

“POVERTY”

A Whispered Word in the NWT

**A Report on the Income Security Review
in the context of the GNWT’s Strategic Plan
“Building on Our Successes 2005-2015”**

Prepared for:



Alternatives North

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Executive Summary

This report was prepared for Alternatives North. It begins with an overview of historical approaches to addressing poverty. It then reviews the current international and Canadian context in terms of poverty, including a summary of efforts to reduce poverty in other jurisdictions. It continues with a general discussion of poverty reduction strategies and their core elements.

This is followed by a summary of the limited information available about poverty in the NWT. The report then provides an analysis of the consultation process and the reforms presented by the GWNT in “Building on Our Success - Strategic Plan 2005-2015”. One component of the work on this Strategic Plan was the Income Security Review. The report summarizes and critiques the findings of this review. The Strategic Plan and the recommendations arising out of the Income Security Review are then compared to an effective Poverty Reduction Strategy. Recommendations are offered at the end to improve both the Strategic Plan and Income Security Programs.

The quotes appearing in boxes throughout the paper are taken from “*Community Voices: A Report on the Income Security Consultations in the NWT.*”

1. Alternatives North

Alternatives North is a coalition of church, labour, environmental organizations, NGOs, women’s groups and individuals working for social and environmental justice in the Northwest Territories. For the past 13 years, the coalition has conducted research into issues of concern to the public interest with the goal of integrating inclusive social policy and legislation. Alternatives North is a registered society of the NWT operating with volunteer support and project funding from government and philanthropic organizations. Alternatives North is a member of the National Anti-Poverty Organization (NAPO), the Canadian Council on Social Development (CCSD) and the Canadian Health Coalition (CHC).

Alternatives North has addressed the issue of poverty in the NWT in several ways:

- Public education about the inadequacy of food baskets available to income security recipients and low wage earners;
- Advocating for more and improved child care facilities and increases in child care subsidies (see “*Investing in Our Future: The Alternatives North Child Care Survey*”, June 2006, www.alternativesnorth.ca) and
- Presenting to the Government of the Northwest Territories (GNWT) a submission critical of the clawback of the National Child Benefit Supplement (NCBS).

(See *Stop the National Child Tax Benefit Supplement Claw Back*.

Both of these reports are available on line at <http://www.alternativesnorth.ca>

*“Sometimes it is a bit dehumanizing going to welfare
– so some people don’t go.”*

2. BACKGROUND

2.1 Definition of Poverty

Federal, provincial and territorial governments use different terms to describe programs aimed at assisting persons living in poverty. Most common is welfare, but income assistance, income support, income benefits and social assistance are also used. The GNWT uses the term ‘income security’. Regardless of the name used, an undeserved stigma is attached to having to depend on government aid. Alternatives North maintains that Canadians have a right to an adequate standard of living. This right is recognized in our constitution and through international covenants.

“even with the name changes, people still call it welfare”

Canada has no official definition of poverty. The provinces and territories, different agencies and organizations measure poverty in different ways. Statistics Canada uses Low Income Cut-offs (LICOs) and less frequently the Low Income Measure (LIM). The

Market Basket Measure (MBM) is the third Canadian model and it measures what it actually costs to provide adequately for families in different parts of the country.

The United Nations Office of the High Commissioner for Human Rights has defined poverty as

- ✚ A human condition characterized by the sustained or chronic deprivation of the resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living and other civil, cultural, economic, political and social rights¹

In fact, the actual range and depth of poverty may make it impossible to create one definition that is appropriate to all situations in all places. Given the immense complexity of the problem and the fact that what constitutes poverty varies from place to place, from decade to decade and even from household to household – it can be argued that the only alternative to an inadequate definition is no definition at all.²

2.2 Historical Approaches

Historically social assistance has been

“rooted in the long-discredited ‘residualist’ model of social policy that views poverty as resulting from individual failings rather than the complicated web of personal and systemic (economic and social) factors that entangle many Canadians in the welfare system.”³

Individuals unable to provide for themselves or their family relied on governments to assist them, and governments turned to social policy that focused on reciprocal obligations. The idea behind reciprocal obligations is that people must earn government assistance by working or volunteering.

¹ The United Nations Office of the High Commission for Human Rights, Poverty – What is Poverty? (document on-line); available from www.uhchr.ch/development/poverty-o2.html

² Canadian Council on Social Development, Chapter 2, The Canadian Fact Book on Poverty 2000 at www.ccsd.ca/pubs/2000/fbpov00/chapter2.pdf

³ Battle, K.,(1995) Social Reform by Stealth: How Canada is Transforming it Social Security System”, in American and European Perspectives on Social Security. Leuven, Belgium, European Institute of Social Science.

“...the problematic of reciprocity in the context of social assistance is extremely topical in Canada. Since the 1980’s, the Canadian provinces have been modifying their social assistance schemes to incorporate rules tending in this direction.”⁴

The National Council of Welfare statistics cited later in this paper show decreases to income support around the same time.

2.3 International Context

We are in the last year of the United Nations Decade for the Eradication of Poverty (2001-2007) and there have been many developments in the field of Poverty Reduction Strategies. To have debts reduced by the World Bank and the International Monetary Fund (IMF), low-income countries must prepare a Poverty Reduction Strategy Paper (PRSP) to show how money freed up from debt servicing will be used to alleviate poverty.⁵ The Canadian International Development Agency (CIDA) also requires that low-income countries complete a PRSP as a condition of receiving Canadian aid.

2.4 Canadian Context

In May of 2006 the United Nations Committee on Economic, Social and Cultural Rights expressed great concern about persistently high rates of poverty in Canada, particularly among women, Aboriginal peoples, African Canadians, people with disabilities, youth and single mothers. The committee made recommendations to Canada including:

- Establishing social assistance rates at levels that provide a decent standard of living;
- Addressing homelessness and inadequate housing;
- Stopping the claw back of the National Child Benefit Supplement from families on social assistance;
- Supporting adequate child care services; and
- Ensuring that there is adequate provision of civil legal aid.

⁴ Morel, Sylvie: Laval University. Status of Women Canada, Policy Research, “The Insertion Model or the Workfare Model? The Transformation of Social Assistance with Quebec and Canada”. September 2002, Introduction.

⁵ Halifax Initiative. Issue Brief-Poverty Reduction Strategy Papers – September 2005

The Committee concluded that Canada is failing to fulfill the rights provided for in the International Covenant on Economic, Social and Cultural Rights, including the right to an adequate standard of living, despite Canada's wealth and economic prosperity.

"Once you fall into extreme poverty it is almost impossible to dig your way out."

In July 2006, the National Council of Welfare (NCW) completed a review of Canada's 4th and 5th periodic reports on its compliance with the International Covenant. In this report, the NCW chairperson John Murphy is quoted as saying:

"Governments cannot walk away from social policy. Poverty not only results in individual misery, it also does not make good economic sense. People living in poverty are more likely to experience poor health and well-being. This in turn limits Canada's economic performance. Preventing and reducing poverty is essential if we are to have a strong and prosperous country."⁶

Examination of provincial and territorial welfare benefits in the National Council on Welfare Report revealed that

"... the 2004 drops in support for welfare recipients in most provinces and territories sent most welfare rates down to their lowest levels since our first calculations way back in the 1980s."⁷

When the National Child Benefit was introduced in 1998, federal, provincial and territorial governments asserted that those families whose welfare income was clawed back would be no worse off. They were wrong and the time has come to correct this error.

As noted above, people needing help to meet their most basic needs are struggling to live on less money than they received in the past in spite of today's healthy economy and

⁶ Government of Canada, National Council of Welfare, "Report calls for a National effort to defeat poverty." Press Release July 20, 2006.

⁷ Government of Canada, National Council of Welfare Reports Volume #123, Welfare Incomes 2004, Revised August 2005, pg. 35.

increases in the cost of living. It is time to turn this trend around and develop social policy that invests in all our citizens and aims to eradicate poverty.

“it’s crazy to deduct family allowance and pensions”

3. Poverty reduction efforts in other jurisdictions

Quebec: Quebec was the first province to implement a strategy to combat poverty. In 2004, the Quebec government introduced the Action Plan to Combat Poverty and Social Exclusion, investing \$2.5 billion over five years in initiatives such as raising the minimum wage, constructing additional housing, adapting housing for persons with disabilities and providing additional social assistance for children. The government also indexed social assistance benefits so that low-income individuals would retain their purchasing power.

Newfoundland/Labrador: In 2005 the government of Newfoundland/Labrador began to implement a Poverty Reduction Strategy. The strategy included:

- No claw back of the National Child Benefit Supplement from income support payments;
- A provincial child benefit for those on income support and for other low income families;
- Introduction of a low-income tax reduction program;
- Development of initiatives for children and families, including increasing child care services;
- Increased women’s economic security (using its *Environmental Assessment Act* to attach conditions on medium and large-scale resource development projects requiring measures to increase the employment of women);
- A number of programs to provide safe and affordable housing; and

- Increased focus on longer-term preventative measures to support groups vulnerable to poverty (seniors, persons with disabilities, and those with mental health conditions).

Prince Edward Island: This province has a number of programs to enable low-income families to maintain a certain quality of life. A most recent addition is their Healthy Child Allowance to fund sports participation, recreation and other cultural activities.

Nova Scotia: The government is currently reviewing personal allowance and shelter rates for its Income Support program. As part of the project *Social Assistance Reform: Moving Forward a Woman Positive Public Policy Agenda*, the Pictou County Women's Centre released two key reports. The reports are titled "Struggling to Survive" and "Survival Strategies". They are available on-line at <http://www.povnet.org> and <http://www.womenscentre.ca>.

Ontario: In Toronto an unprecedented coalition of business, labour, academic, non-profit, and think-tank leaders released a report in May 2006, "Time for a Fair Deal" calling for fundamental reform of Canada's income security programs for working age adults. The report included recommendations to the Ontario government. The report can be found at http://www.torontoalliance.ca/MISWAA_Report.pdf

Manitoba: The government has moved to reform income assistance regulations as well as terminate the claw back of the National Child Benefit Supplement.

Saskatchewan: The Saskatoon Anti-Poverty Coalition (SAPC) recently launched an awareness campaign encouraging the Government to develop a long-term integrated poverty reduction strategy.

British Columbia: In May 2006, the Ombudsman reported on systemic unfairness at the Ministry of Employment and Income Assistance, resulting in significant legislative and policy changes. See <http://www.bcpiac.com>. The Government has introduced the Family

Bonus and Earned Income Benefit which provide tax-free monthly payments intended to help low income families with the costs of raising children.

Quebec and Newfoundland are clearly leading the way in Canada. Both have developed comprehensive plans for reducing poverty through formal Poverty Reduction Strategies. While it is still too early to adequately determine the success of these initiatives, Ireland's experience with its 10 year National Poverty Strategy has seen the percentage of individuals living 50-60% below the average income level fall from 15.1% to 6.2% (over 400,000 people). The key objectives in Ireland's strategy included facilitating participation in employment; facilitating universal access to resources, rights, goods and services; preventing risks of social exclusion; and helping those most vulnerable in society.⁸ For each of these objectives, there is a set of clear goals guided by a strong vision to eliminate poverty.

4. Overview of Poverty Reduction Strategies (PRS)

Current research shows that some governments - international, as well as national, provincial and territorial - are awakening to the economic and social advantages of poverty reduction strategies.

Plans to reduce poverty begin with the recognition and acknowledgement that poverty exists. It requires a holistic examination of the depths and impacts of poverty in the jurisdiction, inclusive of human rights, social and gender inequalities. Education, economic development, employment generation and labour force development are essential to poverty reduction and social inclusion.⁹

⁸ Ireland, Department of the Taoiseach, Building an Inclusive Society – Review of the national Anti-Poverty Strategy under the Programme for Prosperity and Fairness (document on-line); available from www.taoiseach.gov.

⁹ Government of Newfoundland/Labrador, Reducing Poverty: An Action Plan for Newfoundland and Labrador, June 2006, pg11.

Poverty reduction strategy planning must take a comprehensive, integrative approach that makes connections between poverty and gender, education, housing, employment, health, and social and financial supports. The approach must also acknowledge the link between women's poverty and their increased vulnerability to violence. Poverty reduction must focus on improving the social, economic and environmental conditions of the poor and their access to decision making.¹⁰ It requires the political will and commitment to reform many interrelated social policies to ensure that they meet the human rights requirements of every citizen, including the right to an adequate standard of living. To be effective, a strategy must have indicators and targets so that governments and leaders are accountable.¹¹

Core elements of an effective Poverty Reduction Strategies include:

- A consultative/integrative approach with broad-based participation in its development, including by persons living in poverty
- Results that are oriented and focused on outcomes that benefit the poor
- A comprehensive approach that acknowledges the multidimensional nature of poverty, including gender inequalities and social exclusion, and
- An understanding of the need for a long-term perspective on poverty reduction¹²

Poverty reduction strategies are meant to provide a sustained decrease in both the number of poor people and the extent of their deprivation. A monitoring and evaluation process is needed to track key indicators over time to see if and how they change as a result of the strategy. Monitoring and evaluation activities need to be carried out by institutions with competence and capacity - and that have strong links to key decision-makers, if they are to be useful in the design and implementation of a poverty reduction strategy.¹³

¹⁰ Canadian International Development Agency (CIDA), CIDA's Policy on Poverty Reduction at www.acdi-cida.gc.ca/CIDAWEB/acdicida.nsf/En/8525711600526FOA8525715A00

¹¹ Government of Canada, National Council of Welfare, Press Release, Report calls for national effort to defeat poverty. July 20,2006.

¹² This section derived from a study of a number of papers and documents some of which are listed in endnotes on page 28 of this paper.

¹³ The World Bank, Poverty Reduction Strategies-Monitoring and Evaluation, found at <http://www.worldbank.org>.

Poverty reduction and alleviation is no longer seen as only an international development issue but rather one that is also national and local. We can learn from the experiences of international development agencies in providing a means to bring poverty reduction strategies to the local level. The province of Newfoundland and Labrador is a good example of this.

5. Poverty in the Northwest Territories

Nobody likes to talk about poverty in the Northwest Territories and the government does not officially acknowledge that poverty exists in their jurisdiction. Poverty is a *whispered* word in the Northwest Territories. The GNWT uses the Market Basket Measure to determine the amount of income security applicants will receive. Some of the programs for low income or income security recipients are funded out of the GNWT's claw back of the National Child Benefit Supplement, in effect, robbing Peter to pay Peter.

“how many people living in poverty that can't access the program at all”

There is inadequate statistical information about the face of poverty in the NWT. It is not well defined or acknowledged. There is no means to monitor the incidence and experience of poverty or to assess the impact of place of residence on poverty levels. Urban areas like Yellowknife, Hay River and Inuvik have more services and resources than the smaller remote communities. Yet poverty is evident in each of these larger centres. For example, in Yellowknife we see the YWCA, the Salvation Army and the Centre for Northern Families filled to capacity housing homeless people. A food bank is used regularly by many and a long waiting list for affordable housing keeps social housing filled to capacity and beyond, leaving too many people living on the street.

“how to define the working poor, low income”

In the summer of 2006, the City of Yellowknife released the *City of Yellowknife Safe Community Initiative*, in which it is stated,

Those who live in poverty, especially children, are more at risk of involvement in criminal activity. Research by the Canadian Council on Social Development, the United Nations, Canada's Crime Prevention Strategy, and the Federation of Canadian Municipalities have all recognized the benefit of battling crime through addressing social challenges related to poverty.¹⁴

On average, close to 2,000 people or 4.5% of the NWT population accessed income support assistance in 2005. Many other people also lived in poverty -- the working poor, single parents living on child maintenance payments, people on unemployment insurance, those living in shelters, and people relying on family members to fulfill their basic needs.

Using the 2006 NWT Socio-Economic Scan for statistical data we can see that housing plays a significant part in poverty in this territory. The GNWT Bureau of Statistics defines households in core need as follows:

“If a household has any one housing problem (suitability, adequacy, or affordability) or a combination of housing, and the total household income is below the Community Core Need Income Thresholds, the household is considered to be in core need. The core need income threshold is an income limit for each community that represents the amount of income a household must have to be able to afford the cost of owning and operating a home or renting in the private market without government assistance.¹⁵

From the socio-economic scan, the percentage of households in core need in the NWT is 16.3% while in the smaller communities the core housing need is 35.3%. Further, the statistics reveal that 26.5% of children living in smaller communities are living in families with low income compared to 21.5% in the whole territory in 2003. No study has been undertaken to determine the living conditions of those not working and not receiving government support and/or living in core need.

¹⁴ Genesis Group, “City of Yellowknife Safe Community Initiative”, 2006, pg. 20.

¹⁵ GNWT, Bureau of Statistics, Northwest Territories Profile, 2004 under Sources and Notes

“living in northern communities – fruit and vegetables very expensive, it’s cheaper to buy my kids chips instead of something healthy”

Combined with a lack of annual cost-of-living adjustments, claw backs and cuts, welfare payments in the Northwest Territories continue to decrease even as the economy grows. The biggest losses are shown to affect single parents (mostly women) and two parent families with children.

- In 1993 a lone parent with one child received \$26,127. By 2005 that amount decreased by \$3,479 or -13.7%
- Single employable people earned a peak amount of \$14,504 in 1993, but by 2005 the amount decreased by \$894 or -6.2%;
- In 1999, a couple with two children received \$31,808. By 2005 that amount decreased to \$31,633, a decrease of \$176 or -7.9%.
- The peak year for a person with a disability was 2005 when they received \$17,275.¹⁶

“poverty is still a problem in the NWT”

Social justice advocates have, in the last 10 years, demonstrated the need for increases to the income support program for things like basic food needs, transportation, household and personal hygiene products, and allowances for school needs and activities for children. In 2003 a coalition of NGOs displayed food baskets in the Great Hall of the Legislative Assembly, clearly showing the difference between a nutritional, well balanced food basket and that which is affordable on income support. Further, Members of the Legislative Assembly played *The Poverty Game*. This board game simulated the decisions one needs to make on a daily basis while living on income support. Several MLAs had to cheat to meet their monthly expenses and some did not report income earned while on assistance. The question is raised, “If they can’t do it in a simulated game, how can they expect others to do it in reality?”

¹⁶ Ibid. pg 52

“why is it not set up to treat people with dignity and really help them?”

6. “Building on Our Success – Strategic Plan 2005-2015”

In 2005 the Department of Education, Culture and Employment released “Building on Our Success – Strategic Plan 2005-2015”. The Plan is based on the vision: “*Northern people leading fulfilled lives and contributing to a strong and prosperous society.*” It contains five goal summaries for each of the areas where the department is mandated to “ensure residents of the Northwest Territories have access to high quality programs and services.”¹⁷ Each of the areas has its own vision statement:

- 1) Culture, Heritage and Languages – Pride In Our Culture “*Northerners who are knowledgeable about and proud of their culture.*”
- 2) Early Childhood and Schools – Education of Children and Youth “*Northern families developing a strong foundation for their children’s learning.*”
- 3) Education of adults – Adult and Post-Secondary Education “*Northern adults continuing to learn and grow to meet the requirements of daily living.*”
- 4) Employment and Labour – A Skilled and Productive Workforce “*Northerners participating in a strong and prosperous work environment.*”
- 5) Income Support – People Participating Fully in Society
“*People actively participating in community and society to their fullest potential.*”

“people come to poverty in individual crisis”

Five ‘cross-goal strategies’ for the Department are presented and include

1. Working with local, regional, territorial and federal partners;
2. Ensuring a skilled civil service;
3. Collecting, analyzing and disseminating information about programs and services;

¹⁷ GNWT, Department of Education, Culture and Employment, Building on Our Success – Strategic Plan 2005-2015, pg.9

4. Committing to facilities to address requirements; and
5. Managing itself by being fiscally responsible, operating effectively, and being transparent in decision making process and monitoring and reporting on results for accountability.

“we’ve been through all this with the social agenda”

According to the document, “These activities are tied together by the shared aim of assisting Northerners to achieve their full potential.”¹⁸ However, there is no clear description of what is meant by ‘cross-goal strategies’, how they will unfold, or to whom the Plan refers when talking about assisting northerners. Is the plan for the department operations or the people it serves?

“income support workers don’t have the people skills necessary to deliver these programs”

Poverty plays a significant role in each of the five areas described in the plan yet there is no discussion of poverty or any reference to the barriers, such as lack of child care, which prevent people from participating or taking advantage of the services these areas may offer. In our opinion, the reluctance of the government to see these linkages has set the groundwork for the ultimate failure of the strategic plan.

6.1 The Consultation Process for the Strategic Plan

Late in 2004 the Department of Education, Culture and Employment (ECE) began a consultation process for the development of the Strategic Plan 2005-2015. It developed a series of consultation guidebooks as part of its process. Alternatives North reviewed the Guide Books as part of its participation in the overall consultation process.

A critical analysis of the survey methodology was completed and revealed fundamental bias with the questions posed. The title of the Income Support section “People

¹⁸ Government of the Northwest Territories, Building on Our Success, Strategic Plan 2005-2015, <http://www.ece.gov.nt.ca>

Participating Fully in Society” alludes to an attitude that people living in poverty do not participate fully in society. It leads us to speculate that only those people who work for wages are considered to be fully contributing members of society. As stated in Alternatives North’s commentary on the guide books

“Instead of blaming people for their unfortunate situation, suggesting that we should support them would be a good option, a decent basis for a quality public support program.”¹⁹

“there is a ‘big picture’ problem because these programs are punitive”

NGOs raised concerns about the consultation process, particularly the distribution of the survey. The survey was handed to organizations with limited time and capacity. These organizations were asked not only to complete the survey but also to find and assist those persons affected by the potential policy changes. (i.e. income security recipients, elders, etc.) According to an executive director of an NGO, “The material was massive, complex, and biased in presentation so participation would have been difficult without pre-preparation.”²⁰ The government did not directly consult the people who will be most impacted by the reforms, i.e., those living on income support, or who were unemployed or homeless. This is not acceptable in an inclusive consultation process.

“where does the average NWT citizen start to get assistance, we need to realize that people with low literacy levels in the NWT would have a big problem getting income assistance, it’s so overwhelming to them it and it stigmatizes them”

The Status of Women Council of the NWT offered the following recommendations to strengthen the Strategic Plan 2005-2015 and to bring it closer to the realities faced by poor people in the north.

¹⁹ Alternatives North, Commentary on the GNWT Dept. of EC&E Strategic Planning Consultation Guide Book Series, February 15, 2005, <http://www.alternativesnorth.ca>.

²⁰ Comment from NGO Executive Director, July 2006

1. EC&E should incorporate a gender lens to review all current policies and programs, and incorporate gender analysis as an integral part of the development of all new policies and programs in both EC&E and Aurora College.²¹
2. EC&E should examine to what extent i) lack of financial resources and ii) lack of reliable affordable child care are factors in adult students with children dropping out of training or educational programs.²²
3. EC&E should recognize the significance of addressing family violence within its strategic plan 2005-2015.²³

These recommendations appear to have been ignored in the final plan.

“I could go on forever about how an unhealthy diet contributes to the cycle of poverty, the research is there – let’s do something about it”.

7. Income Security Review

7.1 Phase One: Discussion Guide and Survey

The recent consultation process for the specific topic of income security was a more collaborative effort between the GNWT and NGOs. The team designed the consultation process and participated in both the face-to-face consultation with interest groups and the two-day workshops.²⁴ As part of the overall consultation process on income security, a survey was distributed in early 2006 asking residents specifically about income security programs. It included a guide describing the 17 different Income Security Programs that help people with low and moderate incomes. The survey used the ‘Strengths, Weaknesses, Opportunities, Threats’ (SWOT) analysis methodology. It asked participants to write what they see as the strengths, weaknesses, opportunities or threats

²¹ Status of Women Council of the NWT, Submission on Development of the Department of Education, Culture and Employment Strategic Plan 2005-2015, March 21, 2005, pg.3,4

²² Status of Women Council of the NWT, Submission on Development of the Department of Education, Culture and Employment, Strategic Plan 2005-2015, March 21, 2005, pg.9.

²³ Ibid. pg.5

²⁴ GNWT, Community Voices: A Report on the Income Security Consultations in the NWT, April 2006, pg.17

for income security programs used by seniors, persons with disabilities, families and single people. The same format was used for ‘all income security programs’. The final report “Community Voices: A Report on the Income Security Consultations in the NWT” used a thematic format to print participants’ comments. It should be noted again that though the general public was invited to respond, the survey was not sent directly to citizens who are currently receiving income assistance.

“It’s really a punitive system, if I’m poor I have no power”

7.2 Community Voices: A Report on the Income Security Consultations

The Department published the results of the survey and consultations in a booklet titled “Community Voices: A Report on the Income Security Consultations in the NWT”. The “public’s point of view”²⁵, or quotes from the respondents, were offered under themes describing the current Income Security system. The themes included: adequacy, transparency, accessibility, self-reliance, fairness and control. The report reflects the first phase of the consultation process, addressing the theme of: “*where we need to go to achieve self-reliance*”²⁶.

As noted above, the survey used a SWOT analysis in asking respondents about income security programs. The responses however are grouped under themes. If these themes had been used during the consultation, they might have elicited different responses. The context of the comments reported is not clear. Were they part of the SWOT analysis, or were they taken during consultations and public meetings?

However, the report does offer the consultation participants the opportunity to see what they said in print and to read about what others had to say. The distribution of this report, especially to the smaller communities, is a good way to communicate the results of their participation in the surveys and workshops. Many of the respondents’ words quoted

²⁵ GWT, Community Voices: A Report on the Income Security Consultations in the NWT, April 2006, pg.7

²⁶ Ibid. pg 12

throughout this paper are from this report, and reflect what Alternatives North and other poverty advocates have recommended in the past.

7.3 Phase Two: Consensus Building Workshops

Phase 2 of the Income Security consultation consisted of Consensus Building Workshops to draft an outline of what should be included in a new and improved Income Security ‘Model’. The workshops were organized around the themes of seniors, persons with disabilities, families/single people and the overall system. A series of common factors and recommendations arose out of the workshops and these were organized into a presentation to the Standing Committee on Social Programs in June 2006.

“is the system built for the person or vice versa?”

7.4 Presentation to the Standing Committee on Social Programs

The presentation to the Standing Committee on Social Programs is meant to serve as a directional document for MLAs and Cabinet to consider.

“consider limitations on an individual basis. Have workshops for personnel that administer these programs on how to deal with people with disabilities”

On the topic of adequacy, the common factors were

- Using the northern nutritious food guide,
- Providing shelter, food, utilities, phone, clothing, personal items, household needs, and transportation plus additional specific needs tied to client outcomes;
- Establishing benefit levels that reflect cost of living by community and
- Providing incentives for working.

Alternatives North would add that medical and dental requirements should also be included in the consideration of adequacy in income support.

On the topic of transparency/accessibility, the common factors were

- Providing a single point of entry for all programs,

- Providing professional development for frontline workers,
- Using a simple process conducted in language appropriate to the clients,
- Doing outreach,
- Building client oriented services,
- Using a case management approach and
- Outlining measurable results.

On the topic of income, the common factors included agreement

- To use net income in calculations,
- To use a percentage of earned income as benefit reduction,
- To allow some exemption for windfall and
- That a claw back is appropriate when an adequate level of benefit is realized.

Under fairness and control, the common factors were:

- Supporting choices,
- Acknowledging that different people have different needs,
- Supporting home ownership and
- Focusing on client not system.

Finally under respect and dignity:

- Recognizing that seniors and persons with disabilities are not temporary recipients,
- Providing alternatives when one option is not available,
- Addressing barriers and
- Addressing gender inequalities.

The directional document recognizes that there should be different goals for different groups. Two models were presented: the Assured Income Model and the Income Incentive Model.

Under the Assured Income Model, benefits are cut off when income reaches a certain point. This model was recommended for seniors. The other major recommendation regarding seniors' programs was that home ownership benefits should be integrated into

one income tested program. Currently, there are several seniors benefits related to home ownership but they are administered as separate programs.

The Income Incentive Model suggests a gradual decrease in benefits as income levels rise. This provides a greater incentive for employment, offering people gradually decreasing support, rather than an immediate cut-off. The directional document recommends that the incentive model be used for persons with disabilities.

It also recommended greater support for families with children with disabilities, an increased asset limit and a case management approach.

For families, the directional document recommended accessible affordable childcare, adequate financial benefit and supported transition. This would suggest using the income incentive model though this is not implicitly stated. Finally, for single people the recommended focus is skill training, life skill training and work opportunity and career development.

The remaining steps in the GNWT income reform process include detailed costing on models and:

- Developing a legislative agenda,
- Policy development,
- System development and
- Human resource development.

Alternatives North supports reforming the income security programs based on the common factors arising out of the consensus building workshops. The general outline provided to the Standing Committee suggests many positive initiatives. In particular, we note that the outline supports peoples' choices, addresses barriers, such as the lack of affordable and accessible childcare, and recognizes gender and racial inequalities.

However, we caution against any misinterpretation of the above statements or against selective acceptance of only some factors and not others. For instance, the factor about

claw backs being acceptable came about only in the context of all other factors being met to therefore establish an adequate level of benefits. No focus on skill training or work opportunity should be construed as support for workfare or other forms of ‘forced’ work. Finally, we note the need to recognize the particular challenges of “undiagnosed” mental illness or Fetal Alcohol Syndrome in the single population and maintain that some single people who appear physically able may well require continued support.

The directional document as presented to the Standing Committee outlines the work the EC&E department has done to date in terms of its review of the Income Security programs. It is a step in the right direction. **We stress, however, that it is not the basis for a truly integrated strategy to assist the poor in leading fulfilling lives.**

8. Framework Philosophy

It is difficult to determine exactly what philosophical perspective the government is trying to reflect with the Strategic Plan and the proposed reforms for Income Security. One must find and examine the different vision statements in the documents and relate them to the principles to get a sense of the philosophy behind the work.

The discussion guides on Income Security quote two vision statements. One is that of the 2002 NWT Social Agenda:

“The NWT values people for their individual gifts, and supports them to make choices. People have a safe, healthy living environment, and a strong cultural and spiritual foundation that supports peoples’ rights to determine their own futures in balance with their responsibility to society.”

The second is the vision of the 15th Legislative Assembly, 2004:

“Healthy, educated, people living in safe communities, who are able to contribute and take advantage of life’s opportunity.”

The principles guiding the reform of Income Security include:

- Encourage self-reliance through the linking of development programs and financial supports

- Coherent policy direction
- Target benefits to those most in need of government support
- Target programs to meet government initiatives
- All clients will be treated with respect and dignity when accessing Income Security programs

The principle “Target benefits to those most in need of government support” is particularly worrying. Surely, all people living in poverty are in need of benefits. As well, the principle, ‘Target programs to meet government initiatives,’ leads one to believe that the programs will be directed by government initiatives instead of clearly defined goals or desired outcomes. Government programs must be designed to achieve the outcome of poverty reduction (as well as complying with territorial, national and international legislation and covenants).

<i>“use plain language for all program documents”</i>

It appears that the government has no consistent philosophical framework for guiding its policy formulation. What does the government mean by its vision of “*Northern people leading fulfilled lives and contributing to a strong and prosperous society*” and the vision statements of “*People actively participating in community and society to their fullest potential*” and “*Northerners participating in a strong and prosperous work environment*”? Without context, these are statements floating in a vacuum, nice sounding, but without a solid foundation.

The vision statement from the social agenda as noted above is clear in its philosophy: “*The NWT values people for their individual gifts, and supports them to make choices....*”

The vision from the Social Agenda speaks to supporting people to make their own choices and determine their own futures. But the focus of income support seems to be to get people into the wage economy at all costs. Its principles lead to a fragmented

approach to social policy development and show a continued lack of understanding of the best route to poverty reduction.

“acknowledge that society/government has a responsibility to help those less fortunate”

The vision in the poverty reduction strategy for Newfoundland and Labrador is a good example of a vision or philosophy that not only guides their work but also clearly informs people of their intent

The vision is of a province where poverty has been eliminated. This will be a prosperous, diverse province where all individuals are valued, can develop to their full potential and have access to the supports they need to participate fully in the social and economic benefits of Newfoundland and Labrador.²⁷

It is a sad irony that the ECE strategic plan and income security review do not acknowledge the poverty situation that income security is supposed to alleviate. The absence of a philosophical framework and the political will to alleviate poverty in the NWT means we can expect to be addressing the same issues over and over again.

“no gender analysis of policies & feminization of poverty – women in abusive relationships, elderly women, single mothers, aboriginal; women on reserve, immigrant women – programs do not reflect the realities of life circumstances”

9. A Poverty Reduction Strategy for the NWT?

Taken together, can the strategic plan and income security reform be considered a poverty reduction strategy?

The plain answer is ‘no’. There is no comparison. The NWT’s Strategic Plan including reform of Income Security is fundamentally different from a comprehensive poverty reduction strategy. Applying three of the core elements for an effective poverty reduction strategy we find the following:

²⁷ Government of Newfoundland and Labrador; Reducing Poverty: An Action Plan for Newfoundland and Labrador, June 2006, Executive Summary.

Core Element: Consultative/integrative approach – involving broad-based participation including persons living in poverty

The consultation reports do not show how many people on income security or living in poverty were consulted. Without the input of these people we cannot realize their struggles and requirements. The United Nations, CIDA, NAPO, the World Bank and other leaders in poverty reduction assert the need for full partnerships in public policy creation, partnerships that necessarily involve those humans who will be impacted by policy changes.

Core Element: Results oriented – focusing on outcomes that would benefit the poor

The Strategic Plan and resulting directional document show outcomes that the GNWT wants to achieve with their reforms. However the outcomes (i.e., healthy children, skill training) are not clearly defined. There are no set targets that can be measured to assess progress on achieving the goals. There is no reference to any statutes or law to support the outcomes (i.e. human rights legislation).

Core element: Based on long-term perspective for poverty reduction

Sadly, there is no specific reference to reducing the extent or depth of poverty in any of the stated outcomes. Outside of reforming the income security programs, there are no suggested plans or initiatives for eradicating poverty, from either a short or a long-term perspective.

10. Conclusion and Recommendations

Alternatives North acknowledges that the work to date by EC&E is an effort to improve the social security net of the NWT. In terms of poverty reduction, however, the plan does not outline the steps necessary to assist people to overcome the impacts of living in poverty. If the NWT is serious about helping those in need, they should recognize the poverty of people in need. To reduce poverty in the north, we must go back to the drawing board and start with a clean slate and a transparent agenda.

Recommendations:

1. Develop a clear vision and mandate to reduce poverty in the NWT.
2. Proceed with the reform to income support programs based on common factors that arose out of the consensus building workshops and work with community partners and people living in poverty to re-direct efforts into a Poverty Reduction Strategy.
3. Commission an independent report to investigate the full reality of poverty in the NWT using a participatory action research model that involves people living in poverty.
4. Develop and offer workshops to inform MLAs and appropriate staff about the multi-dimensional aspects of poverty.
5. Stop the claw back of National Child Benefit Supplement and child maintenance payments immediately.
6. Invest in childcare by immediately increasing childcare spaces and set targets for yearly development of new spaces.
7. Adopt the recommendations from the Status of Women Council to improve the overall Strategic Plan (outlined on page 18 of this report).
8. Invest in, and make available, safe and affordable housing.
9. Raise the minimum wage rate to a level that provides a living wage.

References for Poverty Reduction Strategies

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3. United Nations, *Support for Poverty Reduction* at <http://esa.un.org/techcoop/flagship.asp?Code=NAM97003>
4. *Human Rights and Poverty Reduction: A Conceptual Framework*, United Nations, 2004 at www.ohchr.org/english/about/publications/docs/broch_Ang.pdf
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6. *Second regional Workshop on Gender in Poverty Reduction Strategies*; Siem Reap, Cambodia, Sept.17-18, 2003 at www.unifem-ecogov-apas.org
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10. Caledon Institute of Social Policy: *Community-based Poverty Reduction: The Quebec Experience* by William Ninacs, September 2003 at www.caledonist.org/Publications/PDF/553820665%2E.pdf
11. Government of Newfoundland, Department of Human Resources, Labour and Employment: *Report on Workshop Sessions on the Development of a Poverty Reduction Strategy*, prepared by Goss Gilroy Inc. October 2005 available at www.hrle.gov.nl.ca
12. National Anti-Poverty Organization (NAPO): Submission of the National Anti-Poverty Organization to the Committee on Economic, Social and Cultural Rights on the Occasion of the Consideration of Canada's Fourth and Fifth Periodic Report on the Implementation of the International Covenant on Economic, Social and Cultural Rights: May 2006 available at www.napo-onap.ca

13. Canadian International Development Agency (CIDA), CIDA's policy on Poverty Reduction at www.acdi-cida.gc.ca