

# Poverty reduction in New Brunswick

## Submission to the Economic and Social Inclusion Corporation

### About the New Brunswick Women's Council

The New Brunswick Women's Council is an independent advisory body for study and consultation on matters of importance, interest, and concern to women and their substantive equality. Its objectives are:

- a) to be an independent body that provides advice to the Minister on matters of importance to women and their substantive equality;
- b) to bring to the attention of government and the public issues of interest and concern to women and their substantive equality;
- c) to include and engage women of diverse identities, experiences and communities, women's groups and society in general;
- d) to be strategic and provide advice on emerging and future issues; and
- e) to represent New Brunswick women.

In delivering on these objectives, the Women's Council may conduct or commission research and publish reports, studies, and recommendations. The Women's Council is directed by an appointed volunteer membership that includes both organizations and individuals. The work is executed by a small staff team.

## **Renewal of *Overcoming Poverty Together***

The next version of *Overcoming Poverty Together: The New Brunswick Economic and Social Inclusion Plan (OPT)* will be the fourth edition of *OPT (OPT4)* and mark 15 years of work by the Economic and Social Inclusion Corporation (ESIC). Given this, the Women's Council's submission to the public engagement process for *OPT4* is both retrospective and forward-looking. It largely focuses on *OPT*'s overall approach to poverty reduction rather than specific measures.

This submission provides an overview of the Women's Council's observations and analysis of the *Social and Economic Inclusion Act*, the background document ESIC prepared for the engagement process, and past editions of *OPT* and their related progress reports. It concludes with recommendations.

## ***Economic and Social Inclusion Act***

The vision, objective, structure, and timeline of *OPT* is set by the *Economic and Social Inclusion Act*, which became law in 2010 after the first version of *OPT* was adopted in late 2009.

In many ways, the Act's approach to poverty is comprehensive and promising. It defines poverty as "the condition of a person who lacks the resources, means, opportunities and power necessary to acquire and maintain economic self-sufficiency or to integrate into and participate in society."<sup>1</sup> It is laudable that the Act frames poverty as both an economic and social condition—one of exclusion, specifically.

As a counter to poverty, the Act speaks to people having resources not just to meet basic needs, but "to live with dignity, security and good health[,] "to participate fully in the economic and social activities of society[,] and be "included as full citizens through opportunities for employment, personal development and community engagement." The Act makes it clear that the objective of *OPT* is "reducing income poverty" and "achieving sustained economic and social inclusion."

There are also gaps in the Act's approach, however. First, poverty is individualized. While the Act recognizes that poverty is experienced by "[t]oo many citizens[,] it is ultimately regarded as "a condition of a person[.]" The Act doesn't recognize poverty as a systemic and structural issue. This poses a barrier to understanding why poverty is persistent and prevalent—and what measures will effectively address it.

Second, the Act only acknowledges power at the level of the individual.<sup>2</sup> The power that systems and institutions hold in relation to creating and maintaining poverty isn't broached. The Act also doesn't acknowledge the power imbalance between the different groups it tasks with addressing poverty. The Act is clear that government, the private sector, the non-profit sector, and all citizens of New Brunswick have a shared responsibility to address poverty. This is true and is worth naming. The issue is that there is no

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<sup>1</sup> *Economic and Social Inclusion Act*, Acts and Regulations of New Brunswick (2010, E – 1.105).

<sup>2</sup> There is a section of the Act titled "Power" but it defines ESIC's powers as a Crown Corporation. It does not deal with power in relation to the issue of poverty.

recognition that government has the power to address poverty at the structural level by either strengthening or eroding the province's social safety nets.

### **Progress to date**

To inform the public engagement process for *OPT4*, ESIC provided a background document titled *Looking Back to Move Forward*.<sup>3</sup> In it, ESIC shares work accomplished since 2010. The work it highlights includes the development of new programs and services as well as changes to the minimum wage and social assistance.

The new programs and services include two healthcare programs that aim to help people without private insurance (*Healthy Smiles, Clear Vision* and the *New Brunswick Drug Plan*); 211 (a "one-stop shop" information and navigation service); community transportation services; and financial literacy and tax filing services. These accomplishments will help people living in poverty mitigate the impacts of their socio-economic status and meet some of their basic needs by connecting them with care, services, and information.

On minimum wage, the background document notes that there have been frequent increases and it has been indexed to the cost of living.<sup>4</sup> For social assistance, the document explains that there has been an increase to the wage exemption, certain claw backs have been eliminated, and that rates are now indexed to inflation.<sup>5</sup> In recapping these successes, the document stops short of naming that, despite these changes, neither minimum wage or social assistance is enough to lift most people out of poverty. This only becomes apparent in the section of the document that provides an overview of the current poverty situation in New Brunswick.

### **Current situation in New Brunswick**

The background document provides a chart that shows provincial, Atlantic, and country-wide rates of poverty (as a percentage of the population) largely trending downward since 2009. There is a slight uptick in poverty rates in 2020-2021 (the last year that the chart shows) for Atlantic and country-wide rates, but not New Brunswick.<sup>6</sup>

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<sup>3</sup> ESIC has two such documents with the same title, one for the current renewal process and one for the renewal leading to *OPT3*. All references in this text are to the document for the current process.

<sup>4</sup> Increases to minimum wage and social assistance are currently tied to the Consumer Price Index (CPI). As the Women's Council has [previously noted](#), CPI is a widely used indicator of inflation but is not a measure of changes to the true cost of living and it does not measure factors in the maintenance of quality-of-life.

<sup>5</sup> See footnote 4.

<sup>6</sup> The New Brunswick Economic and Social Inclusion Corporation, "[Looking Back to Move Forward, Renewal of Overcoming Poverty Together: The New Brunswick Economic and Social Inclusion Plan](#)" (New Brunswick, 2024), p.14.

On minimum wage, the background document notes that:

Despite significant changes to the minimum wage rates in New Brunswick over the past several years, people making minimum wage are often living below the poverty line, especially if they are not receiving other government benefits.<sup>7</sup>

On social assistance, a chart illustrates the number of people receiving social assistance trending downward from 2012 to 2021 and then an increase in users from 2021-2022. The document notes that “Some people who are relying on social assistance to meet their basic needs are living in a state of deep poverty.”<sup>8</sup>

It is notable that the only disaggregated data that the document includes on the current state of poverty in the province is the percentage of minimum wage workers by age and sex. There is no exploration of poverty or social assistance based on sex. There is no exploration of poverty, social assistance, or minimum wage based on disability, Indigeneity, race, age, first language/mother tongue, citizenship status, etc.

It's similarly notable that the document doesn't flag that reported poverty rates from 2020-2021 were impacted by federal pandemic response programs like the Canada Emergency Response Benefit (CERB).

## **Past versions of *OPT***

### ***OPT1 (2009-2014)***

*OPT1* explicitly stated that poverty is a societal issue and that it has “a direct or indirect impact on everyone”<sup>9</sup>—much-welcome statements given the way that the *Economic and Social Inclusion Act* individualizes poverty. *OPT1* shared that the goal of the process of developing the plan was “to address the root causes of poverty through transformational change rather than by making marginal changes to programs that do not achieve the desired results.”<sup>10</sup>

*OPT1* included 30 priority actions. Many of these were concrete, unambiguous, and directly related to public policy (either legislation, regulations, policy within a department, or the provision of funding). Items included social assistance reform (with 13 sub-items identified); determining the details of a prescription drug program for non-insured citizens and beginning to phase it in; stable funding to homeless shelters; legislative protections for roomers and boarders; funding for community transportation; developing an integrated service delivery model for low-income people; access to early learning and child care; and literacy supports.

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<sup>7</sup> P. 15.

<sup>8</sup> P. 16.

<sup>9</sup> The New Brunswick Economic and Social Inclusion Corporation, “[Overcoming Poverty Together](#)” (New Brunswick, 2009), p. 5.

<sup>10</sup> P. 6.

As robust as *OPT1* was, there were some challenges with consistency. The plan’s description of desired outcomes stated that “The minimum wage will rise gradually to provide a living income for the employed.”<sup>11</sup> The actual priority action item, however, was “Raise the minimum wage to the Atlantic average by September 1, 2011, and adjust for inflation annually thereafter. Dialogue with stakeholders regarding the scheduling of increases.”<sup>12</sup> Whether reaching the Atlantic average and then adjusting for inflation would provide a living wage wasn’t addressed.

### ***OPT2 (2014-2019)***

*OPT2* was a notable departure from *OPT1*. The executive summary shared upfront that it “places emphasis on community capacity-building.”<sup>13</sup> It also stated that:

Many comments expressed during the *OPT2* process are being addressed at various levels in other plans and strategies already in place in New Brunswick. As such, it was determined that this plan should highlight priority actions not otherwise being addressed and serve as a complement to existing plans and strategies concerned with similar subject matter.<sup>14</sup>

What followed is a set of 28 priority actions that were much less concrete and actionable than those in *OPT1*. Where *OPT1* directed specific actions (e.g., updating policies, developing and phasing in programs, providing funding), *OPT2* spoke to fostering, supporting, encouraging, celebrating, promoting, etc.

Some concrete priority actions were included, but the actions associated with them remained high-level and vague in terms of who is responsible. For example, priority action four was to “Support creation of a ‘one-stop shop’ to inform people about government and non-profit organization programs related to economic and social inclusion.”<sup>15</sup> Who provides this support and what that support should look like was not addressed.

There were some concrete public policy items. A living wage was once again brought up—but it now needed to be studied, rather than outright achieved. Pay equity was also brought up for the first time in an edition of *OPT*, but also as an issue to be considered.

ESIC took on this work and, in 2017, convened an advisory committee. The committee published a report on both issues in November 2018. The report recommended “that Government adopt comprehensive pay

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<sup>11</sup> P. 8.

<sup>12</sup> P. 11.

<sup>13</sup> The New Brunswick Economic and Social Inclusion Corporation, “[The New Brunswick Economic and Social Inclusion Plan 2014-2019](#)” (New Brunswick, 2014), p. 5.

<sup>14</sup> P. 4.

<sup>15</sup> P. 12.

equity legislation that covers employees in both the public and private sector.”<sup>16</sup> It recommended further work to determine living wages for various cities in the province, to encourage employers to pay living wages, and to research other policy tools to reduce poverty. The final report-back on work accomplished under *OPT2* listed both priority action items as completed, noting the committee report, research underway on living wages, and that GNB completed pay equity exercises for five groups in the public service.

### **OPT3 (2020-2025)**

For the Women’s Council, an account of *OPT3* must begin with naming that it did not include pay equity or living wages in its priority actions—it didn’t mention either issue at all, in fact. Given that the ESIC committee recommended further work on living wages and that pay equity legislation be extended to the private sector, the absence of any mention of either issue is notable.

*OPT3* appears to have adhered to the decision in *OPT2* to focus on “priority actions not otherwise being addressed and serve as a complement to existing plans and strategies concerned with similar subject matter.”<sup>17</sup> It also said that “...ESIC will focus on achieving impact in economic and social inclusion, through a targeted number of priority actions.”<sup>18</sup>

These priority actions were largely more concrete and public policy focused than those included in *OPT2*. They included social assistance reform; consulting on changes to the *Employment Standards Act*; reviewing government programs, services, and tax policies targeted to low-income individuals and families; and school food programs.

Minimum wage was also addressed, again with the goal of the benchmarking it to the Atlantic average and then indexing annually (presumably to CPI). As with *OPT1*, there was no account of whether the Atlantic average is an adequate rate.

### **Responding to issues outside of OPT**

In preparing this submission, a question arose for the Women’s Council: is there a role for ESIC in responding to emerging issues in the province that are not included in the current edition of *OPT* when those issues have a direct impact on poverty, social inclusion, and economic inclusion?

Take, for example, government’s proposed *Compassionate Intervention Act*. Based on information government has provided the public with to date, the Act would allow judges and hearing officers to order people with Substance Use Disorder (SUD) who are not meeting their basic needs into involuntarily

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<sup>16</sup> ESIC Advisory Committee on Living Wage and Pay Equity, “[Report on Living Wage and Pay Equity](#)” (New Brunswick, 2018), p. 2.

<sup>17</sup> The New Brunswick Economic and Social Inclusion Corporation, “[The New Brunswick Economic and Social Inclusion Plan 2014-2019](#)” (New Brunswick, 2014), p. 4.

<sup>18</sup> The New Brunswick Economic and Social Inclusion Corporation, “[Overcoming Poverty Together 3 The New Brunswick Economic and Social Inclusion Plan](#)” (New Brunswick, 2014), p. 20.

treatment. The proposal has been met with significant concern, [including from the Women's Council](#). Does ESIC have a role to play in speaking to this proposed legislation from a perspective of poverty and social inclusion/exclusion? It is, after all, people who are visibly poor (and particularly those who are homeless) who would be most likely to be subjected to involuntary treatment orders and who would also face increased barriers to accessing services (regardless of whether or not they are struggling with SUD) because of the stigmatizing effect this legislation would have.

ESIC is not an independent advisory body like the Women's Council. It also isn't an entity mandated to forward principles, promote understanding, or develop and conduct educational programs like the Human Rights Commission. ESIC is a Crown Corporation charged to, as per its Act, "lead the implementation and evaluation of the Provincial Plan and the development and adoption of other Economic and Social Inclusion Plans" and "to coordinate and support community inclusion networks in the development of their local plans and in the implementation of the objectives of the Provincial Plan set out in their local plans[.]"<sup>19</sup>

It may well not be within ESIC's legislated objects, purposes, and powers to address an emerging issue like the proposed *Compassionate Intervention Act*. The structure of ESIC's board may also make speaking out on emerging issue public policy issues challenging. The board, by law, includes a minister as one of the vice-chairs, three ministers as non-vice chairing members, as well as the Leader of the Official Opposition (or their designate).

If ESIC doesn't or cannot have such a role, this means that emerging issues that directly impact people in poverty must wait to be addressed on a five-year *OPT* renewal cycle. While this may respect how the *Economic and Social Inclusion Act* structures *OPT* and ESIC, it also impacts the relevance and effectiveness of the *OPT* approach to addressing poverty.

This isn't the only issue of scope that arises with *OPT* and ESIC. As previously noted, *OPT2* shared a decision to "highlight priority actions not otherwise being addressed and serve as a complement to existing plans and strategies concerned with similar subject matter."<sup>20</sup> This presumably impacts not only which issues become priority actions but also the multiple progress reports that are issued for each edition of *OPT* as well as the background documents prepared for each renewal of *OPT*. While these reports and documents may provide a global view of rates of poverty, social assistance use, and minimum wage earners, they will not provide a comprehensive overview of efforts to address poverty in the province as they will only be focused on actions tied to *OPT*. This is a system-centered approach (with *OPT* being the system) rather than an approach that centres the issue or impacted groups of people. It is also a siloed approach, which undermines *OPT's* emphasis on collaboration.

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<sup>19</sup> [Economic and Social Inclusion Act](#), Acts and Regulations of New Brunswick (2010, E – 1.105).

<sup>20</sup> The New Brunswick Economic and Social Inclusion Corporation, "[The New Brunswick Economic and Social Inclusion Plan 2014-2019](#)" (New Brunswick, 2014), p. 11.

## Recommendations

The Women's Council's overarching recommendation is for *OPT4* to approach poverty as a systemic and structural issue that takes place within a context of power relations. Following this, the Women's Council also recommends that *OPT4* recommit to the goal of *OPT1* "to address the root causes of poverty through transformational change rather than by making marginal changes to programs that do not achieve the desired results."<sup>21</sup>

Doing this would require:

- Setting priority actions that are concrete and unambiguous.
- Setting priority actions that create structural changes through public policy. This should include, but not be limited to, including priority actions on implementing living wages and pay equity for all sectors.
- Consistently providing disaggregated data in reporting on poverty, social assistance, and minimum wage rates.
- Ensuring that progress reports and background documents for future *OPT* renewals immediately and consistently put progress on priority actions in context (e.g., when reporting on increases to minimum wage or social assistance, name upfront whether the increased rates still leave people receiving them below the poverty line).
- Ensuring that progress reports and background documents for future *OPT* renewal processes report back on priority actions that have not advanced or have only been partially addressed. An example where more details would be useful is the October 2022 progress report that noted "adjustments to the *Employment Standards Act*"<sup>22</sup> multiple times but offered no specifics.
- Providing more information when *OPT* is impacted by strategic or operational constraints. An example is when *OPT2* shared that it would "highlight priority actions not otherwise being addressed and serve as a complement to existing plans and strategies concerned with similar subject matter."<sup>23</sup> The Women's Council assumes that this direction was taken because ESIC is provided with finite resources and so it must make strategic decisions on the scope and focus of its work. It would be helpful if these decisions (e.g., to only focus on poverty reduction actions not being addressed elsewhere) were not only identified but explained. Ideally, the explanation would also share the drawbacks to the decision. This would help ensure that other entities looking to ESIC as a model on poverty reduction understand that some of the ways that it approaches its work are in fact trade-offs based on capacity and not necessarily best-practice.

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<sup>21</sup> The New Brunswick Economic and Social Inclusion Corporation, "[Overcoming Poverty Together](#)" (New Brunswick, 2009), p. 6.

<sup>22</sup> The New Brunswick Economic and Social Inclusion Corporation, "[Overcoming Poverty Together The New Brunswick Economic and Social Inclusion Plan 2020-2025 Progress Report 2022](#)" (New Brunswick, 2022), p. 3, p. 14, p. 29.

<sup>23</sup> The New Brunswick Economic and Social Inclusion Corporation, "[The New Brunswick Economic and Social Inclusion Plan 2014-2019](#)" (New Brunswick, 2014), p. 4.



- Considering what, if any, role ESIC has in responding to public policy issues that emerge between editions of *OPT*. If ESIC should have a role but it cannot due to its legislated objects, purposes, powers, board structure, etc., then ESIC could either consult on changes to the *Economic and Social Inclusion Act* or use *OPT4* to acknowledge this limitation and provide an account of how it will be mitigated.