

Poverty Reduction Policies and Programs

Restoring Hope or Treading Water?

New Brunswick

By Kurt Peacock
University of New Brunswick Saint John

Social Development Report Series, 2009
Commissioned by the CANADIAN COUNCIL ON SOCIAL DEVELOPMENT



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Poverty Reduction Policies and Programs

NEW BRUNSWICK

Restoring Hope or Treading Water?

INTRODUCTION

In his compelling political memoir, *Gentlemen, Players, and Politicians*, Dalton Camp offered a bleak description of life for ordinary New Brunswickers in the years immediately after World War II: “Men consumed by idleness ...women worn by harsh routine, bearing the pallor of self-neglect,” Camp wrote, “the children with bad teeth, the early beginning of a life-cycle of decay...” (Camp, 1970). The province they lived in was not a place of economic opportunity, nor was it a place in which families could guarantee that their children’s quality of life would be measurably better than their own. Instead, New Brunswick was a place where far too many families were treading water in a provincial economy ill-equipped to offer much in the form of a life jacket.

Camp’s effective literary talents created a jarring visual image that deliberately dismantles the sunny optimism of the province’s official motto, “Hope restored.” By describing a New Brunswick that is vastly different from the picture-perfect province most Canadians read about in travel brochures, he hoped to further his narrative of reform through political change.

And political change has occurred, from Louis Robichaud’s 1960s program of Equal Opportunity onward. A modern welfare state and the arrival of fiscal transfers from Ottawa have certainly altered the social landscape of New Brunswick. Yet more than 60 years after what Dalton Camp described in Dickensian terms as listless New Brunswickers without hope, and despite the fact that countless reforming premiers since Robichaud have promised new ideas for New Brunswick, the families Camp chronicled can still be readily found. And as New Brunswick faces a new century with yet another young crusading premier and turbulent economic challenges, the question of social progress in New Brunswick remains straightforward: Has much really changed, either through the actions of a particular cabinet, or the efforts of activists pushing for reforms?

According to the latest Census statistics, Camp’s bleak assessment still provides an accurate description of the economic challenges for at least some portion of New Brunswick’s population. Close to 100,000 New Brunswickers live below Statistics Canada’s Low Income Cut-offs – more than the population of Saint John, the province’s biggest city. At the same time, the province is undergoing an era of relative prosperity. The unemployment gap between New Brunswick and Canada is the lowest it has been in decades and for the first time in a long time, the unemployment rate in NB is below double digits; for workers, employment prospects in Saint John, Moncton and Fredericton are equivalent to prospects in Toronto or Montreal. However, the same cannot be said in many rural counties, with resource

economies struggling and entire sections of the province being depopulated as young New Brunswickers continue to “go down the road” in search of work.

What do these conflicting numbers mean for social development? Economic cycles change, and the prospect of a major North American recession suggests that the overall New Brunswick economy might not look as rosy in the near future. As a result, there will be added pressures on the provincial government – and on the non-profit sector – to adapt. Rising energy costs, a weakening economy, and an aging provincial population all add up to serious public policy dilemmas. The next few years will likely present a significant challenge: translating the province’s eternal hope into a better, more inclusive New Brunswick, while a small provincial economy attempts to navigate a stormy North American recession.

It is important to examine how New Brunswick’s social development has progressed in recent years in order to help understand the road ahead. Are there many ordinary New Brunswickers who are barely treading water in the new century, or has hope been restored in a province that was badly hit by the last North American recession? Are large numbers of residents at risk of falling even further behind during this latest economic downturn? To help answer these questions, it is necessary to examine recent Census data on incomes and employment, the response of government to social development, and finally, the response of community groups to the challenges facing the province. This study undertakes a broad examination of social development in New Brunswick, utilizing Statistics Canada surveys, government reports and other sources to follow trends from 1991 to 2006.

A SHIFTING ECONOMY, FROM RURAL GOODS TO URBAN SERVICES

Historian Richard Wilbur recently published a compilation of essays on New Brunswick from 1960 to 2006 (UNB, 2008). Throughout most of this period, the economic conditions were particularly bleak: constant downturns in the mining and forestry sectors, poor employment prospects, and a reliance on federal government funding dominate the narrative. This was particularly true both during and immediately after the recession of the early 1990s, when the provincial unemployment rate held firm in the double digits (it finally dropped to 9.3% in 1999). The economy was not uniformly negative throughout the 1990s, however. Wilbur noted an economic shift in New Brunswick, as rural counties in the province declined in population and economic activity, while urban counties consolidated economic gains. Keen to reduce the double-digit unemployment rate, provincial government officials increasingly looked to the more urbanized service sector for salvation as New Brunswick shifted its economic base. And what was the result of these economic development strategies, often with financial assistance attached? According to Wilbur, it was “job-creating ceremonies, most of them in Moncton and Saint John” (Wilbur, 2008, p. 213).

Yet the 1990s decline in goods-producing industries was not limited to the rural counties. Saint John witnessed one of the steepest declines in the manufacturing sector of any Census Metropolitan Area, as its shipbuilding tradition came to an abrupt end (Statistics Canada, 2004). These turbulent economic

conditions had a profound impact. As New Brunswick became more suburban than rural – with the fastest growing communities being Dieppe and Quispamsis – it became less attached to its traditional resource economy, and more dependent on low-wage employment in the service sector in order to make ends meet. The first few years of the new century confirmed this trend, as employment gravitated towards the counties either neighbouring or encompassing the three urban centres of Saint John, Fredericton and Moncton (see Figure 1). Westmorland County, home to both Moncton and the fast-growing Dieppe, became a particular draw for francophone New Brunswickers as employment prospects in Northern counties like Restigouche and Gloucester diminished.

Figure 1

| Trends in Labour Force Participation, New Brunswick Counties, 1990 to 2005 | | | | | |
|---|-------------|-------------|-------------|-------------|----------------------------------|
| | 1990 | 1995 | 2000 | 2005 | % change 1990 to 2005 |
| New Brunswick | 355,695 | 364,055 | 365,040 | 376,980 | 6.0% |
| Saint John | 39,825 | 37,505 | 36,440 | 37,235 | -6.5% |
| Charlotte | 12,870 | 13,585 | 13,495 | 13,365 | 3.8% |
| Sunbury | 13,000 | 13,140 | 14,075 | 14,025 | 7.9% |
| Queens | 5,510 | 5,551 | 5,590 | 5,385 | -2.3% |
| Kings | 30,850 | 32,615 | 32,365 | 34,720 | 12.5% |
| Albert | 13,660 | 14,070 | 14,385 | 14,810 | 8.4% |
| Westmorland | 58,775 | 62,695 | 67,100 | 73,350 | 24.8% |
| Kent | 14,990 | 15,670 | 15,655 | 15,565 | 3.8% |
| Northumberland | 24,205 | 24,010 | 23,160 | 22,965 | -5.1% |
| York | 44,985 | 46,620 | 47,575 | 50,165 | 11.5% |
| Carleton | 12,595 | 13,335 | 14,000 | 14,020 | 11.3% |
| Victoria | 9,340 | 10,325 | 9,590 | 9,970 | 6.7% |
| Madawaska | 16,650 | 17,620 | 17,685 | 17,730 | 6.5% |
| Restigouche | 17,545 | 17,050 | 15,440 | 15,435 | -12.0% |
| Gloucester | 41,170 | 40,300 | 38,475 | 38,250 | 7.1% |

Source: Statistics Canada, Census Reports, 1991, 1996, 2001 and 2006.

As labour force conditions between rural and more urban counties diverged, a similar shift in labour force participation emerged along gender lines in the decade from 1996 to 2006 (see Figure 2). In many counties, the male labour force was stagnant or actually declined, while the female labour force grew by 10%, with gains across the province. Despite its historical linkages to traditional male-based industrial occupations such as resource extraction, the New Brunswick economy is becoming more and more dependent on an expanding women's workforce. In fact, according to Statistics Canada, New Brunswick has had the largest increase in employment rates among women of all the provinces over the last 30 years.

Figure 2

| | Men in Labour Force | | | Women in Labour Force | | |
|----------------|----------------------------|-------------|-----------------|------------------------------|-------------|-----------------|
| | 1996 | 2006 | % Growth | 1996 | 2006 | % Growth |
| | New Brunswick | 198,000 | 199,945 | 1.0% | 166,100 | 183,020 |
| Saint John | 19,840 | 19,140 | -3.5% | 17,665 | 18,880 | 6.9% |
| Charlotte | 7,505 | 7,060 | -5.9% | 6,080 | 6,545 | 7.6% |
| Sunbury | 7,470 | 7,840 | 5.0% | 5,665 | 6,405 | 13.1% |
| Queens | 3,175 | 3,000 | -5.5% | 2,375 | 2,500 | 5.3% |
| Kings | 18,160 | 18,675 | 2.8% | 14,455 | 16,460 | 13.9% |
| Albert | 7,530 | 7,570 | 0.5% | 6,540 | 7,400 | 13.1% |
| Westmorland | 33,115 | 38,055 | 14.9% | 29,580 | 36,150 | 22.2% |
| Kent | 8,867 | 8,405 | -5.2% | 7,787 | 7,405 | -4.9% |
| Northumberland | 13,495 | 12,495 | -7.4% | 10,515 | 11,065 | 5.2% |
| York | 24,780 | 26,350 | 6.3% | 21,840 | 24,485 | 12.1% |
| Carleton | 7,635 | 7,500 | -1.8% | 5,700 | 6,605 | 15.9% |
| Victoria | 5,645 | 5,335 | -5.5% | 4,675 | 4,840 | 3.5% |
| Madawaska | 9,485 | 9,565 | 0.8% | 8,140 | 8,445 | 3.7% |
| Restigouche | 9,395 | 8,335 | -11.3% | 7,655 | 7,505 | -2.0% |
| Gloucester | 22,115 | 20,620 | 6.8% | 18,185 | 18,315 | 0.7% |

Source: Statistics Canada, Census Reports, 1991, 1996, 2001 and 2006.

The importance of these economic shifts from rural to urban areas and towards greater gender equity in labour force participation rates (but not in earnings), has not yet been fully recognized by policy-makers in New Brunswick – although the significance of these trends has certainly been noticed in the social sector. Provincial officials still pour economic development dollars into rural areas and mature industries through the development of regional funding schemes, yet urban areas are under-funded with newer funding mechanisms like the gas tax. A disconnect over policies for labour force development also appears in official government policy. Much of the government’s current economic development strategy is tied to the construction of a provincial “energy hub,” and the promise of thousands of jobs in the male-dominated industrial construction sector. Conversely, as provincial officials tighten their belts in advance of an expected economic downturn, workers in traditionally female-dominated occupational groups such as health care, education, and social assistance providers are expected to be the first to see pink slips.

While the New Brunswick government has been slow to adapt to the new labour force realities, many of the recent social policy reforms in the province – such as changes to employment insurance in the mid-1990s, or various child care strategies coming out of Fredericton – have been the subject of intense discussion and debate among social actors. The province’s economy has indeed changed over the last 15 years, and residents have been vocal in calling upon government to adapt accordingly.

Too often, however, these discussions have been hindered by geographic, economic or cultural divisions. Single mothers in Saint John’s North End have been just as overwhelmed by these economic

changes as the underemployed woodsmen in Madawaska or Miramichi, yet these disparate groups very rarely encounter each other outside of yet another government-sponsored task force. The result is a diminished public sphere in New Brunswick and with that, a diminished opportunity to influence social development.

SOCIAL DEVELOPMENT CHALLENGES IN NEW BRUNSWICK

From the 1991 recession until the present, the employment gap between New Brunswick and the rest of Canada has gradually been reduced; by 2008, the provincial unemployment rate was only two percentage points above the Canadian average: 8% in New Brunswick compared to 6% in Canada (Statistics Canada, 2008). The gap in labour force participation rates has also dropped, from a seven point gap in the early 1990s to a gap of roughly 3.5 points by 2008: a participation rate of 64% in New Brunswick versus 67% for Canada (Statistics Canada, 2008). Over this same period, the gap in hourly wage rates remained stubbornly high, with the average New Brunswick worker earning close to 20% less per hour than a typical Canadian worker (CCSD, 2008). More New Brunswickers appear to be working, but they haven't necessarily been making more money, at least in relation to workers in other provinces.

Similar contradictions are apparent when examining indicators of social exclusion. Like other provinces, New Brunswick boasted a dramatic reduction in its social assistance caseloads over the last decade, but this did not translate into a similarly dramatic reduction in poverty. Looking at the Census, more than 117,000 New Brunswickers fell below Statistics Canada's Low Income Cut-offs¹ in 1990, and an estimated 101,000 were still below LICO in 2005. (By comparison, an estimated 40,000 New Brunswickers were on social assistance in 2006, compared to over 70,000 in the early 1990s.) According to the most recent Census data, roughly one in seven (13.5%) New Brunswickers live in poverty, while roughly one in 20 are on social assistance.

Who is most at risk of being left behind? As with other economic indicators, progress in reducing the number of individuals living in poverty has been uneven across New Brunswick counties (see Figure 3), and among different demographic groups. The overall percentage of low-income New Brunswickers dropped somewhat between 1990 and 2005, but it remained essentially the same in a number of counties, and in the county of Charlotte, the percentage actually increased. The low-income rate dropped significantly in the fast-growing county of Westmorland (home to the Moncton Census Metropolitan Area), yet the rate has also been dramatically reduced in areas of slow economic growth and much higher unemployment, such as in Gloucester or Northumberland counties. Throughout this period, the county of Saint John consistently held the province's highest rate of poverty, while

¹ LICO refers to Statistics Canada's Low Income Cut-off, a generally accepted measurement of poverty taken with every Census. In this study, all LICO data were collected "before tax," as opposed to the "after tax" calculation that appears in the 2006 Census.

neighbouring Kings County held the lowest. This reflects the income disparity found within Greater Saint John: the city proper, which makes up almost the entire population of Saint John County, has much lower incomes than in the affluent suburbs of the Kennebecasis Valley in Kings County.

Figure 3

| | Percentage below LICO | | | | Number living in poverty | | | | |
|----------------|-----------------------|------|------|------|--------------------------|---------|---------|---------|--------------------------|
| | 1990 | 1995 | 2000 | 2005 | 1990 | 1995 | 2000 | 2005 | % Change 1990 to 2005 |
| New Brunswick | 16.3 | 19.0 | 15.7 | 13.5 | 117,996 | 140,245 | 117,733 | 101,145 | -14.0% |
| Saint John | 20.8 | 25.8 | 23.3 | 19.7 | 16,944 | 20,460 | 18,293 | 15,092 | -11.0% |
| Charlotte | 13.6 | 15.2 | 12.7 | 14.2 | 3,619 | 4,155 | 3,572 | 3,922 | 8.0% |
| Sunbury | 11.0 | 11.1 | 7.6 | 8.4 | 2,593 | 2,815 | 2,018 | 2,267 | -13.0% |
| Queens | 18.9 | 18.2 | 12.5 | 13.1 | 2,366 | 2,270 | 1,523 | 1,544 | -35.0% |
| Kings | 11.4 | 12.7 | 10.9 | 9.3 | 7,082 | 8,220 | 7,194 | 6,341 | -10.0% |
| Albert | 10.4 | 11.1 | 8.8 | 9.5 | 2,667 | 2,941 | 2,422 | 2,697 | 1.0% |
| Westmorland | 15.8 | 18.0 | 14.7 | 9.8 | 18,130 | 21,696 | 18,847 | 13,322 | -27.0% |
| Kent | 15.9 | 17.8 | 13.0 | 11.6 | 5,039 | 5,713 | 4,193 | 3,645 | -28.0% |
| Northumberland | 17.0 | 20.1 | 17.3 | 12.8 | 9,007 | 10,483 | 9,038 | 6,391 | -29.0% |
| York | 14.0 | 16.9 | 13.5 | 13.5 | 11,526 | 14,487 | 12,109 | 12,555 | 9.0% |
| Carleton | 16.5 | 18.4 | 12.2 | 9.9 | 4,294 | 4,951 | 3,410 | 2,746 | -36.0% |
| Victoria | 19.0 | 25.8 | 19.9 | 15.6 | 3,949 | 5,658 | 4,330 | 3,299 | -16.0% |
| Madawaska | 18.3 | 21.5 | 17.5 | 12.5 | 6,689 | 7,915 | 6,401 | 4,385 | -34.0% |
| Restigouche | 18.8 | 22.7 | 21.5 | 16.0 | 7,287 | 8,785 | 7,977 | 5,540 | -24.0% |
| Gloucester | 19.5 | 23.0 | 19.1 | 15.3 | 17,180 | 20,148 | 16,273 | 12,358 | -28.0% |

Note: Based on income data for 1990, 1995, 2000 and 2005, using pre-tax Low Income Cut-off (LICO).
Source: Statistics Canada, Census Reports, 1991, 1996, 2001 and 2006.

Income disparities in New Brunswick are not just at the county level. According to LICO data, different demographic groups and household types are also at risk of socio-economic exclusion. In the City of Moncton, a centre with a relatively strong economic base, 22.3% of single individuals fell below LICO, a higher rate than in Saint John (21.6%), Fredericton (17.6%), or Miramichi (18.7%) (Common Front for Social Justice, 2008). This statistic could be partly explained by the relatively high rents in Moncton, at least in comparison to rest of the province.

In the City of Saint John, lone-parent families are especially vulnerable to social exclusion; with close to six of every 10 lone-parent families living below LICO – a rate of poverty that is among the highest of any urban centre in Canada (Vibrant Communities Saint John, 2005). Saint John County also has a higher rate of teenage fertility than the rest of the province: almost one in five infants born to teenage mothers reside in the province's poorest county (NB Vital Statistics, 2006). Not surprisingly, the child poverty rate of 28.3% in this port city was one of the highest in the country, and almost twice the provincial child poverty rate of 16.2% in 2005 (Statistics Canada, 2007).

Other groups also face social exclusion. According to a UNB study, unilingual Francophones and First Nations communities both have a higher incidence of low-income than the New Brunswick average (Next NB, 2005). As in other provinces, women raising children on their own in any corner of New Brunswick are especially vulnerable to living in low income. Examining data from 2002 and 2003, the National Council of Welfare (2006) concluded that New Brunswick led all provinces in the incidence of

poverty among lone-parent mothers. Interestingly, when the rate of teenage fertility (the number of teenage mothers giving birth; see Figure 4) is compared with low-income data by county (see Figure 3), the same jurisdiction – Saint John County – emerges at the top of the list.

Figure 4

| | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 7-year average |
|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Albert | 19.05 | 13.90 | 12.97 | 16.39 | 17.68 | 11.17 | 10.17 | 14.48 |
| Carleton | 31.53 | 16.02 | 19.33 | 23.78 | 14.72 | 22.46 | 29.38 | 22.46 |
| Charlotte | 30.27 | 21.91 | 24.42 | 25.87 | 20.52 | 27.75 | 22.27 | 24.72 |
| Gloucester | 19.82 | 17.51 | 20.68 | 14.75 | 13.64 | 13.28 | 12.89 | 16.08 |
| Kent | 26.40 | 31.83 | 23.88 | 21.01 | 22.32 | 13.98 | 11.97 | 21.63 |
| Kings | 12.97 | 17.22 | 16.02 | 13.97 | 11.05 | 9.81 | 11.56 | 13.23 |
| Madawaska | 18.18 | 17.10 | 12.59 | 18.20 | 11.64 | 12.04 | 11.51 | 14.47 |
| Northumberland | 20.51 | 28.57 | 15.52 | 15.29 | 16.30 | 10.29 | 26.40 | 18.98 |
| Queens | 41.10 | 25.07 | 19.83 | 11.53 | 29.33 | 11.94 | 27.36 | 23.73 |
| Restigouche | 18.39 | 21.09 | 18.33 | 22.76 | 9.96 | 14.41 | 12.12 | 16.72 |
| Saint John | 28.22 | 27.52 | 30.18 | 33.70 | 35.14 | 28.09 | 33.79 | 30.95 |
| Sunbury | 27.10 | 25.38 | 17.48 | 14.74 | 13.30 | 14.29 | 18.76 | 18.72 |
| Victoria | 30.97 | 22.46 | 17.59 | 22.19 | 24.18 | 27.74 | 10.49 | 22.23 |
| Westmorland | 18.11 | 11.89 | 15.08 | 14.31 | 15.02 | 14.50 | 15.69 | 14.94 |
| York | 25.62 | 23.33 | 17.86 | 17.11 | 17.04 | 19.13 | 22.40 | 20.36 |

Note: Rate per 1,000 females, aged 15 to 19 years
Source: Province of New Brunswick, *Vital Statistics*, 2001 and 2006.

THE GOVERNMENT RESPONSE TO POVERTY IN NEW BRUNSWICK

With a gradually declining unemployment rate over the last two decades, it is not surprising that the provincial government would look to the job market as a principal remedy to poverty. Premiers Frank McKenna (Liberal, 1987-1997) and Bernard Lord (Conservative, 1999-2006) embraced a “bootstraps” approach to tackling lower incomes – government statements on issues of social development, regardless of which ministry was in charge, highlighted the ethos of family and community self-reliance. In a national era of government deficit-slaying, this kind of approach was embraced by many opinion-makers, enabling both Premiers to develop national reputations as fiscally disciplined social reformers. Frank McKenna set the tone in 1993 in outlining his government’s legislative priorities: “Social programs would be redesigned to allow for more opportunities for the unemployed and for social assistance recipients to work and provide public service in their period of ‘unemployment’ ” (Government of New Brunswick, 1993). Ten years later, Bernard Lord took a similar tack in outlining his 2003 re-election platform: “...Social assistance programs should always be designed to encourage and assist able individuals to enter the workforce. The option of earning a living through work should always be more beneficial than receiving social assistance benefits” (NB Progressive Conservative Party, 2003). The

Graham government has largely maintained this approach, stating its intention in its 2003 Platform to “introduce programs to assist people living in poverty as they enter the workforce” (NB Liberal Party, 2006).

Despite the provincial government’s promotion of work as a remedy to poverty, the actual value of entry-level jobs has barely kept pace with rising costs for energy, housing and food. Families and individuals being encouraged to leave social assistance didn’t necessarily find economic plenty in the entry-level labour market – for most of the last two decades, the limited funds available to social assistance clients were only slightly less sustaining than earnings at the provincial minimum wage. Historically, New Brunswick has held one of the lower social assistance rates in Atlantic Canada, yet it has also had one of the lowest minimum wages in all of Canada. More recently, the financial rewards of minimum-wage work have improved considerably, as both the Lord and Graham governments raised wage rates. Adjusting for inflation, however, a minimum-wage worker in New Brunswick now is earning less now than a minimum-wage worker of 30 years ago (see Figure 5).

Figure 5

| | Current \$ | Constant 2008 \$ |
|------|-------------------|-------------------------|
| 1965 | \$0.75 | \$5.13 |
| 1967 | \$0.90 | \$5.69 |
| 1970 | \$1.15 | \$6.48 |
| 1972 | \$1.40 | \$7.29 |
| 1975 | \$2.30 | \$9.01 |
| 1978 | \$2.80 | \$8.70 |
| 1980 | \$3.35 | \$8.66 |
| 1982 | \$3.80 | \$7.90 |
| 1985 | \$3.80 | \$6.94 |
| 1987 | \$4.00 | \$6.70 |
| 1990 | \$4.75 | \$6.99 |
| 1992 | \$5.00 | \$6.86 |
| 1995 | \$5.00 | \$6.59 |
| 1997 | \$5.50 | \$7.02 |
| 2000 | \$5.75 | \$6.95 |
| 2002 | \$6.00 | \$6.87 |
| 2005 | \$6.30 | \$6.77 |
| 2006 | \$6.50 | \$6.84 |
| 2007 | \$7.00 | \$7.24 |
| 2008 | \$7.75 | \$7.75 |

Source: Human Resources and Social Development Canada,
Hourly Minimum Wages for Adult Workers in Canada .
<http://srv116.services.gc.ca/wid-dimt/mwa/rpt2.aspx?lang=eng&dec=1>

While the McKenna, Lord and Graham governments all embraced the labour market as a universal point of exit for low-income residents, they each took a different approach in addressing specific challenges facing New Brunswick's most marginalized groups. The McKenna government heavily promoted literacy initiatives, and partnered with the federal government to develop specific pilot projects to turn social assistance recipients into full participants in the labour market. Initiatives like NB Works and the Self-Sufficiency Project (promoting labour market entry targeted at single mothers on assistance) were praised by some policy analysts but criticized by others as "cynical, moralistic, and punitive..." (Lee,

New Brunswick – Provincial Governments

Louis Joseph Robichaud (Liberal)
1960 – 1970

Richard Bennett Hatfield (Progressive Conservative)
1970 – 1987

Francis Joseph McKenna (Liberal)
1987 – 1997

Joseph Raymond Frenette (Liberal)
1997 – 1998

Camille Thériault (Liberal)
1998 – 1999

Bernard Lord (Progressive Conservative)
1999 – 2006

Shawn Graham (Liberal)
2006 - present

2001). These proposals were among the most controversial of the McKenna era, but their long-term impact remains largely unknown. An analysis of the Self-Sufficiency Project by the Social Research and Development Corporation indicated that this sort of intervention was beneficial to program participants and helped to build self-confidence, but the project's scale was insufficiently large to have a meaningful impact on the New Brunswick labour force (Mijanovich and Long, 1995). And in a province with scarce resources, sustaining policy innovations remained a challenge. When the federal funding dried up, so did the pilot projects. Once McKenna left the stage, the Liberal government seemed to prefer more study than action on social development. A major task force on social policy renewal, commissioned by McKenna's successor Camille Theriault, was ultimately shelved when his government was replaced by Bernard Lord's Conservatives.

The Lord government undertook no significant changes in social development policies during its first term, but instead offered a series of limited measures – higher minimum wages, increased tax exemptions for low-income residents and seniors, rebates for winter heating costs and for those with a disability – that were aimed at improving the daily economics of low-income New Brunswickers. Regional development funds for the Northern part of the province were also expected to improve economic conditions in an area where low-income residents were chronically under-employed. These regional assistance programs helped maintain and stabilize household incomes jeopardized by the changing provincial economy and may partially explain how a part of the province with consistently higher unemployment was nonetheless able to reduce its population living in poverty.

Such schemes were not without controversy, however. Given that federal employment insurance supports were much more generous in rural New Brunswick than in the more urbanized areas of the province, the regional supports seemed to solidify a geographic inequity in relation to the unemployed and under-employed. The announcement of another regional job creation fund in the Acadian Peninsula or Miramichi did little to help the thousands of low-wage workers in Moncton or Saint John who had little security in paying their next month's rent or mortgage payment.

Figure 6

| Welfare Statistics by Household Type, New Brunswick, 2007 | | | | |
|--|------------------------------|-----------------------------------|------------------------------------|--------------------------------|
| | Single Employable | Person with Disability | Single Parent One Child | Couple Two Children |
| Welfare Income* (\$) | 3,574 | 8,275 | 15,451 | 18,849 |
| Estimated Before-tax Average Income (\$) | 26,888 | 26,888 | 24,843 | 40,178 |
| Welfare as % of Average Income | 13% | 31% | 62% | 47% |
| Estimated Before-tax Median Income (\$) | 21,060 | 21,060 | 28,626 | 88,126 |
| Welfare as % of Median Income | 17% | 39% | 54% | 21% |
| Peak Year for Welfare Income | 1991 | 1989 | 2007 | 2006 |
| Peak Amount (\$) | 4,423 | 11,090 | 15,451 | 18,886 |
| 2007 Amount (\$) | 3,574 | 8,275 | 15,451 | 18,849 |
| Peak compared to 2007: | | | | |
| Change in dollar amount (\$) | -849 | -2,815 | 0 | -38 |
| % change | -19.2% | -25.4% | 0.0% | -0.2% |
| Before-tax Low Income Cut-off (\$) | 18,659 | 18,659 | 23,228 | 34,671 |
| Poverty Gap (\$) | -15,086 | -10,384 | -7,777 | -15,823 |
| Welfare Income as % of LICO | 19% | 44% | 67% | 54% |
| Estimated Market Basket Measure (\$) | 13,188 | 13,188 | 17,144 | 26,376 |
| Estimated MBM Gap (\$) | 9,614 | 4,912 | 1,693 | 7,527 |
| Welfare Income as % of MBM | 27.0% | 63.0% | 90.0% | 71.0% |

Notes: * includes the federal GST credit
Source: National Council of Welfare. *Welfare Incomes 2006 and 2007*, Winter 2008.

Soon after Graham took office, however, a more compelling initiative was introduced: a stated willingness to address the challenges facing New Brunswick in close partnership with the non-profit sector. Claudette Bradshaw, the founder of Moncton's Headstart program and a former federal minister responsible for creating Canada's homelessness initiative, was asked by Premier Graham to form a task force on the non-profit sector. Bradshaw travelled to every corner of the province, and while her mandate involved discussing relevant issues with all non-profits (arts societies, sports clubs, etc), her previous experience and activist leanings virtually ensured that the meetings were dominated by

countless non-profits struggling to assist New Brunswick residents most in need. After months of consultation, Bradshaw issued a report that challenged the provincial government to fundamentally address poverty. The report argued – as had many non-profit groups – that New Brunswick could not achieve the provincial goal of self-sufficiency if thousands of its residents were excluded from opportunity. Identifying the silo structure of government departments as the major impediment to any effective efforts to reduce poverty, the task force recommended a community-based and regional approach to the delivery of programs and services. In response, a non-profit secretariat was established in Fredericton with the promise of a more formalized linkage between non-profits and government. The success of this agency and its relationship with community groups, particularly those most involved with supporting low-income New Brunswickers, will be an important gauge in measuring the provincial government’s commitment to social development.

THE COMMUNITY RESPONSE TO POVERTY IN NEW BRUNSWICK

The fact that Claudette Bradshaw travelled to every corner of the province in 2007 to meet with non-profit groups underlines the significance of the social sector in New Brunswick society. Given that many of these groups provide supports to the province’s most vulnerable residents, their collective expertise is arguably greater than that found in official Fredericton; as front-line observers, they know intimately which government initiatives are helpful, and which are a hindrance. In rural communities, food banks, clothing depots and small churches have all provided assistance to those who need it, and in recent years, they have quantified some of their efforts in order to better influence public policy. (The provincial food banks’ annual *Hunger Count* is a good example.) Organized protests in rural areas, such as demonstrations against Employment Insurance reforms in Northern and South-eastern New Brunswick in the mid-1990s, have also vigorously challenged the ways in which government decisions are made. These protests also contributed indirectly to the promotion of political diversity in the province: for a brief time, New Brunswick was home to two New Democratic MPs, splintering the traditional duopoly that the province’s Liberal and Conservative parties had long cultivated. One NDP MP, Yvon Godin of Acadie-Bathurst, has been re-elected numerous occasions since those initial EI protests, suggesting that a populist, social democratic foothold can be maintained in a province whose economy is heavily influenced by a corporate oligarchy.

While the most widely known protests – at least those that received national media attention – have taken place in the heavily Francophone North Shore of the province, it would be incorrect to assume that New Brunswick has not moved beyond the old divides of North and South, French and English. Many of the protests linked to EI reforms or other government actions are rooted in real economic frustration, shared regardless of mother tongue. Throughout the province’s rural areas, there is a strong sense that both French and English communities are under siege. Troubling local issues – whether prescription drug abuse in Miramichi, vigilante justice in the Fundy Islands, mill closures throughout the Upper St. John River Valley, or the cumulative loss of hundreds of young families on the Acadian peninsula – are in many ways symptomatic of a general economic malaise that is endangering entire

parts of the province. In some communities such as the Acadian Peninsula with enough density, established organizations like the Centre de Bénévolat de la Péninsule Acadienne are able to step into the breach; other communities aren't so fortunate. And if they happen to lose their principal employer, or have an MLA on the 'wrong' side of the legislature, they may face a reality not much different from the one Dalton Camp described in post-War New Brunswick. To borrow from Robert Young, a political scientist who examined the province's post-war plans for renewal, such a reality is far from rosy; it is one where New Brunswick residents fear that "the people will sink into despair" (Young, 1988).

In New Brunswick's three largest cities, economic opportunities are certainly more readily available than in many of the rural areas. Yet despite the relative prosperity of Fredericton, Moncton and Saint John, all have a higher incidence of poverty than the rest of the province. Urban densities have also made low-income neighbourhoods much more common than in the province's rural areas, where poverty is more hidden.

This urban divide between poverty and plenty within communities has helped propel a number of groups to actively lobby for social change. In Saint John, the Urban Core Support Network (UCSN) seeks to influence the ways in which government supports effectively "trap" the city's poorest residents – many of them women. Through collected essays, short policy proposals, and constant dialogue with government officials, the group has been effective in putting a human dimension on low-income households. The pioneering Saint John Human Development Council (HDC), the only social planning council in the Maritimes, has addressed a number of issues related to social exclusion, such as child poverty and homelessness. The Business Community Anti-Poverty Initiative (BCAPI) has also drawn significant attention to poverty in Saint John, in large part because its business-led membership sees persistent poverty as an economic drain on the entire community. The group works relentlessly on key local issues – such as teenage pregnancy and early childhood development – where progress is most needed. In 2004-05, BCAPI formally partnered with UCSN, HDC and City Hall to establish a Maritime presence for the national Vibrant Communities network. In its short history, Vibrant Communities Saint John has been influential in provincial affairs, particularly in the field of energy poverty, with the organization intervening against NB Power's most recent rate proposals.

In Moncton, the Common Front for Social Justice (CFSJ) has been particularly active and regularly hosts a provincial summit on poverty. Church officials, university academics, and social assistance recipients all share in developing the Common Front's strategy. This includes fairly pointed questions about some government policies, such as the inequity between the province's relatively meagre income assistance rates and the salaries of high-ranking government officials. In Fredericton, a number of different people and organizations have come to the forefront of social development from completely diverse backgrounds. Among the two most prominent are the executive director of the Fredericton shelter, who had previously been a senior executive at NB Power, and a gadfly blogger named Charles Leblanc, who argues on behalf of the province's most vulnerable as a self-appointed citizen journalist.

The province of New Brunswick has also seen the growing influence of co-operatives and social enterprises linked to social development, although it is less developed than in neighbouring Nova Scotia. Saint John has a Community Loan Fund that has helped dozens of unemployed and under-employed

workers start their own enterprises. The former director of Fredericton's homeless shelter, Pat Carlson, recently opened a clothing shop called Changes that is staffed entirely by low-income individuals with little or no work experience. Moncton's Headstart organization has also developed a range of community initiatives, from Headstart Recycles, to a teaching kitchen program. These initiatives, along with many undertaken by church and social organizations in the more rural areas, have the potential to fundamentally reshape the way New Brunswick addresses social development. Unfortunately, in a province long divided along linguistic and geographic lines, the natural linkages that should be formed have not yet solidified; if they do, all of New Brunswick will be better because of it.

LOOKING FORWARD: IS HOPE RESTORED?

In 1997, the Saint John-based Senator and social activist, Erminie Cohen, authored a short tome entitled *Sounding the Alarm: Poverty in Canada*. "The issue of poverty is moving beyond the reach of traditional responses," Cohen argued, "and calls out for new thinking, creative imagination and action" (Cohen, 1997). The urgency of her call for action on poverty was shared by many New Brunswickers and in recent years, a growing chorus of social actors have called for a new direction in social development for the province. No longer were interested parties satisfied by higher wages or more generous social assistance – many called for a comprehensive plan to reduce the number of New Brunswickers who live in poverty. There also seemed to be a shared feeling that the province was falling behind the rest of Canada in finding innovative ways to reduce poverty. As other provinces established goals and strategies for poverty reduction, officials in New Brunswick seemed willing to let a more prosperous economy eventually improve the quality of life of its most vulnerable citizens. Yet statistics have undermined that theory. Despite a record number of New Brunswickers being employed, social assistance expenditures have remained virtually unchanged (at roughly \$200 million per year), and the number of low-income residents in the province has remained stubbornly high, near 100,000.

In October 2008, the Graham government answered the call for a new direction in social policy. It announced a province-wide consultation process to develop a poverty reduction strategy, initiating the most ambitious provincial initiative since the early 1970s, when a major report on social development was presented to Premier Richard Hatfield. (But, like a number of reports of its era, it was soon shelved after calling for some form of guaranteed annual income.) Reports related to social development have been tabled by virtually every government since Hatfield's, but the most comprehensive overhauls have ultimately been deemed too costly for New Brunswick's small treasury. A compelling report on housing renewal issued early in McKenna's mandate was ultimately shelved during an era of higher deficits, and strategic new directions undertaken in the early years of Lord's government were promptly overwhelmed by rising health care costs (although Premier Lord did little to encourage strategic thinking in social development when he cut the number of policy analysts within the ministry). Only occasionally has the province's leadership been willing to utilize precious political capital on measures that could improve the quality of life for low-income New Brunswickers, such as Premier McKenna's implementation of the Self-Sufficiency Project or Premier Lord embracing poverty reduction as a key

policy proposal in the last year of his mandate. More often than not, however, meaningful social development in New Brunswick is overwhelmed by competing interests, whether it is the promise of lower energy costs for industrial users, civil service wage demands, or publication of the province's latest tourism brochures. Even within the social development ministry there is competition for resources: seniors' issues often take up more of the Minister's time than issues that affect low-income New Brunswickers.

Given this history, will Graham's initiative on poverty reduction be any different? Certainly the expectation among non-profit groups is that it has to be. Indeed, groups with vastly different ideological underpinnings – such as Moncton's Common Front for Social Justice and Saint John's Business Community Anti-Poverty Initiative – independently pressured the Graham government to take a new direction in social policy soon after it took office. These same groups are also keen to influence the process moving forward, and they have effectively been embraced by official Fredericton as full participants. The year-long consultative process, under the joint leadership of government, business and community officials, is expected to develop a comprehensive strategy for poverty reduction in New Brunswick by the fall of 2009. And in a province with the motto of "hope restored," the promise of a new approach that involves not just government, but the business and community sectors as well, is no doubt welcomed, particularly by those who have felt excluded the longest – New Brunswick residents who live on low-incomes and who see self-sufficiency as a personal, rather than a provincial goal.

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