



Reading Between the Lines of "*Overcoming Poverty Together- NB Economic and Social Inclusion Plan*"

Analysis by
The Common Front for Social Justice

The Plan was elaborated in three phases

- Phase I: Dialogue sessions
- Phase II: Round Table
- Phase III: Final

Phase I – Dialogue Sessions

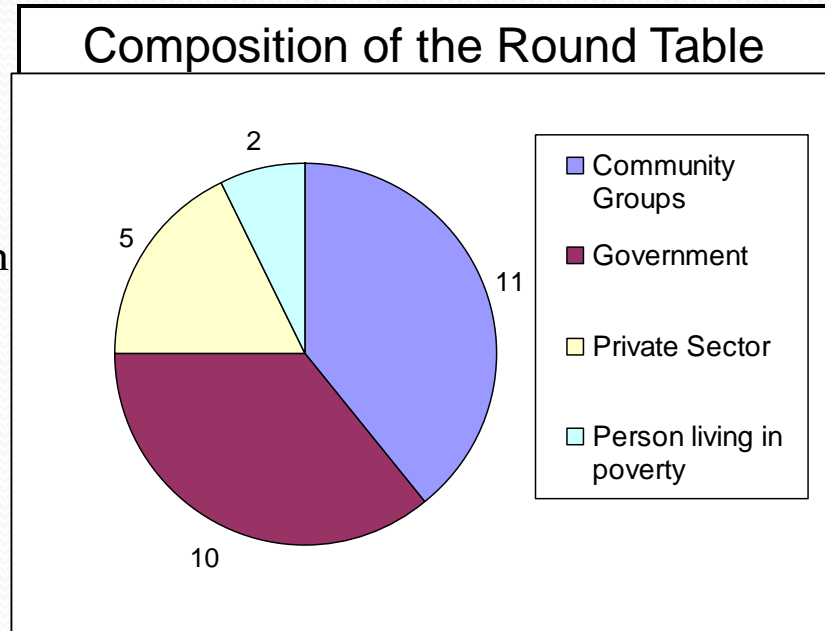
- Presented as a "Public engagement initiative"
- **774 people** participated; their input was published in "*What Was Said Report*"
- 700 other people attended other sessions
- 840 questionnaires, on line surveys, briefs, etc. were added



Phase II: Round Table Sessions (The "Options Document" remained confidential)

Participants

- Josée Arseneau
- Martin Bélanger
- Denise Carroll
- Sr Auréa Cormier
- Alexis Couture
- Roger Doucet
- Norma Dubé
- Greg D'Souza
- Don Ferguson
- Anne Hébert
- Trevor Holder
- James Hughes
- Byron James
- Francine Kanhai
- John Kershaw
- Kelly Lamrock
- Donna Linton
- Jennifer Melanson
- Brenda Murphy
- Lisa Murphy
- Ken Pike
- Léo-Paul Pinet
- Gerry Pond
- Sue Rickards
- Jeff Sparks
- Clem Tremblay
- Eric Tusz-King
- John Wheatley



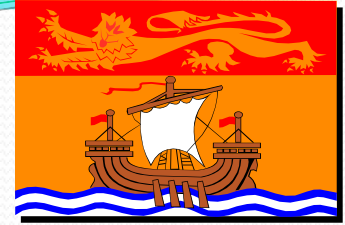
- First Nations and Unions were not present
- Only two people were chosen for their past experience in poverty

Phase III: Final Forum: 50 people selected by the Premier (plus 35 observers)



- Role of the Forum: to select the options to be put in place
- Deliberation time: only 10 hours to finalize the Plan
- Forum Chair: Premier Shawn Graham

Process presented as being inclusive, with four stakeholders:



- Government: 11 representatives, plus 8 others from the education sector
- Business sector: 10 Chief Executive Officers
- Non profit community organizations: 15 members
- People living in poverty: 8 representatives

NOTE: Labour Unions were not considered as stakeholders, even if they are the largest non profit community group in the province

Content of the Plan

OVERCOMING POVERTY TOGETHER

The New Brunswick Economic and Social Inclusion Plan

PREAMBLE

Premier Shawn Graham launched a public engagement initiative to adopt a poverty reduction plan for New Brunswick in October 2008. A public engagement approach was adopted in recognition of the fact that successfully reducing poverty in New Brunswick is the shared responsibility of every citizen of New Brunswick: people living in poverty, the non-profit, business and government sectors together with individual citizens.

Three co-chairs were appointed by the Premier to oversee the public engagement initiative, Léo-Paul Poirier as a representative from the non-profit sector, Gerry Ford as a representative from the business sector and the Honourable Mary Schryer followed by the Honourable Kirby Lamrock as the representative from government.

The public engagement initiative was divided into three interconnected phases, a Public Dialogue Phase (wide public input), the Roundtable Phase (development of options to reduce poverty) and the Final Forum Phase (adoption of a poverty reduction plan).

During the Public Dialogue Phase over 2500 New Brunswickers contributed their passionate views and opinions on the causes of and solutions to poverty which were captured in the resulting document entitled "A Choir of Voices". The members of the Roundtable were inspired by the input from the Public Dialogue and the options they crafted for the final poverty reduction plan were derived directly from A Choir of Voices.

The process at all stages of this undertaking of citizens who have experienced poverty shaped the final poverty reduction plan. This initiative was launched and successfully maintained as a non-partisan exercise, given the nature and importance of the venture for the province.

The present plan is five years in duration but investments with longer term impact need also be made to maintain momentum. Accordingly, it is agreed that this plan will be reviewed in five years.

Final Forum participants are in full agreement that the implementation of a poverty reduction plan for the province is the key driver for economic and social inclusion for all New Brunswickers.

The members of the Final Forum gathered in Saint John on November 12th and 13th, 2009 agree on the following essential elements of New Brunswick's first poverty reduction plan. They are committed to work towards achieving the vision, the global objective and the priority actions within the timeframe and through the governance model specified below.

GLOBAL OBJECTIVE:

By 2015, New Brunswick will have reduced income poverty by 25% and deep income poverty by 50%, and will have made significant progress in achieving sustained economic and social inclusion.

(www.gnb.ca/0017/promos/0001/pdf/Plan-e.pdf).

1. Opportunities for Being (meeting basic needs)

(a) Reform social assistance as follows:

Immediately:

- i. elimination of the interim social assistance rate program (single employable people);
- ii. extend health card for persons exiting social assistance for up to 3 years until prescription drug program is introduced;
- iii. the household income policy will only be applied to social assistance recipients who are in spousal relationships.

Over five years:

- i. move from rules based to outcome based system;
- ii. move from passive assistance to employment orientation;
- iii. move from focus on income poverty to social and economic inclusion;
- iv. restructure and increase social assistance rates including a new regime more appropriate for persons with disabilities;
- v. significant overhaul of household income policy,
- vi. introduction of vision and dental care for children in low-income families by April 1, 2011;
- vii. provide more opportunities to keep earned income as individuals transition to work;
- viii. reform wage exemptions to include a working income supplement;
- ix. raise allowable asset exemption; and
- x. link benefits such as child care, home heating and health to household income to the extent possible;

Over five years:

- (b) Mandate the Board of Economic and Social Inclusion Corporation to work together with stakeholders to 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;
- (c) 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;
- (d) Provide stable funding for homeless shelters within five years;
- (e) Include protections for roomers and boarders in the Residential Tenancies Act;
- (f) Provide funding for community transportation alternatives such as Dial-a-Ride; and
- (g) Develop and implement an integrated service delivery model focused on low-income people.

2. Opportunities for Becoming (life-long learning and skills acquisition)

- a) Invest in the early learning and child care sector to ensure that a minimum of 20% of infants and 50% of two to five year olds in the province may access a registered early learning space;
- b) Provide a literacy mentor, through collaboration with the business and non-profit sectors, to every student in grades one and two who is struggling to read, so that every child may graduate with adequate literacy and numeracy skills through the leadership of Elementary Literacy/Litteratie au primaire.
- c) Introduce an Early Learning and Child Care Act;
- d) The McCain Foundation will fund 5 additional integrated early learning sites.
- e) Advance the community school concept with a particular focus on literacy and numeracy, life skills, experiential learning, trades and cooperative education, and extra-curricular activities;
- f) Continue training teachers to expand educational program options to accommodate diverse learning styles

3. Opportunities for Belonging (community participation)

- a) Develop a comprehensive housing strategy that enables mixed income neighbourhoods, affordability, supported housing options and co-op housing;
- b) Explore the concept of social enterprise and community investment funds;
- c) Strengthen the ability of low-income people to enter the skilled work force through the provision of training, education and volunteer opportunities as part of the transition to work, as well as on the job training;
- d) Reduce barriers to continuing education, making it more accessible and affordable;
- e) Develop a strong public awareness campaign which is critical to the success of the poverty reduction strategy.



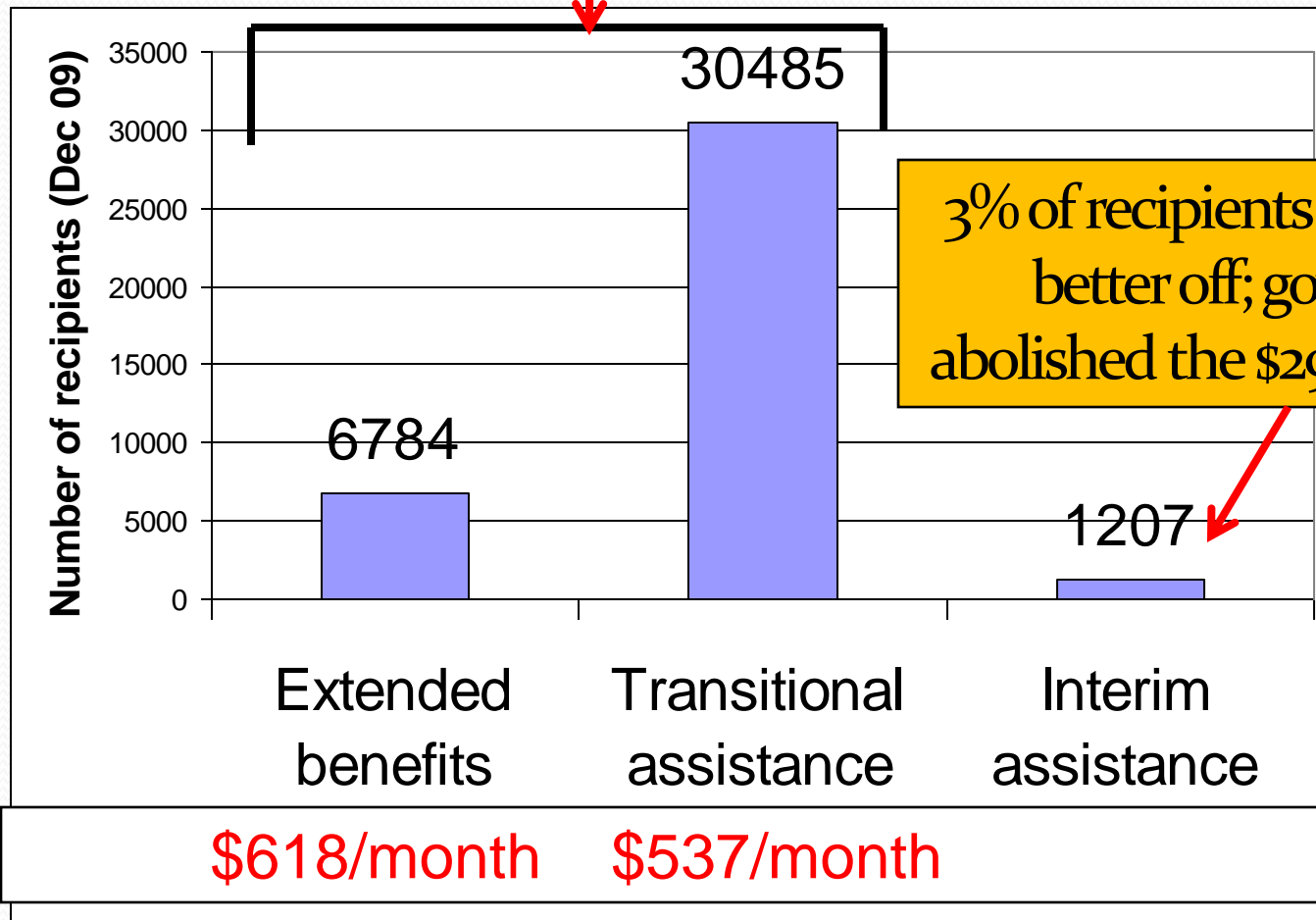
- Many people see and hear what is said about the Plan in the media
- But they do not read between the lines

Some of the concerns of the CFSJ related to the Plan

- 97% of social assistance recipients left out
- Minimum wage still below the poverty line
- People with limitations to employment run the risk of being left out
- Concerns associated with the Plan delivery
- Insufficient money in the 2010-2011 budget
- Important elements missing

Ninety seven % of recipients left out

97% of recipients (37,260) left out with no increase in sight before Apr. 2011



The Year 2009 was difficult

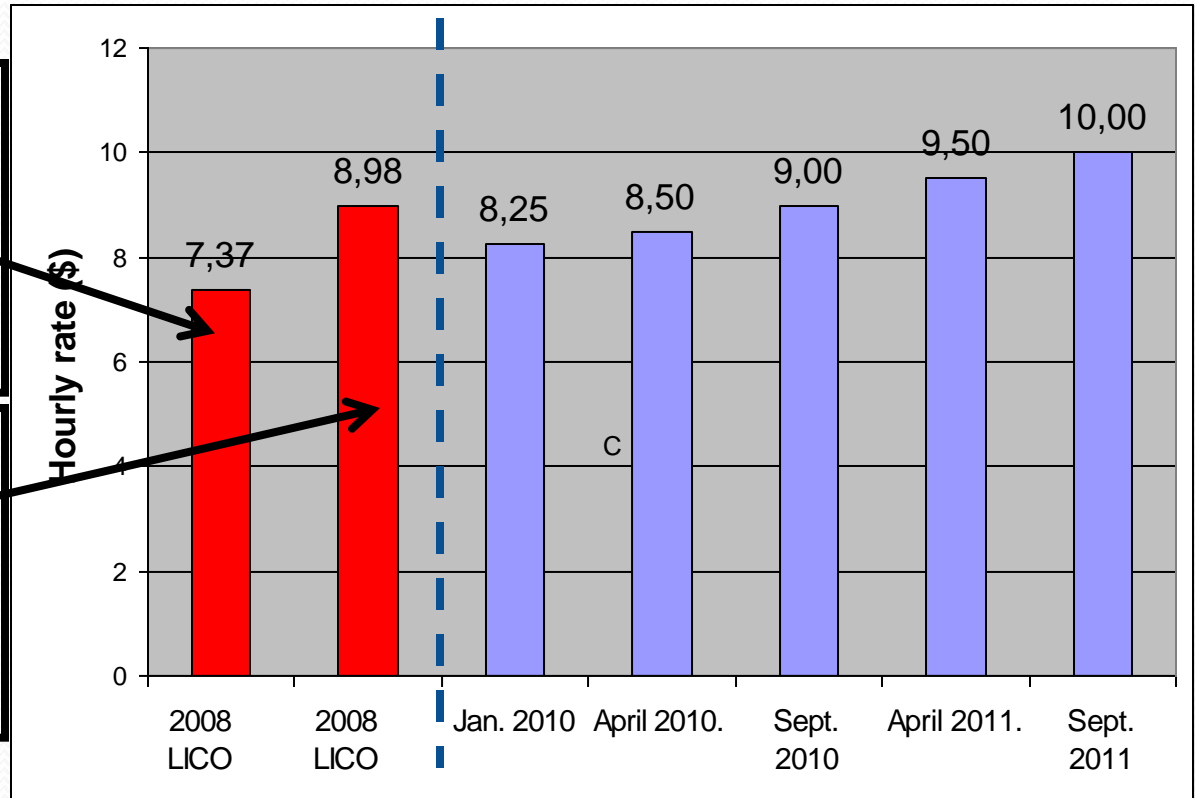
- Loss of the 2% annual increase in social assistance
- The 2010-2011 budget has no money earmarked to raise the social assistance rates
- Broken electoral promise made by Shawn Graham to raise social assistance rates to the Atlantic average



Hourly wage to reach Low-Income Cut-off (LICO) de 2008 and projected minimum wage increases

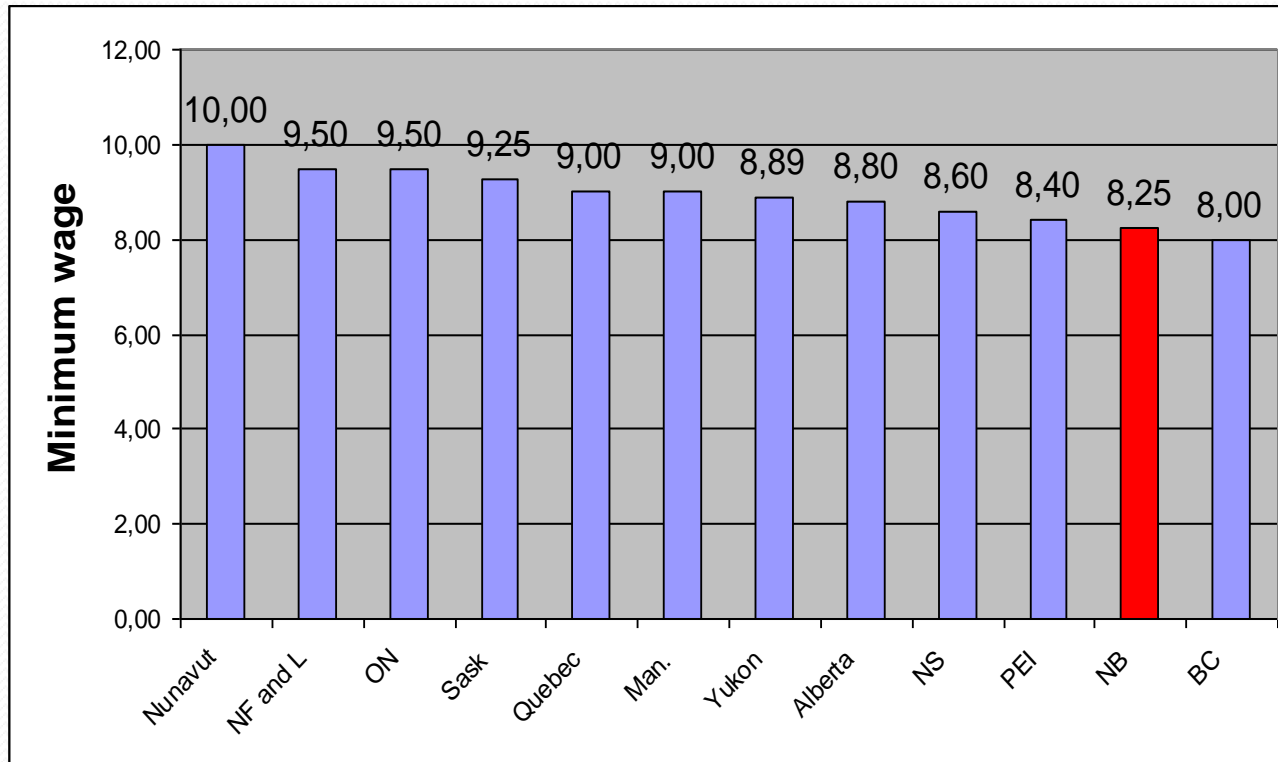
Minimum wage for **one person** to reach LICO (\$14,995) in 2008

Minimum wage for **two persons** to reach LICO (\$18,250) in 2008



The private sector can adjust with these projections

Minimum wage in Canada in 2010 (NB has 2nd lowest minimum wage)

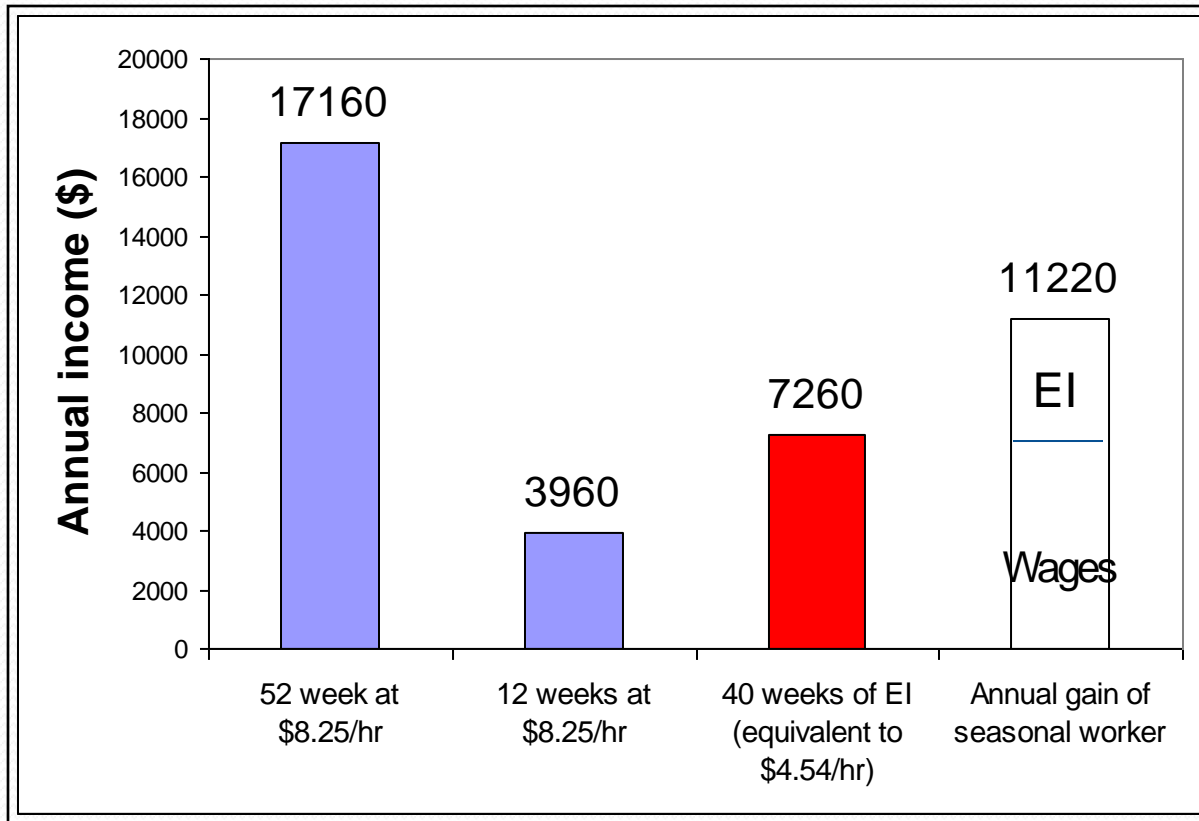


Projections:

- NB: \$9.00 in Sept. 2010;
- NF&L: \$10.00 in July 2010;
- NS- \$9.65 in Oct. 2010;
- PEI-\$8.40\$ in 2009.

The Atlantic average will be \$9.26 in Oct. 2010 and NB's rate will only be \$9.00

Part-time workers are often poor



In Oct. 2009, there were 57,400 part time workers; they made up the majority of the province's 100,740 people below LICO.

Comparison of 52 weeks at \$8.25/hr (\$17,160) with 12 weeks at \$8.25/hr, plus 40 weeks of employment insurance at 55% of salary (\$11,220)



Dark cloud at the horizon: two different minimum wages

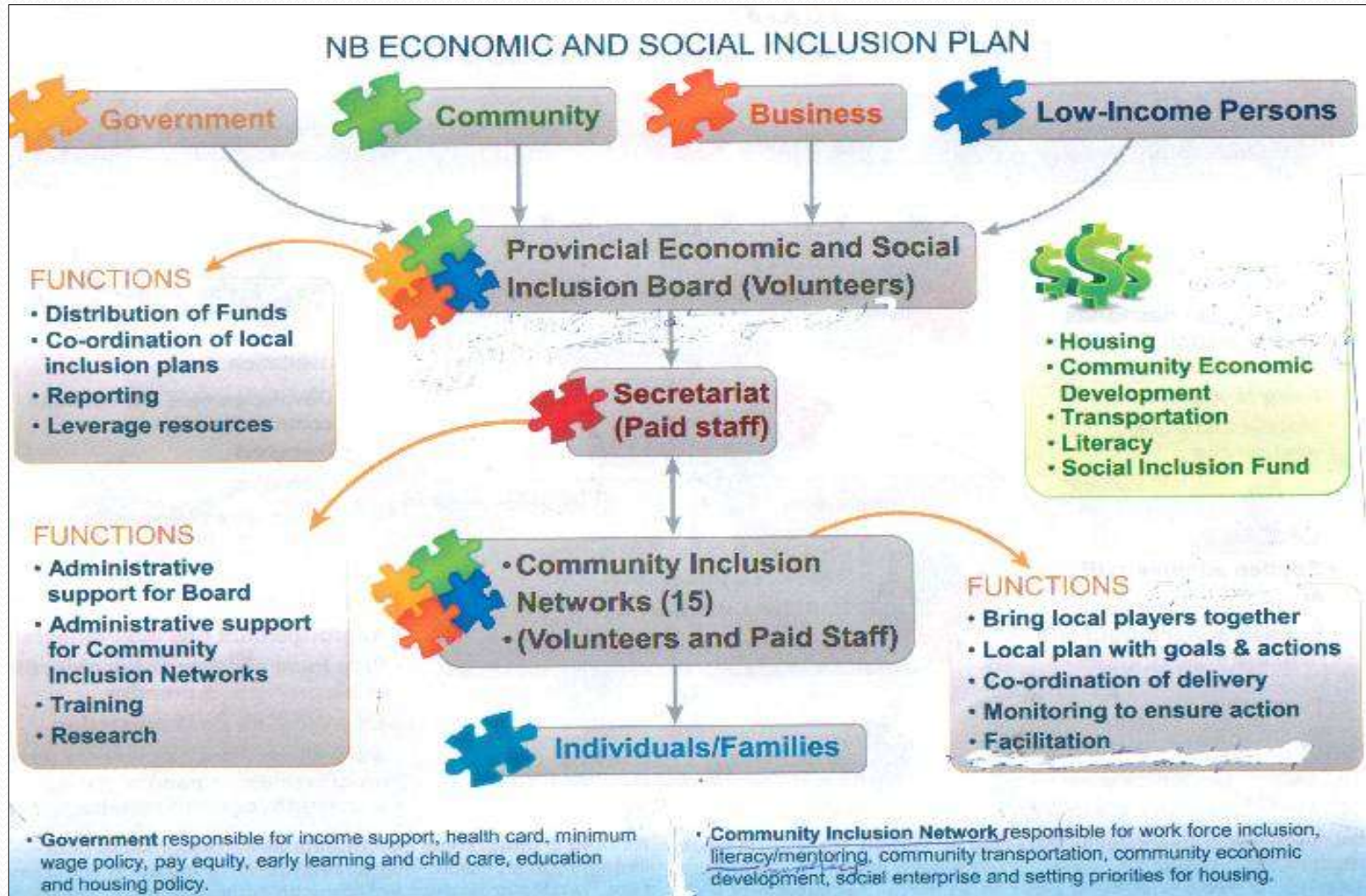
- "The Minimum Wage Board has indicated to the government that during upcoming meetings in 2010 the concept of a tip differential associated with the minimum wage, as well as the concept of a training wage for inexperienced workers, will be discussed."
- Possible negative impact for women in the service sector if this norm was accepted
- Students working as apprentices also need money

People with limitations to employment run the risk of being left behind

- The Plan: *"All New Brunswickers shall be included as full citizens through opportunities for employment, personal development and community engagement"*
- Questions:
 - Is one not considered a full citizen unless he or she is employed, enrolled in personal development or engaged in volunteer work?
 - Must social assistance clients with physical or mental limitations make a contribution for their cheque?
 - Will the "less fit" be left out?



Organizational structure of Plan delivery



Responsibilities of Government and of the 15 Community Inclusion Networks

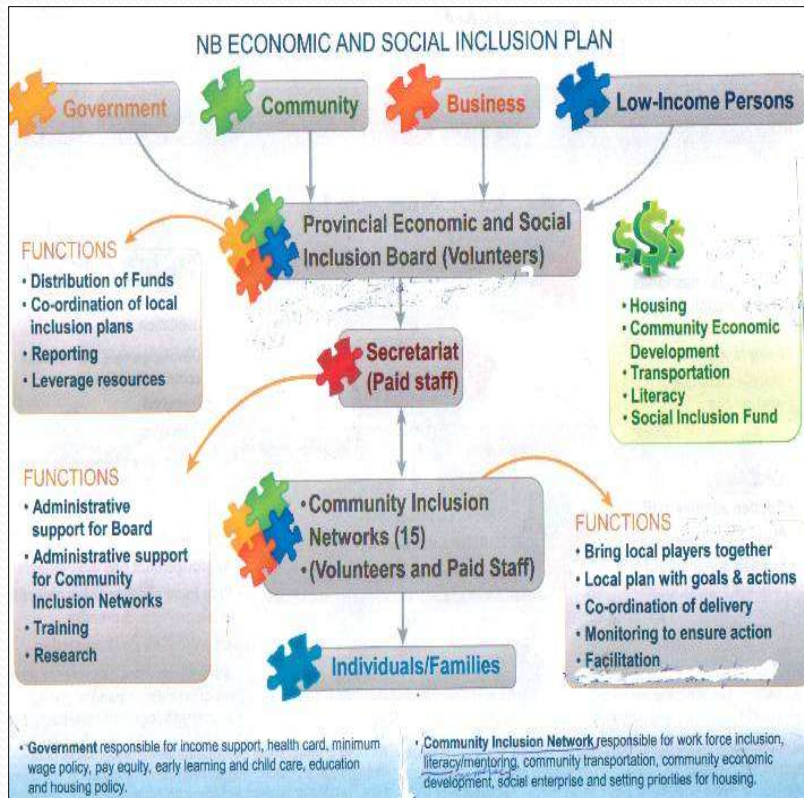
Government

- Income support
- Health card
- Minimum wage policy
- Pay equity
- Early learning and child care
- Education
- Housing policy

Community Inclusion Networks

- Work force inclusion
- Literacy/mentoring
- Community transportation
- Community economic development
- Social enterprise
- Setting priorities for housing

Potential problems with the delivery structure



1. Urban-Rural divide: there are three large urban centres; rural communities have less community groups
2. Language problems: English regions may not be able to serve French speaking regions and vice versa
3. Risks of political lobby where community inclusion networks members have strong political ties

Other concerns regarding the delivery structure

4. Coordination of multiple programs in 15 Community Inclusion Networks
5. Qualifications of volunteers and staff (will require contractual arrangements)
6. Transparency and accountability: public annual reports, fee schedule, etc.
7. Disproportionate power of the private sector



Insufficient money earmarked in the 2010-2011 budget



- Only 15 millions to cover expenses associated with:
 - Early learning and child care
 - Promoting community schools and affordable housing
 - Increasing access to post-secondary education
- Dollars will go to set up the Provincial Board, pay salaries to the Secretariat and the personnel in the 15 Community Inclusion Networks
- Little money will be left for new initiatives

Missing elements

- Silence on the issue of pay equity
- Lack of a recommendation to reform the disability certification process
- No concerns expressed regarding immigrants or seniors
- No overhaul of *Social Assistance Policy Manual*
- Lack of a definition of "Poverty"
- No timing associated with many of the recommendations – some will only implemented between the third year and fifth year of the plan.

Conclusion

- For 97% of social assistance, there will be no changes in rate until April 2011 or possibly later
- Model of delivery poses serious challenges:
 - Possible difficulties of access in certain rural areas
 - Quality assurance uneven in some local networks
 - Availability of language of choice of the client
 - Large potential influence of the private sector
- 2010-2011 budget offers no relief for those most in need
- Important elements were left out