



Elections 2003

My vote interests you?

Questions dealing with the issue
of impoverishment

- ✓ **Income Assistance**
- ✓ **Legislation to Eliminate Poverty**
 - ✓ **Pay Equity**
 - ✓ **Minimum Wage**
- ✓ **Employment Standards**
- ✓ **Employment Insurance**

The impoverishment of the majority during the 80's and 90's.

Canada has never been as wealthy. Do we, then, have more money in our pockets to individually pay for services and conveniences that we choose to consume? According to Statistics Canada, "During this period [1984-1998], estimates of after-tax income of family units remained virtually unchanged."

(Statistics Canada, Survey of Financial Security 1999) In other words, on average Canadians did not see an increase in their purchasing power.

What is true on average is not true for everyone. Some (the 30% wealthiest of the population) profited from the growth. For the formidable growth in wealth was accompanied by just as formidable a growth in inequities. Consequently, 30% of economic units (families or persons living alone) own 81% of the total net assets of Canadians (houses, furniture, vehicles, pension funds, bonds, shares, ... minus mortgage, loans, debts)

The 10% wealthiest own	53% of the net assets of all Canadians
The next 10% own	17% of the net assets of all Canadians
The next 10% own	11% of the net assets of all Canadians
The next 70% own	19% of the net assets of all Canadians

Source: Statistics Canada, Survey of Financial Security, 1999

If the 30% wealthiest gained from the growth, the 30% less wealthy on the contrary saw their purchasing power deteriorate. The number of those excluded from the job market is high (as such they are not part of unemployment statistics). For low- and medium-income workers hourly wage increases are below inflation. For the average Canadian, he must work harder and longer to maintain his former standard of living. And every day, 70% of the population face the drama of the manner in which current development takes place: the financial health of businesses guarantees less and less the economic well being of workers. When profits are high, job creation does not necessarily take place, nor is there a sharing of gains realized through productivity. As soon as profits decline, there are lay-offs. Jobs and wages are immediately connected to the decline in profits, very little to their growth.

Our public services, under-financed, cannot adequately respond to their mission. 'User' fees are multiplying, as are waiting lists and cuts in services. Search as we may, we can find no social category that is better off today than yesterday, except of course the 30% wealthiest. From students to the elderly in care homes, not to mention the homeless, everyone suffers at one time or another from the under-financing of public services. This erosion also contributes to the impoverishment of the majority of the population. This is particularly true in disadvantaged provinces and regions.

Income Assistance

Poverty is an issue that has been talked about over and over again but the situation does not go away. In our economic system it seems that there are not job for everyone, some jobs are not paying enough and other citizens are without job and have to rely on Income Assistance to live.

Guaranteeing decent living conditions for all is an objective that should not even have to be justified. Unfortunately we live in a country and a province where governments are rich in verbal compassion and good intentions, but miserly when it comes to action in favor of the less well-to-do.

16(1) The Minister shall grant assistance in the form of a basic needs allowance to meet the requirements of the unit for the following items of basic need:

(a) food, (b) clothing, (c) household and personal items; (d) fuel and utilities; (e) routine transportation; and (f) shelter.

and in the same breath, sets at \$264 per month the amount of assistance for an employable person living alone. Who can cover food, clothing, necessary effects, heat, travel and shelter with \$264 per month (\$281.15 if tax credits are included)? No one.

New Brunswick provides the second lowest in Canada yearly revenue of a single person living alone on income assistance (\$ 3378). New Brunswick provides the lowest in Canada for yearly income of a handicapped person living alone on income assistance (\$ 6906). New Brunswick pays the lowest in Canada for yearly income of a couple with two children on income assistance (\$ 16 582\$)

These figures do not give the real picture of people living in poverty. It does not talk about the insecurity, poor health, loss of opportunity, low self esteem, fear and stress.

Studies after studies have showed that poor people are more likely to be sick, to be injured and to die early.

The policy on economic unit is making life difficult for people on Income Assistance. This policy states that two or more people who reside together and who share responsibilities for the unit, regardless of their relationships, are considered an economic unit. This means that one

Minimum Wage

The Minimum wage is just that a minimum.

The Minimum wage has always been a floor on which employers were looking at when deciding on the wages they would give their workers. Employers have always put pressures on governments of all political stripes to maintain this minimum floor at its lowest.

The most current ideas from business is that raising the minimum wage will result in cutback in the number of hours worked or to jobs loss. Another argument is that most of the workers on minimum wage are young and a number of them lives with their parents and are not necessarily poor. Another argument, is that businesses, especially small businesses can't afford it

On the other hand, what is the situation of minimum wage workers in New Brunswick?

There are presently in New Brunswick thousands of workers who are trying to make end meet with a \$6.00 an hour wage. A high number of these workers are women, young or unskilled workers. These workers are usually found in the service economy, restaurants, hotels, malls, or in the basic resource industry like fishery.

These workers, like all of us, need the same basic amount of money to be able to live. The food, rent, mortgage, insurance, transportation, telephone, heating costs, etc. are the same if your making the minimum wage or if you are making \$25.00 an hour.

In New Brunswick, the minimum wage is presently \$6.00 an hour which translate into \$12,480 a year (40 hrs per week). The poverty line for a single parent with one child is \$20,644. (This amount translate itself to \$9.92 an hour)

What does it means for this family?

- **Is there not a real need to gradually increase the minimum wage in this province to a level where these workers are able to make a decent living?**
- **Should not the minimum wage be linked to the inflation rate so that workers don't loose their real purchasing power?**

Employment Standards

Minimum standards are a series of protection that apply to all workers. Some protection has been guaranteed such as a minimum wage per hours, when you are going to be paid, maternity leaves, paid holidays, etc.

- the numbers of hours worked in a week: the employer can legally make workers work 60, 70 hours...
- breaks;
- working schedules;
- better protection for employees who report the non-respect of standards established by law.

There have been some improvements in the Employment Standards but it is not enough. Workers need more protection.

- **Should we include overtime in the Employment standards?**
- **Should overtime be voluntary and paid time and a half of the real rate of pay instead of been paid time and a half of the minimum wage?**
- **Should not workplaces be subject to continued monitoring rather than just rely on employees complaints?**
- **Should not an employee who files a complaint against his employer be protected by the law?**

Employment Insurance

We know that Employment program is not a provincial responsibility but because it has such an important impact on our economy we feel that provincial politicians should address the issue.

Employment insurance is a program put in place to help workers and their families keep part of their livelihood when they are not working. Right now an unemployed worker receives 55% of his-her salary when not working as long as they have accumulated enough hours of work to qualify.

Losing your job and the income it brings you can be devastating, especially when there isn't another job available right away. Regardless of why your work vanished- downsizing, reorganization, the job was temporary or seasonal, your contract wasn't renewed - unemployment insurance is supposed to be there for you.

The federal government's Employment Insurance Program doesn't work for people who are laid-off. Over a million people who are unemployed are denied benefits. Many of these people work and pay into the Employment Insurance Program, but never work long enough to be able to use their insurance.

Working people need to know that Employment Insurance is there for them when they need it. This is especially true in economic uncertainty.

The federal government made drastic cutbacks to the program starting in 1993 and this had an important impact on New Brunswick. Between 1993-97 it is estimated that NB lost an average of \$275 millions of dollars per year. This reduction of income has continued. On the other hand the accumulated surplus in the Employment Insurance fund is around \$50 billion dollars. This surplus has been taken by the federal government.

Instead of cutbacks, we need to modernize the program so it responds to the new labour market realities and to the real needs of workers.

Some of the following could make a difference:

Minimum of 350 hours to qualify in any regions of Canada;

- **stopping the confiscation of workers' insurance by the government for federal debt reduction, tax cuts or spending on government programs;**
- **increasing the insurance protection to at least 70% of the unemployed;**
- **workers would receive two-thirds of their weekly pay based on their best 12 weeks of earnings over the past year;**
- **eliminate the divisor formula used to average claimant's weekly earnings;**
- **abolish all benefit repayments(clawbacks);**
- **having an Employment Insurance fund separate from the government's general accounts.**

