New Brunswick Poverty Reduction Plan: Updates and Developments

By

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The year 2009 was difficult!

- Loss of the annual 2% increase in social assistance rates given between 2006 and 2008
- Information given by Minister Kelly Lamrock that there would be no increase in the assistance rates before July 2011
- Increases in food prices greater than 5%
- Deception related to the broken election promise made by Shawn Graham to raise welfare rates up to the Atlantic average
In 2009, the province adopted a Poverty Reduction Plan

- Presented as "A project that involves the entire society"
- Three phases:
  - Phase I: Dialogue sessions
  - Phase II: Round Table Sessions
  - Phase III: Final Forum
Phase I: Dialogue Sessions

- Poverty Reduction Plan presented as a "Public engagement process"
- Summarized in *Choir of Voices THE "WHAT WAS SAID" REPORT*
- Regroups the comments of the 774 participants
Phase II : Round Table Sessions
(Their "Proposed Options" remained confidentiel)

- Co-presided by the Minister of Social Development, with Léo-Paul Pinet et Gerry Pond
- Contributions were made by 11 community organisations, 10 gouvernement representatives and 5 people from the business community
- Only minor contributions were made by 2 people with past experience on social assistance
Phase III – Final Forum: 50 people chosen by Shawn Graham (+ 35 observers)

• Role: To select the options to be retained in the Poverty Reduction Plan
• Time for deliberation: only about 10 hours
Content of the Plan

Its 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"

The Plan had 30 recommendations.
Three measures immediately in place

1. Elimination of the "Interim assistance rate" for those recipients who are employable (only 3% of the total)
2. Extended health card available for up to three years after a person leaves social assistance and takes on a job
3. Changes to the Household Income Policy: social assistance clients in a non-spousal relationship can receive separate cheques.
Some of the CFSJ's concerns

- 97% of the social welfare recipients were left out and will have no relief until July 2011
- Recommended minimum wage increases are small and are not sufficient to reach the Atlantic average
- People unable to work risk being forgotten
- Service delivery may be a cause for concern
Plan offered nothing to 97% of social assistants

Rates of 97% (37,269) of the individuals on social assistance will not go up before July 2011

3% of social welfare clients will move from $294 per month to $537 per month

<table>
<thead>
<tr>
<th>Category of recipients</th>
<th>Number of recipients (Dec 09)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extended benefits</td>
<td>6784</td>
</tr>
<tr>
<td>Transitional assistance</td>
<td>30,485</td>
</tr>
<tr>
<td>Interim assistance</td>
<td>1,207</td>
</tr>
</tbody>
</table>

$618 per month

$537 per month
Hourly wage to reach the Low Income Cut-off (LICO) in red, compared to the projected minimum wage, in blue

In NF & L, minimum wage will be $10 per hour in July 2010
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*"

- Must social assistance clients with physical or mental limitations make a contribution for their cheque?

- Are the "less fit" no longer full citizens if they don't work, don't go to school or don't do volunteer work?
Organizational structure of Plan delivery
Responsibilities

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 and 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: Real difficulties for each region to provide services in the language of choice
Problems with the delivery structure (Continued)

3. Risks of political lobby where community inclusion networks members have strong political ties

4. Difficulties in coordinating multiple programs in 15 Community Inclusion Networks
Problems with the delivery structure (Continued)

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 in decision making
Insufficient money earmarked in the 2010-2011 budget

- Only 15 millions to cover:
  - Early learning and child care
  - Promotion of community schools and affordable housing
  - Increased access to post-secondary education
  - Cost of Provincial Board, Secretariat and Community Inclusion Networks
- Little money left for new poverty reduction initiatives
Important elements missing

- 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*
- No time line given for many recommendations – some will only be implemented between the 3rd and 5th year the plan.
Summary of the CFSJ's concerns

- No help for 97% of social assistance recipients before July 2011
- Problems with the service delivery structure:
  - Accessibility in rural areas
  - No guarantee for service in the language of choice
  - Risk of political and private sector interference
- 2010-2011 budget has little for the needy
- Omissions of important elements
Developpements regarding the Plan

Creation of a *Crown Corporation* managed by a Board of **22 people**:

- **4** Vice-Chairs - Kelly Lamrock, Léo-Paul Pinet, Gerry Pond and *Rachel Richard* (rep. the poor)
- **3** Ministers of the Crown and the Leader of the Opposition (**1**)
- **13** members designated by the Vice-Chairs: **3** rep. from business sector, **3** from the non-profit sector and **7** **who live or have lived in poverty**

- The President – James Hughes
CFSJ changes sent to Minister Lamrock

- To enhance democratic participation, create an *Ad hoc* Committee to select the Board members
- This *Ad hoc* committee would include one member from the Liberal Party, one from the Conservative Party and the Ombudsman
- The positions of the three Vice-Chairs and those of the 13 Board members should be announced in the newspapers
CFSJ's criteria for the composition of the Board

- Good balance between urban and rural representatives
- Person with no current engagement in a provincial political party
- Good balance between male and female representatives
- The seven representatives of the poor should have an annual income falling below the poverty line
CFSJ's criteria (continued)

- Four out of the seven members representing the poor **should be social assistance recipients**
- The President of the Crown corporation should have past experience in working with poverty advocacy groups
- The four Vice-Chairs should have experience in working with low-income groups
Another criteria regarding language

• The Boards of the Community Inclusion Networks should be subjected to the Official Languages Act

CFSJ says:

"The poor people from the two linguistic communities should be served in the language of their choice…"
What happened...

- David Alward and other members of the Conservative Party showed a willingness to bring forth the CFSJ changes to Bill 39 when it comes up for debate in the Legislative Assembly.
- But the Government "railroaded" Bill 39 to create a Crown Corporation without any debate, thus preventing any contribution or amendment from our elected MLAs.
Issue of the Official Languages Act

- FCJS wrote a letter to Minister Kelly Lamrock requesting, among other things, a clarification regarding the capacity of the Community Inclusion Networks to offer their services in the language of choice of their clients.
- CFSJ organized a press conference to draw the attention of the public on this issue.
Conclusion

- The Crown Corporation creates an additional layer of bureaucracy
- Decision making is further away from our elected members of the Legislative Assembly
- The Board, the Secretariat and the group coordinating the Community Inclusion Networks is a costly administrative structure
- Minister Lamrock said there would be no appeal process if decisions made by the Community Inclusion Networks are contested
Conclusion (continued)

• For 97% of social assistance recipients, there are no changes in sight before July 2011
• CFSJ's concerns with the Service delivery are:
  • Difficulties of access to services in rural areas
  • Uneven quality assurance in some of the networks
  • Possibility of lack of services, in some of the networks, in the language of choice
• CFSJ members will need to be vigilant!!!