

**Response to the Discussion Paper 2: Approaches for Reform  
Commission for the Review of Social Assistance in Ontario**

**March 16, 2012**



FAITH COMMUNITIES IN  
ACTION AGAINST POVERTY



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March 8, 2012

Dear Ms. Lankin and Dr. Sheikh,

The Interfaith Social Assistance Reform Coalition (ISARC) would like to express its appreciation for the efforts of the Commission for the Review of Social Assistance in Ontario on the daunting task of summarizing the issues of the current income support systems and presenting a range of options for policy reforms within a political climate that is increasingly focused on austerity over human dignity. Many of the statements, ideas and opinions in the second Discussion Paper show the Commission heard the voices of people consulted on the first Discussion Paper.

The paper acknowledges that the stigma of living on low-income is reinforced at many places in the social assistance system. It recognizes the policies that plummet people into deep poverty by depleting their assets, thereby reducing people's financial resilience, making it hard to get back on their feet, and undermining their future financial stability. The paper agrees that adequacy and poverty reduction are important principles in how to determine rates, recognizing the need to move away from a culture of surveillance that assumes people on social assistance abuse the system. It identifies that employment services have to be significantly improved and are currently failing to meet people's needs; but also notes that employment is "a" route out of poverty, acknowledging that there are currently many barriers for people in the system to find work despite high motivation.

At the same time, we are disappointed in the lack of a message for urgent action to our political representatives, policy makers, and the general public to immediately address the reality of deep poverty for many Ontarians living on low-income. Too many adults and children in Ontario continue to experience monthly cycles of chronic hunger and hardship that must be addressed now and cannot wait grand plans for reform in the distant future. With manufacturing plants closing and more employment becoming part time, contract, and temporary; urgency for reform increases. Some elements of this paper challenge the integrity of the review process: (1) the perpetuation of the myth that the interests of social assistance recipients and the working poor are in conflict with each other; (2) confusing the definition of income poverty measures; (3) not highlighting the economic vulnerability of many Ontario residents. The adequacy discussion can not be framed as an issue of fairness within the low-income community, nor between lower and middle class residents. This is divisive and misleading.

Many of the austerity measures recommended in the recently released Drummond report will undoubtedly negatively impact social and health-related programs and services for low-income communities through decreased delivery and accessibility. However, Ontario has been combatting an austerity agenda since 1975 and it has not improved.

***“But more than a decade of tax cuts at every jurisdictional level has resulted in an increasingly regressive tax structure, benefiting the richest Ontarians while revenue-anemic governments wage austerity battles with the public sector that result in more unemployment at a time when Canadians need jobs, and in a reduction of public services that everyone needs and values.”***

Common Ground: A Strategy for Moving Forward, 25 in 5 Network for Poverty Reduction, December 2011, pp.5-6

The report’s focus on long-term employment supports for people to transition from social assistance to employment is recommended in isolation from a reflection on the increasingly degraded labour market that not only doesn’t provide benefits due to precarious employment opportunities, but also a decreasing amount of employment opportunities whether secure or precarious.

The government needs to step in to provide an extensive health benefits program for all people living on low-income.

### **The need for a vision based on principles for reform**

Social assistance is currently a system whose policies and objectives are unstated, often multiple, and often conflicting. Fundamental changes are necessary in the social assistance system. It is essential for the final report of the Commission to state the vision that underlies such major reform and justifies the expense necessary to achieve it.

Most important, a public consensus regarding society’s obligation to those in need is essential to the reform process. Ontario can break the cycle of poverty only if there is broad public understanding and endorsement of a vision based in a set of principles and underlying values that requires this to happen. These principles and values must serve as a benchmark for social policy initiatives that go beyond social assistance. Otherwise, any recommendations in the final report will have only limited impact.

ISARC feels that the final report from the Commission should be guided by the same fundamental objective as stated in the *Transitions* report in 1986:

***“All people in Ontario are entitled to an equal assurance of life opportunities in a society that is based on fairness, shared responsibility, and personal dignity for all. The objective for social assistance therefore must be to ensure that individuals are able to make the transition from dependence to autonomy, and from exclusion on the margins of society to integration within the mainstream of community life.”***

- *Transitions: Report of the Social Assistance Review Committee – Summary*. Toronto, 1988.

ISARC insists that the reform of the income support systems in Ontario must begin with the belief that each person is of inherent worth and should be presumed capable of reason, choice, self-realization, and independence. Each person is also interdependent with other members of society and needs to participate in, and be related to, family and community in order to fulfill his or her potential. Society has a responsibility to assist its members in their development and integration, within a framework of economic equality and social justice.

The support that society provides is not to be understood as a gift or privilege, nor as charity to the disadvantaged. Rather, it represents a right to which all members of society are entitled. Such support must be equitable and available to all. The existence of need should evoke an assured response, beyond the reach of arbitrary systems and decision-making.

People in need require adequate financial support, but the supports and resources that assist a move to financial security must also be available. Wherever possible, these supports should be delivered through mainstream agencies that serve the public as a whole; otherwise, exclusion and marginalization will merely continue in different forms.

The rules and behaviours of society that lead to marginalization of the poor must also be addressed. This requires major reform of the social assistance system and long-term change in broader social and economic opportunities outside the system, in such areas as education, health, and housing. In the Options report, the Commission makes reference to underlying principles of eligibility, adequacy, fairness and accessibility. We petition, the Commission to further incorporate the principles of personal development, individual choice, self-determination and participation in community life, individual rights, respect for family life, and respect for the diversity of cultures and religions in Ontario.

Yours truly,

A handwritten signature in black ink, appearing to read 'Susan Eagle', written in a cursive style.

Rev. Dr. Susan Eagle  
Chairperson

## **Chapter 1: Reasonable Expectations and Necessary Supports to Employment**

In this section, the Options Paper focuses on moving social assistance recipients into the workforce as the primary way to get people out of poverty. At the same time, the report notes that employment is “a” route out of poverty, and not “the” only route. It identifies that employment services have to be significantly improved and are currently failing to meet people’s needs. ISARC agrees with the report that there are good examples of employment supports being used in some municipalities; however, they are neither consistent across the province nor accessible to people with disabilities.

### **Participation Agreements**

Employment services can be made more effective by focusing on a reform of the application of participation agreements required in the current system. Participation agreements tie eligibility for income to doing employment-related activities and recipients are presented with placement options. In some municipalities, however, participation agreements continue to be used as a punitive aspect of the Ontario Works system. These agreements should be changed so that people on assistance have more control over the activities they are required to undertake, so that quality, appropriate activities and programs are accessible to all those who need them, and so that appeal rights are built into the system to respond to disagreements and problems.

ISARC is opposed to people with disabilities whom can work be required to sign participation agreements. Instituting participation agreements for people with disabilities – in the context of a labour market that is unaccommodating and employment services that are currently insufficient and inaccessible – will put the incomes of people with disabilities in jeopardy.

### **Assessment tools**

The report inquires about creating an employability assessment tool for people with disabilities. ISARC cautions the Commission that assessment tools should only be used to assess the kinds of supports and services that people require in order to prepare to work. The danger is if assessment tools are used to determine an individual’s eligibility for income supports. It is important to note that the employment supports system – and the accessibility and responsiveness of the labour market – must be improved first, before any moves to require participation agreements to be considered for people with disabilities.

ISARC supports a position that Ontario’s development of a tool to better assess work capacity for people with disabilities and set participation agreements for people with some capacity for employment should wait to introduce such requirements until substantial progress has been made on removing barriers to employment for people with disabilities, including the full implementation of the AODA.

### **Community Economic Development**

Good results come from fostering and supporting the entrepreneurial spirit of recipients who may be interested in developing small businesses. Innovative approaches could be used such as advancing several months' worth of benefits as working capital for small business ventures. Ontario should expand community economic development initiatives to ensure the creation of jobs in regions of the province with chronically high rates of unemployment. Self-employment supports could be particularly helpful for people disabilities for whom workplace-based employment can be very difficult.

### **Engagement Strategies for Employers**

For employers, service providers could provide supports tailored to the needs of specific employers, such as assistance with accommodation or job coaching. Without such supports, some employers may be reluctant to hire people who have barriers to employment or may find it difficult to do so. Employers can be reassured to hire people on social assistance if post-employment supports are provided to help clients retain employment, particularly people with disabilities or multiple barriers and newcomers who lack familiarity with the Canadian work environment.

## **Chapter 2: Appropriate Benefit Structure**

The Options Paper suggests benefits currently available from OW or ODSP (like prescription drugs, dental, and vision) could be provided outside of the social assistance system. Many people on assistance have said that one of the things that prevent them from working is their fear of losing their drug and dental benefits. This can be particularly important for women and their children, and people with disabilities. The paper talks about the option of providing these kinds of benefits to all low-income Ontarians. As with other ways to address "trade-offs" the paper says the reason for doing this is to create fairness between people who are on social assistance and those who work in low-wage, poor quality jobs. The paper also mentions the possibility of providing these benefits through a pooled insurance program to makes sure employers don't take advantage of a government-funded system.

ISARC recommends that that Ontario government create an extended health benefit program for all low-income people. This would be a good response to the failures of the labour market to provide benefits to people in low-wage, precarious work. In a context in which conditions in the labour market are worsening, this is simply smart public policy. In a context where many jobs don't provide benefits, like extended medical, it makes sense for government to step in where the labour market has failed.

Providing these kinds of benefits to all low-income people, whether they're working or on social assistance, would mean that a person's eligibility for benefits like drug and dental would not depend on their eligibility for social assistance. Instead, eligibility would depend on their level of income, regardless of where that income comes from. People would have to have low incomes to qualify, but they would have to spend down all their saving and investments like you have to in order to be eligible for OW or ODSP.

And, since some people are losing eligibility for OW and ODSP because more and more of their income is being delivered through the tax system, it makes sense for government to ensure that people in this situation do not lose out on important health-related benefits.

ISARC has also heard from people living on low-incomes that moving benefits out would also help people for whom the stigma of being social assistance prevents them from even contemplating looking for help from OW and ODSP, even if they are eligible. Government should be extending these kinds of benefits to all low income people – not only because it makes working easier, but because it’s a smart strategy for reducing poverty and reducing health care costs.

### **Chapter 3: Making the System Easier to Understand**

Individuals and families often come to Ontario Works (OW) and Ontario Disability Support Program (ODSP) after some tragic experiences: loss of work, divorce, death of a significant person, injury, accident, etc. These people need to adjust to their circumstances, then want to “pick themselves up”, and expect some compassion and understanding. The role as government, which represents us as citizens and residents, is to help people who’ve experienced hardship and trauma over the barriers, so they again become self-sufficient again.

In **Persistent Poverty**<sup>1</sup>, people talked about the process of applying for social assistance, “... *the most degrading thing [social assistance] I have ever experienced. Even talk with the caseworker over the phone creates fear and panic.*” In Halton Region, social audit volunteers heard, “*I feel labeled and I hate it.*” “*We are guilty until proven innocent.*”

Ontario and Canada run many programs that are based on income tax returns: Canada Pension, Ontario Child Benefit, rebates from HST, etc. When income increases, the benefit reduces or ends. The penalties are based on violations of the income tax legislation, which affect all Canadian residents equally. Linking social assistance to income tax forms avoids the problem of stigma, which constantly arose in the 2010 ISARC social audit. Though individuals will need to apply because poverty and tragedy strikes quickly anytime of the year, the social assistance system does not need to be or be seen to be punitive. Social Assistance is provided to help people regain employment and maintain income security. ISARC social audit has heard no complaints about stigma or punitive issues with Ontario Child Benefit (OCB) because it’s tied to the income tax system.

An audit-based approach to social assistance assumes that people want to work and want to be self-reliant. The 2010 ISARC social audit heard OW recipients reporting that they wanted a job. Some wanted additional training so they could get a better job. For this reason, the link between social assistance and employment services is critical.

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<sup>1</sup> Swift, J., Balmer, B., and Dineen, M., *Persistent Poverty: Voices from the Margins* (Toronto: Between The Lines, 2010)

The National Welfare Council's report *The Dollars and Sense of Poverty* parallels ISARC's findings that recipients want to work and to become self-reliant.<sup>2</sup> Social assistance needs to be a route into employment, rather than a set of barriers.

Discussions with social workers and other staff could assist more openly and freely help the recipients to look for employment and address other issues. OW and ODSP staff have complained in the ISARC Social Audit about the overwhelming burden of "paper work" which detracted from their ability to develop trust and assist the recipient to move toward goals and economic independence.

Social assistance needs to be a mechanism to assist people who encounter losses that affect their income. Research has shown that people do not want to be on social assistance and that people are only on assistance for limited times. EI does not make such a presumption and comes as the employer completes forms for individuals. It is not automatic but does not have stigma in the process of application and acceptance.

Social Assistance Review's discussion about OW or ODSP becoming one system with additional medical, dental, and prescription benefits for both social assistance recipients and low waged workers is positive. It would be best if employers provided benefit packages, but due to the changes in employment with more contract, temporary and part time jobs, this is improbable. Governments could provide basic benefits for all residents/ workers and then levy appropriate fees to employers.

Though manufacturing is a decreasing economic sector, Ontario continues to have jobs, which are unfilled. Training and skill development are necessary to re-deploy workers, many of whom do not currently have the skills for the current job market. Is it not better to train workers in Canada than to be constantly increasing the number of immigrants recruited by businesses with the assistance of governments? ISARC is not opposed to immigration, realizing that new Canadians are necessary as Canada intends to grow; our population is only growing because of immigration. But we would put a very high priority on helping Ontario residents to re-train for existing job openings.

Obviously with an audit approach, asset levels need to increase significantly. After the application process, the system should determine benefits through yearly income tax reporting. With more affluent people, asset levels will be shown by interest or dividends earned. When these appear, there could be an appointment to check for very high assets.

ISARC affirms the need for asset levels to increase significantly, so that:

- There is an easy transition between Employment Insurance and Social Assistance. If this transition is more seamless, the trauma experience by unemployed individuals who become very depressed and anxious as they use up their assets will be eliminated.
- Individuals and couples can't afford to lose assets, especially those who are middle-aged and older. It is difficult to rebuild their RRSPs and other pension benefits. The

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<sup>2</sup> National Council on Welfare, *Dollars and Sense of Solving Poverty*. (Ottawa: Autumn, 2011)

government also loses in the long term, as ways will need to be found to support older people with low incomes and fewer assets.

- Assets are needed as people return to work and need to purchase clothing, tools, childcare, transportation, etc. The more self-reliant people are the easier the transition to employment.

#### **Chapter 4: Viable for the Long Term**

ISARC would support the option where the income support is provincial with municipalities providing social work, counselling, assistance toward employment, and other necessary supports. These supports are then helpful and acceptable to people who need to transition from difficult circumstances and pull their lives back together. Hopefully the application process could be as streamlined as possible to decrease stigma.

#### **Chapter 5: An Integrated Ontario Position on Income Security**

The disconnection between Employment Insurance (EI) and Ontario Works (OW) needs to be addressed, especially as people lose jobs because of a shifting economy. There are two areas where this needs to occur:

1. Can OW receive EI recipients when their eligibility ends? Most people have significantly reduced incomes under EI. OW incomes are even less. For many people, the transition means using assets that have been accumulated for retirement. If assets are used, people will need to rely on Canada Pension (CPP) and Old Age Security (OAS) as well as Government Income Supplement (GIS). This means that these people will live out their retirement years with low incomes; it also means that the federal government will have an increased financial burden with higher OAS and GIS payments to these people. It may also create a need for more affordable housing and housing supplements. Obviously some people will continue working beyond 65 or 67 years old and not need the assistance. But many are not able to work as they age.
2. EI has many job readiness, job training, and educational benefits which are not available to OW and ODSP recipients. These have been helpful to many people and should be universally available to people who are unemployed and seeking employment.