

Innovative Welfare Practices in Canada

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This presentation focuses on innovations in provincial social assistance programs in Canada. Highlighted are six pilot projects, two disability programs and three Nova Scotian initiatives. Impacts on the well-being of recipients and the labour force consequences will be explored to understand their relevance and potential for welfare reform.

Pilot Projects

Self-Sufficiency Project (SPP)

The most significant pilot project, the Self-Sufficiency Project (SPP), ran between 1992 and 1999 in New Brunswick and British Columbia. The SPP granted single parent welfare recipients an earnings supplement if they found full-time work and left welfare within a year of entering the program. The generous earning supplement was meant to increase incentive to work and help recipients permanently transition into the workforce. In New Brunswick exclusively, a second version of the program called the Self-Sufficiency Project Plus (SPP Plus) was implemented. SPP Plus combined the earnings supplement with job search assistance.

The SPP participants earned higher incomes and reported higher well-being than the control group who continued to receive regular social assistance. The impacts only lasted for the duration of the project. Once the earning supplement ended after three years, most recipients returned to social assistance. The only lasting benefit of the project was increased work experience, but there is often little margin for finding better paid employment for low-wage workers. SPP Plus did yield lasting results; participants were more likely to earn above minimum wage and less likely to receive social assistance. By helping participants find employment, they were less likely to accept the first position available and instead found jobs better suited to their skills.

Based largely off the SPP Plus project, Quebec ran a similar project between 2001 and 2005 called Action Emploi. The main difference between the programs was the SPP earning supplement was dependent on income, whereas the Action Emploi recipients received the same monthly supplement. Combining an earning supplement with job search training for long-term welfare recipients had a lasting increase in labour force participation for single parents and women. These results might suggest that a successful work program would combine an earning supplement with job search assistance, placing social assistance recipients in positions that pay above minimum wage, allowing them to provide for themselves and their family once the supplement ends.

Community Employment Innovation Project

The Community Employment Innovation Project was carried out in Nova Scotia between 1995 and 2005. The project was presented as an alternative for Employment Insurance (EI) and Income Assistance (IA) recipients. During the program, unemployed persons received subsidized

wages while working on community-based projects. The project was unique among pilot projects as the employment opportunities were made available for a variety of skill levels, therefore reducing the amount of underemployment that would otherwise occur if unemployed persons and income assistance recipients were encouraged to take the first position made available. Over the course of the project, participants reported positive impacts on health and satisfaction. Unfortunately, after the projects ended, no permanent employment positions had been created and no long-term economic improvements were found.

Basic Income Experiments

Various basic income project experiments have been tried in Canada and worldwide, and the discussion has once again been opened. The first guaranteed annual income project in Canada was piloted in Manitoba from 1974 to 1979. Referred to as Mincome, residents in Winnipeg, Dauphin and several other rural communities received a negative income tax for three years. Dauphin was a saturation site; all residents were eligible to receive the supplement independently of financial need. Throughout the experiment, Mincome recipients were less likely to be hospitalized for physical and mental health. Aside from improvements in health and income security, little lasting impacts on the labour force were found. Researchers found a slight decrease in labour force participation, primarily observed in the secondary earner in a household. Since recipients were aware they would only receive the negative income tax for three years, it is difficult to predict how individuals would respond if the program were to have been a permanent fixture.

Ontario introduced a basic annual income pilot in 2017, using the format of monthly supplements for the duration of three years. Hamilton, Thunder Bay and Lindsay were the test communities. The experiment was designed to measure the impact of a guaranteed annual income on food security, physical and mental health, housing stability, employability and labour market participation. The program was abruptly cancelled in March of 2019. The cancellation of the project will significantly reduce the ability to assess the impact of the program and draw conclusion on its effectiveness.

Multiple provinces are considering implementing basic annual income experiments of their own. Prince Edward Island is launching a secured-income pilot in January 2020 that hopes to bring all participants to 80 per cent of the Market Basket Measure (MBM). The project is quite limited as the supplement is only expected to last three months, and only \$225,000 has been invested in the project. British Columbia is also exploring the possibility of a basic income project in the next few years.

Disability Programs

In Alberta and Saskatchewan, long-term programs for the permanently disabled exist which provide significantly higher incomes and benefits than for persons in the general social assistance program living with a disability. The Assured Income for the Severely Handicapped (AISH) in Alberta and the Saskatchewan Assured Income for Disability (SAID) both require that the person have a disability that prevents them from working and cannot be treated or cured. The recipients received an income meant to meet their basic needs, medical needs and any additional

or unforeseen needs that might arise. In Alberta, a recipient earning maximum benefits would reach 96 per cent of the MBM and a Saskatchewan recipient would reach 81 per cent of the MBM. In both provinces, the number of AISH and SAID recipients increases every year despite both provinces having relatively low dependency rates. Part of this can be explained that the provinces have low unemployment, so persons able to work will have opportunities to work. Many work multiple jobs to meet all their needs, however this renders them ineligible for social assistance.

Education Support Programs in Nova Scotia

Education is often hailed a solution to leave poverty. Higher education is associated with higher paying jobs and more financial security. However, in every province except Nova Scotia, a welfare recipient cannot be enrolled as a full time student and continue to receive benefits unless they are completing their high school requirements. Nova Scotia has introduced two programs that allow recipients to pursue post-secondary education

The Educate to Work program allows welfare recipients to enroll Nova Scotia Community College and receive a degree while still receiving benefits. In addition to receiving social assistance benefits, tuition and books are covered for program participants. Career Seek has the same objective of getting social assistance recipients into post-secondary education, but instead allows recipients to attend any post-secondary institution of their choice but tuition, books and child care are only covered for their first year.

In order to participate in the program, social assistance beneficiaries must prove to a case worker that pursuing post-secondary education will lead to them finding a job. This introduces a significant barrier to being admitted into the program as it is nearly impossible to guarantee the outcomes of post-secondary education.

Another innovation introduced in Nova Scotia in 2010 is the Harvest Connection program. The program is an employment support program that allows social assistance recipients to keep up to \$3,000 earned from seasonal harvest work, such as the harvesting of field produced crops (berries, vegetables and apples) and Christmas trees. Monthly earning exemptions can discourage seasonal work for income assistance recipients since income is generated during such a short frame and therefore more heavily clawed back. Harvest connection avoids this problem since the earning exemption is applied on a yearly basis. With the prevalence of seasonal work in many provinces, this program can supplement low-income workers' earnings without affecting their benefits.

Conclusion

To conclude, while many pilot programs have been attempted to try and help recipients transition from social assistance to the labour force, few permanent programs have been introduced. However, past experiments indicate that wage supplements combined with job readiness training can have lasting impacts on both recipients' well-being and financial security.

Permanent innovations for disabled persons are present in two provinces, but need to be introduced in the rest of the country. Given the additional costs associated with living with a

disability and the reality that employment is not always a feasible solution, providing adequate care for those who cannot earn a living should be a priority when discussing social assistance reform.

Nova Scotia has introduced a series of programs that address the systematic barriers faced by social assistance recipients. Eliminating barriers to education and encouraging seasonal are all simple innovations that other provinces could be following.