the condition of the pauper more eligible than that of the independent labourer is a bounty on indolence and vice.”

(Report of the Royal Commission on the Poor Laws, 1834)

### Current Perspectives:

“ The initial focus of the Government’s strategy is on **breaking the cycle of intergenerational poverty** . . . “

(Preamble to Bill 152, May 2009)

“ **The welfare wall creates obstacles for moving off welfare to work, and treats working poor Canadians unfairly.** The welfare wall perversely creates incentives to stay on welfare and **disincentives to get and keep a low wage job.**”

(Ken Battle, Caledon Institute, 2006)

# The Welfare Wall at Work in 2008

## The Ontario Government:

- Continues reducing SA payment as **NCBS clawback**  
[January-June 2008]: -- \$122 per child/mo.
- Ends SA payment reduction as NCBS clawback  
[As of July 1, 2008]: + \$122 per child/mo.
- Cuts Basic Needs Allowance for families on SA  
[As of July 1]: -- \$125 per child/mo.
- Introduces monthly Ontario Child Benefit  
[As of July 1]: + \$50 per child/mo.
- Eliminates Back to School and Winter Clothing allowances: -- \$15 per child/mo.

Net Change In Basic Income  
for Families On Social Assistance:

-- \$90 per child/mo

## Reason given for the rate reduction

“At a meeting with three members of Madeleine Meilleur’s staff on December 14, 2009, members of the Campaign for Adequate Welfare and Disability Benefits (Hamilton) were told that **the 2008 cuts were a policy decision – ‘to lower the welfare wall’** i.e. to motivate parents to give up social assistance and become employed. Yet many of the parents are disabled or unemployed for reasons beyond their control.”

(Joint statement of the Social Action Committee, Assoc. of Social Workers/Hamilton and the Campaign for Adequate Welfare and Disability Benefits/Hamilton, February 2010)

# WORKING FOR A POVERTY FREE ONTARIO

## A. Why Poverty Eradication?

- Poverty reduction accepts the persistence of poverty.
- Poverty is a greater threat to overall community health than any other factor, including smoking.
- The excuses for accepting persistent poverty are no longer credible:
  - >> need more wealth to reduce poverty
  - >> need low wages and low taxes to grow the economy
  - >> need to get poor into any job
  - >> people in poverty need more skills and education to get better jobs.
- The persistence of poverty reflects the absence of political will – it is the hallmark of a society without the ethical and moral foundations to ensure basic conditions of well-being for all.

## B. What Does Poverty Eradication Mean?

- ❖ Poverty eradication means pursuing the lowest possible levels of poverty in the industrialized world, both in incidence and in depth.
- ❖ Lowest levels in today's terms would mean general poverty levels [LIM-AT] of no more than 4%, preceded by the complete elimination of deep poverty [below 80% of LIM-AT].
- ❖ Poverty eradication means taking a structural approach to look at the adequacy of basic living conditions rather than relying on behavioural explanations that make the poor responsible for their poverty.



## C. What Can Governments Do?

### Federal Government

- **Primary role in building basic income systems for adults and children across the life cycle.**
  - >> children – a full child benefit of up to \$5400/yr per child
  - >> seniors -- upgrade the GIS by \$1200/yr
  - >> PWD -- introduce a basic income system similar to seniors
  - >> adults (WA) – phase in a basic benefit for lower income adults
- **Direct responsibility to ensure that adequate public funding is available to provinces for the provision of early learning and child care, affordable housing & extended health benefits (drug, dental, vision)**
- **A fiduciary responsibility to honour historic commitments which would enable Aboriginal Peoples to create collective institutional frameworks that lead to poverty eradication both on and off reserves.**

### Ontario

- **Provincial governments have sole responsibilities for poverty eradication in two critical areas.**
  - >> basic incomes through social assistance which ensure a life out of poverty for parents and adults with limited access to employment.
  - >> labour markets with decent work that enables full-time, full-year earners to live above poverty.



# PHASE ONE PRIORITIES, 2011-2015

## A. End Deep Poverty: Upgrade Social Assistance

- There is an urgent need to restore public respect for adults and children who rely on social assistance as their primary source of basic income
  - >> End the use of demeaning language such as “welfare wall”, “dependent”, “passive”, “cycles of poverty”, “disincentives for independence.”
  - >> Stop referring to social assistance as “a social and economic ghetto”, “a broken system”, “begging for handouts”, or talk about the “futility” of increasing rates.
  - >> Rescind Ontario Works rules that reflect a degraded view of parents and adults on social assistance.

# PHASE ONE PRIORITIES, 2011-2015 (cont'd)

- Insist that the Government of Ontario adopt **a two-track approach to social assistance reform**
  - >> Provide immediate improvement in basic living conditions for all adults through the immediate introduction of a \$100/month Healthy Food Supplement
  - >> End the clawback of employment earnings until wages and social assistance payments approach 100% of LIM-AT
  - >> Instruct the newly appointed Commissioners for the Social Assistance Review to propose a plan for ending deep poverty in Ontario by 2015, so that no single adult or family on assistance must live on incomes below 80% of LIM-AT, and that they release an interim report on their plan in September 2011.

## PHASE ONE PRIORITIES, 2011-2015 (cont'd)

- Recognize that forms of social assistance have a continuing role to play in eradicating poverty
  - >> European countries such as Denmark, Netherlands, and Sweden with strong and competitive economies have public assistance systems that keep people out of poverty.
  - >> Newfoundland now provides welfare incomes to single parents with one child that is above poverty (LICO-AT)
  - >> The Senate Report of 2009, *In From the Margins*, called on provinces to set a goal “that all welfare recipients receive support totaling at least after-tax LICO”

# PHASE ONE PRIORITIES, 2011-2015 (cont'd)

## B. End Working Poverty: Assure Basic Minimum Wages

- **Basic minimum wages are the moral foundation of a just economic order in which full-time labour leads to a life above poverty for earners.**
- **Enterprises should be expected to meet both economic and social tests of viability**
  - >> **economic test > ability to recover costs and generate a surplus in a manner consistent with environmental sustainability**
  - >> **social test > ability to pay a basic minimum wage in a safe and respectful work environment.**
- **Governments have a responsibility to assure workers of a basic minimum wage.**

## PHASE ONE PRIORITIES, 2011-2015 (cont'd)

- The Government of Ontario should implement a statutory minimum wage framework that assures all year-long full-time workers (35 hours/week) sufficient earnings for a basic income 10% above poverty.
- This requires a further series of annual 75 cent increases to the minimum wage resuming in March 2012, **leading to a basic minimum wage of \$12.50/hour in 2014 and indexed thereafter.**
- The Government of Ontario must develop rigorous employment standards and preventive enforcement strategies which eliminate chronic violations and labour market practices that deny workers basic minimum wages.

# PHASE ONE PRIORITIES, 2011-2015 (cont'd)

## C. Protect Food Money: Phase in a Full Housing Benefit

- In 2006, 45.3% of lone mothers and 51.6% of single adults paid rents that exceeded 30% of their gross household income.
- The prevailing budget standard for RGI rents in social housing is that lower income households should not spend more than 30% of gross income on shelter in order to protect basic incomes for food and other necessities.
- The Ontario government should phase-in **a full housing benefit** which would limit total rental costs to 30% of gross household budgets for all lower income adults and families.
- A comprehensive housing plan for a poverty free Ontario must include consistent construction of new social housing stock along with the phased introduction of a full housing benefit.



# COLLECTIVE RESPONSIBILITY

## A. Poverty is Political

- Countries with high levels of wealth, such as the United States, also have the highest levels of poverty and disparities in the industrialized world.
- High tax Nordic countries with the lowest levels of poverty and strong economies have demonstrated that committed and competent governments can work on multiple priorities at the same time.
- Governments always have fiscal options even during harder times. *“We don’t accept the argument that Ontario can’t afford to help the poor. That’s a morally bankrupt position. We live in a wealthy society.”* Toronto Anglican Bishop Linda Nichols, March 10, 2011

## B. Communities Make a Difference

- Strong and supportive communities with dedicated agencies and associations are the civic guardians of our social values, and lifelines of direct support when public frameworks fail the most vulnerable.
- As we approach a provincial election, communities across Ontario are telling the Premier and party leaders that working for a poverty free Ontario is the moral imperative of our time.

# Heal the Pain

This is a country where grown men cry  
When they're sick and alone and just can't get by  
And the tears that they shed don't wash nothing away  
And they feel like a burden and it grows everyday  
Till to pain and to anguish many succumb  
And they'll do it by jumping or with pills or a gun  
But some keep on living it's they're duty they know  
To hang on for others, not to let the pain show  
In a country where health care seems a major concern  
They'll spend thousands to save you but it's hard to discern  
The logic of letting someone starve till they're ill  
When they hold back the funds that could save you until  
In a hospital bed you most surely end up and then let you drink  
from compassion's sweet cup.

John Palmer, Sudbury

# Social Planning Network of Ontario

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