

## **RESPONSE TO APPROACHES FOR REFORM**

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We will attempt to highlight some of the positive suggestions in the Commissioners' Report, as well as the negative aspects. On the whole, we were disappointed in the overall tone of the paper, as it appears that the Commission worked on the premise that there would be no new money for social assistance. Further, there is no overall vision of the role and objectives of Social Assistance (SA). The major focus of the paper centres on reforms to OW and ODSP, which are only a part of social assistance.

#### **Ch. 1: Reasonable Expectations and Necessary Supports to Employment**

##### ***Need for better supports to employment***

We appreciate the Commissioners goal of improving supports to employment: "We also want to make recommendations to improve, substantially, the employment services and supports available to people with disabilities, including making the delivery of these services and supports more easily accessible." As the Report suggests, this will require a complete overhaul of current programs.

Many current employment services are experienced by participants as frustrating and ineffective in leading to employment. Many people on OW are directed to take training in areas where jobs are scarce or non-existent; this is punitive, counterproductive, and leads to feelings of alienation. We recommend that this part of the system be overhauled, so that doing job training and work placements are carried out more efficiently and effectively, in a manner that respects and rewards the efforts and achievements of those on SA. Similarly, we recommend that well-qualified individuals not be referred to jobs well below their qualifications, as this is demeaning to them; rather, they should be helped to find work appropriate to their knowledge and skills.

At present employment services are outsourced to other agencies. It might be an improvement to have employment services provided by ODSP for all people on social assistance.

##### ***Supports should go beyond finding work***

The paper seems to start from the premise that getting people back into the labour force is the full answer to poverty reduction. The Commission noted, however, that ODSP

recipients were most successful in gaining employment when they were “job ready.” We agree with this, but would broaden the term “job ready” to include some resolution of other aspects of their lives (mentioned above) that compromise their ability to work.

The lives of people living in poverty are compromised in many ways; to be successful in employment; they need resources to address the conditions of their lives associated with poverty. These include nutritious food, social housing, affordable child care, effective responses to family violence, and treatment for mental health problems, including addiction. The current rate structure does not allow recipients to meet their needs for nutritious food, to be healthy enough to find and maintain employment. Rates must be raised to a realistic level, ideally through a Social Assistance Rates Board.

Hostel to Homes was mentioned as a pilot project that worked. This Hamilton program indeed was a great success and has evolved into a programme called Transitions to Homes using Federal Homelessness Partnership Strategies monies. The programme uses a “Wraparound” approach where clients are helped in all facets of their lives. About 145 homeless men were helped to secure housing with ongoing supports. <http://www.hamiltonpoverty.ca/docs/news/community-solutions/2010/hostels-to-homes.pdf> As mentioned in the Report, such a program requires adequate resources to be successful.

As people responding to the Commissioners’ first discussion paper said, recipients need pre-employment supports, supports on the job (e.g. job coaching), and training that will enable them to find and maintain employment.

### ***Participation agreements and motivation to work***

The participation agreements used by the OW system do little, if anything, to prepare recipients for employment. They serve as an administration hurdle rather than a true start to employment. They are viewed by recipients as a punitive tool to limit their eligibility to social assistance benefits; they feel coerced and demeaned by this process.

Behind participation agreements is a misconception that people are not motivated to work. If given the opportunity to pursue employment and educational interests, people will work and take part in the community. We recommend the Commissioners consider a program called Mincome, an experimental Canadian Basic Income project held in Dauphin, Manitoba during the 1970s. The purpose of this experiment was to determine whether a guaranteed, unconditional annual income actually caused disincentive to work for the recipients, and how great such a disincentive would be. Dr. Evelyn Forget has conducted analysis of the research. She found that only new mothers and teenagers worked less. Mothers with newborns stopped working because they wanted

to stay at home longer with their babies, and teenagers worked less because they weren't under as much pressure to support their families, as a result more teenagers graduated. In addition, those who continued to work were given more opportunities to choose what type of work they did. In addition, Forget finds that in the period during which Mincome was administered, hospital visits dropped 8.5 per cent, with fewer incidences of work-related injuries, and fewer emergency room visits from car accidents and domestic abuse. <http://en.wikipedia.org/wiki/Mincome>

### ***Lack of job opportunities***

The Report tends to ignore the unavailability, at least in Hamilton, of jobs that pay a living wage. In Hamilton, a group called the “Common Campaign Coalition” has defined a living wage as \$14.95 per hour.

### ***Integrating employment services for ODSP and OW***

In our opinion, the ODSP program should maintain its status as a separate system from OW. Most ODSP recipients are unable to find employment because of their disabilities. They should not be required to participate in job creation schemes. Requiring them to sign a participation agreement as in OW would be an attack on their dignity. It would also expand the pool of cheap labour--keeping wages down, when what is needed is a much higher minimum wage. Reforms around employment expectations for persons with disabilities should be delayed until necessary accommodations in the work place are widely available.

## **Ch. 2: Appropriate Benefit Structure**

### ***Adequacy of benefits***

The Report does not say enough about the need for adequate SA rates. As Deb Matthews' report on employment programs in OW and ODSP (2005) pointed out, assistance rates (which have not kept up with inflation since then) were so inadequate that recipients were barely surviving, and unable to engage in an effective job search.

Social assistance rates have been shamefully low since the Harris government deducted 21.6% in 1995. The small increments made by the Liberals have left recipients with far less buying power than in the early 1990s: e.g. a single person on social assistance received \$663 per month in 1993, compared to \$599 per month in 2012. Inflation since then has made basic survival a nightmare for these recipients.

Many submissions to the Commission recommended that rates be based on the cost of living, but the paper does not fully deal with this recommendation. We believe, as the

Hamilton Roundtable for Poverty Reduction has suggested, that an independent Social Assistance Rates Board should be created to develop and manage such a measure.

While the Poverty Reduction Strategy undertaken in 2007 by our present government has been very far-sighted and generous to children in low-income working families, it has left our poorest children, those in families receiving social assistance far behind. These children had their 'Back to School' and 'Winter Clothing' allowances taken away, to help the government pay for the Ontario Child Benefit. Because of this clawback, children 13+ have gained less than \$20 per month compared to \$92 for those in working families. Children 13+ are especially disadvantaged because they lost \$245 per year when their allowances were taken away, compared to \$175 for children under 13. Advocacy groups from across Ontario (ISAC, the Ontario Assoc. of Social Workers, the Hamilton Roundtable for Poverty Reduction, 25 in 5 Hamilton, and the Hamilton Community Legal Clinic) mentioned this in their feedback to the first Discussion Paper, and we it should be addressed in the Commissioners report in June. We recommend that any change in benefits be structured so that no child is worse off than before the change.

### ***Combining the Benefit Structures for OW and ODSP***

The benefit structures for OW and ODSP should remain separate. Persons living with disabilities require a higher level of support to meet their basic needs. Combining the two types of SA would tend to bring ODSP recipients down to a lower level of support.

### ***Monitoring the SA system***

Although we liked the trust implied in the tax system of monitoring compliance with the qualifying requirements for SA, there are complications in transferring SA to this system. Because of the struggle to survive, recipients are often in arrears in rent, move frequently, and would find keeping track of receipts required in an auditing system problematic. Further, there is a review and tribunal system in place for appeal within the MCSS. If the responsibility for monitoring SA benefits were moved to another area of government, there would be no appeal process. People on assistance would only have the Courts to adjudicate. <http://www.ctv.ca/CTVNews/WFive/20120217/w5-taxmans-secret-refunds-120218/>

### ***Post-Secondary education as a route out of poverty***

Very little mention is made in the Report about post-secondary education opportunities, the need for which was conveyed frequently to the Commission in its travels around the province. At present, SA recipients who want to improve their employment potential

through post-secondary education have to turn to the Ontario Student Aid Program (OSAP). It is well-known that many students create debts that take them years to pay off. For recipients of SA who are already living at a subsistence level, the prospect of a large debt load can deter them from taking post-secondary education, especially since employment after graduation is not assured. Ideally recipients should be able to remain on SA while undertaking further education in an attempt to become employable.

### ***Link between low OW rates and increasing numbers of people moving to ODSP***

The Report refers to the increasing in the number of people on ODSP. Some of this increase can be attributed to their experience of trying to live on the impossibly low rates of OW. Recipients cannot afford nutritious food; they suffer loss of self-esteem, and become alienated from mainstream society. Eventually, their physical and mental health begins to deteriorate, and they move into the 'disabled' category.

### ***Assessment of Disability***

The Report mentions an Australian assessment tool used to determine an ODSP recipient's degree of disability; this measurement attempts to classify people as partially or severely disabled. Unfortunately, physical and mental disabilities are only part of the reason for people being excluded from the workforce; public attitudes are a big part of the problem--people with disabilities to face a multitude of barriers, including prejudice and stigmatization. Thus many people defined as partially disabled will not be able to find employment, despite high personal motivation.

Given the above climate, we believe that using participation agreements to force people with disabilities to look for employment may be a punitive approach.

[http://www.ombudsman.gov.au/files/investigation\\_2008\\_05.pdf](http://www.ombudsman.gov.au/files/investigation_2008_05.pdf)

### **Ch. 3 Easier to Understand**

The Commissions heard that the current rules are complex and too numerous, making the system too confusing to navigate. The current system creates a climate of distrust and should be less prescriptive. The spirit in which they are applied should be supportive, not punitive. The continual demands of the system for recipients to provide documentation, and the process of sending computer-generated letters that require immediate responses, create huge bureaucratic hurdles for recipients. The climate of suspicion and distrust is demeaning and unproductive.

## **Conclusion**

The Report does not focus on the areas most in need of reform. In the paper “What we heard” the impossibly low rates of OW were mentioned by almost all respondents, but this Report makes no suggestions about increasing the rates. Since the Harris cuts, the spending power of social assistance rates have fallen 55% for people on OW and 34% for people on ODSP (Ontario Coalition Against Poverty). <http://ocap.ca/>. Many submissions mentioned the desirability of a system of evidence-based rates, but the Report gives only brief attention to this.

The emphasis on defining poverty takes up too much of the Report. In the government’s Poverty Reduction Strategy, the Low Income Measure (LIM) is used as the poverty line. Most people at this level still struggle to meet their needs, but the LIM provides a baseline. We believe that OW should be increased to this level.

The Commission seems to be consumed by the issue of fairness between people on SA and low income people without benefits. This focus tends to set up conflict between the two groups, rather than working toward an adequate standard of living for both groups.

The Report is framed as an austerity measure. Partly by omission, it reads like a prelude to a reduction in the level of benefits and services provided by the SA system. Given the bare survival level afforded by present OW rates, we believe the most important role of the Commission should be to raise the rates for OW recipients, who are among Ontario’s most vulnerable citizens. An adequate income would allow them to improve their health, develop their employment potential, and respond to opportunities for employment. Ideally, they would become full participants in their communities.