



POLICY STATEMENT

RENEWING OUR SOCIAL SAFETY NET

1. THE PROBLEM

Based on the most recent statistics available (August 1995) the number of people excluded from the B.C. labour market is about one out of six workers. One out of 10 British Columbians and one out of every 5 children under the age of five lives in a family receiving welfare.

Across this province, more and more working people are forced to rely periodically on some form of income support when they are sidelined by economic restructuring.

So-called "free trade" and a right-wing focus on the debt, deficit and spending cuts have forced more and more workers from the labour force, and onto public relief.

2. THE LIBERAL RESPONSE

At the federal government level, the Liberal government had continued the economic and social policy of its Tory counterparts.

Taking their cue from the same business lobbyists who had the ear of the Conservatives, the Liberal government has proposed massive cutbacks and restructuring of the Unemployment Insurance program, federal funding for post secondary education and social assistance and funding for community-based organizations.

These policies represent the biggest threat to federalism and Canada's continued survival as a nation:

- Until 1989, the federal government paid half of B.C.'s welfare costs. Today, while Ottawa continues to pay half of most other provinces welfare costs, their share of B.C.'s welfare cost has fallen to one-third. By December 1 this fiscal year, the federal government funds for welfare will be exhausted and the provincial government expects the welfare budget to be \$100 million over budget.

In 1990, 77 percent of the unemployed were collecting unemployment insurance, this year only 49 percent were eligible. Even those who are eligible exhaust their benefits more quickly and provincial welfare must now provide for these workers.

- In 1996/97, cash transfers from the federal government will be \$457 million less than in 94/95.

In 1997/98, B.C. will receive \$801 million less.

By 1997/98, reduced federal funding support for income assistance will have cost our province a total of \$2.38 billion over eight years.

3. PROVINCIAL ACTION - "B.C. BENEFITS"

On November 9, 1995, the NDP provincial government announced a major renewal of the province's social safety net. The program, dubbed "B.C. Benefits", is made up of five specific initiatives.

A Family Bonus program which will provide a monthly cheque of as much as \$103 for low income families with children. As well a Healthy Kids Program will provide dental and vision care benefits for low-income families.

Establish a pension and fund services targeted at persons with disabilities.

A shift in responsibility for under-19 children from welfare to services provided under the new child protection legislation.

A continued emphasis on fighting "fraud and abuse".

Helping people "move from welfare to work" through a new Youth Works program for young people aged 19-24 and "welfare to work" programming for adults 25 and over.

The most controversial component of this program are the rate reductions proposed for the following groups:

Single employable adults cut from \$546 to \$500 a month.

Employable couples cut from \$903 to \$811 a month.

Youth 19-24 year olds cut from \$546 to \$500 a month. If looking for work will receive \$546 for the first month.

The rate cuts affect 170,000 employable adults, and 85,000 young people 19-24 years old.

Persons with drug/alcohol dependency, cut from \$596 to \$550 a month.

A three-month residency requirement for those collecting welfare arriving from other provinces and countries.

The flat earnings exemption have been discontinued. Adults and the 19-24 year olds, can keep 25 percent of income, during a 12 month period. They used to be able to keep the first \$100, then 25 percent of all subsequent earnings. For families with dependents, the earnings exemption is continued for a transition period of three months.

In simple terms, the province says that savings from these rate reductions will pay for a doubling in training and rehabilitation programs for people in affected groups.

The rate changes take effect in January, 1996.

The province indicates that over time, the overall renewal program will result in a decreased number of people receiving welfare. Savings from this reduction will be used to pay for the Family Bonus and Healthy Kids programs.

4. THE FEDERATION RESPONSE

The B.C. Federation of Labour and its affiliates are united by our proud history and goal of improving the circumstances of working people. We are equally united in our commitment to achieve change, not just for workers, not just those in unions, but for all those who need our help to find a better life. As a result, any change to our social safety net is of major concern to this Federation.

The B.C. Benefits program contains many benefits for working families. Among them, the Family Bonus, the Healthy Kids initiative, the establishment of new programs for persons with disabilities, and the expansion of training and support programs for youth and adults are all worthy of support.

However, funding for these initiatives comes at the expense of income reductions for many workers currently relying on welfare for support. Compensating for reduced federal revenues by making the poor pay stands the principles of the labour movement on its head.

5. FEDERATION ACTION

Your Executive Council asks for your support in working to achieve positive results on the following recommendations:

- (a) The Federation continue to oppose the Liberal efforts to dismantle and reduce social assistance, unemployment insurance spending and educational funding and demand expanded social spending programs that will meet the real needs of Canadians during this period of economic restructuring.
- (b) The Federation and its affiliates through the Canadian Labour Congress, in conjunction with our coalition partners, pressure the federal government to lift limits on CAP funding and restore fair transfer payments so provinces can meet social needs.
- (c) The Federation and its affiliates, through the Canadian Labour Congress, in conjunction with our coalition partners, insist that until reciprocity agreements are signed between the provinces, the federal government accepts total financial responsibility for those moving from other provinces.
- (d) The Federation and its affiliates, through the Canadian Labour Congress, in conjunction with our coalition partners, insist that the federal government accept total financial responsibility for refugees.

- (e) The Federation and its affiliates, in conjunction with our coalition partners and other social partners, work to lobby the provincial government to restore income assistance rates and eligibility to at least their previous levels and that government provides sufficient staff to manage the program.
- (f) Reform of B.C.'s social safety net must have as its primary goal improving the health, education and living conditions of all British Columbians, especially the poor, the homeless and those without work. Unemployed workers of all ages on public assistance must have early access to training and skills assessment progress.
- (g) The Federation and its affiliates, through the B.C. Labour Force Development Board, work to provide all British Columbians with the relevant knowledge, skills and experience to cope with and master the changes sweeping the economy. A levy grant system on employers must be put in place so corporations pay their fair share of training.
- (h) The Federation renew our demands that our federal and provincial governments:
 - legislate a shorter work week and ban on overtime to help redistribute existing work;
 - place a high surtax on corporations using overtime hours;
 - reduce corporate welfare and supports for the rich by closing of tax loopholes and implementing a minimum corporate tax;
 - develop and implement industrial strategies that create jobs; and
 - increase the minimum wage benefits for part-time workers, and dramatically increase enforcement of employment standards legislation in B.C. workplaces.
- (i) The Federation will encourage affiliates to negotiate provisions that end overtime.

Adopted in Convention 1995
B.C. Federation of Labour