



## Why is Social Assistance a

# CUPE Issue?

At the 2010 Spring CUPE Ontario Convention, we took an important step in continuing to build solidarity with our community allies and fighting poverty by voting to support an emergency resolution to endorse and actively support the campaigns to raise social assistance rates and to stop the McGuinty Government's cut to the Special Diet program.

The following information helps to explain why raising social assistance rates is a worker's issue, how it relates to the proposed wage freeze and further attacks on the public sector, and what can be done to take these issues on in our workplace, our locals and our communities.

Many CUPE members already know the impact the cuts have had upon people in our communities because we work with people living in poverty or have families or friends who rely on social assistance. This campaign will allow us to work together to make the change necessary.

"As a CUPE member working with clients under the existing Ontario Works legislation my day involves constant troubleshooting with clients to obtain and maintain the basic necessities of life: food and shelter. The level of stress clients experience is oppressive and as a case manager it becomes very difficult to develop a future case plan and follow through with a cloud of hopelessness hanging over both our heads." - CUPE Member

## Who Pays for the Crisis? Liberal Government Targets Poor & Working People

In the 2010 Provincial Budget, the Liberal Government announced that the Special Diet Allowance would be eliminated. Amidst the global economic slump, the Liberals are looking to slash their deficit and cut costs. At the same time that this government is cutting a benefit for people on social assistance and looking to enforce a wage freeze on the public sector, they are giving corporations a \$4.6 billion tax break over the next 3 years! This is more than a question of 'funding' for the public sector - the Government is looking to balance the budget on the backs of the poorest people in this province and erode our public sector.

## Erosion of Social Assistance and Special Diet

In 1995 the Harris government cut welfare (Ontario Works) rates by 21.6 % and froze disability (Ontario Disability Support Program). Since the Liberals came to power in 2003, they have not only failed to reverse the Harris cuts, but have also allowed for the rates to continue falling. Today, with that initial 21.6% cut and inflation for the last 16 years, the rates are approximately 55% below where they should be! If benefit levels were restored to the same level of spending power as we had in 1994, a single person on Ontario Works would receive an immediate \$904/month instead of the miserable \$593 now being issued. No one can survive on these poverty rates; \$593 cannot afford someone a place to live let alone food and basic needs.

So as social assistance rates continued to decline, the one tool that was used to limit this was the Special Diet Allowance. This benefit has been available to people on OW and ODSP with an application filled in by a doctor, nurse practitioner or dietician. It allowed for extra money on people's monthly cheques of up to \$250 per person for food. In 2005, the Ontario Coalition Against Poverty (OCAP) began to promote knowledge of this benefit in low income communities. Every effort was made by the Ministry of Community and Social Services to limit access to the Special Diet. People, however, organized to obtain the benefit. The program went from \$6 million in benefits to, as of last year, \$200 million. Contrary to what the Ministry would have us believe, the dramatic increase in people accessing the Special Diet is not an indication of fraud, it is an indication of a hunger problem and a looming health crisis in this province. There are serious health consequences when people cannot afford to buy healthy and nutritious food, and when thousands are living with the extreme stress of supporting their families in dire circumstances. Poor people suffer from poor health – this is a fact that the government ignores at their own peril.

Last spring, in the 2010 Provincial budget, the McGuinty government announced a complete cut to the Special Diet Allowance. The Liberals have now backtracked and said that they will keep part of the Special Diet; however the program is being completely gutted. The new system will provide benefits for fewer conditions and applicants will have to release medical information and face other intrusive measures designed to prevent access to the benefit. Within the Liberals' own statement about this measure, they refer to the fact that 'many will not be eligible', and this is a move to 'respect taxpayers'. The new Special Diet comes in to affect on April 1<sup>st</sup>, 2011 and all those who are not eligible under the new program will be cut off by July 31<sup>st</sup>. This loss of the Special Diet, coupled with already inadequate assistance rates, will inevitably deepen the crisis of poverty in Ontario.

The Liberals have now launched an 18 month long review of the social assistance system meant to carry over beyond the upcoming provincial elections in the fall. It is safe to say that poor people in Ontario are critical of another review when the Liberals have failed to take any meaningful action on poverty thus far.

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## Hunger in Ontario:

According to the **Ontario Hunger Report 2009: Living With Hunger** issued by the Ontario Association of Food Banks (OAFB): "Rising unemployment, increased costs of basics and inadequate government supports have forced many more Ontarians to turn to food banks.

- Over 375,000 Ontarians now turn to food banks each month.
  - One third (32% of persons heading households using food banks in Ontario are employed part-time or full-time or were recently employed in the last six months.
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# Resisting Cutbacks & Concessions

## An Injury to One is an Injury to All

The attack on the Special Diet is only one small part of a huge wave of cutbacks that is coming down on poor and working people across the world. The International Monetary Fund (IMF) is talking about twenty years of austerity as part of their strategy for the Economic Crisis.

While the Liberal Government is cutting income for poor people on assistance, they are looking to impose a wage freeze on public sector workers. In a climate where the public sector and social services have not even recovered from the Tory era, we know that any further cuts will most certainly be devastating. For people on social assistance it will be a very serious crisis.

Those of us who face this attack need to work together. Poor and unemployed people must reject the propaganda that scapegoats public sector workers. They need to understand that the attack on these workers is part of the attack on the services they deliver. At the same time, unionized workers need to help those on social assistance fight for a decent and livable income. Workers and unions should assist poor people as they organize to challenge cuts to vital services and to win decent social assistance rates. Poor people and public sector workers have every reason to work together as allies in the same struggle.

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**Right now, one in six Ontario workers are working at or close to the minimum wage. At the same time, the gap between welfare rates and minimum wage is greater now than it ever has been.**

To ensure that the supply of low paid workers is preserved and expanded, it is vital to remove a program like the Special Diet that reduces vulnerability and desperation. Solidarity with poor people on assistance is not just a matter of being compassionate. Low welfare rates undermine the bargaining power of those with jobs.

For unionized workers, supporting the right of poor people to decent income is a question of solidarity, not charity. Welfare systems emerged from the 19<sup>th</sup> Century 'Poor Laws'. In that tradition, they provide the lowest incomes possible under conditions that are as demeaning as they can be. While it is necessary to provide some measure of assistance to the poor to prevent social unrest, benefit levels are set low enough to force people into the worst jobs on offer. One Ontario worker in six is now working at or close to the minimum wage. This growth of the 'Walmart Economy' could not have happened without a huge reduction in social assistance spending power. The fight to raise social assistance rates is part of the struggle to defend living wages.

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Food and Shelter on Social Assistance Household Budget (City of Toronto)	One Person Household, Ontario Works	Single Parent Household with 2 children, Ontario Works	One Person Household, Ontario Disability Support Program
Financial Benefit <sup>1</sup>	\$560.00	\$967.00	\$999.00
Additional Benefits/Credits <sup>2</sup>	\$20.00	\$698.00	\$27.00
Total monthly income	\$580.00	\$1,665.00	\$1,026.00
Cost of Shelter (Average Monthly Rent)	\$742.00 (Bachelor)	\$1,072.00 (2 Bdr.)	\$742.00 (Bachelor)
Cost of Food (Based on Toronto NFB 2008)	\$205.00	\$432.00	\$205.00

1. No financial benefit other than OW or ODSP. 2. Additional benefits/credits include Federal/Provincial child benefits and GST credit, (where applicable). For more information and details on the above calculations please visit [www.toronto.ca/health](http://www.toronto.ca/health).

### What the Special Diet cut means:

- ⇒ Poor people lose \$200 million for food: the entire Social Assistance program will be cut by 3%
- ⇒ McGuinty has cut welfare for only the 3rd time in Ontario's history
- ⇒ We will see a rapid increase in homelessness, hunger, illness, and desperation

## CUPE and the Raise the Rates Campaign

### What Can You Do?

Currently, a committee is working to put this campaign on the ground with CUPE members and anti-poverty activists from the Ontario Coalition Against Poverty together. We have developed a 'Train-the-Trainer' workshop on the Campaign to give members the tools to get involved and have been attending all sectoral conferences to talk directly to members about this important campaign. Join the campaign! Ways to get involved:

Contact: [raisetheratescampaign@gmail.com](mailto:raisetheratescampaign@gmail.com) / 416-925-6939 or 416-299-9739 ext 255 to join the CUPE Raise the Rates Committee

- Invite the Committee to speak to your local, caucus or sectoral meeting.
- Host the 'Train-the-Trainers' workshop.
- Help distribute this pamphlet to your members.
- Become a financial sustainer of the Raise the Rates Campaign:
- Donate to the Campaign: 'Ontario Coalition Against Poverty' - 10 Britain St. Toronto, ON M5A 1R6
- Find out about our upcoming **April 1<sup>st</sup> 2011 Raise the Rates Day of Action.**