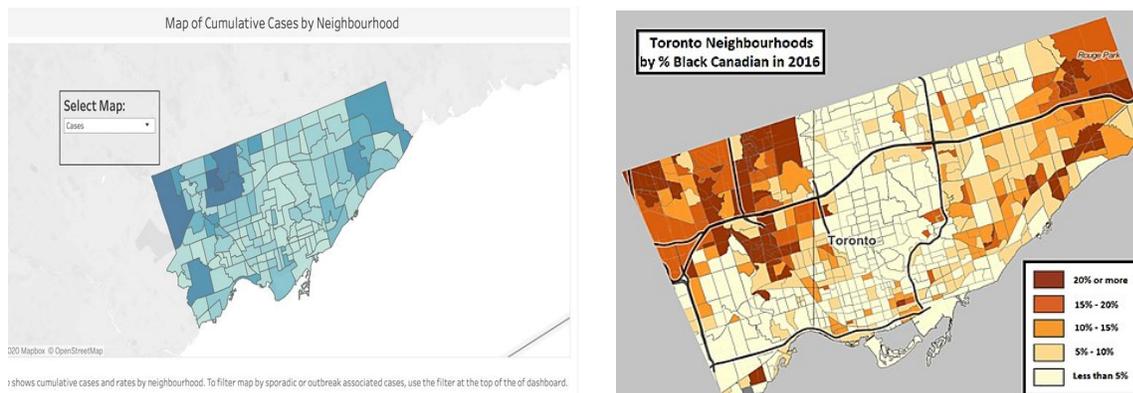


Are CERB clawbacks an example of anti-Black racism?

A colleague and I wrote an op-ed published in the Toronto Star on May 29, 2020¹ on the effects of CERB (Canada Emergency Response Benefit) clawbacks on our home community of Scarborough. We did not talk about race or anti-Black racism in this piece. Since then, however, many friends and readers have asked whether the CERB clawbacks we claimed that discriminate against poor communities are also racist and in specific, examples of anti-Black racism.

As many of us have come to know, the data on concentrations of Black people by neighbourhood is available from the census and very much mirrors the COVID19 map.

Here is the map showing the concentration of COVID19 infections followed by the map of Toronto neighbourhoods calibrated by the percentage of Black Canadians residing in them:



In our opinion piece, Larry Whatmore and I made the case, based on the COVID19 map and Scarborough statistics that Scarborough was much more likely than other districts to have residents with CERB payments that would be clawed back by governments. In turn, those clawbacks reduce the amount of CERB going to our residents to deal with COVID19.

What we called a CERB double whammy is actually a multiple whammy:

In Scarborough, according to the COVID19 map and other Scarborough data, we have:

- Some of the higher rates of COVID19

¹ <https://www.thestar.com/opinion/contributors/2020/05/29/the-cerb-helps-scarborough-but-not-if-we-claw-it-back-from-our-most-vulnerable-residents.html>

- Some of the highest rates of poverty including the highest rate of urban working poverty in Canada²
- A higher concentration of social assistance recipients (10.6% vs 6.7% for Ontario and 5.1% for all of Canada)
- high concentrations of subsidized housing³; and
- Higher rates of seniors' poverty.

This is important as the CERB is subject to social program clawbacks that include:

- A \$900 per \$2000 clawback on social assistance payment under the Ontario Works and ODSP programs
- Rental charges of up to 30% or \$600 per \$2000 in subsidized housing (TCHC – Toronto Community Housing Corporation) ; and
- A 50% or \$1,000 clawback on the federal Guaranteed Income Supplement (GIS) – pending policy confirmation from Ottawa.

In other words, if you live in a poorer area of town with more social assistance recipients, subsidized housing and low income seniors, the concentration of clawbacks will be higher. We said this in our op-ed.

But we also made the important point that when clawbacks are more concentrated in certain parts of town; struggling local businesses also get less because they are faced with customers with fewer CERB funds to spend. Those local businesses are often owned by newcomers and people of colour.

In contrast, rich neighbourhoods have the lowest incidence of COVID19 as it is easier for them to socially isolate and stay safe; they have the lowest poverty, the lowest concentration of clawbacks and the highest amount of CERB going to local businesses. They have rates of taxation on the CERB that are lower than the rates of clawbacks.

For example, the highest rate of income taxation on the CERB on the highest paid Torontonians is 53.3%⁴ while a poor senior living in subsidized housing faces a joint clawback rate of 80% (50% on GIS and 30% in increased rents).

This leads us back to our opening question: Are CERB clawbacks an example of anti-Black racism?

The answer is 'yes' because the highest concentrations of Black people reside in areas where the clawbacks (social assistance housing and GIS) are highest.

² <https://metcalfoundation.com/site/uploads/2019/11/Working-Poor-2019-NEW.pdf> p.13

³ See appendix 1.

⁴ <https://paycheckguru.com/tax-brackets-and-marginal-tax-rates-in-canada/ontario-personal-marginal-income-tax-rates-2/#:~:text=The%20lowest%20rate%20is%205.05,highest%20income%20rate%20is%2053.53%25.>

This gives us the initial overview we require to make the case; but is there better evidence? The answer is yes and no. We don't have data on social assistance recipients in Toronto disaggregated by race and we do not have data on GIS recipients disaggregated by race at this time.

What we do have is working poverty disaggregated by race and it shows that working poverty is highest among the Black population of Toronto⁵.

What we don't know is the actual concentration of clawbacks (social assistance, subsidized housing, and GIS) among Black people. All we have is a clear correlation between COVID19, poverty, and concentrations of Black residents.

Is this enough to make the claim that social assistance itself has become a racist grouping of programs? Secondly, can we say that CERB clawbacks are racist?

We must first think about who gets pushed onto social assistance? What populations are less likely to find jobs? Which communities are likely to be paid less than others?

In other words, it is difficult to say that the clawbacks are in themselves racist unless the entire premise of social assistance and other needs tested social programs is questioned. Furthermore, we must ask why there are such high rates of people losing their jobs in Black, Indigenous, and racialized communities in the first place.

Since one can only get CERB if one loses their job due to COVID19, we have to ask why these workers are losing their jobs. Why are they in such precarious work in the first place?

Now back to the secondary question of CERB clawbacks and whether they, in addition, are racist. Not overtly racist because of course, social assistance rules do not overtly exclude people of colour.

Systemic racism is different than overt racism. Systemic racism occurs when society wide institutions disfavour or do not benefit non-white people and favour people who are white especially as measured by outcomes for white and non-white.

The answer to that question for the CERB clawback is 'yes' on three counts.

The first is that CERB clawbacks are examples of systemic racism as it is more likely that those suffering clawbacks are racialized and also more likely to be more concentrated among Black residents.

The second count is that institutional racism also extends to the data that we are prepared to collect and disseminate at government levels. In the case of both social

⁵ <https://metcalfoundation.com/site/uploads/2019/11/Working-Poor-2019-NEW.pdf> p.34

assistance and GIS, the data files of these programs could be cross-referenced to the census to glean disaggregated data but they are not.

In other words, governments collect the data but they do not authorize the work to compare and then disseminate the data. Since scholars and activists have been asking for disaggregated data for years (and we have it for the working poor), the fact that governments choose not to compare and disseminate the data could also be viewed as systemically racist. This is the case especially as this data would allow us to know, by race, who is 'clawed back' and who is not in much greater detail and without relying on correlations.

Scarborough is 27% Caucasian and 73% racialized. Scarborough is poorer than other jurisdictions and has more residents who are subject to CERB clawbacks. This fact alone will deepen inequality in Toronto, not just for Scarborough but for Toronto's northwest, where COVID19 and clawbacks are even more concentrated.

And racialized people and especially the Black population will suffer the most along with the local businesses who call them customers.

The third count is new (in that it took place after the clawbacks were in place) but not entirely unexpected. It did not come along until early drafts of this essay had been written. That reason relates to Bill C-17 that calls for jail terms for CERB fraud. This nasty piece of legislation completes the final step of what Harold Garfinkel⁶ called the "conditions of successful degradation ceremonies".

It is simply impossible not to notice that incarceration appears to be a much more important option for CERB fraud that maximizes at \$8000 in illicit collection than it is for much higher amounts of illegal tax avoidance of the sort we all saw in the Panama Papers. We did not see proposed legislation or even parallel legislation to ensure special provisions for incarceration for high stakes tax fraud.

The clear result of C-17, even if it is not passed, is to stigmatize receipt of the CERB and that stigma will be concentrated in racialized neighbourhoods and communities.

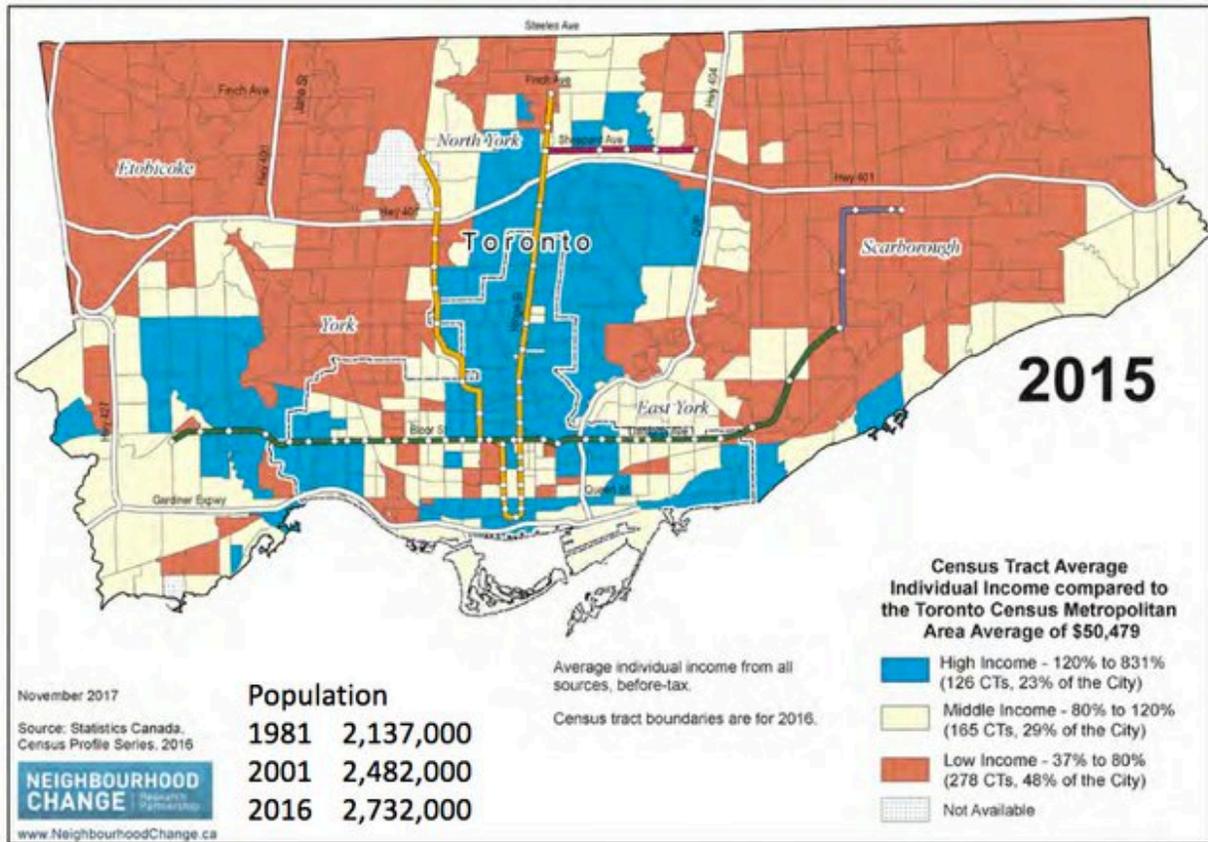
So it's now even more important that we have another look at the clawbacks and see them through the lens of who they affect the most. And it's important that we start disseminating the data that we already have but refuse to cross tabulate.

The pandemic has shone a light on the fault lines in our communities to which the CERB is a response. Let's ensure that CERB clawbacks do not deepen them.

⁶https://gu.se/infoglueCalendar/digitalAssets/1776149608_BifogadFil_Conditions%20of%20a%20successful%20..%281%29.pdf

Appendix 2: Much of Scarborough is Low Income

Average Individual Income, City of Toronto, 2015



Js/June 7/2020