



**Poverty Free Ontario**  
Pulling poverty out by the roots



## ***Bulletin #13***

**September 19, 2014**

### **Creating Communities of Shared Opportunity across Ontario: *Time for a Civic Declaration on Decent Work and Basic Incomes for All***

The Social Planning Network of Ontario (SPNO) was active and instrumental in making child poverty a major issue in the 2007 election and, in partnership with the Interfaith Social Assistance Reform Coalition (ISARC), SPNO mobilized the Poverty Free Ontario (PFO) network to keep poverty eradication alive in communities across Ontario during the 2011 election. Many of PFO's cross-community partners revived the "Let's Vote for a Poverty Free Ontario" election sign campaign in the just concluded 2014 provincial election, which produced a majority Liberal government.

Where does SPNO/PFO go from here with the poverty eradication agenda under the new political scene?

#### **Retrospective on Impact of SPNO's Poverty Eradication Strategy**

Seven years ago in its spring meeting on Toronto Island, SPNO set an advocacy agenda for active promotion among its member organizations' communities across Ontario in the provincial election scheduled for October 2007. The record of the Toronto Island discussion clearly states the intent to demand that timelines and targets be established, first for the reduction of child and family poverty within five years and then a plan for its elimination in Canada's sesquicentennial year 2017. Several major strategies in a poverty reduction and elimination plan were proposed:

- a) "sustaining employment", so that no families in which a member worked full-year, full-time remained living in poverty; and
- b) a full child benefit (\$5400 per child in poorest families) to supplement employment income in recognition of the public interest in supporting the costs of raising children.

In addition, the SPNO members reaffirmed the importance of strengthening the community support base (e.g. early learning, affordable housing, community support services) as an important component of a poverty reduction strategy.

SPNO recognized decent work and putting an end to working poverty as the cornerstone of its child and family poverty reduction agenda. The record of SPNO's discussion in 2007 clearly addressed the false contentions of the "welfare wall" proponents. SPNO rejected the notion that people had to be kept in destitution as an incentive to leave social assistance to accept low wage work.

While the \$100/month Healthy Food Supplement proposal and the Put Food in the Budget (PFIB) campaign would not be shaped for two years, the SPNO meeting in the spring of 2007 laid the groundwork for new benchmarks to end both working poverty and deep poverty, calling for a "just differential" between social assistance rates and the minimum wage. Notes of the SPNO meeting indicate that the goal by 2017 should be to get working people 20% above the poverty line and people on social assistance up to the poverty line, first by making sure no social assistance recipient lived in deep poverty (below 80% of the poverty line).

These commitments among the SPNO membership on Toronto Island in 2007 became the central messages for a cross-community awareness campaign over the summer and fall months running up to the election. Along with SPNO's report naming Ontario the "child poverty centre of Canada", the community meetings and media coverage contributed to Premier McGuinty's promise to develop a child and family poverty reduction strategy within the first year of his new administration, if re-elected.

Since 2007, SPNO's positions on sustaining employment supplemented with essential income supports to reduce and eliminate poverty have been incorporated into major campaigns focusing on raising the minimum wage (WAC's Minimum Wage Campaign)<sup>1</sup> and moving social assistance rates towards adequacy (Put Food in the Budget)<sup>2</sup>. The Liberal Government has shown movement towards the demands of the Minimum Wage Campaign. And, persistent cross-community advocacy since 2009 has resulted in resolutions expressing support for the \$100/month HFS in 25 Ontario municipalities and recommendation by the Social Assistance Review Commissioners, leading to the first real income increase in social assistance rates in the 2013 provincial budget in twenty years.<sup>3</sup>

### **Decent Work and Basic Income Strategies through the Life Cycle**

In recent years, the debate about a Guaranteed Annual Income or Basic Income has re-emerged as it has periodically since the 1960s. The prospect of some kind of clear, simple universal income security program is alluring. Expressions of interest from all parts of the political spectrum suggest a potential political consensus on a guaranteed income, which is as unusual as it is attractive.

Where does SPNO's position on poverty eradication and inequality fit in this current discourse? Does the Basic Income approach require us to abandon or re-think our public policy stance since 2007? How

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<sup>1</sup> <http://www.workersactioncentre.org/issues/minimum-wage/>

<sup>2</sup> <http://putfoodinthebudget.ca/>

<sup>3</sup> A 4% increase to the OW Basic Needs Allowance in the 2013 provincial budget (\$26/month) was the first real income increase for OW recipients since the 1995 cuts of 22%, all other 1%-2% adjustments since 2003 being for cost of living, and at that were below the annual rate of inflation in several of those years.

should SPNO position itself on this issue as the new provincial government takes office and the federal election approaches in 2015?

If “basic” income means establishing a floor of income adequacy that enables individuals and families to maintain their health and dignity by meeting the cost of daily living needs, then clearly SPNO supports such policy. Some part of the population disconnected from the labour market temporarily or permanently by their situation and personal circumstances (e.g. single parents, persons with disabilities) will require income support programs at basic, adequate levels to ensure that they do not live in poverty. Most will depend on some form of paid work to get by. Too many of these community members in part-time and precarious employment at minimum wage levels cannot meet their basic daily living needs with their earnings.

Social policy emphasizing the workforce as the route out of poverty subjects people to low wage and precarious work and promotes “workfare” for those dependent on income supports, while reliance on income support programs only inevitably sets rates well below adequacy in terms of basic living requirements. How can labour market and income support policy work together to ensure that poverty is eradicated for all in Ontario?

We already have income support models that recognize the relationship between work and income for vulnerable parts of the population. Old Age Security and the Guaranteed Income Supplement for retiring workers introduced in the 1970s to supplement private pension income and CPP benefits had a major impact on reducing seniors’ poverty to below 4%, and were indexed to protect their purchasing power against inflation. Granted, the GIS and CPP need enhancement now to maintain these gains.

It is possible to extend this supplemental income support approach to other stages of life in which people have varying attachments to the workforce. We can think of strategies for decent work and basic income across all stages of the life cycle, which recognize an appropriate and mutually reinforcing relationship between labour market participation and income support requirements as the following suggests:

- a) Children and youth (0-25) – Income support for this stage in life is important largely in the context of supporting young people in their families. A full National Child Benefit for families recognizes the need for lower income families to have help with the additional costs of raising children (Campaign 2000’s call for increasing the current maximum of \$3200/child up to 18 years to \$5,500 is consistent with the Basic Income approach suggestion). A Youth Income Benefit for young people 18 to 25 years would enable “debt free” learning and training opportunities and transition to work in their formative years.
- b) Early and middle adulthood (25-55) – Working age and family adults need positive work experiences in their early adult years and social engagement through employment that allows them to make important civic contributions. It should be a requirement of public policy that decent work with living wages and sound social protections (pension, health, and other social insurances) be available to all working age adults. Working age adults without decent work should have the assurance of community and civic employment at living wages through the

non-profit and local public services sectors. Decent work is becoming ever less available in the low wage labour markets of the corporate sector.

- c) Later adulthood (55+) – Begin to extend eligibility for the GIS down from full retirement years to this stage of adulthood. This would protect incomes as needed for adults phasing down from active engagement in the labour market prior to full retirement. The GIS must be upgraded for those fully withdrawn from the workforce when their incomes after OAS and CPP and other pension income are inadequate. This would restore full poverty elimination for seniors, a Canadian legacy first achieved in the 1970s.
- d) Appropriate income and service frameworks must be available to support the extraordinary social circumstances for persons with disabilities and persons with chronic physical and mental health conditions.

This approach does not substitute income for employment earnings, nor does it compel workforce participation in order to receive income support. It recognizes that earnings from employment are an important component of maintaining a livelihood, but that labour market detachment at any stage of the life cycle should not condemn one to poverty. Both wage protections and income guarantees are required.

### **Reframing Decent Work**

Since 2007 (and for many of us a decade or more before), SPNO and its cross-community partners in the PFO network have focused a lot of attention on income adequacy – increasing social assistance rates to end deep poverty; raising the minimum wage to get full-time, full-year earners above the poverty line. This concentrated attention has led to some gains and movement of the policy debates in a good direction but we may be allowing ourselves to remain confined to “minimalist” positions when it comes to framing what we think decent work should be. Notably, more communities are not just advocating for raising the minimum wage but are also for work at a “living wage”.

The availability of good and decent jobs should be seen as much of a challenge today as it was at the height of the industrial revolution in the 19<sup>th</sup> century.<sup>4</sup> Today, in a post-industrial society, good and decent jobs seem a faint hope. Our youth in particular struggle to establish any secure foothold in the labour market, and, even with higher levels of education, remain subject to mostly short-term and precarious employment. In the face of increasing tuition and living costs for post-secondary education, many youth accumulate high levels of debt and graduate into an economy that offers mostly poor paying service jobs. We are at risk of condemning our younger generations in particular to dismal, unfulfilling futures and chronic spells of poverty and exclusion. Productive employment in these formative early years of labour force participation is critical.

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<sup>4</sup> Industrial manufacturing jobs in the 19<sup>th</sup> century were low paying and conducted in unsafe and unhealthy working conditions until unions organized for collective action among labourers and social reformers introduced public controls and regulations for improved employment

While good jobs in the traditional economy appear to be scarce, there is no lack of work needed to create a truly sustainable society. It is time to reframe the notion of good jobs in terms of work that needs to be done to build and strengthen our social and civic infrastructure. We need to re-balance our economy from one tilted heavily towards private wealth creation and concentration to one of collective stewardship of our human and financial resources offering shared opportunity for all.

Quality employment guarantees are critical for youth and younger adults as they enter the workforce supplemented with income programs as they make transitions through their working lives. Government incentives and partnerships with the private sector (retail, commercial, industrial) should be directed toward the creation and support of decent, well-paying, career development jobs. There is hope that the private sector might recognize its role in contributing to a collective purpose that adequately compensates workers while securing a fair return on investment.

Realistically, however, we should look to city governments and the community sector to show leadership, as the City of Seattle is doing by making a commitment to the highest minimum wage (\$15/hour) in North America in response to a strong community advocacy movement.<sup>5</sup> Even recently here in Ontario, the Put Food in the Budget campaign mobilized across communities to secure resolutions in support of the \$100/month Healthy Food Supplement in 25 city councils, which was cited by the Social Assistance Review Commissioners in their own recommendation in support of the HFS.

After forty years of market-driven neo-liberal social and economic policy, it is time to disengage from the tyranny of global capital and to restore social justice from the ground up with a Civic Declaration on decent work and basic incomes for all. As in Seattle, city governments and the community sector must join their voices to demand senior government support for good jobs in business and in public services. The continued importance of work by nurses, teachers, firefighters and librarians as well as in the social, environmental, recreational and arts and culture sectors must be respected. Governments should support community and civic employment strategies in the public and non-profit sectors that enable youth and younger adults to start life with a solid foundation of productive employment that builds and strengthens our social, cultural and environmental infrastructure. Civic Declarations directed to this collective purpose would both stimulate economic development and grow the next generation of an active and engaged citizenry.

We have a common stake in creating communities of shared opportunity for all. Investing in work that protects and enhances our environment, supports civic and community well-being, and grows local economies will produce social and economic benefits for all. Pursuing this path will demand the activation of a collective stewardship that engages all parts of the community in a discussion of how to work together for the common good. What work needs to be done to create and sustain the kinds of communities that we want to live in? What can business, labour, civic and community leaders do to contribute to that shared purpose? How can the role of the non-profit sector be expanded as a source of decent work and sustainable development?

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<sup>5</sup><http://www.theguardian.com/commentisfree/2014/jun/07/seattle-minimum-wage-fifteen-dollars-fight>;  
<http://prospect.org/article/revolt-cities>

### **Creating Communities of Shared Opportunity**

We need to re-frame decent work and basic incomes in terms of solidarity, with a mission to create *communities of shared opportunity* for all across Ontario, while recognizing the complexity of actual human experience through different stages of the life-cycle. We have an obligation to offer other guarantees, most critically that our younger generations will have the opportunity to make their contribution to sustainable social and economic development through the application of their energies, skills and talents in the public, civic, non-profit, and corporate sectors.

We call on cities and communities to lead the way in framing Civic Declarations for decent work and basic incomes to eradicate poverty within this decade, and to create communities of shared opportunity for all across Ontario.

To this end, it is proposed that the Social Planning Network of Ontario join with its network of community leaders and organizations in Poverty Free Ontario to engage our communities in a discussion of the central tenets of a Civic Declaration, to test its resonance as a herald for structural change, and to explore its implications for both local and cross-community ground-swell action for social justice in Ontario.

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