

Reading Between the Lines

An Analysis of “Overcoming Poverty Together -The N. B. Economic and Social Inclusion Plan”

By

The Common Front for Social Justice, Inc.

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1. Introduction

Since 2007, the Common Front for Social Justice (CFSJ) closely followed the entire process which finally led to the *New Brunswick Economic and Social Inclusion Plan* (hereafter called the “Plan”). The official document was unveiled on November 13, 2009 and is available on the NB government website (www.gnb.ca/0017/promos/0001/pdf/Plan-e.pdf). The CFSJ has since carefully analyzed its content. If one reads between the lines, a certain number of major problems come to mind. The following pages will summarize the CFSJ’s major concerns about Plan.

2. Who were left out of the poverty plan?

The 2006 census indicated that 100,740 NB citizens were living in poverty. These mainly fall into three categories: social assistance recipients, low-income workers and senior citizens facing medical problems. As indicated below, the majority of people from these three categories were left out of the Plan.

a. Social assistance clients in the “transitional” and the “extended benefits” programs

In November 2009, there were 38,972 New Brunswickers on social assistance: 1,200 were in the “Interim” category, 30,582 were in the “Transitional” category and 6,740 in the “Extended benefits” category. The Plan only helped the 1,200 of those in the Interim category (3%) by adding \$294 to their monthly cheque. As for the 97% others, the present government failed to even include a 2% rate increase in its 2010-2011 budget to help them out. Therefore, over 37,000 poor NB citizens were totally left out of the Plan, at least until April 2011.

b. Low-income workers.

In October 2009, 369,400 New Brunswickers were in the workforce. Of these, 57,400 were part-time workers. These represent a large proportion of New Brunswick’s poor. They will remain below the poverty line, even with the new Plan in place. Increasing the minimum wage to the Atlantic average by September 2011 will do little for them. By then, our province may still be paying some of them less than \$10.00 an hour. Again, NB will probably be at the bottom of the list of all the Canadian provinces in terms of its minimum wage.

c. Seniors.

There are 107,640 seniors in New Brunswick and approximately 11,733 of them (10.9%) are living below the poverty line. There is nothing in the Plan to help them financially.

In light of the above data, the CFSJ is very skeptical that by 2015, our government will achieve one of the Plan’s objective, namely to move 25% of its citizens (25,185 people) out of poverty.

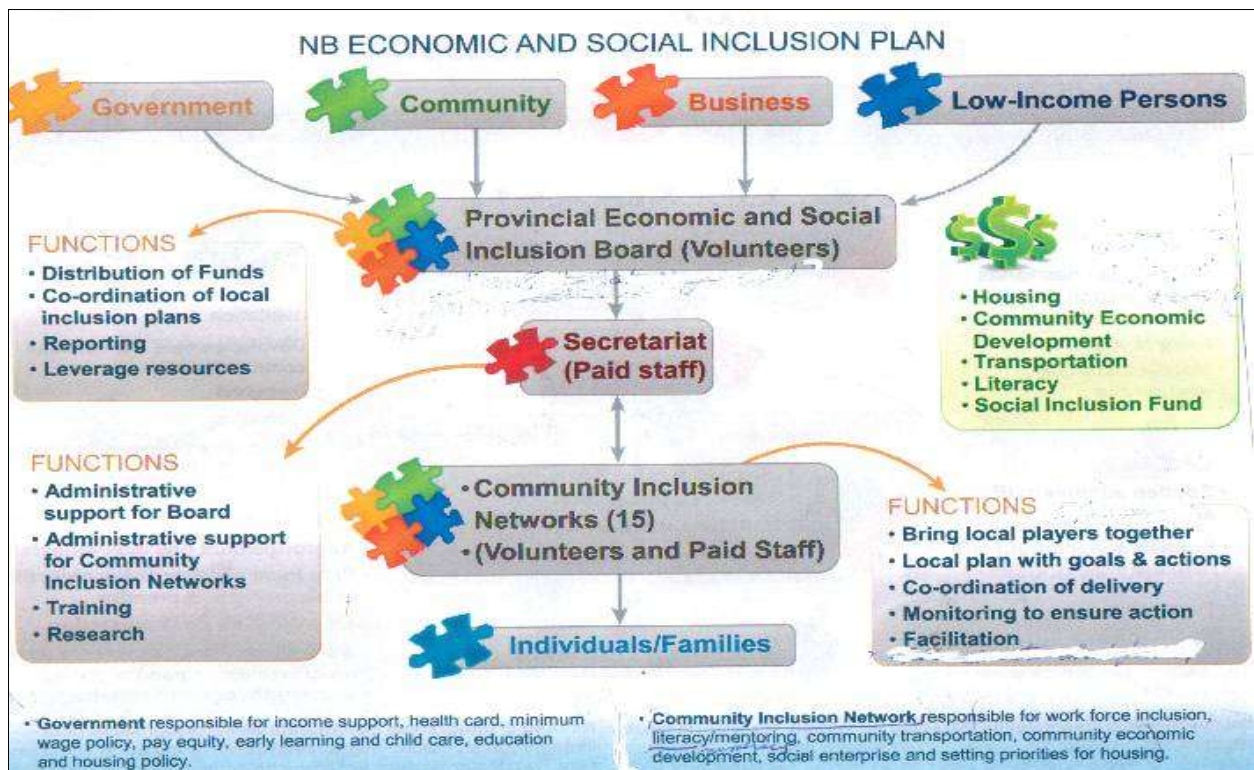
3. People with limits to employability not given any consideration

A segment of the Plan’s vision states: “*All New Brunswickers shall be included as full citizens through opportunities for employment, personal development and community engagement.*” If taken at face value, this sentence means that one is not considered a full citizen unless he or she

is either employed, enrolled in personal development activities or engaged in volunteer work. The Plan says nothing about social welfare recipients who are not employable because of a personal physical or mental handicap. There are no concrete proposals to alleviate their poverty. The CFSJ is concerned about the possible danger of creating a two-tier level of social assistance clients. There would be those who are potentially employable people to whom added support would be given and then, another group, made up of people with limits to employability, who would be left on their own, struggling to meet their basic needs.

4. Problematic delivery structure and possible consequences

The delivery structure for the *NB Economic and Social Inclusion Plan* is shown in the following Figure. The CFSJ is mainly concerned about five aspects of this delivery model.



a. Urban-rural divide

The delivery of services aiming at poverty reduction and social inclusion will be carried out by 15 *Community Inclusion Networks*. They will be responsible for work force inclusion, literacy/ mentoring, community transportation, community economic development, social enterprise, and setting priorities for housing. The reality is that NB has three large urban centres, namely Saint John, Moncton and Fredericton. These centres have well developed non-profit organizations compared to the rural areas of the province. The CFSJ foresees that there will be an imbalance in the number and quality of services deliverable by the Networks in the rural areas compared to the urban ones.

b. Implementation of the Official Language Act

Traditionally, English has been the working language in a large number of community non-profit organizations. Currently, many of the services they provide are not delivered in both official languages. Based on past experience, the CFSJ is very concerned that the services provided by these networks may not follow the requirements of the Official Languages Act.

c. Funding process exposed to political lobbying

The funding for the services provided by the 15 Networks will come from government through the non-elected *Provincial Economic and Social Inclusion Board*. The CFSJ is concerned that the decisions regarding the granting of money for programs may not always be based on needs, quality and deliverability of programs. On the contrary, decisions could be made in favour of those with the strongest political ties.

d. Challenges posed by programs being delivered by the community non-profit sector

Presently, there is a significant number of services delivered by the community non-profit sector. These represent millions of public dollars invested by the NB government. The Plan is now proposing to add workforce inclusion and literacy mentoring. Moreover, the community non-profit sector will eventually be given whole new areas of responsibility such as community transportation, community economic development, social enterprise and certain aspects of housing. The CFSJ is very concerned about the following aspects of program delivery when they are turned over to the community non-profit sector:

- **Government coordination of a multiplicity of programs.** The Plan proposes to use 15 different Community Inclusion Networks to deliver current services as well as some ones included in the proposed new functions. The CFSJ foresees that the administration of a greater number and of more diversified programs will become a nightmare for the provincial government. This also mean that there will be a greater need to increase the number of employees to oversee and coordinate all of these programs, thus leaving less money for actual delivery of services.
- **Demands related to qualifications and training of staff and volunteers.** The Premier's Community Non-Profit Task Force Report identified real concerns regarding wages, working conditions and benefits available for staff. It also pointed out to the high turnout level of staff and challenges of recruiting volunteers. The CFSJ is very concerned that with the possible rapid expansion of the community non-profit sector, hiring of staff and recruitment of volunteers without adequate qualifications and training may occur. Problems may also arise because of the unavailability of staff and volunteers to deliver the services in the language of choice of the clients throughout the province.
- **Transparency and accountability.** The CFSJ considers that our elected provincial government is the entity ultimately responsible for socio-economic programs. Government is responsible for budgetary allowances, development of norms and criteria, general surveillance, inspections and evaluations as well as financial verification when services are delivered by community non-profit organizations. Annual reports will need to be public, including fee schedules, if applicable. A process must be in place for clients to appeal if they are dissatisfied with the services received or if they have a complaint. Processes must also be in place in case of interruption of service or of possible conflicts between service providers, clients and government. The CFSJ believes that the government must accredit all community non-profit organizations that administer programs on its behalf. It also believes that programs now downloaded to the community non-profit sector should have similar criteria as if they were in the public domain.

e. Involvement of the private sector at the major decision-making steps of the Plan

The final Plan states that there are four stakeholders: government, community, business and low-income persons. All four are placed on the same footing and all have the same number of representatives at the *Provincial Economic and Social Inclusion Board*.

The CFSJ's view is that historically, the business sector does not have a very good record in promoting poverty reduction initiatives. One only has to remember its past stands on minimum wage, pay equity, public child care services, improvements in minimum standards, employment insurance, workers' compensation and the private sector's demand for lower taxes. The business sector's vision of poverty reduction is based on the charity model, not on the social justice model.

Given the minor financial contribution from the private sector to the Plan, the CFSJ wonders why it has so much authority in the distribution of funds and in the coordination of local inclusion plans. The other three stakeholders, namely government, community groups and low-income persons, should have more say than business in the functioning of the Plan.

5. Financial support toward the Plan

At the launching of the Plan, no budget was accompanying it. In the 2010-2011 provincial budget, only 15 million dollars were earmarked for the implementation of the Plan. The CFSJ considers this amount of money insufficient for the proposed interventions in such broad areas as early learning and child care, promotion of community school, assistance for affordable housing, and increased access to post secondary education. A significant portion of the earmarked millions will be dedicated to the setting-up of the *Provincial Economic and Social Inclusion Board*, to salaries for the full time secretariat staff and the personnel of the 15 *Community Inclusion Networks*. There will not be a lot of money left for new initiatives.

6. Missing elements

Important aspects essential to poverty reduction are missing from the Plan. It is unfortunate that the following elements were not included or specified more clearly:

- Legislation to enforce *pay equity in the private sector*.
- Reform of the *certification process for disabled persons*.
- Complete overhaul of the *Social Assistance Policy Manual*.
- Lack of a definition of "Poverty".

7. Conclusion

The Common Front for Social Justice feels that to achieve significant poverty reduction, strong political commitment and a democratic process are essential. Many members of the CFSJ participated in Phase I of the poverty reduction plan called the Dialogue Sessions. However, the CFSJ publicly criticized the lack of democratic input in Phase II – the Round Table Sessions. The Premier and 50 people selected by him attended Phase III, the Final Forum. The event was held in November 2009 and this group had the final word on the content of the Plan.

The CFSJ has analysed the Plan and identified several of its shortcomings. There are major problems associated with the proposed delivery structure. Therein lies a real danger of too much downloading of government programs and services to community non-profit organisations. This may soon undermine the government's ability to coordinate its own social programs in the future.

True to its mission of social advocacy, the CFSJ will be following closely the major steps required to implement the Plan.

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