

# Rising Poverty in Canada: Who Pays for the Crisis?

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The Liberal Government of Ontario's decision in the spring Budget to eliminate the 'Special Diet' will remove the one means by which a major section of people on social assistance had been able to compensate partly for the huge loss of real income that has taken place over the last decade and a half. It is important to understand how this attack is linked to the overall drive to solve the current financial crisis of capitalism at the expense of the working class. The scandalous poverty that people on social assistance experience is frequently viewed, even on the Left, as simply a matter for humanitarian concern. The issue that is often missed, however, is the degree to which an assault on income support systems strengthens the hand of those seeking to weaken unions and increase the employer's ability of exploit workers.

Before taking up this question, it is necessary to make clear the scale of the cut that Premier Dalton McGuinty and his 'poverty reduction' regime have imposed on poor people. In 2005, the Ontario Coalition Against Poverty (OCAP) became aware of the Special Diet. It was a program under which, recipients of social assistance could obtain, on the recommendation of a medical provider, up to an additional \$250 for food costs. At that time, it was relatively obscure and provided only some \$6-million of benefits in Ontario. Based on the efforts of many organizations, the support of progressive health professionals and the incredible determination of poor communities to demand and defend this benefit, the Special Diet became a \$200-million program that made a difference in peoples' lives. At the time of the cut, one person in five on welfare and disability was receiving the food allowance and, thereby, having some prospect of paying the rent while enjoying a reasonably healthy diet.

## **Cutting Welfare: The Poverty Expansion Strategy**

The millions obtained under the Special Diet were a partial compensation for what had been previously taken from the poor. In 1995, the Conservative Government of Mike Harris reduced social assistance rates by a massive 21.6%, with no increases provided for the rest of their time in office. McGuinty, up until the last provincial Budget, had given small increases totalling 9% during his years in power. Those increases, of course, did not keep up with inflation, so the depth of poverty on social assistance had continued to increase even before his Finance Minister rose in the Legislature last month to impose an outright cut. So great was the combined attack of Harris and McGuinty that welfare rates had lost, as of this year, 55% of their spending power. A single person on Ontario Works, receiving the maximum of \$585 a month would need a \$300 increase just to go back to where he or she would have been in 1993. It should also be noted that, after allowing the real value of welfare rates to continue falling and, having allowed modest increases in the minimum wage, the Liberals have now created an unprecedented gap between the two. A single person on Ontario Works today receives only 36% of what they would get working for the sub-poverty minimum wage. At no time since the introduction of the Canada Assistance Plan

in the 1960s has the gap been as great (a story of the falling behind of welfare rates that can be told across Canada). In 1990, that same recipient would have had an income that stood at 68% of the minimum wage.

The cut that has now been imposed on the poor by the Liberal Government removes the last shred of credibility around their claims to be seeking solutions to poverty in Ontario. At the same time as they announced the elimination of the \$200-million Special Diet provision, they budgeted \$57-million for an insulting 1% increase in the general assistance rates. This means an almost 3% cut in social assistance at a time when the impact of the economic crisis is still generating a growing need for income support in communities throughout Ontario. It is worth noting that this is only the third time in Ontario's history that a government has actually reduced the income of people on assistance: Mitchell Hepburn did it in 1938; Mike Harris in 1995; and, now, McGuinty takes the same course in 2010.

The move against the Special Diet was pursued with cold deliberation. The Government faced increased access to the benefit and a Human Rights ruling that the list of medical conditions covered by the application form were inadequate. The Liberals realized with shock that poor people weren't talking about 'poverty reduction' but were actually reducing their poverty. Faced with something so serious, they resolved to act and settled on a three pronged attack. First, the medical provider who was at the forefront of enabling people to obtain the Special Diet, [Dr. Roland Wong](#), was hit with charges by the College of Physicians and Surgeons that his assistance to the poor constituted 'misconduct.' Memos were then sent to social assistance offices by the Ministry of Community and Social Services telling staff that they could take it upon themselves to assess the medical diagnoses provided in Special Diet applications and (without medical training or qualifications) simply reject those they disagreed with. The purpose of this egregious violation of the most basic standards of administrative fairness was to massively reduce new applications for the benefit during the period leading up to its complete elimination. Then (Minister of Finance) Dwight Duncan's Budget delivered the final blow. Within a few months, the intention is to cut off the last people still receiving the benefit. It will be replaced by a new system, run by the Ministry of Health, which will cover a few of the most serious medical conditions. It will be enormously hard to access and may very well offer only prescribed food supplements. This massive cut will play out in terms of homelessness, lack of access to proper food, ill health and shortened lives.

Two factors underlie this attack on the Special Diet. First of all, there is the general desire of governments across the advanced capitalist countries to impose on poor and working people the cost of their recent efforts to avert an economic meltdown. As some tentative stability returns to the capitalist market, they intend to recoup the bill for bailouts and 'stimulation spending' by slashing public services and attacking those who deliver them.

However, in addition to this general consideration, there is a more specific reason why the Liberal Government in Ontario singled out a program enabling poor people to pay the rent and put food on the table. The huge loss of better paying manufacturing jobs in Ontario, combined with the overall attack on workers and unions, has created a situation where one worker in six now works at or close to the minimum wage. If there is to be plentiful supply of cheap labour to serve the needs of the 'Wal-Mart Economy,' it is vital that the alternative to low wage super exploitation be something even worse. Welfare must be less adequate than the worst jobs. This is something that the architects of the 19th Century Poor Laws articulated with their infamous concept of 'less eligibility.' It has remained the unspoken

assumption underlying welfare systems ever since. The loss of the Special Diet will mean more suffering, more desperation, a lowering of expectations for job seekers and reduced bargaining power for those presently employed.

## **Fighting Poverty, Mobilizing Communities**

A great benefit of the effort to expand access to the Special Diet was that it was always something people had to fight for. The provincial and local governments looked for ways to restrict it and welfare bureaucracies sought to deny it at every turn. It was never just a matter of lining people up with medical providers but always a question of mobilizing communities to ensure the benefit was not withheld. People in many communities affected by poverty played important roles in this regard. Consistently, low income women from Toronto's Somali community were the main driving force in demanding and defending the Special Diet. The networks and experience that have been built up in this struggle can now be used and expanded in an effort to 'Restore the Special Diet' and 'Raise the Rates' in Ontario.

The fight back in response to the Liberal attack is now underway. Poor people have invaded the office of the Social Services Minister in Ottawa and a [plush Liberal fundraiser](#) in Toronto has been disrupted. On [April 15](#), over seven hundred marched on the Queen's Park governmental offices. It was an initial step that brought poor people and their allies out from a wide range of organizations and communities but it will be taken much further.

We are starting to hear from people in other cities and towns. A rally to demand restoration of the Special Diet is being planned in North Bay. OCAP is issuing a call for people in every part of the Province to target MPPs' offices and to turn out and challenge the Liberals whenever they raise their heads in public. Another OCAP rally in Toronto is being planned for June that will include a direct action component to step up the challenge to this Government.

The basic notion behind the fight we are taking up is that social assistance, as grossly inadequate as it is, is provided for the simple reason that the alternative to it is massive social unrest. Our intention, then, is to convince people by example that there is no need to accept deepening impoverishment and that it can be resisted by means of disruptive, mass action taken to a level that creates a political crisis for the McGuinty Liberals.

The other key consideration we take into this struggle is that the attack on social assistance is only one element of a broader assault. This Budget is the Liberal's initial move toward austerity, but much worse is being prepared. Public sector workers and all who rely on public services have a stake in this fight. The sedate lobbying method of 'constructive engagement' with the Liberals has been tried and found to be lacking as a tactic. A common front of unions and communities must be set in motion that has a very different sense of how we should relate to the McGuinty Government.

In the weeks ahead, we are going to be calling on union and social movement activists to go back into their organizations and press for maximum support for the struggles of those living on welfare and disability payments, as they resist the attack that has been made on them. It is a matter of defending the right of people to live with health and dignity and it is a question of basic working class solidarity.

A few weeks ago, I spoke to a woman who had just lost her Special Diet. Based on this, she

has decided to look for any kind of work and send her children to Somalia to live with their grandmother for the foreseeable future while she struggles to restore some basis for the family to be together. That is a victory for the 'Wal-Mart Economy' and McGuinty's cut to social assistance. At the start of our Special Diet Campaign, in 2005, I spoke to another Somali woman who cried as she told me that, having just got the Special Diet, her children had tasted strawberries for the first time in their lives. That is a victory for human dignity and something worth fighting for. People directly affected by this vicious cutback are, indeed, fighting back but they need and are entitled to support and solidarity in their struggle. We can and must build a challenge to this Government that is too broad and powerful for them to act with impunity and impose their crisis on the poor.

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