

PSE-EPF, UIC, CAP on the line

(Life in the land of the three letter acronym)

by James Beaton

The federal government is currently reviewing Canada's social security system. The discussion paper *Improving Social Security in Canada*, often referred to as the "Axworthy paper," describes the direction the government wants to take with regard to social security. The three main programs under review are unemployment insurance, social assistance and post-secondary education. The following is a brief overview as to what the government is proposing with respect to post-secondary education.

Social security reforms must be initiated with great care and caution. These programs have provided educational opportunities and income support for many years and have become "a way of life" for many people. Therefore the assumptions about the labour market, skills and workplace training and university education in the report must be challenged before the initiation of any of these reforms. If the assumptions are wrong then this report will provide for an increase in poverty and obstacles to individual achievement rather than an efficient social security system.

Post-Secondary Education

Under the present system, established program financing (EPF) funding is provided to the provinces in the form of a cash payment in the name of post-secondary education.

The federal portion of funding will disappear within the next decade under the EPF formula. Under the proposed program funding would be shifted from the provinces to the students in the form of expanded loans and restructured grants. The student would then be able to take his or her money to the institution of his or her choice.

Access to the loans would be universal and not based on need. The accumulated debt from the loans would be repayable through an income contingent loan repayment scheme. This means that the students would have their loan payments deducted from their paycheque and the student would pay according to what he or she earned. If the student was unemployed then she or he would not have to make payments until that student became employed. This loan scheme might possibly be streamlined with existing provincial loan systems.

If this proposal is initiated there will be dramatic changes to the entire university structure in Canada. The first noticeable change would be the increase in tuition which could raise from current levels of approximately \$3000

to \$6000 or \$7000. There would be a massive increase in the amount of debt incurred by students upon graduation resulting from the rise in tuition and the increased loan system.

This would place students from low income families or from historically disadvantaged strata of society in yet another disadvantage. They would be graduating with massive debtloads with which students from high income groups would not have to contend. As well under the repayment scheme the students who incurred the highest debt would also take the longest to repay their loans meaning they would pay more than would a student who does not have a high debt.

Women, who on average have salaries lower than men, may find themselves among the losers of this program since statistically speaking it will take them longer to repay their loans. It is also quite possible that this program would result in a decrease in university enrolment since students may be afraid to incur massive debtloads. This would result in universities having to raise their tuition even higher to compensate for the decreased enrolment. The government is also proposing reforms to Unemployment Insurance and the Canada Assistance Plan.

Unemployment Insurance

The government offers two alternatives to reform the UI system. The first alternative would involve grouping recipients into *occasional claimants* and *frequent claimants*. The occasional claimants would be eligible for basic insurance benefits which would be very similar to the benefits offered under the current program. The frequent claimants would receive adjustment insurance benefits which would be paid at a lower rate than the basic insurance benefits. The claimant might be categorized as "frequent" if she or he had a UI claims history of being on the program three times in five years. The frequent claimant would have to enter into more extensive skills training and adjustment programs than would the occasional claimant.

The second alternative, adjusting the existing UI system, would involve increasing the number of weeks required to qualify for insurance or shortening the duration and/or lowering the level of benefits. This alternative has generally been the option followed by the federal government during the past few years.

If the first alternative were initiated it would have to be extremely sensitive to structural unemployment. In essence many people who would be classified as "frequent claimants" are seasonal workers who may find themselves

without any income during several months of the year.

Therefore the program must be sensitive to this and not penalize a seasonal employee. The second alternative has been utilized during the past few years in federal budgets and is clearly ineffective. It merely forces people from UI to social assistance when the rigidity of the UI program results in increasing ineligibility. It does nothing to resolve the problem of unemployment.

The Canada Assistance Plan

The Canada Assistance Plan (CAP) provides social assistance to the long term unemployed. At present the federal government shares the cost of the program with the provinces and the municipalities. The government provides funding for the basic living requirements as well as some special requirements for those with special needs.

During the past few years the federal share of funding has been decreasing which is leaving the provinces to increase their share of the financing of the program. The government believes this program is in need of reform because too many recipients spend many years on social assistance even though they could make a transition from welfare to work with the right sort of employment and training support.

The main goals of CAP reform are removing the disincentives which discourage welfare recipients to work and reducing child poverty. The main proposal for change to the way social assistance is provided is redirecting the funding. It outlines as its potential priority areas: better income support for low income families with children; working income supplement for working poor families; child care and child development initiatives; child support initiatives; employment development services for social assistance recipients; improving access to disability related supports and services; continuing support for social services. The government proposes that more opportunities for workplace training, institutional training and the enhancement of basic skills are imperative to social security reform. Innovative approaches such as wage subsidies to employers to hire workers are suggested.

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This is just the beginning...

The next few issues of the Gazette will feature a whole new section dedicated to discussions on the Social Security Review and Rationalization.

Next Week: Where do the Dalhousie Student Union and Dalhousie University stand on these issues?

SSR attacks accessibility

The advent of the Canada Student Loan Program (CSLP) provided the basis for a change in the Canadians who were able to attend university. This social program was mirrored by massive social upheaval and change in North America, including the women's movement, the civil rights movement in the United States, the peace movement, and the beginning of gay and lesbian liberation.

Instead of universities reserved for the children of the wealthy, post-secondary education (PSE) seemed accessible to all those who had the academic ability and interest. The CSLP meant that some financial barriers were removed for students. The various social movements opened the door for traditionally under-represented groups to be, if not welcomed, at least aware of their right to an education.

The faces of Canada's post secondary education students now reflects a greater crosssection of the Canadian population. Despite this, there still exists socio-economic barriers for those who do not have the financial resources. CSLP award levels, even when combined with provincial programs have often failed to meet the minimum total cost of attending our universities.

Attitudes of sexism, racism, homophobia and abilism still abound in curriculum, comments and actions. What this means is the

current Social Security Reform process can be viewed as an opportunity. The system we are leaving behind has neither proved to be all encompassing nor completely successful. What traditionally under-represented groups need is financial support that takes into account the reality of their lives. If the government shows its support for PSE in Canada through accessible financial programs, students will do the rest. They will be the ones able to change stereotypes, protest inequality on campus, and contribute to our society.

The exact formula for PSE reform is not spelled out in "Lifelong Learning." However, there are several important principles that need to be considered in any formula, especially one involving Income Contingent Loan Repayment.

For many traditionally under-represented groups getting to the doors of our learning institutions proves to be a large challenge. In the past Nova Scotian women's, Black, First Nations and disabled communities has not had access to financial resources. Therefore, debt loads present a mental barrier, even if the person will receive financial advantages because PSE will provide numerous opportunities.

In the Black community of Nova Scotia, work opportunities have historically been, and

continue to this day, part-time and/or seasonal. The racism which propagated many of the disadvantages has not disappeared. The prospect of paying back a loan when one's community has commonly had to make use of social assistance is daunting.

These scenarios can be said to be common to the First Nations communities of Nova Scotia as well. The differing economic chances for these communities are compounded by the isolation offered by reserve life. However, this life is becoming increasingly essential to the development and maintenance of strong communities. Both of these communities would benefit from effective interest relief or forgiveness plans.

The initial barrier of reaching the door of PSE is a repeated experience for students who are physically disabled. These students have to tailor their degrees to classes which are offered in an accessible space. Students with disabilities are rarely able to go more than part time, resulting in their inability to access the CSLP. Social Security Reform offers a challenge to address this issue. Interest relief is also an important issue for this community. Universities are amongst the more accessible space

available in Canada. People with disabilities have a hard time finding work spaces that can accommodate their needs and make use of their skills.

Statistics Canada reiterated in October 1994 that Canadian women continue to earn on average only \$0.70 to each man's dollar. Debt load levels for PSE remain the same no matter who one is. Women face the prospect of paying back their loan longer and with more interest simply because of their gender. In addition, any model of Income Contingent Loan Repayment has to take into account women's customary role as primary caregiver within the home. Interest relief programs need to allow for breaks for childcare, and in our increasingly aging population, elder care. These programs would need to be available both during and after the completion of one's education.

"Special interest groups" are not asking for special treatment, but simply the same opportunities as other Canadians, taking into account the realities of their lives. The realities of these members of our society are in fact the realities of our communal setting. Canada's commitment as a society to redressing issues of inequality cannot be questioned. It can be argued that access to education and all that is associated with this — knowledge, self confidence, employment, increased financial earning capacity, amongst others — is the first step towards change.