

# Ontario: 'Poverty Reduction'? Reforming without Reforms in a Neoliberal World

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Global Research, June 30, 2008

[The Bullet. Socialist Project e-bulletin No. 119](#) 30 June 2008

Region: [Canada](#)

Theme: [Poverty & Social Inequality](#)

On June 21, the Ontario Coalition Against Poverty (OCAP) took over a downtown Toronto park for and with the homeless. We were able to create a short lived space where destitute victims of social cutbacks and urban redevelopment could stand together and raise a voice of resistance. Nine years previously, we had done the same thing in the same park. At that time, Mike Harris was in power at Queen's Park and Mel Lastman was the Mayor of the City. This time, we confronted an attack on the homeless that is far more brutal and effective than that of a decade ago. We were also dealing with a 'progressive' municipal regime, under Toronto Mayor David Miller (and supposedly a similar government under Ontario Premier Dalton McGuinty), that took a much more hard-line position on our park takeover than the right wingers on city Council in the late 1990s had done. We held the park in the face of a direct ban by the City on our staying there overnight and a police force that had been given a green light to attack us by City Hall. And attack us they did!

This telling incident points to a striking feature of political life in present day Ontario. The McGuinty Government came to power on the basis of a promise to be different from the Harris Tories, and the City of Toronto has a majority on its Council who cultivate a reputation for social enlightenment. Yet, anti poverty struggles confront a process of social retrogression that continues, if not in fact accelerating. The contradiction, however, exists only on the surface. Neoliberalism, at least in places where it has to reckon with elections, likes to use attack dog regimes like that of Mike Harris only for a minority of the time. Once they have done their work, such operations are generally replaced by political players who will consolidate the neoliberal agenda without as much flourish and confrontation. In Ontario, we are living through such a period now.

## The McGuinty Government's Record

If we look at the record of the McGuinty Government on poverty since first elected in 2003, it can be seen as a classic example of quietly consolidating an earlier period of aggressive attack on the poor and broader working class. In opposition, the Liberals denounced the Tories for implementing a 'Safe Streets Act' that gave the cops additional powers to clear out destitute people from areas where they are seen as a barrier to redevelopment and commercial investment. McGuinty included the repeal of this legislation in his first election platform. Once in power, the Liberals not only left the legislation intact but actually went to court to fight a constitutional challenge to it. If you look at the present implementation of the Act, you can understand how much developers and big merchants would object to its repeal, as it works on their behalf. From 2004 to 2007 the issuing of Safe Streets tickets by the Toronto police increased by 288%.

In the vital area of housing for low income people, this Government has done nothing to address the acute lack of such shelter and has thrown only token gestures at one of the vilest legacies of the Harris years: the rapid deterioration of public housing stock.

The Liberals have moved slightly on the minimum wage with the greatest reluctance and only in the face of a public pressure that was beginning to translate into an electoral threat. However, when it comes to social assistance rates, which have lost 40% of their spending power since 1995, the tiny increases they have provided are not enough to keep up with inflation.

When OCAP did actually find a means to get additional income to people on Social Assistance, through a provision known as the 'Special Diet' that allocates extra benefits to meet health related nutritional needs, the Liberals did all they could to oppose this. They changed the application forms to make access to the Special Diet much harder and the Ministry of Community and Social Services issued statements that presented our work to ensure families could eat and pay the rent as an 'abuse'.

The poor in Ontario are actually worse off now than they were when the Tories left office. The basic and obvious indicators show this. More people are being evicted from their housing because they can't pay their rent than under the Tories. Food bank use is increasing under McGuinty. With this in mind, we have arrived at an opportune moment to take up the issue of 'poverty reduction'.

#### The Hype of a Poverty Reduction Agenda

At the moment, there is so much hype in this Province about 'poverty reduction' that it feels more like a dance craze than a social policy discussion. Minister of Children and Youth Services, Deb Matthews, is now the Liberals' front person on this initiative. She is now touring Ontario holding consultations. The Liberals have had a little packaging problem because they opted for closed door meetings instead of public hearings but Matthews has wisely chosen to accept some critical voices at these things and to err on the side of 'openness'. In any event, the official Matthews' meetings are being augmented by MPPs' town halls and a range of social organizations and municipal bodies are inviting the Liberals to come and consult about poverty at events they set up.

So, what is to be made of this frenzied public discussion of poverty? The obvious consideration flows from what I pointed out above. The process is being conducted by a Government that has had five years to deal with poverty. But it has chosen to keep in place those elements of the Tory 'Common Sense Revolution' that made the poor so much poorer. This is a consideration worth keeping in mind when deciding what worth to place on the whole spectacle of public hand wringing on poverty in Ontario (or Canada, for that matter). There is no rejection of the hard right poverty policies of neoliberalism implemented by Harris at hand.

The next thing to highlight is that, while the Ontario Liberals have jumped onto the 'poverty reduction' bandwagon with a lot of flourish, they are only the latest in a series of regimes internationally who have found it useful to take up this kind of an initiative. The notion of 'poverty reduction' has, actually, emerged in the context of the oppressed developing countries. In the context of an agenda that is making rural subsistence impossible for countless millions, masses of people are moving into the 'mega' and 'hyper' cities of the 'Third World' to be warehoused in the greatest slums in human history. Economists linked to

the International Monetary Fund and World Bank have come up with the notion that such oppressed populations can be 'empowered' as small scale entrepreneurs. It is a grotesque reworking of the old concept of 'every man a shop keeper'. Naturally, such a 'solution' is to the liking of those who are inflicting this misery on millions of people because it doesn't challenge their creation of a 'planet of slums'. It is the kind of fake 'reform' that a vast process of retrogression that has been global neoliberalism can happily embrace.

In 'developed' countries, too, poverty reduction is now being taken up. Ireland and Britain are often being invoked as examples. Ireland does not provide much of a parallel to the situation in Ontario. Poverty reduction measures there took place in the context of a rather unique period of 'Celtic Tiger' economic development (with significant and enduring poverty still remaining) that is about as far removed from the present context in Ontario as could be imagined. In Britain, then Labour Party Prime Minister Tony Blair moved to stabilize the situation following the years of the Conservative Party led by Margaret Thatcher by reorganizing what she left standing of the social infrastructure to ensure some of the worst excesses were removed (or appeared to be) at very low cost. Blair also placed a great deal of emphasis on 'child poverty' (an issue I shall return to shortly). In any event, the main point is that 'poverty reduction' in the 'developed' countries is also based on the notion that the neoliberal order is immutable and that 'solutions' must be found, as Minister Matthews likes to tell her audiences here, 'within existing resources'.

From the standpoint of capital and their interests, I would point to two considerations that prompt a concern with the meaning of the 'poverty reduction' agenda. Firstly, you do actually have a wing of the ruling class who find themselves uneasy with a too brutal and naked dismantling of the mechanisms of social provision. We know that the enactment of social programs often results from organized working class pressure or the fear of mass discontent. That, indeed, is the major factor but it is also sometimes the case that concessions are brokered out of a concern for a basic level of social stability necessary for good order and profit making without any resistance coming from the working class. In the 1920s, Ontario put in place a 'mothers' allowance' system to provide income for some single parent families. There were no riots or marches that convinced the Government to act. Instead, a lobby of well connected reactionaries put forward a case for improving social stability and creating a better next generation of wage workers by ensuring that children were not raised in conditions of out and out destitution.

So, in the present Ontario climate of post-Harris consolidation of capital's agenda, there are concerns in high places about how to best enjoy the fruits of victory. I don't want to exaggerate this tendency, but it is a factor. When economists from some of the leading Canadian banks talk about welfare rates being too low, as happens from time to time, we are seeing expressed the squeamish reservations of the post-Harris (and the post-Paul Martin cuts at the national level) social engineering wing of the capitalist class. Of course, the clearest example of this process at work is the Toronto Star's preposterous 'war on poverty'. This newspaper, linked historically as it is to the Liberal Party, thinks that the social inequalities of capitalism can be preserved without the need for extremes of poverty. So, the Star takes up the role of a respectable and not overly demanding conscience of the government and, naturally, its concern for poverty evaporates in the event the poor get angry and fight back.

The above consideration, however, competes with another second motive underlying 'poverty reduction'. As serious a bite as Harris took out of Ontario's systems of social

provision, no one could suggest that the process has run its course. There is still more surplus value to be extracted from the working class and the welfare system can still be modified to that effect. Such reform of welfare has characterized neoliberalism in attempting to make the poor ever more dependent upon the market and widening the differentials between social assistance rates, minimum wages and median wages.

It would be wrong to imagine that the package of 'poverty reduction' measures that the government tells us to expect by the end of the year will simply be inadequate. There is every reason to fear that they will include elements that are extremely regressive. Everywhere she goes, Minister Matthews places the focus on child poverty. The Ontario Government is, in fact, already moving in the direction of a distinct benefit for low income children. The first payments under this system will be organized in such a way that more money will go to low wage families in poorly paid occupations and less to those on social assistance. In fact, they are removing clothing allowances for kids on welfare at the same time as they implement the new benefits. This means that these families will be expected to put aside money for winter and 'back to school' clothing out of the wretched few dollars a month they are receiving as a children's benefit.

This direction points to a very dangerous feature of what is being prepared by Queen's Park. They want the welfare system to be an even more effective conduit towards lower wage jobs. If children's income is separated from that of their parents, it is easier to create a mythical income adequacy for the most 'deserving' while tightening the screws on the employable adults, be they parents or people without children.

Welfare has always been a reluctant concession. The idea was that, while some measure of social provision was needed to prevent starvation, social dislocation and mass disturbances, the income level provided should be as low as possible and the experience of receiving it should be as punitive and degrading as possible. Exceptionally exploitative employment had to remain the better option for the poor. The refinement of the system that is now being prepared provides a subsidy to low wage employers, a sub-standard benefit for children on assistance and a way of isolating and dealing harshly with employable adults. There are, indeed, a few wolves to be found in the sheep's clothing of 'poverty reduction' in McGuinty's Ontario.

### Mobilization Against Poverty

There is a great deal that can and must be done around reducing poverty in Ontario. But the present antics of the Liberal Government are not going to take us there. They are presently controlling the process to a maddening degree and this reflects bigger problems in terms of the working class movement and its lack of effective mobilization. Certainly, there is grumbling even at the forums the Government is setting up. The Matthews' line that poverty will be addressed without reversing the transfer of wealth to the wealthy that was the essence of Harris's Common Sense Revolution, and one of the central objectives of neoliberal policies in Ontario and the world over, is starting to rub people the wrong way.

However, the Liberals still have control of the process they have established. They are bringing in to sit at their table many of those who could give a lead in terms of challenging the Liberals on poverty issues. People are telling them what they have told governments for decades all over again and community energy is being drawn into exploring questions that have been answered a thousand times over. If we are really to talk about reducing poverty it does come down to winning resources to build housing, provide decent income and other

such basic and simple initiatives. The needs are clear and the measures needed are not hard to discern. The issue is to force these things from a political regime that is determined not to provide them.

Clearly, the present round of Ontario Government consultations on poverty can't be wished away. It is dominating the political landscape in Ontario at the moment. In OCAP, we deplore this fact but have to recognize it. At present, we can only present our point of view and realize that we are not able to transfer community energy from talking with Liberals to mobilizing against them. However, there is one obvious limitation to the government's consultation strategy. At a certain point, the talking has to stop and the results of the process must be revealed. At that time, the striking lack of progress on poverty reduction is going to hit people in the face.

We intend to look for any and all openings for community mobilization as the consultation process unfolds, and eventually winds down and produces its meager fruits. We hope that it will be sooner rather than later that we can counter the cosmetic and often counter-productive 'solutions' that the Ontario government has been offering with a community mobilization based on demands that address the real needs of poor people.

The Liberals are the main political mechanism in Canada for diverting community anger into safe channels. But their abilities are not absolute in this regard. The Senate Committee on Poverty in the 1970s created expectations and, when it dashed them, a powerful wave of anti-poverty organizing was the result. In 1989, the Social Assistance Review Committee in Ontario did not contain community discontent. Mobilization that followed it, forced the Peterson Liberals to make more concessions than they had wished. It is by no means impossible that we are in the early stages of a similar process to day.

In September of last year, an initiative called Toronto Anti Poverty (TAP) brought together, briefly, an ad hoc coalition of community organizations and trade unions. It was able to organize the largest demonstration on poverty that has been seen in the life of the McGuinty government to date. That was a glimpse of the potential that exists. The anger of poor communities is, as yet, incapable of taking political form on any large scale but it is real and growing. The false hopes generated by the government's 'poverty reduction' strategy can only feed that anger and, very possibly, release it.

That McGuinty is not about to provide measures that will alleviate poverty is a virtual political certainty. His record to date makes it inconceivable that he will go against the neoliberal flow and meet real needs. Moreover, his government is now encountering the results of losses in the industrial sector, economic downturn and the international phenomenon of rising food prices. Already, the food banks are measuring these impacts in terms of increased demand for their services.

Dalton McGuinty is the consummate Liberal and his regime has reflected this. He politically works to maintain the economic system and the social injustices that meet the profit needs of the banks and corporations. At the same time, he allocates the thinnest slivers of social reform along with the illusion that more serious improvements are on the way. It is, however, an illusion that can't be maintained indefinitely. As the Ontario economy falls deeper into recession and crisis and poverty increases, and as the delivery date for 'poverty reduction' comes and goes, the prospects for community mobilization can only increase. The issue is to be ready and to exploit those prospects to the full.

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