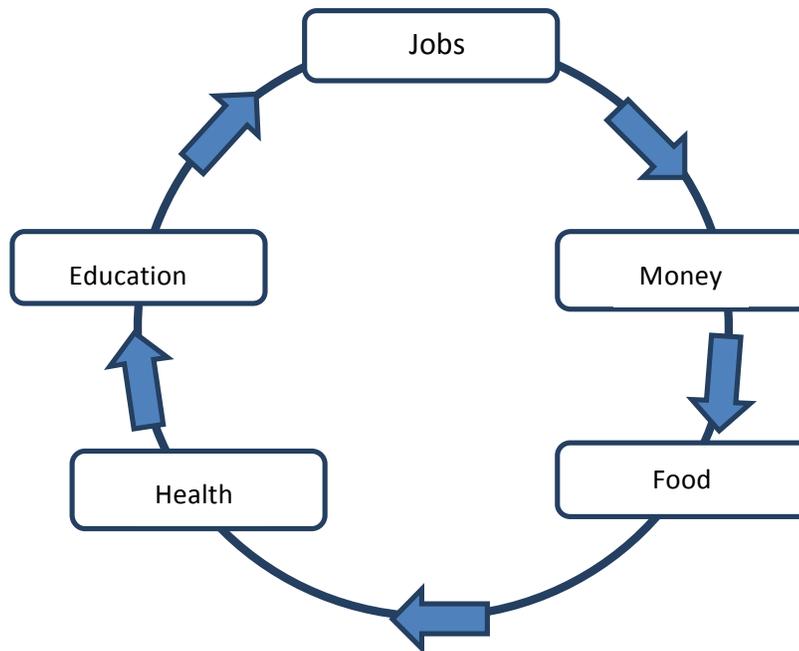


POVERTY REDUCTION PLAN TWO YEARS LATER, WHAT HAS OUR PROVINCE DONE FOR POVERTY?

INTRODUCTION

To break the cycle of poverty, we must choose the most appropriate place to enter the circle. In the book *Seeds of Hope*, Robert Maloney, C.M. and collaborators describe how systemic change works. Each of us, they say, lives within a socioeconomic system whose parts interact with each other. If the system is working well, it favours personal growth. If not, it thwarts growth and accelerates decline. If, for example, I don't have a good paying job or rely on social assistance because I cannot work, then I don't have enough money. If I don't have enough money, I can't buy food for my family. If my children don't have sufficient food, they suffer from malnutrition. If they are malnourished, they can't study well and won't graduate from school. If they don't graduate from school, they won't get a job. If they don't have a job, they don't earn money. So the circle begins again.



In November 2010, two years after the public announcement of the content of our provincial poverty reduction plan, the Common Front for Social Justice (CFSJ) decided to reflect on where we stand now. This report will attempt to summarize the process which gave rise to the plan, review the immediate and five-year action plans which were implemented and encourage concerned citizens to push as hard as they can to bring about improvements in the lives of people living in poverty.

A BIT OF HISTORY

With the systemic approach framework in mind, let us look at the process which led to our provincial poverty reduction plan. It began in 2007 when the CFSJ invited some community groups to ask the Department of Social Development to consider adopting a poverty reduction strategy along the line of the one introduced in Newfoundland and Labrador in 2006. On October 17th 2008, the government unveiled its strategy. During Phase I, a very successful provincial dialogue was started. Between January and March 2009, more than 2,500 people shared their views on poverty reduction: access to good paying jobs, a decent social assistance rate, revised social assistance policies, better access to education, etc. This was followed by Phase II, the Roundtables, where 30 representatives from the government, the private sector and the non-profit sector formulated a series of options to reduce poverty. Phase III, was a high level gathering composed of 50 people hand-picked by then Premier Shawn Graham. This was the climax of a year-long process chaired by a business leader, Gerry Pond, and the Director of a non-profit organization, Léo-Paul Pinet.

The Final Forum Press Release, published on November 14th 2009 was entitled *Overcoming Poverty Together – The New Brunswick Economic and Social Inclusion Plan*. It outlined some immediate changes as well as long-term goals to help reduce social and economic inequality in New Brunswick. There was great hope that this plan would reduce poverty. The throne speech that was read on the following week stated “With this new plan and by taking up this cause together, more New Brunswickers will share more opportunities than ever before”. Newspapers reported that the immediate changes the government would legislate included an 80 % increase in social assistance levels for those living on less than \$300 a month as well as an end to the economic unit policy which penalizes people on social assistance who shared accommodations to reduce their living costs. Whether it was intentional or not, many people misunderstood the good news and thought that all social assistance recipients would get an 80% raise. Euphoria was soon replaced by deception when poor people realized that only 3% of those living on social assistance would get an immediate increase, moving from \$294 to \$537 per month.

Within a few months, an Economic and Social Inclusion Corporation was created. It comprises 21 members: a President, four Co-chairs, 3 members from the business sector, three from the non-profit sector, three provincial government representatives and seven individuals with a current or a past history of poverty. Three Advisory Committees were formed: Health Benefits, Social Assistance Reform and Social Enterprise and Community Investment Funds. Twelve local groups were approved to become Community Inclusion Networks to address poverty reduction efforts at the local level.

The CFSJ did an analysis of the provincial plan to reduce poverty, pointing out some of the risks inherent to its process and approach: insufficient funding to give hope to people living in poverty, setting the minimum wage too low to allow part-time workers or households of two or more to reach the poverty line, unloading some government responsibilities to the non-profit sector and volunteers; risk of inequalities between rural

and urban communities, certain difficulties with the Official Languages Act, etc. There was also concern that people with limitations to employment may run the risk of being left out.

WHERE ARE WE, TWO YEARS LATER?

How far have we come since November 2009 to attack the root causes of poverty? Which components of the systemic approach to poverty reduction have we put in place? With the public information available, this two-year review will attempt to examine the plan's immediate promises and those scheduled to take place within five years.

1. IMMEDIATE ACTIONS RELATED TO MEETING BASIC NEEDS

- a. The first immediate promise made was to eliminate the social assistance rate for recipients in the category called "interim", applicable to single employable people. This **was accomplished** and helped around 1,200 social assistance clients who, together, represented approximately 3% of the total of social assistance caseload.
- b. The second immediate action promised was "to extend health card for persons exiting social assistance for up to 3 years until prescription drug program is introduced". This promised was, to our knowledge, **not fulfilled completely**. Indeed, some social welfare recipients re-entered the workforce but have not been offered to keep their health card. One example, a single mom with two ADHD children now works part time in a supermarket. She is struggling to make both ends meet and can only afford half of her anti-depression medication. We do not know how many cases have fallen between the cracks.
- c. The third immediate priority action promised was that household income policy would only be applied to social assistance recipients who are in spousal relationships. This promise was **fulfilled only partially**, namely for those supported by social assistance before December 31, 2009. Those who requested it after January 1, 2010 were denied, thus discriminating between the two groups.

2. PRIORITY ACTIONS RELATED TO BASIC NEEDS TO BE REALIZED OVER FIVE YEARS

Of the priority actions to be implemented within five years, several were value-related so it is difficult to assess the amount of progress that has been made. Some of these are: move from rules based to outcome based system; move from passive assistance to employment orientation; move from focus on income poverty to social and economic inclusion and develop and implement an integrated service delivery model focused on low-income people.

However, in November 2009, ten measurable actions, all related to basic needs, were promised to be in place within five years. Progress on each of these is discussed hereafter.

- a. *“Restructure and increase social assistance rates including a new regime more appropriate for persons with disabilities”*. This promise is crucial in order to move people out of poverty. **No concrete action has been taken yet**, nor are there any signs of an up-coming rate increase. The CFSJ made numerous interventions to highlight this as a priority and request that the rate be indexed to the cost of living. Indexing would better reflect increases in the cost of essential needs. Recently, two minor improvements were made to help social assistance recipients: first, in August 2011, the \$50 support for school entry was raised from \$50 to \$100 and, secondly, in October 2011, persons with certified disability were given an extra \$4.17 monthly to top their \$83.33 monthly supplement. The latter gesture was appreciated but it barely covers the cost of a litre of milk.
- b. *“Introduce a vision and dental care for children in low-income families by April 1, 2011”*. So far, this priority action **has not been implemented**. The Minister of Social Development postponed it because the Advisory Board on Health, the optometrists and the dental advisors said they needed more time.
- c. *“Provide more opportunities to keep earned income as individuals transition to work”*. So far **no decision has been announced** to allow social assistance recipients to retain more money earned through part-time jobs. An Advisory Committee on Social Assistance Reform was mandated to look at how to raise the current allowed sum (\$150 or \$200 per month, depending on circumstances). The CFSJ presented them with proposals but has not heard from them yet.
- d. *“Raise allowable asset exemption”*. The Department of Social Development’s website states that social welfare recipients can only have liquid assets up to \$1,000 if they are single, up to \$2,000 if they live in a multi-member household and \$3,000 for blind or handicapped people. To our knowledge, **no action has been taken to change the allowable asset amount**.
- e. *“Determine the details of a prescription drug program for non-insured citizens with the goal of starting to phase in the program by April 2012”*. An Advisory Committee was mandated to accomplish this task but, to our knowledge, **no information** has been made public regarding this action.
- f. *“Raise the minimum wage to the Atlantic average by September 1st, 2011 and adjust for inflation annually thereafter. Dialogue with stakeholders regarding the scheduling of increases”*. A schedule of wage increases was published. However, **the \$10 per hour, scheduled for September 1, 2011 was postponed until April 2012**. The CFSJ believes that what the government should strive for is a liveable wage which would cover the basic needs of its citizens.
- g. *“Provide stable funding for homeless shelters within five years”*. Provisional funding has been provided to six of the homeless shelters for programming. A

total of \$460,000 was also given to five homeless shelters in need of repairs to alleviate health and safety concerns. **This action was therefore implemented.**

- h. *“Include protection for roomers and boarders in the Residential Tenancy Act”*. **Amendments were made** to the *Residential Tenancies Act* on April 2, 2010 to provide protection for roomers and boarders by ensuring that they are given the same rights as those given to tenants of other rental units.
- i. *“Provide funding for community transportation alternatives such as Dial-a-Ride”*. The NB government and the Regional Development Corporation **funded two community-based transportation projects**: Charlotte Dial a Ride and Western NB Alternative Transportation.
- j. *“Develop and implement an integrated service delivery model focussed on low-income people”*. The Department of Social Development initiated a strategic planning process which will include a review of its service delivery model to ensure that it is client focussed but **no actions have been made public yet**.

In summary, on the 2nd anniversary of the launching of the Plan, 7 out of 10 actions related to meeting basic needs have not been fulfilled, implemented or made public.

3. PRIORITIES RELATED TO LIFE-LONG LEARNING AND SKILLS ACQUISITION AND TO COMMUNITY PARTICIPATION

Most of the activities related to life-long learning and skills acquisition have been tackled. Actions on these, as well as on the component comprising community participation are summarized hereafter.

1. Early childhood development centres in Centreville, Keswick, Millville, Perth-Andover and Richibucto **have been developed**, using grants from the Margaret and Wallace McCain Family Foundation and support from the NB government.
2. Four government early childhood development sites **are in operation** since 2009 in Bath, Moncton, Robertville and Saint John.
3. Compared to the provincial need, licenced day care spaces **have only increased** from 18,785 to 20,253 between March 31 2011 and January 1, 2011.
4. Elementary Literacy Programs in February 2011 were being **offered in 17 schools**, compared to 9 schools in 2009-2010.
5. Over 100 volunteers took on the **delivery of one-on-one literacy tutoring** to struggling readers in Grades 1 to 3.
6. Financing for initiatives in housing was announced in November 2011. The two levels of government will each invest 23.4 million dollars to build new housing, to renovate existing affordable housing and offer related provincial programs. This is welcome news and **indicates progress is occurring**.
7. To strengthen the ability of low-income people to enter the workforce, **an Action Plan was developed** by government departments.

8. Workplace essential skills training are **being offered** at the Bathurst Community College as well as at the Saint John Community College.
9. Community Adult Learning Centres are **offering academic programs** (International Adult Literacy Skills Survey, Level 2 and GED) and e-learning programs that offer computer training. In 2010-11, a total of 242 academic and e-learning programs have been funded in over 100 NB communities.
10. **Funding** to improve access to post-secondary education for lower income families **was increased** to 1.5 million dollars.
11. A framework to develop a **social enterprise model was designed**. Its aim is to foster social and economic growth.
12. The development of a strong public awareness campaign, so critical to the success of the poverty reduction strategy, **was not undertaken**.

OVERVIEW OF WHERE THE PLAN IS AFTER TWO YEARS

Depending on how one looks at a glass of water, either half full or half empty, the evaluation of the first two years of the NB Economic and Social Inclusion Plan can be either encouraging or disappointing.

Looking at the positive side, certain activities have been implemented to improve learning opportunities and skills acquisition. The commitment of the Department of Education and of Early Childhood Development is beginning to bear fruit. The skills development opportunities offered by the two Community Colleges is reassuring. Remembering that education is a point of entry to break the poverty cycle, these results are encouraging. . The Department of Post-Secondary Education, Training and Labour has developed plans to raise the employment potential of low-income people. However, the fact that this Department postponed the implementation of a \$10-per-hour minimum wage in September 2011 is very unfortunate as this was a key element of the poverty reduction plan.

From a half-empty glass perspective, the number of priority actions implemented to ensure basic needs is very limited. The following list enumerates some of the inactions on key priorities. This has very serious consequences on the economic and social wellbeing of thousands of New Brunswickers living in poverty.

- No increases in social assistance rates were given, even if the recipients have not had a raise since October 2008;
- Practically nothing has changed in the Economic Unit Policy for adult social welfare recipients living with their parents. To have a separate file, the government requires a medical report and they must submit the income tax report of their parents;
- A deferral in the implementation of vision and dental care for children in low income families will probably have an impact on health care costs in years to come;
- The delay in a policy decision to allow social assistance recipients to keep more of their earnings is penalizing them as well as employers who could effectively use their services;

- The delayed decision to allow an individual on social welfare to have more than \$1,000 in a bank account is contrary to giving that person a sense of security if unexpected events happen;
- Being in the dark about the details of an eventual prescription drug program causes insecurity in those who have taken the chance to enter the workforce with the promise that they would be covered by such a health plan three years after the launch of the Plan;
- A 6-month postponement in the minimum wage increase is hurting over 17,000 NB workers;
- The two-years waiting time (or perhaps longer) before improvements are made to the Social Assistance Policy Manual is very deceiving for those who had placed high hopes on the NB Economic and Social Inclusion Plan.

The province of New Brunswick's commitment to poverty reduction is very small in comparison to the Newfoundland and Labrador's Poverty Reduction Strategy. In that province, over 80 new initiatives had been funded between 2006 and 2009 to prevent, reduce and alleviate poverty. To support the new plan, that province allocated over \$130 million dollars in that time period, basic individual and family social assistance rates rose by 11.6% and were indexes starting in June 2006. A package of initiatives designed to remove financial disincentives to work has supported over 4,000 income support clients to start new jobs between 2006 and 2008.

In New Brunswick, only three years are left between now and the full implementation of the five-year plan announced in November 2009. Many people living in poverty were eagerly waiting for concrete actions that would put more money in their pockets so that they could eat more nutritious food, be healthier and have more energy to acquire some training, and hopefully, move to better paying jobs.

CFSJ does recognize that many New Brunswickers are involved in the implementation of the Economic and Social Inclusion Plan. What is missing is the proper set of priorities coming out of the Department of Finance. More than ever before, concerned citizens must say to the Finance Minister that he needs to invest significantly more in poverty reduction. Indeed, his advisors must inform him that investing in poverty reduction is cost effective. Political scientist Dr. Christine Saulnier from the Canadian Centre for Policy Alternatives said that NB health expenditures due to poverty alone cost \$200 million!

Finally, CFSJ adheres to the definition of systemic change printed in the Belleville Bridges Bulletin in November 2011: "Systemic change among those living in poverty aims beyond alleviating immediate needs. It enables people themselves to engage in the identification of the root causes of their poverty and to create strategies, including advocacy, to change those structures which keep them in poverty. Systemic change requires transforming attitudes". The root causes of poverty are multiple but the lack of financial resources is at the top of the list. When will people living in poverty see a bit of improvement in their ability to cover their basic needs? Unless concrete actions are taken now, hope will soon run out.

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