

RESPONSE TO SOCIAL ASSISTANCE REVIEW OPTIONS PAPER #2

The task assigned to the Honourable Frances Lankin and Dr. Munir Sheikh to revise the Social Assistance System in the province of Ontario is truly daunting, especially given the political climate, the austerity agenda and times of economic uncertainty!

There are, indeed, many positive and beneficial elements in the Discussion Papers issued to date!

The latest 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; however, it notes that employment is "a" route out of poverty and acknowledges that there are currently many barriers for people in the system to find work, despite high motivation.

It is disappointing that the Papers lack overall goals, a clear and compelling direction, vision and perspective to end poverty for social assistance recipients, especially those living in deep poverty—referring to people living below 80% of the Low Income Measure After Tax (LIM-AT).

In the province of Ontario over one million people, including 600,000 children or 1 out of 8 continue to live below the poverty line. More than 650,000 households continue to wait for affordable, sustainable and safe housing.

Everyone in the province of Ontario should be entitled to health benefits, education, housing, employment opportunities, food and income security. They ought to be entitled to social justice, economic equality, a vision of hope for the future and a sense of human dignity!

The current Social Assistance System is antiquated, cumbersome, top heavy with paper work, difficult to navigate and often punitive. Clearly, both robust reform that includes a vision for a truly liberating Social Assistance System that expresses what its role and objectives should be, and a comprehensive strategy to end poverty are urgently needed!

In Paper #2 the Commissioners continue to pit the interests of social assistance recipients against those of the working poor, especially in their discussion on “appropriate benefit structures”.

The Discussion Paper perpetuates the historical myth that the interests of the “deserving” poor (low wage workers) and the “undeserving” poor (social assistance recipients) are in conflict with each other.

To focus on the need to balance the “benefit structures” in order that OW and ODSP recipients do not receive more in income and services than low wage earners consigns both groups to ongoing and sustained poverty. OW and ODSP recipients are struggling to get out of deep poverty, that is below 80% of the Low Income Measure After Tax (LIM-AT). Moreover, the full time, full year minimum wage earner still falls below the poverty line!

The Commissioners must be encouraged to recognize that, in terms of income adequacy, the interests of these two groups are, in fact, joined.

The Paper proposes that the level of income that people receive from social assistance (OW and ODSP) should be determined in such a way that accomplishes three objectives: ADEQUACY, FAIRNESS between social assistance recipients and low income workers, and the CREATION OF WORK INCENTIVES.

Emphasizing the need to maintain “incentives” to working in a reformed system continues to erroneously stigmatize recipients as lazy and dependent by choice.

How is FAIRNESS defined? Why is the focus on the creation of work incentives instead of repairing work disincentives?

Framing the ADEQUACY discussion as an issue of FAIRNESS within the low income community is divisive, misleading, problematic and potentially counterproductive!

Since poverty reduction is the overriding consideration, ADEQUACY must be the primary objective in these proposals. There ought to be NO tradeoffs made in reaching adequate income for people on social assistance!

It would be appropriate and beneficial to raise the bar for ALL low income people as well as demand social justice and equality from a society that has structured the economy and social provision in such a way that excludes and contains people struggling in the bottom third of the income scale.

This is a constructive approach that the Commission could easily champion in their reform proposals, rather than reinforcing past and current policy frameworks.

It is curious that the Commissioners have re-opened the question of which income poverty measure should be utilized in the social assistance reform process. The Government clearly set the Low Income Measure (LIM) (50% of median income) as Ontario's income poverty line in 2008 in its Poverty Reduction Strategy. In fact, this entire review process emerges from that same Poverty Reduction Strategy.

It is worth noting that LIM is internationally recognized and used by the United Nations and the European Union. This issue has already been resolved and should not be used to create obstacles to confuse, delay or distract from urgently needed action.

The Discussion Paper failed to admit the inadequacy in both social assistance rates and minimum wage levels. The current rates of social assistance condemn recipients to chronic conditions of hunger and hardship. The reform ought to index social assistance rates to the cost of living in order that they are adequate to meet needs in the future.

- If the minimum wage was raised to \$12.50 per hour by 2014, and indexed annually thereafter, full time, full year workers would earn an income that would bring them 10% above the poverty line (minimal "reference wages").
- Clear objectives to create labour market conditions and job opportunities that will establish a "living wage" as the true benchmark of an inclusive, healthy and equitable society (standard "reference wages") ought to be set.
- In the current labour environment there are three times more people looking for jobs than the number of jobs that exist. However, the report transmits the message that there are reasonable expectations that people on social assistance will enter the labour market.

- 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 does not provide benefits due to precarious employment opportunities, but also decreases the amount of employment opportunities whether secure or precarious.

The Government of Ontario, has, indeed, identified employment as a key route for individual families to escape poverty. In light of the above discussion of limited employment opportunities and all the advantages that accompany secure work, the Government of Ontario needs to step in to provide 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, low-income, precarious work situations. Providing these kinds of benefits to all low-income people, whether working or on social assistance, would mean that a person's eligibility for such benefits as drug, medical, dental and vision care would not depend on their eligibility for social assistance. Another suggestion to the Government regarding those on OW and ODSP is to relax asset limits as well as to eliminate the multiple asset classes in favour of one total asset limit.

- No reference has been made in the Paper regarding the creation of a \$100.00 per month healthy food supplement for all people on OW and ODSP. This would provide added health benefits for those concerned.
- The Government of Ontario is urged to retain and to expand the Special Diet Allowance in order that all those who require medically prescribed diets, whether social assistance recipients or qualifying low-income workers are able to have full access to essential food.
- It would be beneficial to have no clawbacks or benefit reductions for people on social assistance at least until they reach Ontario's Low Income Measure After Tax (LIM-AT).
- ODSP rates should be set at least at LIM-AT with additional resources made available to meet specialized needs and again no clawbacks or benefit reductions should be applied against ODSP recipients at least until their income reaches LIM-AT.

The SARC suggests that one approach to an appropriate benefit structure could be a housing benefit available to all low income Ontarians to “ease the challenge of ensuring fairness between people on social assistance and low income earners” and “since it would also help people who are struggling with housing costs, but not receiving social assistance, it would reduce the number of people who need to seek social assistance.”

As already stated, the emphasis between social assistance recipients and the working poor people is both problematic and divisive.

The addition of a housing benefit must not be offset by a reduction in the shelter allowance portion of overall social assistance benefits, as this would leave social assistance recipients only marginally better off. Such a benefit would have to provide full coverage for shelter costs above 30% of gross income. No distinction should be made between families and individuals. No low-income person should be required to pay more than 30% of gross income for housing.

There is clearly disappointment and dismay that the Paper fails to provide any sense of urgency or protection of the interests of social assistance recipients against the inherent and dangerous looming austerity agenda of the Drummond Report!

This will inevitably bring only further hardship to the most vulnerable Ontarians and to both public and non-profit services that are already stretched in trying to meet their needs.

People on OW and ODSP have been living under austerity since the 22% cuts in 1991. They can endure NO further assaults!

Sadly, there is nothing in the Discussion Paper which addresses the urgency for action to our political representatives, policy makers, the public, nor the low-income community and its supporters!

The Commissioners do not call upon the Government of Ontario to assume a financial, a moral and ethical responsibility to establish decent living conditions for those who face economic oppression.

As already mentioned, too many adults and children in Ontario continue to experience monthly cycles of chronic poverty, hunger and hardships

which MUST be addressed immediately and cannot await grand plans for reform in the distant future!

Low income people need a POLICY CHAMPION in this, their most dire hour of need!

Historically the Faith Communities have taken the lead in caring for our most vulnerable citizens by offering temporary shelters, out of the cold programs, operating soup kitchens, food banks, drop-in centres, and depots where people can access seasonally appropriate clothing.

This, in large measure, has been due to the lack of Government funding.

It is high time that in this affluent province we transition from a model of charity to a model of social justice!

It is most important to state that a public consensus regarding society's obligation to those in need is essential to reform the process. Ontario can break the cycle of poverty only if there is broad public understanding and endorsement of a vision based on a set of principles and underlying values that require 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.

SUGGESTIONS TO THE GOVERNMENT ABOUT TAX REFORMS:

- Canada's overall tax system has become increasingly regressive over the past decades as a result of substantial cuts to higher income tax rates and business taxes. As a comprehensive analysis has shown, the top 1% in Canada pay a lower rate of overall tax in relation to their income than the lowest 10%. Provincial income tax cuts are the major culprits behind Canada's eroding tax fairness. To that end these suggestions are made:
- Introduce a tax rate for high income earners
- Restore corporate tax rates

- Eliminate the Stock Option Tax Deduction “employee security” option loophole

The focus of the Government of Ontario is to reduce spending in order to reduce the 16 billion dollar deficit. The above mentioned strategies will help to generate some of the needed capital. Hopefully this will empower the Government to invest in people by improving the Social Assistance System.

In conclusion, overall the paper offers a range of technical policies and alternatives, rather than a clear set of proposals for refashioning and redesigning a vastly complex, burdensome, punitive, outmoded, unnavigable and labyrinthine Social Assistance System. There is a need for better integration and coordination of both services and benefits. One cannot be oblivious to the political and economic environment in which the policy changes are to be launched.

It is hoped that the Commission will create an adequate and efficient support system for people both temporarily and permanently out of the labour market. At the same time provision ought to be made for those who 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.

The lives and living conditions of marginalized people in Ontario who live in abject poverty will be improved once they have adequate jobs that will provide income and food security, better standards of living thanks to improved health care, adequate housing and opportunities for education. Society has a responsibility to assist its members in their development and integration within a framework of economic equality and social justice. Every person, man, woman and child is entitled to respect, dignity and to positive, personal social support as a basic societal right!

A holistic, cross-Government approach to address poverty and social inequality is urgently needed. Swift and bold action must be taken now!

While some may argue that due to tough economic times and the vast provincial deficit our society cannot afford measures to assist people living in poverty, the truth of the matter is that we cannot afford NOT to help!

Poverty costs us all far more than most of us realize! One analysis put the annual cost of poverty in Ontario during 2007 at between \$32.2 and \$38.3 billion. While it may not be possible to eliminate poverty entirely, it is possible to make significant poverty reduction.

Respectfully submitted,

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