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UNEQUAL INCOME SUPPORT AND THE CASE FOR A UNIVERSAL BASIC INCOME:

An Intersectional Policy Analysis of COVID- Related Housing Policies

A University of Guelph COVID Catalyst Research Project

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COVID-19 POLICY ANALYSIS: Unequal Income Support and the Case for a Universal Basic Income

About the Research

This document presents our analysis of income-related policies implemented during the initial months of the COVID-19 pandemic.¹ We examined all income support legislation enacted from March 15th to June 30th, 2020 by the federal government, the province of Ontario, the city of Guelph, and the counties of Dufferin and Wellington. We also included announcements of changes to key income support programs, even if these did not require legislative approval. Further, we considered the government's efforts to engage with people most affected by the policies in question.

It is part of a series highlighting key findings and policy recommendations that emerged from a project aimed at better understanding the impacts of COVID-19 on the day-to-day lives of people living with poverty in small urban and rural communities; and identifying and responding to policy gaps in government responses to the pandemic.

Our analysis of the above-noted income policies (see also Table 1) was informed by five scoping interviews with service providers; interviews and focus groups with 23 participants who self-identified as living with poverty; and a scan of relevant literature. We used a mode of policy analysis called "intersectionality-based policy analysis" or IBPA. Drawing on the Black feminist conceptualization of intersectionality, IBPA examines how the complex interrelation of different dimensions of identity can inform our understanding of public policies.² This research was funded by a University of Guelph COVID-19 Catalyst Grant and conducted in partnership with A Way Home Canada (AWAC), the Guelph-Wellington Taskforce for Poverty Elimination (GWTPE), and Services and Housing in the Province (SHIP).



I would like my government to acknowledge the fact that I'm a living, breathing human being and I have some value. And it's not less than a thousand dollars a month.



¹ The analysis and writing were completed by Drs. Laura Pin and Leah Levac, with support from Erin Rodenburg, Kelly Hatt, and Jee-Ho Paik. This policy brief was reviewed by Drs. Deborah Stienstra, Belinda Leach and Kate Parizeau, as well as staff from partner organizations AWAC, GWTPE and SHIP.

² Hankivsky, O., Grace, D., Hunting, G., Ferlatte, O., Clark, N., Fridkin, A., & Laviolette, T. (2012). Intersectionality-based policy analysis. In O. Hankivsky. (Ed.). *An Intersectionality-Based Policy Analysis Framework*, pp. 33-45. Institute for Intersectionality Research and Policy, Simon Fraser University.

The Problem: Income Oversights on Top of Existing Income Insecurity

With the start of the COVID-19 pandemic came major impacts on the ability of many people in Canada to meet basic needs, both due to a decline in incomes and an increase in the cost of many essential goods and services.³ In Canada, the federal government and provincial governments responded by enacting several income support policies to help ensure Canadians were able to maintain access to housing, food, hygiene products and other necessities. These actions displayed a recognition on the part of the state of what researchers have long known: income security is an important determinant of health. The disproportionate health impacts of the COVID-19 pandemic have been on those who have low incomes, and who are racialized, disabled, without migration status, Indigenous, and otherwise structurally marginalized, which reinforces the importance of income security as a key dimension of social equity (McGregor, 2020; Mo, 2020).

The inadequacy of social assistance programs such as Ontario Works (OW) and the Ontario Disability Support Program (ODSP) to meet basic needs has been described by anti-poverty advocates as “legislated poverty”.⁴ Prior to the COVID-19 pandemic, the poverty gap for individuals who receive social assistance in Ontario was well documented, and increasing (Tiessen, 2016). During the COVID-19 pandemic, the government responded by creating a number of new income support programs and adjusting existing supports.

Despite the greater impact of the COVID-19 pandemic on people living with poverty, our policy analysis demonstrates that yet again, these individuals have been left out of the government’s social policy response. We document three main ways the exclusion of people living with poverty has occurred in income support policies enacted in

response to COVID-19:

- By relying heavily on labour market attachment and involuntary loss of employment to determine income need
- By providing temporary and limited income support that did not match the duration of the effects of the pandemic
- By excluding people with lived experience of poverty from policy development and evaluation

Labour Market Attachment and Income

Supports. Income support measures were a major component of the social policy response to COVID-19, both federally and provincially (see Table 1). The most substantial income support policies in terms of expenditure were the Canada Emergency Wage Subsidy (CESW) and the Canada Emergency Response Benefit (CERB). Together these federally funded programs accounted for over 90% of all federal and provincial income support spending. The CESW provides 75% (up to \$847 per week) of eligible employee remuneration on behalf of an eligible employer. The CERB provided taxable income support of \$2000 per month to eligible recipients who could demonstrate a loss of employment income during the pandemic.⁵

³ Statistics Canada. 2021, March 1st. Household economic well-being during the COVID-19 pandemic, experimental estimates, first quarter to third quarter of 2020. <https://www150.statcan.gc.ca/n1/daily-quotidien/210301/dq210301b-eng.htm>; Petit, G., & Tedds, L. M. (2020). The Effect of Differences in Treatment of the Canada Emergency Response Benefit across Provincial and Territorial Income Assistance Programs. *Canadian Public Policy*, 46(S1), S29-S43.

⁴ Clarke, 2018. Doug Ford’s War on Ontario’s Poor. <https://socialistproject.ca/2018/11/doug-fords-war-on-ontarios-poor>

⁵ The final cost of CERB, which operated from March to October 2020, is estimated to be \$74 billion. Approximately 9 million unique recipients accessed CERB. For more details, see: <https://www.canada.ca/en/services/benefits/ei/claims-report.html>

Table 1: Major Income-Support Policies in Response to COVID-19 at the Federal and Provincial Levels enacted from March to June, 2020

Policy	Level of Government	Employment Linked	Date in Effect	Expenditure
Canada Emergency Wage Subsidy	Federal	Yes	April 2020 – Present	\$85.6 billion
Canada Emergency Response Benefit	Federal	Yes	May-October 2020	\$74 billion
Canada Emergency Student Benefit	Federal	Partially ⁶	May-August 2020	\$5.25 billion
Payment to Seniors	Federal	No	April 2020	\$2.5 billion
Canada Child Benefit Increase	Federal	No	April-August 2020	\$2 billion
Residential Electricity Relief	Provincial	No	March 2020 - Feb 2021	\$1.5 billion
Temporary Pandemic Pay	Provincial and Federal	Yes	April - August 2020	\$1.5 billion
Support for Learners	Provincial	No	April 2020	\$0.38 billion
On- Reserve Income Assistance Program	Federal	No	June 2020- Present	\$0.27 billion
Payment to Social Assistance Recipients	Provincial	No	March-July 2020	\$0.11 billion

Our analysis found that the majority of income-support spending was based on current or recent labour-market attachment. To benefit from the CESW, individuals needed to be a current employee of a qualifying non-government employer. To access CERB, individuals were required to demonstrate sufficient labour-market attachment over the previous 12 months.

The use of labour-market attachment, rather than need, to allocate income assistance is concerning on a number of levels. Exclusion from the labour market overlaps with other dimensions of structural vulnerability: racialized people, disabled people, social assistance recipients, Indigenous people, lone mothers, and youth, are less likely to be formally employed, and more likely to be living with poverty.⁷ Many of these groups also experienced intersecting vulnerabilities related to the COVID-19 pandemic. For instance, people with disabilities struggling to find work

before the pandemic could not receive CERB.⁸ One woman with a disability who was also a lone parent of a young child explained:

“ I’m an ODSP recipient... I couldn’t order groceries like other people, I still had to go to foodbanks. And my daughter had to come with me.

⁶To access CESB, previous employment was not required, but applicants required to demonstrate they are actively looking for work.

⁷Wall, Katherine. 2017. Low income among persons with a disability in Canada. Statistics Canada. Citizens for Justice. 2015. On the Margins: A Glimpse of Poverty in Canada. <https://www.cpj.ca/on-the-margins>

⁸Pettinicchio, D., Maroto, M., Chai, L., & Lukk, M. (2021). Findings from an online survey on the mental health effects of COVID-19 on Canadians with disabilities and chronic health conditions. *Disability and Health Journal*, 101085.

In this case, lone parenting intersects with a lack of income support to necessitate risky exposure by taking a young child to a foodbank.

People without employment or recent employment history often receive income support through social assistance programs like Ontario Works (OW) and the Ontario Disability Support Program (ODSP). The creation of an entirely new income support program – CERB – in response to widespread employment income loss, reinforces the inadequacy of existing social support measures.⁹ There is significant variation in monthly payments between CERB, CESB, and regular social assistance programs (Table 2).

Table 2: Major Income-Support Programs in Ontario, 2020 Rates				
	CERB	CESB	ODSP	OW
Monthly payment for a single individual	\$2000	\$1250	\$1170	\$733
Taxable	Yes	Yes	No	No
Monthly employment earnings before deduction	\$1000	\$1000	\$200	\$200
Asset-tested	No	No	Yes	Yes
Additional notes			\$100 per month top up from March to June 2020 in response to COVID-19	\$100 per month top up from March to June 2020 in response to COVID-19

The material consequences of delinking income support from needs are concerning. For example, the minimum employment income threshold of \$5,000 to qualify for CERB means that many individuals on ODSP or OW who lost supplemental employment income were shut out of the program.¹⁰ Vanessa, a woman with a disability who experienced part of the COVID-19 pandemic homeless, lost her parttime job in March 2020 when her employer shutdown. She explained,

“ My part-time job was probably an extra \$400 [a month] maybe. Not much but it gave me a purpose in the community... because I don’t have my part-time job my ODSP pays for the rent and that’s it.

Despite the loss of employment income due to the COVID-19 pandemic, Vanessa was unable to access CERB or other supplemental income support. People juggling employment and childcare may also have been excluded from income support. One woman recounted how her hours at work were cut due to COVID-19

related declines in customers so she could no longer afford childcare, but if she voluntarily left her job, she would be ineligible for CERB. These stories emphasize the way gendered labour and caregiving intersect with access to income supports.

Temporary and Limited Support. A second issue is the temporary and time-limited nature of many COVID-19 income support policies. With the exception of CESW, where the payments go to non-government employers, most income support programs had ceased by October 2020,

⁹ Thank you to a member of the Guelph and Wellington Taskforce for Poverty Elimination for making this observation at a preliminary presentation of the data.

¹⁰ Approximately 11% of social assistance recipients supplement their assistance with employment earnings, averaging \$854 per month. Many social assistance recipients earn less than \$5000 in calendar year, the minimum threshold to qualify for CERB. Of those earning more than \$5000, others expressed concern around the loss of subsidiary health and dental benefits in moving from social assistance to CERB, as well as fear penalties and taxation.

despite this coinciding with the start of a second wave of the pandemic which has led to greater numbers of daily infections and deaths from COVID-19 than the during the first wave of the pandemic. Many targeted forms of income support, such as increases to the Canada Child Benefit, payments to seniors, and limited top-ups to social assistance recipients, were limited to one-time payments, in recognition of the pandemic as a temporary and exceptional event. Nonetheless, the impact of the pandemic on livelihoods has been ongoing, and intermittent closures of schools, businesses and recreation facilities from October 2020 to May 2021 indicate that the impacts of COVID-19 are far from over. In fact, continuing support for programs that benefit employers, such as the federal CESW program, and provincial electricity subsidies, indicate awareness that the impacts of COVID-19 continue to be felt.

Participatory and Geographic Exclusions. There is little to no evidence of public participation being sought in the development of income support policies in response to the COVID-19 pandemic. While moving quickly in an emergency is important, given the ongoing nature of the pandemic, as well as the potential of digital technologies of public engagement, this is an important absence. Public engagement in policy development helps mitigate the uneven access to decision-makers that results from the current lobbying system at the federal and provincial levels. Moreover, many service agencies and advocacy groups quickly put forward explicit policy recommendations concerning income support, indicating that analysis and consultation work can be done quickly when it draws on existing expertise and knowledge.

Public engagement in policy development and evaluation is important because it draws attention to limitations and challenges in existing modes of service provision. In our dialogue with people with lived-experience of poverty, a number of issues with COVID-19 income support programs

arose that are not readily apparent from analysis of the policy documents alone. First, the provision of income supports primarily through online portals created specific barriers to people in rural areas, and people who were low-income – both groups are less likely to have adequate Internet access.¹¹ Although supplemental services are available by phone, people with whom we spoke reported difficulties when actually accessing these including unreturned calls and long waiting times.

Income supports targeting people on social assistance, namely the \$100 monthly top-up from March to June, 2020, required a complex application process, which necessitated communication with a case-worker at a time when these workers were not working from their regular offices, and many were overburdened with responding to the crisis. Some individuals were not informed of this payment until it was too late to access the support, as the payment is not available retroactively. These administrative barriers limited the full impact of this already marginal income support program.

People Living with Poverty Deserve Equitable Treatment

Service providers and people living with poverty often articulated that they simply wanted equitable treatment: recognition that they need the same degree of income support as other Ontarians to survive. Janet, a woman reliant on social assistance, expressed frustration at the differential level of support available for social assistance recipients, stating *“when they said that people deserve two thousand dollars, except if*

¹¹ Federation of Canadian Municipalities. 2014. Broadband Access in Rural Canada: The role of connectivity in building vibrant communities. <https://fcm.ca/sites/default/files/documents/resources/report/broadband-access-rural-canada.pdf>; Canadian Radio-television and Telecommunications Commission. See also CRTC. 2020. Closing the Digital Divide in Canada. <https://crtc.gc.ca/eng/internet/internet.htm>

you're disabled like myself or on welfare, then you don't deserve even close to, even half of that." A number of service providers described an "equity gap" in the government's approach to income support, where lone parents of young children, people with disabilities, and youth, were more likely to be left out of pandemic income support initiatives. Often these categories of exclusion intersect with experiences of racialization, Indigeneity, gender, remoteness, and sexual diversity, further highlighting the equity gap of the current approach to income support.¹²

A Guaranteed Livable Basic Income

People living with poverty were living through a crisis well before the pandemic because of the inadequacy of current social policy responses, including income support programs. Temporary and one-time payments during the pandemic have provided some immediate relief but have done little to address the long-term dynamics of these issues, which disproportionately impact structurally vulnerable groups including racialized people, disabled people, lone mothers, youth, and older people on fixed incomes.¹³ This research points to the need to address inequality and poverty through a universal basic income (UBI) program. Federal investment in the CERB and now Canada Response Benefit (CRB) provides important impetus for moving towards a universal income support program. For people living with poverty before and during the pandemic, a shift to a UBI would mean a more equitable basis of support. While such a program cannot and should not replace investments into complementary social services such as supportive housing, affordable housing, health care services, and access to education and training, researchers suggest a UBI "may also improve peoples' health by limiting the number of intrusive contacts with authorities and reducing financial insecurity."¹⁴ One service provider suggested that the presence of a livable UBI program would have

significantly reduced the negative impacts of the pandemic, saying

"If we had folks given basic income...if we had all of that done and we applied the social determinants of health, then we would have a pandemic but it wouldn't be a pandemic."

Particularly in the context of the COVID-19 pandemic, when financial insecurity and concomitant negative impacts create new risks, adequate income support at a level that allows for dignity and wellbeing is a matter of public health.¹⁵ As one participant, a man receiving social assistance stated, *"I would like my government to acknowledge the fact that I'm a living, breathing human being and I have some value. And it's not less than a thousand dollars a month"*. Another participant put it even more bluntly: *"Get on with the basic income and trust Canadians. That's what I want to say to policy makers."*

¹² For instance, a report by Egale found that people who identified as LGBTQI2S experienced a more severe income drop during the pandemic than people who did not identify as such, and this income drop was more pronounced for people who identified as LGBTQ+ and Indigenous or racialized. For more details see: Egale Canada and the African Civic Engagement Council. 2020. Impact of COVID-19 on Canada's LGBTQI2S Community. https://egale.ca/wp-content/uploads/2020/08/COVID-2_EgaleACCECIRG-FINAL.pdf. Also see: Thompson, S., Bonnycastle, M., & Hill, S. (2020). COVID-19, First Nations and Poor Housing. Canadian Centre for Policy Alternatives

¹³ Koebel, K., Pohler, D., Gomez, R., & Mohan, A. (2020). Public policy in a time of crisis: A framework for evaluating Canada's covid-19 income support programs. *Canadian Public Policy*. doi:10.3138/cpp.2020-117

¹⁴ Ståhl, C., & MacEachen, E. (2020). Universal basic income as a policy response to COVID-19 and precarious employment: Potential impacts on rehabilitation and return-to-work.

¹⁵ Canadian Mental Health Association. 2020, Sept. The Universal Basic Income: An Idea Whose Time Has Come? <https://cmha.ca/news/the-universal-basic-income-an-idea-whose-time-has-come>