

Ontario government escalates its assault on the poor

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4 February 2020

As part of its frontal assault on public services and workers' rights, Ontario's right-wing populist Progressive Conservative government is preparing to gut and corporatize the province's social welfare system. These attacks will impact approximately 1 million people, the most vulnerable sections of the working class, including many with disabilities.

In November 2018, Premier Doug Ford announced his government would be overhauling the province's two main social assistance programs, Ontario Works (OW) and the Ontario Disability Support Program (ODSP), with a series of changes scheduled to be implemented over the next 18 months.

The then social services minister, Lisa MacLeod, cynically declared that these sweeping reforms were "compassionate changes" that would "cut red tape" and "encourage people to get back in the job market."

OW benefits are paid to people who are out of work, in financial need, and not eligible for Employment Insurance. Even this meager financial assistance is tied to recipients participating in job training programs, or proving to the government's satisfaction that they are "actively looking" for work.

Among the proposed changes is an increase from C\$200 to C\$300 per month in the amount of money that an OW recipient can earn before the government begins imposing a 50-cent-for-every-dollar-earned claw-back in its government assistance. However, changes to the claw-back system would leave recipients with less net income than currently if they worked more than eight hours per week at minimum wage.

Under the proposed changes, ODSP recipients would be able to earn C\$6,000 a year without having their support reduced, rather than the current C\$200 a month. However, this will do nothing for the many ODSP recipients who struggle to find any paid employment.

Moreover, the government intends to revise the province's definition and criteria for qualifying as disabled to align with that of the federal government. The end result of this will be to restrict eligibility for ODSP assistance. The threshold to qualify for disability benefits under the Canada Pension Plan is higher than it is for the provincial disability program. The most common federal definition applies to Canada Pension Plan Disability (CPPD) applicants. They can only get support if their illness, injury or handicap is likely to prevent them from working indefinitely. If this same definition is applied to Ontarians, it means that those with disabilities who can work occasionally or could work eventually will be denied support.

As reactionary as these proposed changes are, the Ford government is also preparing a fundamental transformation in OW and ODSP assistance that threatens to gut what little remains of social welfare support. A recent report from the poverty advocacy group Maytree, titled "System transformation in Ontario Works: Considerations for Ontario," identifies a "new service delivery model" to be phased in with three pilot projects starting early in 2020 in the Peel, Hamilton-Niagara, and Muskoka-Kawarthas regions. A full provincial rollout is planned for 2022.

Under the new model, Ontario Works and the Ontario Disability Support Program will be integrated with Employment Ontario into a single employment and training services system. This will mean a sharp reduction of employment services, from the existing 47 municipally-run providers to just 15 catchment areas.

More significantly still, under the new scheme each catchment area will be managed by a single "Service System Manager" (SSM). The SSM contracts will be open to private sector providers.

The report goes on to note the disastrous impact of

similar privatization initiatives in Australia and Britain. In early 2019, the Australian social assistance program, JobActive, was the subject of an Australian Senate inquiry that concluded the program did not achieve any of the goals the government had set out for it. In the UK, after two years, not one of the providers of the Work Program—which has a similar mix of public, non-profit and private service providers to what is being established in Ontario —had met their contractual targets.

The attacks on social assistance are an integral part of the Tory government’s class-war assault. As part of his drive to make Ontario “open for business” by boosting profits for the corporate elite through stepped-up exploitation of the working class, Ford has slashed billions from public health care, education and low-income support services.

Shortly after taking office, his government removed protections for the most vulnerable and impoverished members of society by rolling back a planned increase to the minimum wage, and cancelling a “guaranteed annual income” pilot project. The Tories also cut the previous Liberal government’s planned 3 per cent increase in social assistance, which would have barely allowed the miserably low welfare rates to keep pace with inflation, to just 1.5 percent.

The 2019-2020 Ontario budget unveiled last April slashed C\$1 billion from social assistance programs over the next three years, an 11 percent cut. This onslaught on welfare spending takes place under conditions of a vast expansion of precarious, low-wage employment. A quarter of new jobs in Ontario are considered “non-standard,” in other words, low-paid and insecure work.

In contrast to the Tories’ cynical portrayal of welfare recipients as lazy and work-shy, this statistic underlines the fact that a growing number of welfare recipients in Ontario belong to the so-called “working poor”—i.e., people whose wages are so low that they cannot afford the basic necessities of life.

Last spring, the Ford government also callously announced the elimination of the Transitional Child Benefit, which would affect 32,000 of Ontario’s poorest children. Faced with a huge public outcry, including from support organizations that said this would leave many families with nothing, the government announced in October that it was

withdrawing the proposed cut and putting on hold other regressive changes to OW and ODAP.

Announcing the government’s retreat, Christine Wood, a spokeswoman for Children, Communities and Social Minister Tod Smith, ominously declared that the government would focus “on the broader plan to improve social services”—i.e., privatize the entire system so as to gut support across the board.

Ford has also devastated K-12 public education and financial support for post-secondary education. His government has slashed funding for low-income students and cut close to C\$1 billion from public education. It is also pushing through an expansion of high school class sizes that will destroy up to 10,000 teaching and support staff positions over the next five years; and it has legislated a three-year, below-inflation, 1 percent annual cap on wage and benefit increases for 1 million public-sector workers. Ford, mimicking Trump, has also scapegoated refugees as the reason for Ontario’s housing crisis and other social ills.

While Ford’s Tories are currently taking the lead in decimating social welfare programs, all political parties, including the NDP, have overseen a steady decline in social welfare for decades. The Maytree report points out that “unbearably low” social assistance rates have been declining for over 30 years and are today even lower than they were in 1986. The total social assistance income for a single person in 2019 was only C\$9,646—less than half the income needed to provide a basic standard of living, according to the official poverty measure for Toronto. The inadequacy of social assistance programs even before the Ford government’s cuts take effect is shown by the fact that two-thirds of all food bank users are social welfare recipients.

An average bachelor apartment in Toronto costs 150 percent of the total Ontario Works monthly benefit for a single adult, making it all but impossible for a single welfare recipient to find decent affordable housing in Canada’s largest city.



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