



NIAGARA POVERTY REDUCTION NETWORK

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For Immediate Release:

from Hamilton Roundtable for Poverty Reduction & Niagara Poverty Reduction Network

The Provincial Government has awarded a U.S.-based organization the contract to oversee employment services for Hamilton and Niagara's social assistance recipients.

[Friday's announcement](#) that a United States' based organization, Fed Cap -with no ties to Hamilton or Niagara, and no apparent understanding of local community needs- will be overseeing employment services for some of the most vulnerable members our community is deeply concerning to members of the Hamilton Roundtable for Poverty Reduction & members of the Niagara Poverty Reduction Network.

Fedcap Employment, which has operated in the USA since 1935 was named by the Ontario Government as the successful 'Service System Manager' for "reformed" employment services in Hamilton and Niagara regions. In a bidding process, FedCap was chosen over the City of Hamilton to deliver employment services in Hamilton and Niagara. Fedcap will be tasked with assisting people on social assistance to move into jobs, but recent experience with similar schemes in the United States and the United Kingdom raises some serious questions about the wisdom of bringing this 'outside' style of employment services to Ontario. In Peel Region, another pilot site, a private-sector Australian company will deliver employment services, while a post-secondary institution has 'won' the contract in Muskoka-Kawartha Lakes.

Over the past decade, the UK initiated welfare reforms with similar aims – to cut red tape while getting more long-term welfare recipients into sustained work. According to a report from [Maytree Foundation](#), "Imposing strict conditionality and work requirements will not necessarily help those with complex needs, especially if penalties for non-participation exacerbate other problems"

The announcement also leaves much unanswered. There is no indication of whether or not penalties for "non-compliance" can be issued by this provider, if there is any accountability to clients or community, or even how client confidentiality will be maintained with a non-Canadian company. To move on shifting employment services to an American-based provider - while negating the experience and participation of municipal partners - leaves the Hamilton Roundtable for Poverty Reduction & Niagara Poverty Reduction Network questioning if this government sees the bottom line as more important than the well-being of real people.

"What we see under the quota system is service to the "lowest hanging fruit", those who are easiest to place in jobs. Those who require higher levels of support and accommodation do not have successful experiences under these types of systems because of the necessary time and effort needed to place them in conjunction with not always being able to work full-time. Quota systems reward those whose clients enter full-time employment."

-Laura Cattari, Campaign Co-ordinator Hamilton Roundtable for Poverty Reduction (& ODSP recipient)

"The Niagara Poverty Reduction Network has significant concerns about the Province's move to privatize employment services. Individuals with low-income require employment services that are familiar with their community's resources

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and the unique challenges that each region face throughout Ontario. Without clear communication detailing the accountability of these out of country service providers, there is little assurance that Niagara's most vulnerable population will receive the individualized and supportive services that they require to be the most successful. Niagara's Poverty Reduction Network believes that we need investment in local services and in our local people."
-Aidan Johnson, Chair of the Niagara Poverty Reduction Network.

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