



## A Reflection on Discussion Paper 2: Approaches for Reform

“Much Ado About Nothing”

William Shakespeare

Community Development Halton and Poverty Free Halton have reviewed the two papers issued February 2012, *What We Heard* and *Approaches for Reform*. While we commend the Commission on their hard work, the document does not capture the passion, caring and hope for the well-being of social assistance recipients and the working poor articulated both by our organizations and those attending the Hamilton July 4<sup>th</sup> 2012 meeting. William Shakespeare named one of his comedies, *Much Ado About Nothing*. Tragically, this captures our collective sentiments about the discussion paper, *Approaches to Reform*. We had hoped for greater education of our citizens, thus contributing to building a new community consensus around a shared vision as articulated by the Commission: “A 21<sup>st</sup> century income security system that enables all Ontarians to live with dignity, participate in their communities, and contribute to a prospering economy.”

We share the following observations with the Commission.

### ***Underlying Assumptions***

The Commission predicates its analysis and recommendation on a theory or set of beliefs, commonly referred to as the Welfare Wall, where benefits associated with social assistance nurture a willingness to remain on social assistance rather than enter the labour market. It also allows the observation to be made:

The rate structure should not lead to a situation where a person working at a low-income wage job and not receiving social assistance is at a disadvantage compared with a person working at the same job and also receiving some support from social assistance.

The benefit structure should also ensure that work pays; in other words, that there is sufficient financial incentive for a person to take on employment.

A framework that would allow the Commission to move beyond the narrow perspective outlined in Discussion Paper 2 was recommended by Community Development Halton and Poverty Free Halton in their presentation to you in July of 2011. We suggested that transformation of the social assistance system demands a new paradigm that recognizes the role of social assistance in eradicating poverty, in respecting the dignity of people, and in maintaining a civilized society. Concretely, we suggested a framework based on human rights where all residents in our Ontario communities have the right to a standard of living adequate for the health and well-being of an individual and a family. This is tied to the international conventions signed by the Government of Canada and implicitly by the Province of Ontario. Article 25 of the *Universal Declaration of Human Rights* states:

Everyone has the right to a standard of living adequate for the health and well-being of himself and of his 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 control.

No groups are pitted against one another to preserve indefinitely both the deep poverty of those on social assistance and the poverty of the working poor. Transformation of social assistance must lead to change affecting the well-being of these two groups.

### ***Reasonable Expectations and Necessary Supports to Employment***

We concur that work is an elixir for well-being, prosperity and participation in our society. However, it is widely recognized that the impact of globalization on the labour market has been devastating: decent middle-income jobs are continually disappearing and being replaced by low-wage and part-time jobs that leave a large part of the labour force impoverished. We believe this reality should be acknowledged at the outset. This is the context within which social assistance must be delivered and made equitable and just. If emphasis is placed on moving people on social assistance through pre- and post-employment programs, what happens if there are few jobs? Will a new form of victimization of low income people arise—those employment-ready but not employed?

Nevertheless, the design of pre- and post -employment programs is important. We believe that all those on Ontario Disability Support Program and on Ontario Works should have access to the full range of employment and training programs available, and that this is an issue of equity and human rights. At the same time, it should be recognized that only a fraction of those who receive these programs will manage to find suitable employment.

### ***Appropriate Benefit Structure***

In our opinion, the document ignores the testimonies of hardship and exclusion of those living on low income, of its impact on body and soul. Halton, one of the wealthiest communities in Ontario, has clusters of poor and marginalized people. People living in poverty or near poverty in our community are ostracized and unable to participate, they live enveloped in concern for their children, they live with hunger, they do not have access to healthy food and they know that this will affect their health over

their life cycle. Transportation limits mobility whether to services, training, work or participation in those activities that make you a contributing member of a community. People are suffering, and this can be resolved through investment and good policy and program decisions.

The deep poverty of those on social assistance and the growing income gap leads to ‘separate worlds’ demonstrated by the deterioration of social capital and inclusion in communities that are increasingly unequal. The Commission after hearing so many voices of those in search of shelter, healthy food, warm clothing and safe places, has let those voices disappear, again unheard. A human rights framework implies that an income from social assistance or from work keep people out of poverty so that basic necessities of life are met. Human rights recognize a shared humanity.

#### Measure of Adequacy

The Government of Ontario established the Low Income Measure (LIM) as a measure of poverty. This measure is used internationally and in an increasingly interconnected global economy allows us to see the relative position of our poor in relation to other G20 nations. We have long advocated the use of the LIM as the official measure of adequacy. Reopening the discussion concerning a measure of poverty derails the Review.

#### Social Assistance and the Working Poor

Discussing low benefits and low wages and that “one should not be unduly close in money and benefits to the other” frames the discussion in old ways of thinking, not evidence based.<sup>1</sup> Furthermore, it does not address the responsibility of our respective levels of governments to meet the income security needs—a human right—of our people. Both social assistance rates and the minimum wage should allow for decent living conditions for all people. The trade-offs defining the analysis in the document, *Approaches for Reform*, are false. The definition of fairness in the document is divisive. A first step would be to determine a minimum wage that is above poverty. The second step is to establish a living wage as the true benchmark or reference wage that reflects an equitable society based on human rights. Over time the minimum wage should, in fact, become the living wage.

#### Extended Health Benefits

Extended health benefits for all low income Ontarians speaks to and implements a human rights framework. This would make extended health benefits such as prescription drugs, dental and vision care available on a universal basis to all low income Ontarians. We commend the Commission for this recommendation and also suggest that such an expansion of health benefits be funded by government

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<sup>1</sup> Community Development Halton has researched and worked with low-income people across Halton since 1984, almost 30 years. There is no data, qualitative or quantitative, that allows us to presume that people on social assistance would prefer to stay on social assistance rather than work even in low-wage jobs. There are other reasons that force people to stay on social assistance rather than enter the labour market: child care, adequate education and training, health benefits.

in order to guarantee universality and continuity of benefits. Fair and just taxation would provide a vehicle to raise the needed revenue.

Moreover, the provision of complementary services and supports such as child care and housing is consistent with a holistic human rights framework to support those on social assistance and low- income working people.

### ***Easier to Understand***

CDH and Poverty Free Halton believe that government staff are part of a society that has long divided our poor into categories, specifically the deserving poor and the undeserving poor. As a result, rules and regulations have been created based on stereotypes rather than good evidence, in order to police and then punish those receiving social assistance. A philosophical shift based on human rights, a culture of trust and the dignity of all, is needed.

#### Treatment of Assets

The punitive nature of the rules surrounding assets and asset limits only makes the life journey of those on social assistance that much harder. It undermines society's purported desire to assist those in need and to assist those in their path to employment. Their security is threatened, their opportunities curtailed. We support a policy that would reduce the number of specific exemptions and would make asset limits the same for those on OW and ODSP. Further investigation of the implications for those on social assistance of an Ontario version of the Quebec model that sets a total limit for "liquefiable" assets should be explored.

#### Culture Shift

We believe that the tone and thinking in this document demonstrates the Commission's own need to address a culture shift from a punitive approach to a human rights approach instilled with empathy and compassion for those coming from a place of need. The punitive culture, based on them and us, undeserving and deserving, breeds distrust, and it humiliates and denigrates people in need of support. In our presentation to the Commissioners we raised four essential elements or attributes of programs serving those on social assistance:

- Dignity—people should not feel 'less' as a result of asking for assistance to meet basic needs
- Quality—second-rate, dented and expired do not reflect quality
- Affordability—is critical and people would prefer to be able to purchase their own goods and services, making all their own choices within a framework of affordability
- Location—income and transportation are challenges; therefore, places to access goods and services should be close to home.

### ***Viable Over the Long Term***

We reiterate that no social assistance reform can create a viable system for the future if it is not based on new thinking, a new paradigm that recognizes a common humanity and we recommend a human rights framework. Our three principal expectations for a viable program over the long term are:

- i. Sufficient income to purchase the basic necessities of life
- ii. Labour markets that enable full-time full-year earners to live above poverty
- iii. A culture of dignity and respect for human rights.

### ***Conclusion***

In conclusion, we encourage you, the Commissioners, to act with courage in these difficult times and leave a meaningful legacy of real reform that guarantees the human rights of citizens in need of support.

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