WOOING THE CORPORATE CLASS WITH CHEAP LABOUR OFFERINGS: AN EXAMINATION OF WORK INCENTIVE STRATEGIES IN THREE CANADIAN PROVINCES

by

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Abstract

Canada's federal government has defined the "problem" of income assistance use as that of people's "dependency" upon government aid. Dependency is said to result from a lack of "incentives" to work. On the one hand, this simply means that employment does not "pay" as well as income assistance. This implies that people on income assistance must be spurred into work. It is argued in the present thesis that such a perspective is rooted in neoliberal philosophy.

Essentially, neoliberals hold that society is comprised of autonomous possessive individuals. Private profit making, income and wealth disparity and the activities of powerful actors go largely unquestioned. One effect of this is to devalue the powerless and to aim employability measures at correcting the deficits of the "non-productive." These premises underlie work incentive strategies.

In this thesis, three examples of work incentive strategies for people on income assistance are examined, as well as the preparatory groundings for mandatory workfare in a third province. Qualitative and quantitative materials, including provincial and federal policy papers, legislative bills and budget papers, form the basis for the analysis. The focus is on three recent initiatives in the field of social welfare policy: the reduction of federal transfers to the provinces; the elimination of Canada Assistance Plan rights; and the enabling of work-related obligations to be applied as a condition of income assistance.

The query of who benefits and who disbenefits from a series of federally-initiated practises -- the pursuit of work incentives, Bill C-76 and the appeal to neoliberalism for legitimacy for these reforms -- directed the following research questions: Do work incentives meet their express goals or other purposes of implied importance? What hinders their success? And, finally, what alternative interests are served?

Conflicting program goals and job market conditions were found to impede the success of

work incentive strategies. Supplements, subsidies and support measures did not mesh with the aim to reduce social assistance costs. Also, "independence", or employment, was largely unattainable due to Canada's high unemployment andsegmented labour market. Because governments focus on individual rather than societal factors, existent labour market conditions are reinforced. In this context people on income assistance are being offered to business as a cheap, flexible, no-strings-attached labour pool.

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He said, "Hey little boy, you can't go where the others go, `cause you don't look like they do." I said, "hey, old man, how can you stand to think that way? Did you really think about it, before you made the rules?" That's just the way it is. Some things will never change. . . . But don't you believe them (Bruce Hornsby and the Range, *The Way It Is* 1986).

Home . . . will be a fortress, a workplace and an entertainment centre. Sophisticated security devices will guard most homes from crime. Indeed, security will become one of the fastest-growing businesses of the 21st century, especially if society becomes more polarized between the wealthy, educated "haves" and the illiterate, poor sociopathological "have-nots" (Xerox Corporation, *Toward 2000: A Progress Report* in Swift 1994: 9).

CHAPTER ONE

A. Introduction

While the terms of welfare debate may be lauded as common sense and unproblematic, they are instead both descriptive and evaluative or prescriptive. Welfare's denotative meaning is "well-being". However, this definition has become all but burried in a series of its connotative meanings. Although rarely identified as such, many currently popular notions about welfare fall under the aegis of neoliberalism. The tenets of neoliberalism, as well as those of neoconservativism, radical democracy, poststructuralism and postmodernism will be presented to give a sense of where different conceptions of social relations, social welfare and work arise from.

Connections will also be made between neoliberalism and the Canadian federal government's recent social welfare policy. In particular, it will be demonstrated how neoliberalism provides impetus to Bill C-76, including the reduction of social spending monies, the removal of nationally mandated economic rights, the facilitation of work incentive strategies as a social reform tool, their legitimation by a social logic that emphasizes individual obligations to society over citizenship entitlements and the devaluation of those on social assistance.

Various authors have set about identifying those topics that fall outside of the delimited zone of dominant discourses.[1] Following their lead, it is to the task of exposing the rhetorical underside of the terms of welfare reform that emerge as normative, as well as those that are suppressed, that this paper, in part, lends itself. It will be shown how defining the terms of debate can serve as a means to retain power. Significant factors excluded from consideration within a neoliberal discourse are: the distribution of wealth, income and privilege; the conditions of the labour market; government

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[1]Some authors that take up this project are: Butler (1992 and 1993); Crenshaw (1992); hooks (1990); Lubiano (1992); and Yeatman (1993).

intervention to benefit business and; the activities of the wealthy.

Evidence of patterns of considered selectivity and argumentative techniques that operate within the social welfare field will be given. These patterns include the creation of binary oppositions, where one term in the debate is loaded with "positivity," while the other is defined solely in "negativity." Loaded words that are claimed to possess all of the positive elements, like the oft heralded promise of "self-sufficiency" that lies at the end of paid work, tend to have a repressive side that serves to mystify issues of power and inequality (Barrett and McIntosh 1982).

Who benefits and who disbenefits from those social arrangements being promoted, is often either taken-for-granted or gets lost in the shuffle of competing terms (Bryson 1992: 30). Some of the other meanings that are eclipsed from view will be identified, again through a radical democratic, anti-poverty lens. This section was also intended to consolidate a message contained throughout - that of the contingency of the ethical and prescriptive side of politics.

The portrayal of who benefits and who disbenefits from work incentives takes on a completely different appearance depending upon which political framework is adopted. A presentation of how neoliberal, and radical democratic theories transform this picture will be given. The latter model will provide much of the direction for the discussion and critique of work incentive programs.

Places where the needs and objectives of more powerful actors and those of people on income assistance are a source of antagonism will also be identified. Specifically, work incentive strategies, when introduced in tandem with Bill C-76 and anti-egalitarian legitimating narratives, are seen as indicative of this clash of interests.

Work incentive programs in two Canadian provinces and their emergence in another, will be used to illustrate the above trends. As a social logic, work incentives are positioned at the apex of

debate about work obligations and welfare provisions. As programs, they represent a site where social actors with often extreme differences in wealth and power interface. A fairly in-depth look at the application and outcomes of work incentive strategies will help assess their effectiveness, including their logical and ethical bases as solutions to income assistance use.

The conventional conceptual frame for welfare policy will be widened in order to consider non-traditional forms of welfare. Broadening the scope of analysis will also get at the facility of stigma. Stepping outside of the parameters of debate set by neoliberalism will also allow for some of the unacknowledged consequences of work incentives to emerge.

B. Research Questions

The overriding query that guides the following research questions is, who benefits and who disbenefits from the current thrust of social welfare reform in Canada?

What is the interrelation between a series of federal government initiatives -- specifically Bill C-76, which reduces social assistance monies going to the provinces and removes nationally mandated economic rights and the use of a social logic that privileges work obligations over citizenship entitlement rights and that devalues people on income assistance? Where do work incentives as a welfare reform tool fit within the context of these concurrent changes?

How do work incentives fare in meeting their express goals -- to save social assistance costs, to move people from welfare to work, and to motivate people to take responsibility for their lives? Are they able to meet other objectives of implied importance -- to move people out of poverty and into adequate stable employment? What are the barriers that hinder their success? What are some alternative interests served and some unacknowledged consequences of these programs?

C. Literature Review

A review of materials in the field of social welfare -- within newsprint media, government

documents, policy institute reports and academic journals -- identified the *dependency* of people on income assistance as a prevalent theme. "Dependency" is related to, but distinct from, poverty. "Poverty" rarely appeared in government policy and discussion papers. Whether an author was concerned about poverty or dependency tended to correspond with a distinctive perspective on people on income assistance and on government provisions for income assistance. Adopting one or the other stance also, clearly, had implications for the type of welfare reforms suggested.

The list of attendant assumptions about and connotations of "dependency" grew throughout the review of literature from authors of many ideological bents. Feminist, deconstructionist, and anti-poverty sources provided an understanding of how the term connotes far more than is apparent to the unwary eye, for instance, by drawing on traditional values, older usages of a word, visual imagery, and so on.

The dependence/independence dichotomy, expressed an all-or-nothing view of people with no room for further complexity. The mutuality or inequality of such relations were non-issues, as were the characteristics and activities of unstigmatized "independent" actors. This had resulted in a slippage whereby poverty (one's position in the economy, as a colonized people, and so on) was replaced by a narrow concern with one's source of income and one's in*ability* to find paid work.

The recognition that the concern with some people's "dependency" upon income assistance was grounded in specific ideological traditions, warranted identifying the tenets of neoliberal and neoconservative perspectives.[2] Neoliberalism and neoconservativism find contemporary voice, most notably, in the Business Council on National Issues, and The C.D. Howe and The Fraser Institutes,

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[2]Similar assumptions can also be found in the labour/leisure and human capital theories of classical economics, which suggest that the key issues are those of individual motivation and choice (McFarland 1993). Programs aimed at fostering work ethic and providing work incentives follow from this approach.

whose memberships are drawn almost entirely from corporations and wealthy individuals.[3] The tenets of these perspectives stand in sharp contrast to the basic assumptions about human worth and work found within a radical democratic model for social relations, which includes anti-poverty and some feminist perspectives.

The language and sentiment behind government policies and practises was examined in order to identify which political tradition(s) the federal government seemed to be appealing to for direction. Specifically, the replacement of the Canada Assistance Plan (CAP) with the Canada Health and Social Transfer (CHST) via Bill C-76, and the pursuit of work incentive strategies, were taken as indicative of the direction that welfare reform has currently taken in Canada.

A review of briefs to the Standing Committee on Human Resources Development Canada and the Finance Department and writings about Bill C-76 and the CHST, from women's, anti-poverty, labour and business groups, to name a few, exhibited a convergence of government policy and legislation with the suggestions contained in briefs submitted by corporate lobbies. From this initial exploration, then, a more in-depth search for points where government policy prescriptions concurred with the express interests of proponents of "free market" or "neo" liberalism was pursued.

Because one effect of Bill C-76 is to enable the attachment of work conditions onto income assistance, work incentive strategies were thought to constitute a more localized focus to discern who benefits and who disbenefits from the current thrust of social welfare reform. Reading in this area sought an understanding of the recent history of work incentives in Canada, their rationale, their objectives and some of their outcomes.

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[3]While the workings of power, the capitalist market, and neoliberalism cannot be said to be contained by particular actors, the identification of key proponents and beneficiaries of certain models for economic/social policy and social relations was intended to impress that "market forces" are not benign, undiscriminating, or inevitable. Neither are they without human agency.

Parallel streams of literature -- from neoliberal, government and radical democratic, anti-poverty and feminist sources -- were continuously gathered, compared and applied to the issues identified for study throughout the writing process.

D. Rationale for Organization of Thesis

(i) The analytic schema adopted will be outlined separately from information that iterates its principles. The former section will clarify the philosophical and political choices underlying the subsequent narrative and analysis and provide the rough boundaries and guidelines for bringing information together. Aside from the artificial segmentation of types of information, for the sake of an ordered thesis, the conceptual framework used comprises those ideas and principles that are easily imagined in their concrete forms, as organizing people's actions and lives. Theoretical schema are adopted to lend form to the many fragmented social logics that constitute the field of social welfare.

(ii) The sources that inform the bulk of this thesis -- its substantive content -- may not be explicit about their philosophical choices or even their political leanings; albeit, these are often apparent in the tone and content of the writing itself. These arguments may be conceived of as attempts to define social reality. Places where different values, objectives and premises underlie discrepant information will be identified when needed. Outlining the basic tenets of various political perspectives helped to place these along ideological lines.

While one's biases certainly interfere with the fair consideration of alternative points of view, let it be of some reassurance that firmly held preferences remained largely intact throughout this exercise. There is no attempt to disguise these. However, all materials were subjected to as much analytic rigour as this author could muster.[4] Those relied upon for intellectual guidance, nonetheless,

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[4]McGilly (1991: 3) proposes that "the proper use of ideology is in self-criticism" and that "applied to the work of others, ideological analysis is likely to spread as much darkness as light." I have tried

(continued...)

share this author's political leanings. This is minimally problematic, though, as it is over matters of ethics and interests, not Truth, that the conflict and rallying for legitimacy ensues. It is held to be only from a given standpoint that the tendencies in social policy proposed herein may be found wanting or desirable.

(iii) Method

Qualitative and quantitative materials were combined to examine the patterns that exist in recent social welfare reform in Canada. In part, my analysis extrapolated from information derived from archival documents relating to policy and legislation as well as from popular and academic literature about changes to the funding and delivery of income assistance. The reproduction of statistical information that had been organized into tables and graphs was presented when this type of detail and substantiation was useful. Recent research on work incentive strategies provided the criteria to assess these programs' effectiveness and their logical and ethical merit.

Examples of work incentive strategies targeted to people on income assistance in two Canadian provinces were scrutinized. The preparation for mandatory workfare in another province was also examined. Programs assessed thus included:

(a) New Brunswick Works (NB Works) is a national demonstration project meant to guide Social Assistance Recipient (SAR) programming in the future. It has been accompanied by much hype and funding and, therefore, a great deal of media attention.

(b) Likewise the Self-Sufficiency Project (SSP) in New Brunswick (one also operates in

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(...continued)
to be up front about my own value judgements. As well, it is certainly the case that not everyone is so frank and that we are currently in a political climate where many choices are being cloaked in the language of imperatives. It is, therefore, key to opening public debate to acknowledge that many views that currently pass as "common sense" or "consensus" actually favour certain sectors of the population to the omission of contrary points of view.

British Columbia) is a fairly large-scale pilot project intended to refine programming in the area of wage supplements.

(c) Three programs in Quebec -- Programme d'aide a l'integration en emploi (PAIE), Rattrapaige Scolaire (RS) and Experience de travail (EXTRA) -- that operated between 1989 and 1993 held 80% of all people involved in such programs in Quebec at that time. Shragge (1996) has been able to access various internal and independent evaluations of these programs, translating them from French into English in the process.

(d) The beginnings of mandatory workfare and a restrictive financial strategy in Ontario are included as they represent a potential direction for policy in Canada, given the elimination of the CAP rights, and the swing of welfare reform to the right.

It is quite likely that the general design and rationale for any or all of the above strategies will inform future programming in the area of employment development for people on income assistance and the characteristics of the programs span a fairly wide range of initiatives in this area.

Nonetheless, the scarcity of comprehensive data on the outcomes of work incentive programs played a significant part in the decision to select the programs over others for this study. The outcomes of most employment development programs are either not made public or do not provide sufficient information for evaluation. Therefore, my analysis had to rely, almost entirely, on secondary material.

Provincial and federal policy papers, legislative bills and budget documents were used to obtain information about three recent initiatives in the field of social welfare policy: the reduction of federal transfers to the provinces for social programs; the elimination of Canada Assistance Plan rights, and the enabling of work-related obligations to be applied as a condition of income assistance. The impact of these three aspects of Bill C-76 on income assistance delivery will be presented to

contextualize the use of work incentives.

Specifically, the sentiment and professed intent of work incentive programs will be held up against available measures of their effectiveness. Factors that either impede, or are required to ensure, their success will be introduced

The sentiment behind "work incentives" is that market-valued work is the ultimate source of self-fulfilment, self-sufficiency and social worth. The idea that "incentives" are needed also implies that people on income assistance must be compelled, or encouraged to engage in work-related activities. These claims will be examined on the basis of their logical and ethical merit, given job market characteristics and the programs' capacities. The utility of these terms of legitimation will be considered along with their association with particular political traditions and benefits for certain sectors.

Work incentives are also justified on the basis that they achieve certain measurable results, relating broadly to saving social assistance costs, moving people from welfare into market valued work, changing the attitudes and motivation of individuals on social assistance. The putative purposes of the programs will also be examined in terms of their ethical and logical credibility.

Finally, only a few policy papers and work incentive proposals state moving people out of poverty and into sustainable adequate employment, or meeting the differential needs of people who are on income assistance, as explicit goals. They will be considered here nonetheless, not only as relevant to individuals' well-being but also as crucial to the success of the programs, themselves, if the purpose is to foster "independence" or "self-sufficiency," make work "pay," and save social assistance costs.

Barriers to achieving both ostensive goals as well as those of providing adequate employment and eliminating poverty will also be identified and discussed. For instance, empirical data on

unemployment, income and wealth distribution, poverty, and job market trends will give a sense of the current societal conditions that the above trends in social policy arise out of and are in part a response to. These data also speak to the appropriateness and implications of the reforms.

E. Some Models for Social Relations

(i) Poststructuralism and Postmodernism

> Class consciousness is knowing which side of the fence you're on. Class analysis is figuring out who is there with you (Press Gang Publishers in *The Prairie Dog* 1996).

Having weighed the promises and pitfalls of poststructuralist thought, in the course of studying many of its adherents works, its lessons have been taken seriously enough to disavow *necessary* revolutionary subjects and to appreciate the historicity and contingency of the being of objects. Beyond this, I have laid aside the seemingly unending inquiry into metatheoretical matters and instead opted for a less philosophically-conscious approach.[5] Therefore, while the insights, remarks, etc. of poststructuralist and postmodernist authors litter this document, the rules that guide their works will not be adopted as the measure of good theory. Some reasons why these perspectives will not be permitted to decide the interpretation of social reality are as follows.

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[5]Laclau and Mouffe (1987) walk the reader through their philosophical departures from Marxist orthodoxy. Among these are: that every social configuration is meaningful, that is, a thing has no constant or absolute referential materiality, but is context dependent (on its pragmatic use); the purely relational or differential character of all linguistic identities and social structures; a critique of the concept of *objective* interests and *necessary* revolutionary subjects, i.e. the classical working class. While their rethinking of the socialist project is politically palatable, its application is more suited to the study of the "new" social movements (feminism, gay and lesbian freedom, black nationalism and its variants, ecology, and movements of the disabled), rather than that of the "economic justice" or redistributive left (not that those in the former groups are precluded from engaging in struggles for economic equality), due primarily to the lack of consideration given to economic/power differences as these prevent the realization of radical plural social arrangements.

In this thesis it is held to be quite significant where one is positioned within economic, including employment and property, relations. The former includes the public, private, and third sectors and does not refer to the outmoded delineation of waged workers and capitalists. The notion of work itself is held to be complex, relational, and its valuation the result of ideology and power relations.

The expression of specific life conditions is hindered by poststructuralism's specialized theoretical practices, paranoia of essentialism (Fuss 1989: 2) and its attendant emphasis on autonomy and liberty (Aronowitz 1994: 28).[6] The imperative of challenging what may be termed the right-wing assault on social-democratic values and constitutional obligations, requires that one be sure, at least, of one's ethical opposition to this, while recognizing that the expression of such may occur at many levels and with great variation.

When dealing with issues of social justice it may be disingenuous to "suspend all commitments to that which a term refers" (Butler 1992: 15). While poverty, exclusion, and discrimination may be vague, contested terms, and certainly possess no absolute referential meaning, they do have meaning and great import within specific political traditions. It is from these that theoretical backing can be drawn.

Likewise, while neither neoliberalism, nor democracy exist in pure forms, these categories help one navigate through mainstream media and policy documents, and get a sense of the political traditions from which prevalent views arise. Social policy in Canada bears traces of many fragmented ideologies and does not adhere to a single monolithic one.

Also, while the challenge is not fully formulated in this paper, the endeavour of fostering substantial opposition to regressive government policies requires that commonalities be identified not only within, but also across race, gender, class, and many other lines. This thesis should make

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[6]Based on a literature review of various authors falling into post-structuralist and post-modernist camps the unwillingness to transcend critique was apparent even in cases where the imperative of a "politics" was the manifest intent of the piece. What ought to come beyond this, or what exactly politics is to entail was usually not actively interrogated or provided. Also evident were tendencies toward introspection (termed self-reflexivity) and dissociation from one's social context. These tendencies result in an obsession with pondering various inaccessible or irremediable phenomena, like "essence" (Fuss 1989), the limits of difference and successful "signification" (Butler 1992; 1993). These practices are held to detract from the formulation of a concrete strategy to pursue social justice and they employ a very rarefied and, hence, elitist, language.

clear that the values that appear to have gained predominance recently, and the economic and social policies being enacted, will have profound, though dispersed and unpredictable, effects on many people.[7]

Also, the power and liberation supposed to be found in the "end of the notion of science and society, which is in fact (to be distinguished from `by necessity') . . . a patriarchal hierarchy with a claim to truth" that postmodernism promises remains unrealized (Andrews 1995: 70). It is painfully obvious that, upon recognizing that the emperor has no cloths and in fact stripping him of his authoritative guise, the plurality of voices and points of view have not overwhelmed legislative forums or most media. Or, more pointedly, the concerns of marginalized people in the areas of poverty and social welfare have not been acted upon so as to significantly alter the course of government policy-making -- at least, not this time around (Ralph 1994b). This might be because power is not only allied with knowledge, but its dissemination -- with both of these being far more tied to "power resources"[8] than post-Marxists would have us believe. The existence of tangible differences in power resources defies the claim that "our culture, or purpose, or institutions cannot

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[7]"Identity politics" has created an excessively critical atmosphere so as to make uncomfortable, in the least, writings "on behalf of" oppressed persons. In the current climate all such efforts are probably best left outside of academia so as to avoid the trial of justifying such philosophically, morally, and so on except, of course, to oneself. It was thus, that the decision was made to cast the gaze outwards at the discourse of more powerful actors, albeit in a general way for now, who are held to be key players in fostering large scale economic insecurity, the destruction of social programs, and who are proposed to be the primary beneficiaries of work incentive schemes, this paper's primary focus.

[8]The major power resources in capitalist democracies (of which Canada is one) "are related to class structures and are based either on control of means of production or on organizations' ability to mobilize large numbers of people in similar situations to collective action" (Mullaly 1994: 87). The difference in power resources "will help determine distributive processes in society, citizens' social consciousness, the shape and function of societal institutions, and the level and pattern of manifest conflicts" (Korpi in Mullaly 1994: 87).

be supported except conversationally" (Rorty 1982 in Laclau and Mouffe 1987: 85).[9]

It is precisely now, when we should be basking in the inclusivity of radical plural social arrangements that we are instead met with a mind-numbing "common sense revolution" that virtually smothers the multiplicity of identities that seek entrance into the public forum of debate (in Dobbin 1995). Against the marketing of neoliberal/conservative ideals as the voice of "the people," many of the most vulnerable (to stigma, poverty, ill health, and other forms of oppression), are being pigeon-holed as "special interest" groups (Howard 1995). Meanwhile, those enthraled by the promises of radical pluralism are splintering off into smaller and smaller divisions and subdivisions.

There is little moral justification as to why cultural pluralism is more akin to the goal of social emancipation than the politics of human universality, collectivity, or solidarity which are met with "blanket dismissal".[10] Yet, this author is hard pressed to see the inherent (or even likely) connection between prolonged queries into the "signification of difference" (Butler 1993) with the pressing need for a mass-based opposition to neoliberal beliefs, strategies, and institutionalized practices. The former, in a nonegalitarian society, only reinforces the tendencies of individualism and autonomy (or negative liberty) within neoliberalism.

Nonetheless, it is evident that important differences also risk being suppressed by the neoconservative doctrines of familism and white-supremacy, to name but two. As inequality has become individualized, historical injustices are being held under erasure. Therefore, to emphasize

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[9]I realize that what Rorty is referring to here is the notion that we can no longer appeal to metanarratives of truth, ethics, and aesthetics for support. However, my point is that, in the absence of ethics and truth (as legitimating narratives) the market will determine who will win out. It is not, therefore, to the advantage of those without economic clout to relinquish any appeal to notions of social justice, fairness, equity, etc.

[10]Doyal (1993: 113) makes a convincing argument against "blanket dismissals of human universality."

commonality of interest is not to bar consideration of distinctness; on the contrary, it is central to a people's movement to recognize that the current mandate of our federal government targets specific groups to bear the brunt of this mean and lean season.[11] But this selectivity also has the potential, nay the intent, of pitting various vulnerable groups against one another in competition over scarce resources -- non-native against native, men against women, the waged against all those who are seen to threaten their already precarious position in the labour market, and with the Canada Health and Social Transfer (CHST) -- needs for health, education and social assistance. As Pearline Oliver commented in a CBC interview, "if people were united, they wouldn't be able to pick us off one by one" (in Bishop 1994: 34)

Because most people are not versed in the specialized languages of postmodernism and poststructuralism, but persist in using words like class, solidarity and society long after these have been pronounced dead by the post-intellectuals, its language, ergo its utility, is removed from popular struggles. And, while high-tech marketing may be compelling those who can afford it to enter the information age (Lyotard 1984), humanity at large remains unable to get a handle on sustainability and world hunger (George 1976; Mies 1986). These two "worlds" portend the growing divide between the "haves" and the "have nots," one that may, in fact, prove too wide to bridge.

Finally, the rules that guide interactions between the disempowered and the ruling elites continue to be as real and as much the result of hegemonic construction as they were before

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[11]Bishop (1994: 11), attempts to clarify this issue when she states: "I certainly am not saying that we all have problems and should just learn to get along; this denies the long complicated history and all the terrible scars that need healing, collectively, before we can live together in peace. What I am saying is that all oppressions are interdependent, they all come from the same world view and none can be solved in isolation." Eitzen and Zinn (1992: 179) echo this sentiment in their discussion of how "new technologies, global economic interdependence, capital flight, and the dominance of the information and service sectors over basic manufacturing . . . have reinforced the unequal placement of individuals and families in the larger society." Specifically, these transformations have deepened existing patterns of class, race, and gender inequalities. These are presented as interconnected.

poststructuralism and postmodernism came onto the scene. In the final analysis, poststructuralists and postmodernists (whether this be a perspective or a historical period) must set up new criteria for evaluating the relevance of social analysis, such as pragmatics (Rorty 1979), values (Bauman 1988), and traditions (Laclau and Mouffe 1985).

(ii) Radical Democratic Theory and Socialist Strategy

> Without knowing the appropriate language, I understood that advanced capitalism was affecting our capacity to see, that consumerism began to take the place of that predicament of heart that called us to yearn for beauty. Now many of us only yearn for things (bell hooks, *Yearning: race, gender, and cultural politics 1990*).

The above stands as rationale (enough?) for this researcher's preference for authors engaging in popular democratic movements, and particularly for those whose focus is on social and economic justice and anti-poverty issues in Canada.[12] These authors are, therefore, given precedence in informing the substantive part of this thesis -- plainness of style, essentializing tendencies, and all. The theoretical "costs" of employing less refined (and more suspect) conceptual tools are thought to be outweighed by these concepts' greater affinity to the language and, presumably, the experience of those in the "redistributive left" who find the issues discussed in this paper to be of utmost concern.[13]

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[12]The redistributive left has traditionally included trade unions, labour, nascent social democratic parties, socialists, and anti-poverty, women's, and anti-racist groups--as well as the "barely organized and differentiated masses," or those at the margins of the labour market (Laclau and Mouffe 1985). To the extent that these groups attend to issues of class, inequitable wealth distribution, joblessness, and capitalist market society, they are included. Workfare may present the opportunity for a tactical alliance between new groups, such as those situated precariously on either side of the labour market--the employed and unemployed--while some trade unions, for example, may ally themselves with business. There is, hence, a constant redefinition of the identity of forces in struggle.

[13]Aronowitz (1994a: 53) perhaps puts it best when he says that "the emergence of 'social movements' as the defining form of what constitutes left opposition . . . has resulted in a failure to respond to the horrendous pace of job losses due to economic stagnation, technological displacements, and corporate mergers, the rise in hunger, homelessness, and plummeting living

(continued...)

> A genuine democratic left would have as its main task to define and disseminate the ideas of democracy among political activists and the general public. It should work out an approach to democratic participation, the state, racism, and sexism and the specific features of . . . multinational capitalism. (Aronowitz 1994a: 277)

Neoliberalism rests on two basic premises: possessive individualism and negative liberty (to be free of the arbitrary authority of the state). In contrast, radical democracy appeals to positive liberty: "the possibility that social arrangements may enable individuals and groups to realize their full potential as human beings, and that all institutions of social life are, in principle, subject to self-management by those who inhabit them" (MacPherson in Tully 1993: 21).

> In our Western societies, the democratic franchise was not installed until after the liberal society and the liberal state were firmly established. Democracy came as a top dressing. It had to accommodate itself to the soil that had already been prepared by the operation of the competitive, individualist market society, and by the operation of the liberal state, which served that society through a system of freely competing, though nondemocratic, political parties. It was the liberal state that was democratized, and in the process, democracy was liberalized. (MacPherson in Tully 1993: 22)

In short, liberalism and democracy contain incompatible principles (Laclau 1993; Teeple 1995).[14] Nonetheless, democracy, is not inherently bound to Western liberalism; that is, "the links between the various components of a theoretical structure or a world view are not necessary or logically required . . . " (Laclau 1993: 221).

In contrast to its liberal form, radical democratic theory falls within the domain of "collectivist theories" as defined by Dominelli (1991) to the extent that a radical democratic logic identifies and opposes various sources of inequality, a primary source of these being capitalist market

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standards for the whole working [sic] class."

[14]Okun (1975) also attributes the decline of work in the welfare state is attributed to the problem of the uneasy marriage between markets and democracy. The underlying principles of these two aspects of social organization are said to contradict each other. Specifically, markets rely upon inequality, whereas democracy requires equality to be effective.

relations themselves.[15] Korpi's (in Mullaly 1994b) "power resources" theory of conflict, helps explain why the ideal of a radical plural democracy cannot be realized within an advanced capitalist market economy that is characterized by non-egalitarian social relations; that is, precisely due to differences of income, wealth, and privilege, the plurality of points of view cannot achieve expression.

Teeple (1995), an orthodox Marxist, and Aronowitz (1994a; 1994b), from a radical democratic standpoint, further discuss some obstacles the redistributive left faces in combatting neoliberalism. Obstacles include the weakening of popular activism on the left, trade unionists, black people, Native people, and women (Aronowitz 1994a; Dominelli 1991: 64; Ralph 1996), the "crisis" of the movements (Amin, et al. 1990; Aronowitz 1994a), and the censorship of the media to eliminate public access to heated debate about important issues (Aronowitz 1994a). Bryson's (1992) "ideology of inequality" outlines how traditional hierarchies are sustained by naturalizing differential access to resources and misrepresenting the redistributive role that government plays.

One intent of this thesis is to direct some attention to those special interests that are rarely seen as such and yet are highly influential -- representatives of multinational capital in Canada, funded right-wing policy institutes and the banking sector.[16] Class antagonism will be emphasized. It is not suggested that the Canadian government is simply an instrument of the capitalist class. However, the business and banking sectors *are* afforded extensive input into the design of policy so

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[15]However, Dominelli's (1991: 23) collectivist approach entails a critique of its classical Marxist and pluralist forms from an anti-racist feminist approach. Specifically, she heeds the "multiplicity of oppressions impacting simultaneously on individuals' lives and avoids ranking these on a scale determining the point at which they are dismantled."

[16]While this thesis will not begin to give a comprehensive view of the extremely powerful, overarching, and coordinated web of multi-national corporations and financial institutions, it will, through a more limited focus, hopefully illustrate how corporate lobby groups within Canada are able to direct social and economic policy. Sources that would broaden the scope of analysis to consider these actors' influence on a world scale include: Barnet and Muller (1974); George (1976; 1988); McQuaig (1987); and Mies (1986).

that government proposals do to a large extent reflect the latter groups' suggestions (Langille 1987: 84).[17]

Officials of all political stripes now take a neoliberal approach to governing so that their prescriptions for policy are largely aligned with those of business (Teeple 1995).[18] This particular world view also constructs the "fiscal reality" against which all other social and economic considerations must be measured (Axworthy 1994; Martin 1995). The need for consent or legitimacy prevents any one group from exercising absolute power, however. Absolute power would require the elimination of any space for dissent through force.

The broad task of this thesis, then, is to scrutinize neoliberal prescriptions for social relations, social policy and practices and an anti-egalitarian discourse that legitimates unequal relations in support of this model.[19] There will be little attempt to relay the experience of the relatively

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[17]When Polantzas (in Langille 1987: 79) developed the concept of "relative autonomy" in the mid-sixties, it was clear that the Keynesian welfare state could not be adequately explained as a mere instrument of the capitalist class. "While capital may have exercised relatively less direct influence during the period of `post-war compromise,' in recent times it has tried to assert more control. Therefore as the welfare state comes under increasing attack, it appears that the `relatively autonomous' relationship between capital and the state may fluctuate commensurate with the influence of the class struggle on economic conditions" (Langille 1987: 79). Also see Vogel (1983: 20).

[18]Miliband (1991: 115) points out that "many of those involved in the struggle are not members of the dominant class or power elite at all, but of the petty bourgeoisie, and include a host of journalists, commentators, and others in semi-professional occupations, who may be among the most vocal and most ardent combatants in the struggle. So, too, many of the foot soldiers are drawn from the working class. However, the reason for speaking of a `class struggle from above' is that the crucial protagonists are usually those who own or control the main means of domination in a capitalist society--employers on the one hand and the state on the other with the hands usually clasped in a firm grip."

[19]Discourse is the totality of linguistic and non-linguistic elements (Laclau and Mouffe 1987: 82). That is, "meaning and use are intimately, inextricable related, because use helps to determine meaning. Meaning is learned from, and shaped in, instances of use; so both its learning and its configuration

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powerless. As will be discussed further, popular literature on poverty, excepting that trickle of information provided by left-wing journals and advocacy groups, has tended to focus on the "problems of the poor," as though these existed in isolation from the activities of more powerful actors and sites of oppression (Fox-Piven 1995; Funicello 1984; Katz 1989).

However, as a side bar to the main thesis, this thesis should impress that there are many whose means of life is threatened and whose longstanding injustices promise to, not only be ignored, but deepened by the current thrust of Canadian social welfare practices as indicated by particular policies and legislation. And, that the majority of Canadian people have, if not common experience, a common enemy in the market-determination of life.

(iii) Neoliberalism

Within neoliberalism, the market relation is the most fundamental relation in society (MacPherson in Tully 1993: 23).[20] Freedom is associated primarily with private property rights (Tully 1993).[21] The conception of property as a right, and as a form of ownership, implies an exercise of power over the things produced and even over the means of producing things. In a possessive market society, in which there is a market in labour as well as in products, the liberal belief that

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depend on pragmatics" (Laclau and Mouffe 1987: 83).

[20]The "market" refers to "the mode of exchange in which the needs of society are met through the buying and selling of goods and services in the form of private property. . . . In short, it is the social allocation of goods and services by means of the price mechanism" (Teeple 1995: 79).

[21]As Teeple (1995: 76) points out, "At issue here is the very basis of inequity and class definition in capitalist society. The rights of private property are the foundation of differences in material wealth and association differential power." The notion of private property is broadened to refer to "a relationship that members of a social unit have towards each other in regard to the use an disposal of socially necessary objects. To put it another way, property consists of socially defined rights, that is, enforceable claims or entitlements to the goods and services produced or used in a society" (Teeple 1995: 76).

unlimited desire is natural and desirable encourages the establishment of the right of unlimited appropriation. This, in turn, leads to the concentration of ownership of resources and of the material means of labour. Market forces are not neutral but instead favour the increasingly inequitable distribution of resources (Yalnizyan 1994: 24).

One leg of the neoliberal world view is an emphasis on "negative liberty" (in Laclau and Mouffe 1985), that is, the unrestrained pursuit of goods -- so as to de-emphasize equality.[22] As the doctrine of neoliberalism holds that we do not have responsibilities to society as a whole to do things like create better social programs we can all benefit from, it runs directly counter to previous commitments to social and economic equality. It is by emphasizing liberty (in the form of life and property rights) that the "radical" Right (extreme libertarians) surmise that "a more-than-minimal state threatens modern society with both `the road to serfdom' and economic stagnation'" (Hayek in Roche 1992: 72).[23]

The doctrine of possessive individualism, which is in opposition to equal entitlement and by extolling the virtues of individual responsibility and work ethic, also renders the dependent poor and

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[22]As Resnick (1994: 27) observes "one strand of the new right's appeal was its critique of the liberal/left in terms of liberty and individual rights". Articulated by Hayek (1960) the liberal left state was substituting its will for that of the people, with its excessive emphasis on equality. It was thereby rendering members of society passive and dependent. The other strand in the new right was an appeal to "traditional" moral and religious values against the supposed licentiousness and immorality of the liberal left. This entails a defense of the family. These two emphases, on liberty and on authority, are of course not completely compatible (in Resnick 1994: 27).

[23]Teeple (1995: 51) observes that the attack on "big government" "has essentially been an attack against any state intervention aimed at ameliorating the conditions of the working class or against a growing politicization of the distribution of the social product." It therefore target the welfare state but not state support of corporations. "Ignored in this aspersion are the gifts, grants, and favours that have been extended to the business sector in the form of tax expenditures, inflated contracts, control of labour unions, legislated suppression of wages, socialization of production costs, social control, and creation of infrastructure" (Teeple 1995: 51).

the waged worker antithetical.

> Members of the underclass are effectively not so much second-class citizens as "non-citizens" . . . they represent a limit beyond which the order of the democratic and welfare state, and of civil society, together with the social citizenship they imply, breaks down in various ways in a disordered and uncivilized form of society (Roche1992: 57)

This difference is flouted as legitimation for withdrawing government responsibility for social services and commitment to anti-poverty measures (Mishra 1990: 77).

Poverty is seen as primarily within the control of the poor themselves as a function of their refusal or inability to work, get through school and keep their families together (Mead 1986: ix; Murray 1994 in Backer 1994: 14). However, it is welfare programs that, though aimed at alleviating poverty, are said to have undermined incentives for self-support and motivation (Gilder 1981; Murray 1984), actually encouraging "[people] to remain poor and dependent" (Murray in Emory 1992: 90). In New Brunswick, "self-sufficiency is almost like a religion to the government and its leader Frank McKenna" (Mullaly and Weinman 1994: 97).

Neoliberals also advocate "shrink[ing] the size of the state and curb[ing] its scope, to restore the primacy of market forces, and particularly to dismantle the welfare state, which is still allege (to be excessive, an obstacle to the creation of wealth, and a drain on the state's ability to compete economically in international markets" (Johnson, McBride and Smith 1994: 4). Instead, there is to be "a reliance on non-government sectors for meeting social needs" (Mullaly 1994: 78).

The idea is that the private sector is the motor of economic growth and will, in turn, reinvest its profits and create jobs.[24] Therefore, key to the neoliberal prescription for society is "reinforcing

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[24]Galbraith (in Teeple 1995: 39) points out that "Much of what the firms regard as planning consists in minimizing or getting rid of market influences." This is because corporations must to large extent reduce competition in the market, which reduces profits and control over investment, product lines, and consumption. Therefore, "what remains of the mythical laissez-faire market is very

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the market with appropriate incentives to the high technology and service industries, to the professional and managerial class, and to the multinational corporations" (Langille 1987: 45).The problem of persistent unemployment is taken into account only to the extent that lowering the deficit and creating a climate for private sector recovery is thought to encourage economic growth and job creation in Canada. Job creation is, effectively, more a residual effect than the primary intent of economic policy because governments only pursue supply side measures.

In 1987, Langille viewed neoliberalism as more influential than neoconservativism in Canada because "the turn to the right in Canada [had] not been characterized by the same rabid attack on the state as seen in Thatcher's Britain or Reagan's America, and [had] only recently begun to drift in a neoconservative direction" (42).[25] While Dobbin (1995a; 1995b) has documented the effect the Reform Party has had in shifting public sentiment further right, and in the direction of law and order,

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circumscribed . . . " (Teeple 1995: 39).

[25]Convergence of developments in the United States, Britain, and Canada follow the line of promoting private market and domestic provisions at the expense of public measures. These included minimal "safety net provisions and foisting the burden of compensating for reduced public amenities onto women as carers" (Dominelli 1991: 63). Though not as entrenched as Reaganism in America, or Thatcherism in Britain, the "new right" under Brian Mulroney successfully attacked the notion of publicly funded provisions based on pooling risks between the unwaged and the waged (Dominelli 1991: 63).

More recently, Mike Harris was elected Premier in Ontario on a platform of social cuts and "workfare," something virtually unheard of in Canada and an indication that there has been a significant shift to the right (Mishra 1990: 77). And Newt Gingrich, Speaker of the U.S. House of Representatives recently remarked that "Margaret Thatcher and Preston Manning are the two non-Americans we learned the most from. . . . I watched all his commercials. . . . We developed this [Republican electoral program known as the Contract With America] in part from studying his campaign" (Briarpatch 1995).

In 1990, Mishra stated that "The Canadian government has not so far moved towards this brand of neoconservativism [referring to Reagan and Thatcher] at least as policy. There has been no deliberate move to retrench services for the poor (for example, the Canadian Assistance Plan and social housing)" (77). "As recently as 1984, Mulroney was declaring social programs a `sacred trust,' and a 1985 major federal study found `little or no support for any major alternative to CAP in terms of social policy" (Ralph 1994: 78). Clearly, this is no longer the case.

the changes to social spending and employment development are largely dictated by market interests.[26] The utility of neoconservativism in Canada is held to be primarily as a logic that seeks to discredit equality measures, vilify subordinated groups and discipline those on the short end of polarized social wealth, income and privilege. Neoconservative practices include, forced compliance in work activities and fingerprinting.

(iv) Neoconservativism

A central plank of monetarist theories of welfare, like those espoused by Thatcher in Great Britain, Reagan in the U.S., and to some extent Mulroney in Canada, is that of controlling state intervention so that it does not undermine individuals' capacities for self-reliance and self-sufficiency -- typified by waged work (Dominelli 1991: 14). Only safety net provisions for very narrow categories of the `deserving' poor are permissible (Glaser 1988; Murray 1984 in Dominelli 1991: 33).

The Reform party, and The Fraser and C.D. Howe Institutes form the neoconservative fragment of the struggle for ideological hegemony in Canada (Havemann 1986).[27] Mishra (1984: 53-54) describes the Fraser Institute benignly as having the tendency to exaggerate a view biased against government, an inadequate conception of the role of democracy and a failure to acknowledge the social impact of the operation of the market. Complementing this is the rejection of the notion that the citizen has the right to economic support from the state (Walker 1982: 493).

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[26]This is an ongoing project of Dobbin's who publishes his views on this topic in the monthly tabloid *Reform Watch*. Dobbin (1995a) has found the Reform party to be slipping in popularity, according to polls.

[27]The Fraser Institute of British Columbia is self-defined as an "independent Canadian economic and social research and educational organization" whose main goal is to "dismantle New Deal liberalism to overcome the `excess of democracy and to promote a new Establishment ideology based on neo-classical economics and libertarian rhetoric" (Galbraith 1982). Social Darwinism, disciplinary social policies and "law and order" in order to coerce conformity to the interests of capital in an "exceptional state" distinguish this approach from neoliberalism (Havemann 1986: 15).

Neoconservatives take no cognisance of gender or race based inequality. "Women are expected to toil unceasingly for the welfare of others. . . . This approach blames individuals for their plight and pathologizes their failure" (Dominelli 1991: 11; Johnson et. al 1994: 4).[28] Its proponents draw upon past traditions built upon race, gender and class hierarchies that had lost some credibility and moved behind the scenes for a few decades.[29]

Because neoconservatives have launched a reactionary crusade against threatening social change, they may call for less government intervention but their emphasis on social control -- on law and order, defence and security -- requires a strong state (Langille 1987: 44).[30] Mandatory workfare is an idea that extends from this model for society in that it requires state-administered coercion to ensure participation in work-related activities.[31]

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[28]This individualist position involves the espousal of market or economic liberalism. Therefore, it is not conservative in the sense of "keeping or tending to keep unchanged", but, as Margaret Thatcher claimed, is a "radical project, aiming to go back to the selected `roots,' to values of an earlier period" (Bryson 1992: 43). It entails a drive to have governments withdraw from the collectivist arrangements of the welfare state and restore these services to the market" (Bryson 1992: 43). Neoconservativism retains an emphasis on morality and therefore of authority, including the breakdown of the family, crime, promiscuity, etc., that neoliberals and the Business Council on National Issues are not necessarily concerned with. These somewhat different approaches, nonetheless, frequently complement one another.

[29]Havemann (1986: 32) identifies eugenicist thinking as an influential strand of the new Establishment ideology of the Fraser Institute. "It is promoted by the Pioneer Fund, the Reagan-backed Council for Social, Political, and Economic Studies run by British neofascist Roger Pearson, and leaders of the new eugenics movement William Shockley, Richard Herrenstein, and Arthur Jensen and, of course, the `New Realist' Ernest van den Haag."

[30]For example, Mead (1986: 13) attests that persistent poverty and rising welfare costs are symptoms of disorder. These are said to be caused by the permissiveness, as opposed to the authority, of the design of social programs. The problem, then, is that welfare programs "award benefits essentially as entitlements, expecting next to nothing from the beneficiary in return." The solution he proposes is some form of work for welfare (in McFarland 1993: 150).

[31]The labour/leisure choice model of classical economics, developed in the 1920s and '30s appears to underlie policy discussion about incentives/disincentives and the work ethic vis-à-vis the move to

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> Neoliberalism reaffirms the centrality of . . . individual liberty against all interference from the state and in opposition to the democratic component, which is founded upon equal rights and popular sovereignty. But this effort to restrict the terrain of democratic struggle, and to preserve the inequalities existing in a number of social relations, demands the defence of a hierarchical and anti-egalitarian principle which had been endangered by liberalism itself. This is why the liberals increasingly resort to a set of themes from conservative philosophy. . . . We are thus witnessing the emergence of a new hegemonic project, that of *liberal-conservative* [added emphasis] discourse, which seeks to articulate the neo-liberal defence of the free market economy with the profoundly anti-egalitarian cultural and social traditionalism of conservativism (Laclau and Mouffe 1985: 175).

There are many instances, then, in which neoconservative themes are compatible with neoliberal ones. Concerns over out-of-control state spending, the destruction of the work ethic, budget deficits, despondency over perceived-as-excessive entitlement rights and the immorality of single-parent motherhood provide a fairly cohesive basis from which to attack social democratic gains made, especially during the 1960s and 1970s, on many different fronts (Resnick 1994: 25-27).

F. Power/Legitimacy: The Space for Ideological Rallying

> "Imperative" is the language of tyrants and the creed of slaves (John Ralston-Saul, *The Unconscious Civilization* 1995).

> Businesses have told us that the national debt is the number one barrier to job creation. We are refocusing our programs accordingly (Manley, *Orange Paper summary* in NAPO 1995c).

Interpretations of and prescriptions for social reality are guided by ideology and constructed group interests, which "represent a cluster of values and a different pattern of the distribution of power and privilege in society" (Mishra in Mullaly 1994: 78).[32] The ideological refers to "those

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reform of social programs (McFarland 1993: 152).

[32]As with any political movement the Right exists as an alliance and a debate; that is, it contains within it a range of distinctive viewpoints and also a range of contradictory positions on particular issues. Some right-wing adherents may favour big government and authority (Mead 1986) to offset the permissiveness of the Keynesian state, while others combine an emphasis on the market and

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discursive forms through which a society tries to institute itself as such on the basis of closure, of the fixation of meaning, of the non-recognition of the infinite play of differences" (Laclau 1991: 27). The effects of such definitions are immanent within people's lives and acquire meaning only through their pragmatic use.

Attempts to define and narrow the terms of debate serve as means to retain power (Butler 1992: 10). For instance, Jackson et al. (1995: 13) found that U.S. reporters consistently "zero[ed] in on the relatively small AFDC program and the `pathology' of out-of-wedlock births, while reducing job loss, wage erosion and discrimination to background issues." This focus on the individual complements and presages the attention given to "altering the constraints, incentives and barriers to micro-level behaviour" (Standing 1991: 5). And, because much dissenting opinion does not make the public record, there will tend to be a constant flow of information that supports the world view of those with privilege and influence. Aronowitz (1994a) terms this the "*ipso facto* censorship of the media."[33]

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private provisions (through charities, etc.) and minimal government. Both may be couched in "family values" lingo wherein female headed households are held to be a deviant form of family, making poverty the result of their inability to keep a man, which breeds all sorts of pathology (Evans 1993: 60). For instance, there is an ideological split between the Canadian Federation of Independent Business and the Business Council on National Issues, the former group taking a more hard line neoconservative stance.

[33]Thomson Corporation, which owns *The Globe and Mail*, is one of only three of the top 100 corporations that is based in Canada. It ranks 57th in terms of assets, but 3rd in terms of "the percentage of its assets, sales, employment and other benchmarks generated abroad" (Fagan 1995a). On December 31, 1995, right-wing media magnate Conrad Black, who sits at the helm of the fastest growing press empire in the world Hollinger Inc., gained monopoly control over Saskatchewan's daily newspaper industry, including Saskatoon's *Star-Pheonix*, Regina's *Leader-Post*, and Yorkton's *This Week* and *Enterprise*. Earlier, in July, he also took over 34 of the Thomson newspapers in the U.S. and Canada to add to his over 600 papers worldwide. He now has more than 20% interest in Southam, which owns 17 of Canada's 110 dailies. The acquisition from the Thomson chain included the *Prince Albert Daily Herald*, the *Swift Current Sun*, and the *Lloydminster Daily Times*
(continued...)

"Given the high level of economic concentration in Canada and the very adept organization of the Business Council on National Issues, monopoly capital now sits in a position of hegemony over the Canadian State" (Langille 1987: 52). However, this apparent hegemony is by no means absolute or uncontested, "but rests on a set of compromises with organizations representing other social forces. . . . One of the conditions for [the BCNI's] continued hegemony . . . is its capacity to take into account certain of the interests of the subordinate classes and of other factions of capital" (Mahon 1984: 27).[34]

The BCNI strives to be seen as a spokesman for the national interest and has developed a personal rapport with various government departments, but primarily with the executive (Langille 1987: 53).[35] Its members try to work in partnership with government without engaging in the politics of confrontation or adopting an adversarial stance. But, as Langille (1987: 54) points out, "The Business Council's `statesmanlike' approach is in large part a function of its power -- few other

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(Diamantopoulos 1996: 3).

[34]Gramsci's (in Laclau and Mouffe 1985) conception of hegemony has subsequently been reworked by post-Marxists and poststructuralists alike. Again, if one does not get too hung up on metatheoretical rules, various theorists are clearly attempting to account for the same power relations and social practices. Fraser (1987: 179) describes hegemony as "the power to establish authoritative definitions of social situations and social needs, the power to define the universe of legitimate disagreement, and the power to shape the political agenda." This is a fairly static conception of hegemony, as is fitting with the presentation of issues in this thesis, and does not deal with the process of its constitution. Korpi's "power resources" theory as applied to the contemporary Canadian context by Mullaly (1994) is compatible with the notion of hegemony and merely gives some specificity to how this advantage is established.

[35]In his closing remark to the Standing Committee on Finance (October 27, 1994), Thomas D'Aguinos, President and Chief Executive Officer of the Business Council on National Issues, states "We urge you, therefore, not to make the mistake of relegating us to the status of a mere interest group, as is sometimes suggested. Our contribution is central to the Canadian agenda. We are doing our share. We can do more and we will do more and we look forward to doing so" (1994: 61:22). "More" does not mean paying more taxes or contributing directly to deficit deduction as he strongly advises government not to increase taxes.

groups can afford to be so magnanimous."

While business and their allies were never enamoured with the welfare state, they had little success in resisting popular demand for progressive reforms before 1975. Since then, however, the Business Council on National Issues has become a highly successful, unified, and organized lobby and resistance to its demands largely ineffectual (McQuaig 1995; Ralph 1996; Tester 1992).[36] Over the past twenty years the Canadian business and banking sector have "sought a profound transformation of the terms of political discourse" (Ralph 1996: 290). Or, as Michael Walker of The Fraser Institute put it, they started twenty years ago to "change the ideological fabric of society" (in Dobbin 1996: 10).

In 1976 the CEOs of the top 150 Canadian Corporations -- many representing transnational corporations -- joined to form the BCNI (Tester 1992: 143; Ralph 1996: 291). There are now 160. The formation of the BCNI in 1976 was said to be, in part, a response to the "higher record of labour unrest, higher wage gains, and higher inflation rates [whereby] . . . workers were sheltered under an expensive social safety net, which reduced labour discipline" (in Langille 1987: 46). The BCNI wishes to become "the vehicle through which Canadian chief executives contribute to the shaping of national priorities" (BCNI 1995). One of its primary aims is to create a level playing field -- in terms of pay and submission of workers -- between Canada and countries like Uruguay and Mexico (Ternowetsky and Riches in Ralph 1996: 190).

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[36]This is not to discount the contradictions within, for example, the ruling elite (government and transnationals), nor to suggest that the various social movements have not impacted the state. Generally, what Canadians have ended up with in the way of a welfare state is a matter compromises that have been struck between various interests, gaining expression in the political principal of reformism (Dominelli 1991: 21). What this has meant is that social democracy "has been critical only of the defective operation and not of the system itself" (Teeple 1995: 42-43). Langille (1987), Teeple (1995: 4), and Ralph (1994) discuss the influence of labour in the early '70s and the relative disrepute of the business lobby (then the Canadian Manufacturer's Association as well as the Canadian Chamber of Commerce).

In the "war of position" between the redistributive left and the big business lobby, the sides are highly unequal. For one thing, the BCNI, allied with others who support their approach, like the Fraser Institute and The C.D. Howe Institute, have many resources at their disposal that enable them to have disproportionate input into public debate. Even a quick overview of the corporate sector's "power resources" impresses how they have been able to gain the upper hand in "determining the distributive resources in society, citizens' social consciousness, the shape and function of societal institution, and the level and pattern of manifest conflicts" (Mullaly 1994b: 87). The BCNI's organizational capacity, its relationship with the state, awareness of its own class interests so as to aid mobilization, and its articulation of a distinctive position on society (for instance on the fiscal crisis, its diagnosis and cure) are all "power resources" that have contributed to its apparent political, economic, and moral ascendency.

Human capital has inherent limitations as compared to investment capital. "It has less influence in production, a smaller domain, and less controvertability, and it is generally not a highly scarce resource" (Mullaly 1994b: 87; see also Ralph 1996). This is especially so in a society with high unemployment and job insecurity.

> These two things, proletarianization and high wage-rates, and the struggle for them are intertwined. If the labouring household cannot draw on non-proletarian forms of income, and capital is not blessed with a reserve pool of labour (the unemployed and underemployed), then capital must bargain with labour over the price of labour-power. If the labouring household is partially reproduced by recourse to other than fully proletarian labour, if commodities are produced for capital by other than fully proletarian labour, and/or capital can avail itself of a reserve army of labour, then capital can bargain from a position of strength. (Broad 1991: 566)

Many of the characteristics in the latter scenario mark the job market in Canada today. Some of the variable factors that determine the distribution of the social wage are "historical and current expectations, the legislated minimum wage, the supply and demand for labour, the degree of

unionization, the restrictions on collective bargaining, and the business cycle" (Teeple 1995: 47). It is precisely by weighting these factors in its favour that capital betters its bargaining position.

Of the top 100 world economies, 50 are Trans-National Corporations (TNCs). The Free Trade Agreement (FTA) and its recent expansion under the North American Free Trade Agreement (NAFTA) have only increased the mobility of capital and hindered labour's ability to organize and disrupt production. In these agreements Ottawa and the provinces are now "barred from creating new programs which would compete with private business" (Dobbin 1995: 3). Canadian government, both at the federal and provincial levels, has since taken further steps to weaken labour's organizational abilities and bargaining position (OFL 1995b; NAPO 1995a-d; Clarke 1995).

Businesses also enjoy enormous advantage in financing political movements, interest-groups, parties, and candidates. "For, while ordinary citizens must tap their own incomes for such purposes, businessmen can divert corporate receipts into political activities of their own choosing" (Lindbloom 1987: 127; Resnick 1994: 32). Business spends hundreds of millions of dollars every year lobbying governments for special treatment. These expenses are considered tax deductible because business can argue they are incurred to earn income (Resnick 1994: 32). Groups representing any other point of view must pay their lobbying expenses out of after-tax income (Brooks 1994: 5).

The C.D. Howe Institute, a right-wing policy think tank, also issued $1.5 million in charitable tax receipts in 1993 alone. Ninety-three percent of its donations were from corporations. The even more right-wing Fraser Institute issued $710,234 in receipts for charitable donations the same year (Briarpatch 1995). Other tangible influences that business has on the state include contributions to conservative and liberal parties, lobbying the Bank of Canada, and "serving as advisors to Conservative and Socred provincial governments in B.C., Saskatchewan, Alberta, and New Brunswick (McQuaig 1995: 81).

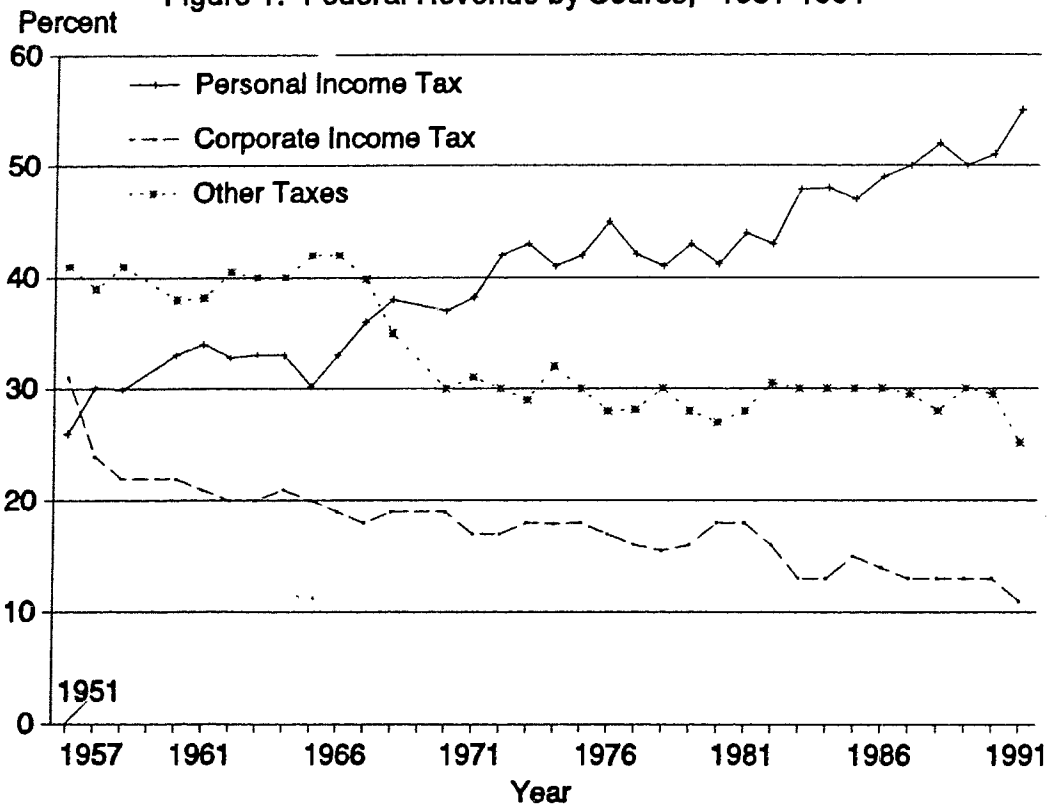
Finally, while creative consumer and labour actions may disrupt particular capitalist operations (Ralph 1996), popular control can never be democratic control because "in the market some people have thousands, even millions of votes, and others have only a few or none" (Lindbloom 1987: 122).

G. The Government-Business Partnership

Social spending cuts are largely legitimated on the basis that Canada's looming national debt calls for strict austerity measures, despite that there is much evidence that overspending on social programs has little to do with the accumulating yearly deficits (McQuaig 1995).

During the 1970s and 1980s the tax system was restructured to benefit corporations (Mullaly 1994b). Thereby, the proportion of taxes paid by corporations and individuals shifted onto individuals due to "the lowering of higher rates on high income and the reduction of the number of tax bands; and the increased reliance on indirect taxes, including consumption taxes, social security levies, lotteries and state-run gambling" (Teeple 1995: 94). Individual taxes rose from 26% in 1951 to 54% in 1991 (Yalnizyan 1994). The share of federal tax revenues provided by corporations fell during the same period from 31% in 1951 to just 11% in 1991 (Yalnizyan 1994). See Figure One.

Figure 1. Federal Revenue by Source,* 1951-1991



* Excludes Non-Tax Revenue, which accounted for 8.9% of Federal Revenue in 1991

Source: Public Accounts cited in Yalnizyan (1994: 43)

In 1992, corporations paid $7.4 billion in federal taxes, while individuals paid $87.6 billion -- 12 times as much, or $80 billion more (SFL 1995). Corporate income tax as a percentage of profits has also declined from 31 percent in 1961 to 18.8 percent in 1988 (Rowles 1994: 13).[37] Also during the 1980s, the corporate marginal tax rate was lowered from 36 percent to 28 percent and accompanied by a host of tax preferences (Rowles 1994: 12). Among these were extended family trust provisions, which allowed wealthy families to shelter income from capital gains (Rowles 1994: 12; also see Brooks 1994: 7).

The income tax system has also been reformed, since the early 1980s, so as to slough the burden for paying the debt onto low-income Canadians. Yalnizyan (1994: 43-44) provides evidence that changes made to the personal income tax system between 1984 and 1991 have "resulted in a 386 percent increase in the income tax burden for a low income couple with two children (earnings of $20,000); a 15 percent increase for a middle income family ($50,000); and a four percent increase for an affluent family ($100,000). One way that this has been accomplished is by consistently broadening the personal income tax revenue base at the bottom and reducing rates at the top.

Corresponding to changes to the income tax system is that in 1975 -- for the first time in the post-war period -- the government of Canada began to incur serious deficits. From the outset, the problem of accumulating deficits was attributed to runaway social spending, despite that deliberate government policies prevented revenues from keeping up with social spending (Yalnizyan 1994:

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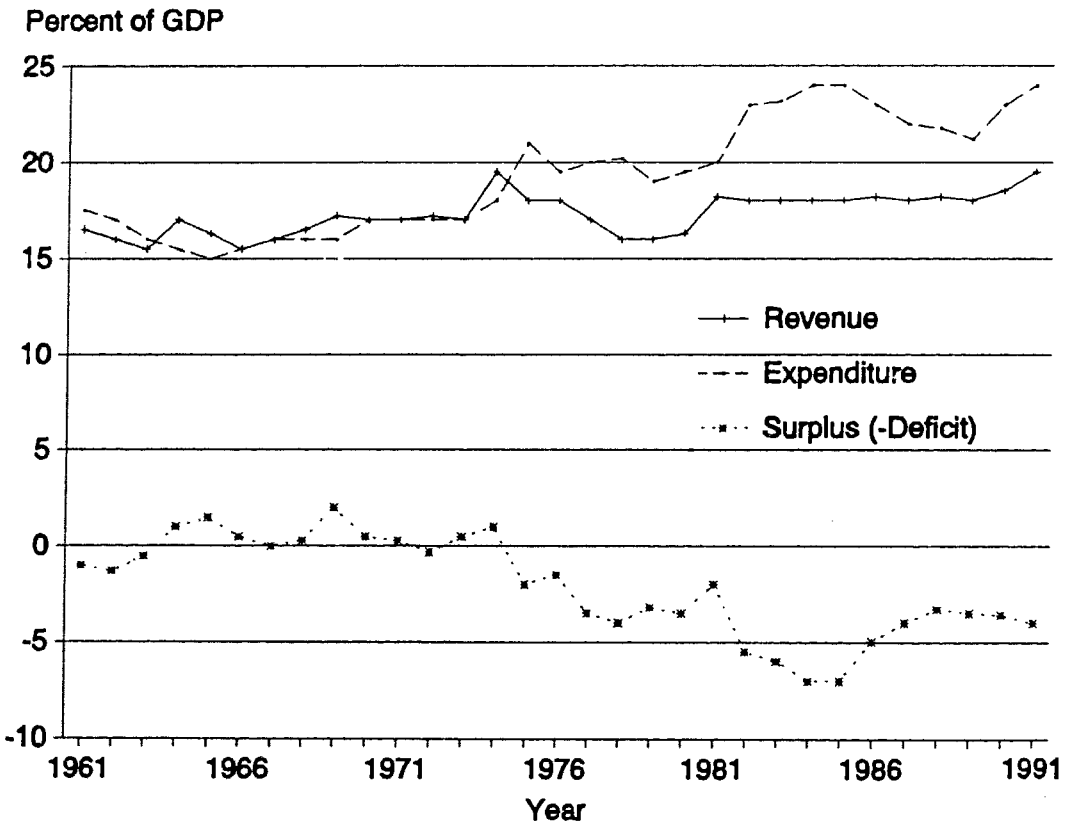
[37]One account of the correspondence between the rise of transnational corporations (embodied in the BCNI), or the denationalization of capital is that "When capital began to lose its character as a national existence, it began to find fewer advantages in contributing tax revenues to the 'nation' and to perceive state ownership and production as restrictions to its own private accumulation" (Teeple 1995: 95). The ability of transnationals to affect this restructuring of the tax system may also be attributed to its enormous size (concentration/monopolization of capital), economic power, and heightened mobility.

36).[38] (See Figure 2).As Table 1 illustrates, between 1982 and 1991, the public-debt charge was the fastest growing category as a form of federal expenditure. This was the case, both in real and relative terms. It rose by 79 percent in real terms over that period (Yalnizyan 1994: 40).

Figure 2. Federal Revenue, Expenditure, Deficit as Percent of GDP, Canada 1961-1991



Source: National Accounts Basis cited in Yalnizyan (1994: 37)

[38]Mimoto and Cross (1991: 1) explain that, generally speaking, government program spending did not rise significantly between 1975 and 1991; in fact, it moderated as compared with the previous 10-year period. "This moderation would have been more evident but for a sharp increase in interest payments on the public debt. . . . Deficits also became steadily larger after 1975-76 initially more from a shortfall of revenues than higher spending."

Between 1981 and 1982 the annual federal deficit climbed from $7.3 billion to $20.3 billion. After peaking at $31.4 billion in 1984, the deficit began to decline, but never again fell below $20 billion (Yalnizyan 1994: 39). These deficits, compounded by interest charges, paid largely to private chartered banks, have quickly accumulated to become the national debt (Cameron and Finn 1996). In 1994-95 the government collected $123.9 billion in revenue and spent $119.3 billion on services and programs, leaving a surplus of $4.6 billion. The reason the federal government had a $39.7 billion deficit, then, instead of a $4.6 billion surplus, was that it had to pay banks, bondholders, and foreign money-lenders $44.3 billion in interest that year (Cameron and Finn 1996). In contrast to the rising interest charges, in recent years, social spending has dropped from 19 percent of GDP (in 1991-1993) to 16 percent. It is expected to fall even further, to 14 percent, as a result of the Liberal government's massive spending cuts (Cameron and Finn 1996). Thereby, low income Canadians "are in effect paying through taxes, premiums, and deferred income not only for these social programs and most of the activities of the state, but also for a portion of the subsidy to the corporate sector -- in grants, loans, subsidies, and concessions" (Teeple 1995: 48).

In the early 1980s that the BCNI became especially articulate, aggressive and influential. Particularly, the MacDonald Royal Commission, started by the Trudeau government in 1982 and received by the Conservatives in 1985, social security began to take on a new shape, one that would play down the legitimacy of its social welfare role and emphasize the need for social policy to "facilitate and assist the occupational, industrial, and even geographical relocation that the new world economic order is requiring of the present generation of Canadians" (Courchene 1987: 179).

Table 1. Expenditures, Revenue, and GDP (in 000,000s, $1986), Canada, 1982-1991

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	% Change 1982-1991
OAS, GIS, Spouse Allowance	11,332	11,475	11,759	12,331	13,026	13,445	13,775	13,986	14,216	14,390	26.98
UI	7,189	11,689	11,054	10,856	10,437	10,444	10,068	10,094	10,291	12,319	71.36
Family Allowance	2,666	2,655	2,628	2,611	2,601	2,534	2,461	2,398	2,335	2,298	-13.81
Other	1,666	1,511	1,330	1,429	1,586	1,393	1,450	1,468	1,358	1,329	-20.23
Total Transfer Payments to Individuals	22,853	27,331	26,771	27,228	27,650	27,816	27,754	27,946	28,199	30,336	32.74
Ins. and Med. Care	5,654	4,831	6,287	6,836	6,656	6,607	6,296	6,144	5,863	5,068	-10.36
CAP	3,033	3,370	3,715	4,045	4,073	4,051	4,076	4,192	4,405	4,862	60.28
Education Support	2,149	1,823	2,333	2,446	2,368	2,232	2,152	2,049	1,906	1,563	-27.26
Fiscal Arrangements	6,270	6,660	6,754	6,464	6,179	6,302	6,727	7,477	7,615	6,955	10.93
Other	1,304	1,288	1,388	1,672	1,794	1,461	1,871	2,295	2,326	1,966	50.78
Total Transfer to Other Levels of Government	18,410	17,973	20,478	21,463	21,069	20,653	21,122	22,156	22,115	20,415	10.89
Public Debt Charges	19,950	20,115	20,427	24,251	26,459	26,658	27,867	30,515	34,162	35,731	79.10
Total Net Expenditures	100,175	106,732	109,706	118,333	115,977	116,664	120,780	122,377	125,579	125,976	25.76
Share of Revenue, by Source:											
Personal Income Tax	43.5%	47.2%	47.4%	46.1%	48.4%	49.6%	51.8%	49.6%	50.4%	54.0%	24.14
Corporate Income Tax	14.6%	12.8%	12.8%	14.8%	13.5%	12.9%	12.5%	12.6%	12.6%	11.0%	-24.66
Sales and Other Taxes	30.6%	30.3%	30.3%	30.4%	30.3%	29.5%	27.9%	29.8%	28.9%	26.1%	-14.71
Non-Tax Revenue	11.5%	9.7%	9.5%	8.8%	7.8%	7.9%	7.9%	8.0%	8.1%	8.9%	-22.61
Total Revenue	79,605	72,188	72,510	76,740	80,010	85,931	93,708	95,742	100,062	100,257	25.94
Gross National Product	425,970	439,448	467,167	489,437	505,666	526,730	551,423	564,990	567,541	558,862	31.20

Source: *Public Accounts of Canada*, 1990-91, Vol. 1, Table 1.7 and *Bank of Canada Review*, June 1992, Table H3, in Yalnizyan (1994: 41)

Between 1985 and 1989 any significant developments in labour market policy have pursued supply-side remedies to increasingly high levels of unemployment. Suggestions in this area have consistently taken up the themes of training and education, mobility assistance, self-employment initiatives, work placements, and increasing incentives to work for social assistance recipients, while "low inflation and high interest rates, and tax trends were treated as `exogenous variables', the unmovable parameters within which public discussion about social policies would be permitted" (Yalnizyan 1994: 40-42). The war on the debt and deficit has, thereby, "provided the perfect cover for battling expectations for economic justice among workers and the poor" (Yalnizyan 1994: 39).

Four years ago, to foreshadow much of the current restructuring, the BCNI and the Canadian Government co-produced a blue-print for adjusting to the global market (Porter 1992). This included a plan to restructure social programs remarkably similar to Axworthy's *Social Security Review* (HRDC 1994a). Porter (1992: 8), explains one of the barriers to increased productivity in Canada:

> Canadian labour costs have been rising faster than the rate of productivity growth can sustain. Unit labour costs are defined as labour income per unit of output. When labour income per worker rises faster than output per worker, unit labour costs increase. Unit labour costs are an important measure of competitiveness.

This study further expresses a concern with the "growing number of workers with only marginal or intermittent attachments to the labour force . . . which suggests that the education, skills, flexibility and location of Canada's unemployed workers are not well matched to the needs of the industry" (Porter 1992: 8). In the preamble to *Improving Social Security in Canada* Minister Axworthy refers to this simply as Canada's "skills deficit" (HRDC 1994a: 10).

Last year, despite an arduous consultation process, wherein the Standing Committee on Human Resources Development received nearly 1300 briefs from various groups and individuals, in the final hour Human Resources Minister Axworthy opted to let the release of the Finance Department's

1994/95 Federal budget set the parameters for social security reform with the avowal that the former "could not be contemplated in isolation from the fiscal realities of the deficit" (Rice 1995: 189).[39] What Canadians got for all their time and effort in the review process was a cut in welfare expenditures delivered in a super block that mixes welfare transfers with those for health care and post-secondary education (Rice 1995: 189).

The position that market considerations should override social needs for pragmatic reasons is far from ideologically neutral, however. By adopting the prescribed economic plan as the backdrop for social security reform, many of the pivotal issues surrounding social assistance were pre-determined. Others, therefore, saw the consultation as a "pro forma public relations exercise," and fully expected the government to "ignore the preferences of those most directly affected -- Canadian workers, women, the poor, visible minorities, Aboriginal people, and people with disabilities" (Ralph 1994b: 59).

The "Green Paper" on social security reform contains only one social objective, the reduction of child poverty. Otherwise, it is more an economic paper in that it focuses almost exclusively on employability measures -- even renaming unemployment insurance "employment" insurance to formalize in language the channelling of U.I. and CAP monies into the Human Resources Training and Development Fund (TDF). Employment development services include "job counselling, training, labour market information, and work experience projects." The rationale for this, according to

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[39]Starting in October 1994, the federal government issued a series of related discussion papers under the banner of "Jobs and Growth": one on social security review (the green paper), two on the government's approach to taxation and economic development (the purple and grey papers), and one on support to Canadian business (the orange paper). These papers are *Improving Social Security in Canada*, presented by Minister Axworthy on October 5, 1994, *A New Framework for Economic Policy*, presented by Minister Martin on October 17, 1994, *Creating a Healthy Fiscal Climate*, presented by Minister Martin on October 18, 1994, and *Building a More Innovative Economy*, presented by Minister Manley, on December 5, 1994 (in NAPO 1995c).

Axworthy, is that "employer based training not only boosts productivity, but creates jobs" (HRDC 1994: 11) In 1994-95, the federal government spent $3.3 billion on employment development programs and services.

Defining the agenda for social welfare in terms of the employability and labour attachment of actual and potential employees has preempted consideration of issues of poverty, wealth and income disparity and exclusion and so has become a way to legitimate discrimination and perpetuate existent inequalities. While government policy is presented as serving the national interest, the portrayal of what this is has become conflated with the special interests of a powerful minority elite, multi-nationals, the banking sector and their allies. The preoccupation with tackling the debt and deficit through budget restraint threatens to bring about the death of social and ethical considerations within social policy.

CHAPTER TWO

A. Disappearing National Standards and Monies

The Budget presented by Finance Minister Paul Martin in February, 1995 dimmed the likelihood of progressively redesigning and reforming welfare. The budget announced that on April 1, 1996 the terms of the Canada Health and Social Transfer (CHST), brought in through Bill C-76, went into force. The CHST would fundamentally alter the way the federal government pays for social assistance in Canada (House of Commons 1995b). The funding of welfare through the Canada Assistance Plan (CAP), which financed up to fifty percent of eligible costs incurred by the provinces in providing social assistance and social services (except in the "have" provinces, Alberta, British Columbia, and Ontario),[40] was thereby replaced with a single block funding mechanism called the Canada Health and Social Transfer (CHST). The CHST is a block grant that combines payments for social assistance, health and education programs. The combined entitlements under CAP and Established Programs Financing (EPF) will be approximately $29.7 billion, about the same as the 1994-95 levels for 1995-96. These will be reduced to $26.9 billion in 1996-97 (a 9.4 percent drop) and $25.1 billion for 1997-98 (a further 6.7 percent drop) (Pulkingham and Ternowetsky 1996: 11).

However, these figures include provincial tax revenues and cash transfers. True financial costs far exceed the apparent cuts over the course of the next two years and are more to the tune of 37% from previous levels (Rice 1995: 193). The Federal government will cease matching any provincial funds for education and social assistance by the year 2000. Because the amount of funding through the CHST is a block grant decided in advance, it will not be responsive to actual levels of need in

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[40]In 1989 the federal government "capped" its share of funding to provincial governments, restricting funding to cost-shared programs only.. By 1992 three "have" provinces (Alberta, British Columbia and Ontario) affected by the decision got $4 billion less than they would have otherwise received were spending being matched dollar for dollar (Yalnizyan 1994: 44).

the provinces (Scott 1995: 80).

Bill C-76 will also remove national standards for social service delivery and economic entitlement rights (Rice 1995: 198; Morton 1995: 5) Through CAP the federal government formed agreements with each province to share in the costs of providing social assistance benefits. Prior to April 1, 1996, the transfer of funds to the provinces was conditional upon each province's adherence to national standards that embody certain rights. On April 1, 1996 these rights disappeared as nationally-mandated legal protections (Scott 1995: 80).

B: Pulling Out the Lynchpin

Bill C-76 is one mechanism through which the Federal government has proceeded to "roll back" its commitment to social services and economic rights. The dissolution of CAP, which contains our only social and economic rights, signifies a tacit withdrawal of any commitment to redistribute Canadian wealth. Bill C-76 went into force on April 1, 1996, removing the five principles of the *Canada Health Act* (1966): universality, comprehensiveness, accessibility, portability, and public administration. It also eliminated four of the five national standards of the Canada Assistance Plan: the right to an income based on need alone, the right to an income that considers budgetary needs, the right not to have to work for welfare, and the right to appeal. The contemplated end of the cash transfer means the federal government will play little role in determining national standards in social program delivery, so that services and programs may vary greatly from province, depending on provincial tax bases and priorities. With the replacement of CAP with the CHST, the only remaining right is that the laws of the province must not require or allow a period of residence in the province or Canada to be set as a condition of eligibility for social assistance or for its receipt or continued receipt. In December 1995, British Columbia acted in violation of the only remaining right and imposed a three-month residency requirement and therefor potentially faces a reduction or

witholding of its cash contribution from the federal government (House of Commons 1995b).

Various social programs, including the Quebec and Canada Pension Plans (1965), Medicare (1966), the Guaranteed Income Supplement (1966), the Canada Assistance Plan (1966), expanded UI access and benefits (1971) and the Family Allowance program (1974), were instituted on the basis of an entirely different set of assumptions about government responsibility and shared risks than will exist after Bill C-76 (Gillespie 1991). The rapid expansion of social programs from 1965 to 1975 was accompanied by a substantial growth in spending (Mimoto and Cross 1991: 3.2)

Also, between the 1930s and 70s in Canada the "evocative language of citizenship, a language of rights to the provision of certain protections and of access to services" emerged (Yalnizyan 1994: 33). The expansion of individual rights was packaged in two powerful concepts: one of uniform protection across the country, essentially giving concrete form to national citizenship; and the growing notion of the universality of certain minimums, that were "obtainable as of right and in the company of all other citizens" (Yalnizyan 1994: 33).

The general principle behind the democratic welfare state in Canada was that "governments could and should assume responsibility for maintaining a decent minimum standard of life for all citizens. This involved a three-pronged attack on want and dependency, whereby full employment, universal social services, and social assistance gave concrete expression to the idea of collective responsibility for maintaining a national minimum standard of living as a matter of social right" (Briggs in Dominelli 1991: 7). Within this, it is also claimed that "CAP ensured that development and existence of a nationwide social welfare system. People who could not meet their own needs were protected from falling into destitution" (Rice 1995: 198). Against this ideal, the alternative promised by Bill

C-76 looks fairly bleak.[41]

The above conceptualization of welfare provisions is misleading, however, in that it fails to include welfare services outside the market done primarily by women in their homes, and volunteers in communities (Dominelli 1991: 8; Lewenhak 1992). It also needs to be expanded to include fiscal and occupational welfare, in addition to general welfare (Bryson 1992; Mullaly 1994b), recognizing the over-representation of Aboriginal people, female headed families and disabled persons in the general welfare category, that is, as the un-waged poor (Brown, Jamieson and Kovach 1995; NCOW 1996; Wagle 1994). Finally, while noting that the welfare state was intended to modify the play of market forces, the reverse is also true; that is, the market plays a substantial role in setting benefit levels and in defining the conditions of benefit receipt and who is to be excused from work (Mishra in Bryson 1992; Shragge 1996). Indeed, it is proposed that income assistance programs are designed, in part, to protect the conditions of low-wage employment.

Likewise, while the Canada Assistance Plan, the lynchpin of the Canadian welfare state, contains the only economic rights that Canadians ever had, it has neither resulted in an equitable redistribution of income, nor has it achieved equality and dignity among workers and claimants (Ralph 1995; Rice 1995). As will be discussed below, while social programs have provided at least a modicum of security to Canadian people and recognized *entitlement* to equitable treatment, "prior distribution," accompanied by government intervention on behalf of the wealthy and corporations, has ensured that government transfers only minimally offset the concentration of income achieved through the market,

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[41]During a private Premiers' consultation on December 13, 1995 with Finance Minister Martin, the prospect of "retreat[ing] from funding postsecondary education and social assistance in a move that would unwind the new Canada Health and Social Transfer before it even goes into force" so as to better "highlight its contribution to health care" was being discussed (Greenspon 1995a).

including ownership of all aspects of production (Teeple 1995; Yalnizyan 1994).[42]

Also, CAP has not prohibited the attachment work-seeking requirements onto the receipt of social assistance (i.e. job search, training, reporting of circumstances). And, coverage and access to benefits has been patchy, leading to differentiated user experience (Dominelli 1991). Nonetheless, the threat to existent rights and living standards presented by Bill C-76, will only deepen any of the inadequacies of previous arrangements.

C. Reneging on the Social Contract

> The unprecedented cuts to the amount of funding for social programs will be certain to exacerbate the already widespread problem of hunger, homelessness, and poverty. By revoking all legal redress for those denied adequate financial assistance, Canada has completely reneged on its commitment to provide for domestic legal remedies to violations of social and economic rights. (NAPO in CUPE 1995: 5)

As a member of the United Nations, Canada has pledged under Section 55 of the United Nation's Charter to promote higher standards of living, full employment, conditions of economic and social progress, and development.[43] Canada has also acceded to both the International Covenant on Civil and Political Rights as well as the Covenant on Economic, Social and Cultural Rights.[44] Most of the proposed changes to social programs within Bill C-76 relate to the provisions outlined in the

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[42]An important facet of social democratic "solutions" to the problems of capitalism is to identify such as largely having to do with the unfair distribution of wealth. Consequently, "solutions become intervention to regulate the supply of resources and labour power. . . . What this emphasis misses is the fact that the distribution of the total social product has already occurred in the sphere of production, . . . in particular, through collective bargaining and minimum wage laws, among other factors" (Teeple 1995: 42).

[43]*Charter of the United Nations*, June 26, 1945, 59 Stat. 1031, entered into force October 24, 1945.

[44]These treaties were acceded May 17, 1976 and the agreements entered into force on August 19 of that same year.

International Covenant on Economic, Social and Cultural Rights.[45]

Among the rights guaranteed in the Covenant are the right to work freely chosen, (Article 6 (1)); the right to social security, including social insurance (Article 9), the right to an adequate standard of living, [Article 11 (1)], and the right to education, (Article 13). Also, the right of everyone to just and favourable working conditions that ensure a decent living for themselves and their families is specified in Article 7 (a, ii). Article 25 gives the social and economic rights which individuals and families must possess in order to achieve their full potential and participate fully in the society in which they live.

> Everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing, housing and medical care and necessary social services, and right to security in the event of unemployment, sickness, desirability, widowhood, old age, or other loss of livelihood in circumstances beyond his [her] control (in CCPA 1996: 16).

State parties to the Covenant are obliged to undertake measures in order to progressively achieve the full realization of all the rights in this Covenant. The corollary of this is the obligation not to take "deliberately retrogressive measures" with respect to the existing protections of Covenant rights (Scott 1995: 81). Although the measures to be taken are not strictly dictated, all appropriate means and the maximum resources available to the state must be used -- particularly the adoption of legislation. These criteria are outlined in Article 2 (1). Because Canada is a signatory to the United Nations Covenant on Economic, Social and Cultural Rights "the rights contained in CAP are all enshrined in the Covenant, and the Canadian Government has the obligation to abide by it" (Morton 1995a: 1). Canada's ratification of this covenant means that both the provincial and federal governments are obliged to uphold these rights (Morton 1996: 2)

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[45]*The International Covenant on Economic, Social, and Cultural Rights,* United Nations Document A/6316 (1966).

However, since CAP's inception in 1966, and Canada's ratification of the Economic, Social and Cultural Rights Covenant in 1976, neither the elimination of poverty nor full employment have been progressively achieved. While 1996 is the International year for the eradication of poverty, Canada will fall far short of its commitments in this area under United Nation's Covenants.

And, as the deficit and debt have taken centre stage, and become inextricably bound to social spending cuts, even the pretence of pursuing equality among citizens has gone out of fashion. Regardless of political persuasion, every level of government has allowed democratic principles to give way to a market-driven approach to governing (Fagan 1996).[46]

It is estimated that 1.6 million Canadians are officially out of a job, up from approximately 0.9 million in 1980 (Yalnizyan 1994: 19). The average unemployment rate has increased every decade since the 1950s, averaging 4.2% throughout the 1950s; 5.1% during the 1960s; 6.7% in the 1970s; and 9.3% in the 1980s. In 1992, at 11.3%, Canada had the highest rate of unemployment in the industrialized world (Yalnizyan 1994: 20).

Regional rates are frequently much higher. The apparent drop in unemployment (to below 10%) in 1995 has been attributed to the number of people who have quit looking for work altogether (Greenspon 1996b). A modest estimate of the real rate of unemployment is reported as close to 13% (Greenspon 1996b). Permanent, full-time average paying jobs are an exception not the norm (Barber 1996; Saunders 1996). Structural unemployment continues to rise, despite the constant narrowing of its definition (Teeple 1995: 10).

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[46]Teeple (1995: 5) observes of the new consensus: "These current changes in public policy are no mere ideological impositions, able to be reversed with the election of different political parties; they are rather the political reflection of the present transformation in the mode of production and nationally based economic development." Policy documents on social assistance in Canada reveal that the differences in governing are more a matter of degree and style than due to distinct ideological positions.

In 1961, close to 30 percent of Canadians were living in poverty.[47] By the mid 1970s -- once all the major social programs were in place -- the poverty rate had dropped to around 14 percent. But, as Table 2 shows, by 1994 there were nearly 4.8 million people living below the poverty line and the rate of poverty had risen to 16.6% (NCOW 1996: Introduction). The number of children living in poverty grew by 331,000 between 1989 and 1993, the year the House of Commons unanimously resolved to eliminate child poverty (NAPO 1995c).

[47]The National Council of Welfare, like many other social policy groups, regards the low income cut-offs as poverty lines. The cut-offs "are a useful tool for defining and analyzing the significantly large portion of the Canadian population with low incomes. They are not the only measures of poverty used in Canada, but they are the most widely accepted and are roughly comparable to most alternative measures" (NCOW 1996: 5,6). In this thesis, then, references to people living in poverty, people with low incomes, etc., unless otherwise specified refers to those whose yearly income is below the low income cut-off or the "poverty line."

Table 2. Poverty Trends, All Persons

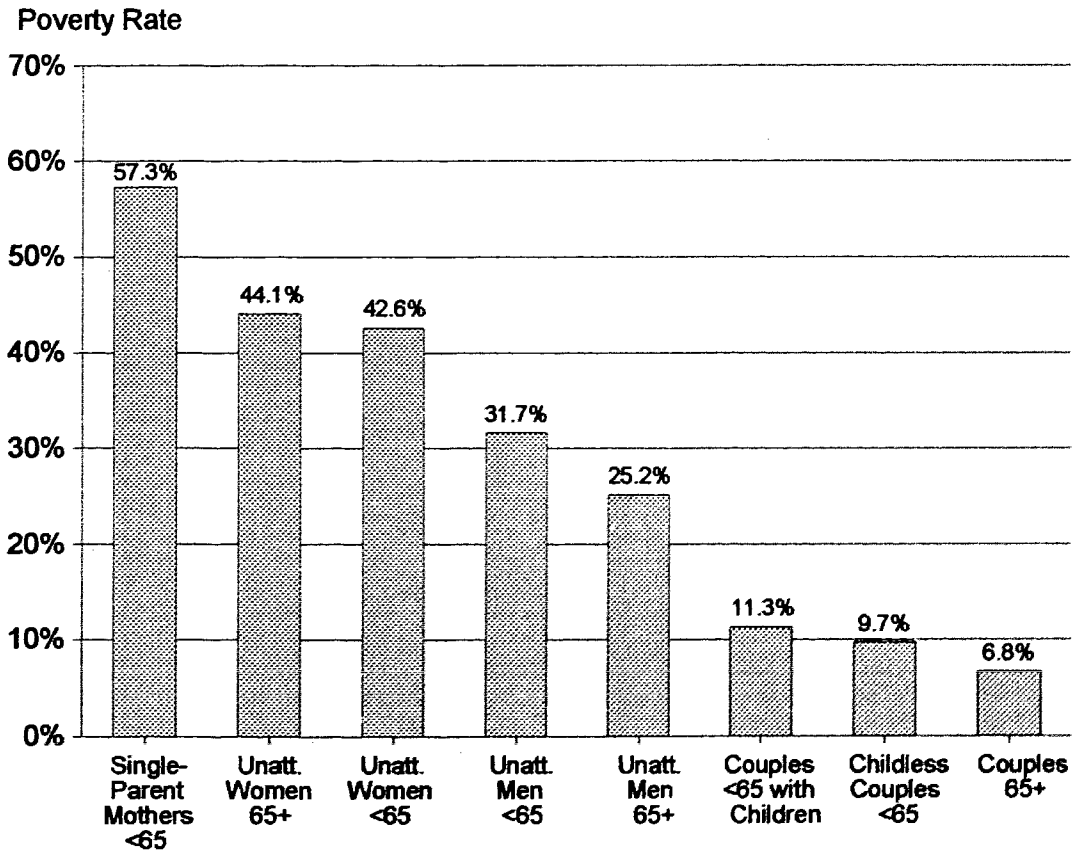
Year	Number of Persons Living in Poverty	Poverty Rate (%)
1980	3,624,000	15.3
1981	3,643,000	15.3
1982	3,951,000	16.4
1983	4,406,000	18.2
1984	4,397,000	18.1
1985	4,170,000	17.0
1986	3,976,000	16.0
1987	3,912,000	15.6
1988	3,744,000	14.8
1989	3,487,000	13.6
1990	3,821,000	14.6
1991	4,227,000	16.0
1992	4,320,000	16.1
1993	4,775,000	17.4
1994	4,795,000	16.6

Source: National Council of Welfare (1996: 10)

As the comparisons in Figure 3 shows, unattached women (that is, those living alone or with non-relatives) under 65 had a poverty rate of 42.6 percent. The corresponding rate for men was 31.7 percent. For single-parent mothers under 65, the rate was 57.3 percent. For those under 26 the rate was 89.6 percent (NCOW 1996: Introduction).. Also, in 1994 44.1% of elderly women were living in poverty in 1994 and the comparable rate for men was 25.2% (NCOW 1996: Introduction).

Data from Statistics Canada on the distribution of income and the nature and extent of poverty in Canada excludes the Yukon, Northwest Territories, Indian reserves, and institutions such as prisons, mental hospitals and homes for the elderly (NCOW 1996: 4). If included, information on

Figure 3. Poverty Rates by Family Type, 1994



Source: National Council of Welfare (1996: 33)

these groups would only reinforce the apparent severity of unemployment and poverty within Canada. Brown, Jamieson and Kovach (1995) report that "47% of the aboriginal population is on social assistance . . . [ranging] from a high of 75% in Saskatchewan to a low of 24% in Ontario" (70). Also, more than one in two working-age people with disabilities are entirely without employment. "One-half of all disabled women (and more than 60 percent of those unable to work) in 1985 had incomes of less than $5,000 (Wagle 1994: 16).

The growth of the food bank industry has accelerated in recent years. In 1991, 2.2 million Canadians, including 850,000 children, used food banks. There are 372 communities with one or more food banks in Canada today. In 1981 there was one. Since 1990, 131 new food bank programs have opened across Canada, resulting in more than two thousand food relief outlets -- more than any single restaurant or grocery supermarket chain, including McDonald's restaurants (Yalnizyan 1994: 19; also see Oderkirk 1992).

Yet, by other measures, Canada is a very wealthy nation and would seem able to afford generous social programs. A 1995 study by The World Bank (in ELP 1995a) found that the amount of wealth every citizen in Canada would have if all the wealth in the nation were divided by the number of people is $704,000 (in ELP 1995a). By this gauge, Canada is the second wealthiest nation in the world, next to Australia ($835,000). The United States does not even make the top ten and the world average is $86,000 with Ethiopia being the lowest ($1,400) (ELP 1995a).

A related measure, high national income, contributed to the United Nation's decision to rank Canada as the number one country in the world in the area of "human development." What is left out of this assessment, though, is any indication of how a country's total national income is distributed among its citizens (McQuaig 1993: 8). Canada's high national income is due to its extreme concentration among the rich. The U.N. has attempted to resolve this inaccuracy by creating an

additional measure, what is often referred to as a country's "income distribution" (McQuaig 1993: 9). In the 1994 World Competitiveness Report (in Dobbin Nd: 4) Canada ranked 22nd on a list of 30 countries in terms of the percentage of its household income that goes to the bottom one-fifth of households. And, when a "gender sensitive" chart, measuring the gap between men and women in the areas of health, education, employment and wage levels, is introduced Canada falls from its number one ranking to eighth position. This is largely because women have significantly lower wages than men (McQuaig 1993: 8).

Table 3 shows that, between 1973 and 1987, the richest ten percent of Canadian families with children were the only group whose share of market income (earnings from wages, salaries, and self-employment, and returns on investments) increased significantly. Their share of market income rose from 23 to 24.6 percent, an increase of 7 percent.[48] By 1991 this group had doubled their gains, with the result that the top 10 percent controlled 26 percent of all market income. The average market income for these families was $124,269 in 1991 (Yalnizyan 1994: 21).

In contrast, Greenspon (1996b) observes that "no matter how you measure it, the average Canadian income was lower in 1995 than it was in 1988." Particularly, those in the bottom decile saw their incomes decline by 47 percent, to 0.7 percent share of all earnings. Average earnings for this lowest income group in 1991 were $3,422 a year. Yalnizyan (1994) points out that, had the distribution of market income stayed at 1973 levels, there would have been an additional $5.4 billion to be redistributed in 1991 alone, amounting to $15,124.59 more per family in this lowest decile (also see CCPA 1995a).

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[48]Yalnizyan (1994: 20) has used various tabulations from Statistics Canada's Survey of Consumer Finances to examine shifts in pre-tax income of all Canadian Families with never-married children under the age of eighteen between 1973 and 1991. This population has been ranked according to their average income into ten equally sized groups, or deciles. There are 358,000 families in each decile.

Table 3. Distribution of Market Income Among Economic Families with Children Under 18, by Deciles, 1973-1991

Decile	Percent Share of Market Income				Percent Change in Share		
	1973	1979	1987	1991	1973-1979	1973-1987	1973-1981
1	1.35 (1,639)	0.97 (2,239)	0.77 (3,165)	0.72 (3,422)	-28.15	-43.00	-46.54
2	4.18 (5,092)	3.90 (8,992)	3.27 (13,386)	2.56 (12,158)	-6.70	-21.50	-38.87
3	6.06 (7,380)	5.99 (13,825)	5.40 (22,100)	4.65 (22,095)	-1.15	-10.90	-23.34
4	7.46 (9,082)	7.51 (17,326)	7.12 (29,125)	6.52 (31,022)	0.67	-4.60	-12.54
5	8.65 (10,530)	8.77 (20,251)	8.59 (35,138)	8.27 (39,319)	1.39	0.60	-4.39
6	9.91 (12,071)	10.08 (23,277)	9.92 (40,559)	9.79 (46,578)	1.72	0.00	-1.20
7	11.28 (13,737)	11.43 (26,381)	11.41 (46,658)	11.57 (55,040)	1.33	1.10	2.59
8	12.87 (15,678)	13.09 (30,221)	13.12 (53,644)	13.54 (64,417)	1.71	1.09	5.20
9	15.29 (18,624)	15.54 (35,869)	15.74 (64,385)	16.25 (77,296)	1.64	3.00	6.27
10	22.95 (27,944)	22.73 (52,482)	24.65 (100,831)	26.13 (124,269)	-1.00	7.40	13.86

Notes: The numbers in parentheses refer to the average family pre-tax income in each decile and are in current dollars
Market income refers to earnings from wages, salaries, and self-employment plus returns on investment

Source: Statistics Canada, Household Surveys Division, Survey of Consumer Finances, unpublished data cited in Yalnizyan (1994: 22)

One factor that has tempered the widening of this income gap somewhat is transfer payments, including elderly benefits, unemployment insurance and welfare. Table 4 illustrates that, when the effects of transfer payments are taken into account, families in the lowest income decile had a 2.10% share of total income, while those in the highest income decile possessed 24% of all income.

Table 4. Distribution of Total Income Among Economic Families with Children Under 18, by Deciles, 1973-1991

Decile	Percent Share of Total Income				Percent Change in Share		
	1973	1979	1987	1991	1973-1979	1973-1987	1973-1981
1	2.33 (3,013)	2.04 (5,012)	2.19 (9,753)	2.10 (11,351)	-12.45	-5.00	-9.33
2	4.74 (6,124)	4.50 (11,082)	4.25 (18,987)	4.00 (21,591)	-5.26	-10.30	-15.15
3	6.30 (8,143)	6.24 (15,373)	5.93 (26,458)	5.70 (30,492)	-0.95	-5.90	-9.88
4	7.52 (9,727)	7.60 (18,701)	7.32 (32,679)	7.10 (37,875)	1.06	-2.66	-6.29
5	8.64 (11,166)	8.76 (21,554)	8.54 (38,126)	8.30 (44,789)	1.39	-1.16	-3.46
6	9.78 (12,640)	9.93 (24,437)	9.74 (43,451)	9.60 (51,761)	1.53	-0.41	-1.44
7	11.06 (14,304)	11.22 (27,620)	11.08 (49,457)	11.10 (59,771)	1.45	0.18	0.57
8	12.63 (16,326)	12.77 (31,433)	12.67 (56,556)	12.80 (68,671)	1.11	0.32	1.23
9	14.88 (19,244)	15.06 (37,074)	15.02 (67,031)	15.20 (81,711)	1.21	0.94	2.19
10	22.12 (28,601)	21.89 (53,890)	23.26 (103,793)	24.00 (129,176)	-1.04	5.15	8.70

Notes: The numbers in parentheses refer to the average family pre-tax income in each decile and are in current dollars
Total income refers to market income plus transfer payments (UI, social assistance, CPP, etc.) and retirement income

Source: Statistics Canada, Household Surveys Division, Survey of Consumer Finances, unpublished data cited in Yalnizyan (1994: 25)

Even in austere times, then, some Canadian citizens have prospered. Specific examples include salaries, stock options and bonuses that have routinely added up to a million dollars (and sometimes as much as $13 million) for chief executives. The average pay for this country's top executives was $399,258 in 1995 (GM 1996a: 83). Also, since the last recession, corporate profits have increased (after inflation) by 102% (Cho!ces/CCPA 1996).

In Canada, CEOs regularly earn 40 to 50 times the average pay of their employees. This is more than in the United States, where the average is 35 times, and in Japan, which has set an informal standard that CEO salaries should not exceed 15 times the wage of the average employee (Dobbin Nd: 12). For banks the ratio of CEO pay to that of the average bank teller is even more outrageous. For instance, the president of the Royal Bank was paid $2,650,000 in 1994, and the ratio of Corporate Executive Officers income to bank teller pay was 195:1. The top executive officer's pay was $2,280,000 (Dobbin Nd: 12). In 1995 the top CEO pay at the Royal Bank increased to $2,281,192 (GM 1996a). The Royal Bank also had an after tax profit of $1.26 billion in 1995. The Bank Of Montreal, C.I.B.C, Toronto Dominion Bank and the Bank of Nova Scotia all displayed a similar pattern in 1995 in terms of profits, ratio of CEO to bank teller pay, and top CEO salary (GM 1996a: 83-102).

Despite the increasing concentration of income and wealth in the hands of a few, the federal government has decided to wage the war on the debt and deficit at the expense of social program spending and those who benefit from these transfers. The affluence that endures in the face of persistent poverty goes largely unquestioned, as government officials, media and right wing policy analysts direct their moral indignation at those with the least means to defend themselves.

D. Legitimating Discrimination: The Selectivity of Stigma

> In order to succeed, the poor need most of all the spur of their own poverty (George Gilder *Wealth and Poverty* 1981).
>
> "welfare bum" is a word that I don't have to even hear spoken aloud. It rings within in me from repeated usage. That's why many of us won't tell others we're on assistance (Phoenix Wisebone in *The Long Haul, ELP* 1996: 5).

To appreciate the texture and extent of inequality in Canada, the treatment of those who have reduced access to social and economic resources must be taken into account. This includes the stigma attached to poverty and welfare receipt and the discrimination that results from this (Brouwer 1995; Flanders and Jackson 1995; Hyndman 1991; Loney 1992). Applying the mark of stigma to certain identities legitimates punitive, or simply discriminatory, practices, including those enacted through government policies (Lubiano 1992).

Currently, in Canada, there is a great deal of negativity attached to the receipt of income assistance (Ackelsberg 1994; Fraser and Gordon 1994; Janigan 1995; Swanson 1995c, 1993b). This aspect of inequality cannot be captured by the quantitative measurements of poverty presented thus far. Nonetheless, the inequitable distribution of, and access to, resources is in part justified and sustained by devaluing the non-wealthy. This devaluation frequently takes the form of derogatory depictions of people who get income assistance. These assumptions make their way into the daily lives of those who are singled out, in dealings with landlords, neighbours, social workers, teachers, etc. (ELP 1995g).

Poor-bashing also aims to create shame by telling unsubstantiated stories about how low-income people don't want jobs and are lazy, that poverty is due to personal failure, natural inferiority or pathology, and that people living in poverty are the perpetrators of massive fraud. (Anderson

1996; Lippert 1996; Murray 1986).[49] These stories are aimed at discrediting provisions for people living in poverty and desensitize society at large to the ill treatment of the "undeserving" poor (Katz 1989).

Poor-bashing, or classism, is similar to racism and sexism and, indeed, there is much overlap between these practices. Poor-bashing is only one form of contempt and suspicion directed at low-income people. People of colour or aboriginal people on welfare may be targeted by the media, government and members of the public in ways that incorporate racist stereotypes and incite hatred against these groups. For instance, the attention given to fraud by recent immigrants or to on-reserve birth rates permits moral indignation about government waste and "abuse" to be used as a smokescreen for multiple forms of prejudice (Bishop 1994; ELP 1995g).

Single mothers, too, have become a particular focus for "incentives" in ways that deny their unique needs and that seek to reinforce their subordinate status in the home and devalue the work that they perform. Single mothers on income assistance are often portrayed as immoral, unfit parents, their motherhood referred to simply as "illegitimacy" (Macdonald 1994; Murray 1994). Families on welfare, especially those headed by women, are frequently said to be caught in a "cycle of

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[49]Minister of Human Resources Axworthy has expressed a "real commitment to end waste and abuse" (10). "Abuse" is said to occur not merely through outright fraud, but also through feigned need.

Though recorded cases of fraud run between 1 and 3 percent in B.C. (ELP 1996), and in Saskatchewan "annual audits have demonstrated that most clients are honest and that the program is operating within acceptable limits of financial error" (Saskatchewan Government 1996: 10). In Alberta, welfare fraud is estimated at 4 percent, while revenue Canada estimates that 25 percent of Canadians evade taxes (Hyndman 1991: 11). Still, the media, government officials and right-wing "think tanks" continue to exaggerate its prevalence (Anderson 1996).

For instance, Farrell-Collins' (1996) article, "Welfare Scams in B.C. costing millions of dollars" is solely concerned with the concept of eligibility. "When you see numbers like we see here with over 100 per cent increase in the amount of money taxpayers are putting into social services with no real control over who's getting it or whether or not they legitimately require it. It's pretty good indication of fiscal mismanagement and poor administration". Without any substantiation he implies that people are ripping off the system.

dependency" (Walker 1982) and to be a source of crime (Anderson 1996).

Recently, various publications media have taken up and given new spin to rhetoric about the debilitating effects of income assistance. Everyone from rogue scholars (Mead 1986; Murray 1981, 1994), to privately funded policy institutes (Harris et al. 1994; Lippert 1994), to government officials (Axworthy 1994; Harris 1995) give play to stories of "welfare dependency" as a "moral hazard" (Lippert 1994). Finally, polls show that the language of business/government is slipping into popular parlance. "Most Canadians think the country's social security system is wasteful and encourages dependency" and "two-thirds of respondents agree with Axworthy's stated goal of 'breaking the cycle of dependency' on programs like U.I. and welfare" (in Ralph 1994a: 78).[50]

"Welfare dependency" is a *trope* that condenses some of the oldest preoccupations in the history of poverty and welfare (Katz 1993: 19). It blankets multi-layered meanings and moral judgements, including the need for work discipline (Backer 1995: 7; Emory 1992: 89), family values (Gilder 1981; Murray 1994); and self-sufficiency (Mead 1986). While "dependency" used to carry meaning in economic, political and socio-legal registers as inequality and subjection, it has largely shed these connotations in common sense usage and, instead, come essentially to signify the pathology of the "undeserving" poor (Katz 1989: 4; also see Teeple 1995: 106). As such, the term "carries strong emotive and visual associations and a powerful pejorative charge" (Fraser and Gordon 1994: 311).[51] Variations on this theme include labelling people "chronic users." In New

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[50]However, a recent Ekos survey revealed that "the gap between the views of business leaders and the views of the general public was significantly wider than the gap between the views of political leaders and those of the general public. . . . Specifically, the general public places a much higher priority on a clean environment, regional and social equality in Canada, and the preservation of Canadian identity and heritage than the economic elite does (Brouwer 1995: 8).

[51]Proponents of the "welfare dependency" thesis often exploit its visual and metaphoric potential,

(continued...)

Brunswick, a common expression is that people are "on the U.I. syringe" (Swanson 1996).

Incorporating the language of drugs, Collin's (1995: 8) article entitled "Hooked on the State," discusses how the U.S. might lead welfare reform in Canada. He suggests,

> if you increase the eligibility for welfare and lower the rewards from work relative to leisure and parenting, do not be surprised if men stop working and women have children out of wedlock (Collins 1995: 8).

The "single welfare mother" is the quintessential welfare dependent (Fraser and Gordon 1994: 323). She is "essentially [a] client, a subject position which carries far less power and dignity in capitalist societies than does the position of purchaser" (Fraser 1987: 112). She is, therefore, considered an abject dependent -- the negative of the possessive individual as embodied in the waged worker.

Significantly, independence is gauged by the fulfilment of family and work obligations as narrowly defined by market logic (Roche 1992: 20). And, as these forms of participation in society are seen as prerequisites for social citizenship rights, the justification for the erosion of rights, say to choose one's work freely, hinges on the notion that recipients of public aid be denied equal entitlements due to their dependent status.

The emergence of the work incentive for "single mothers" and their redefinition as

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(...continued)
its semantic links with addiction and the power of its original imagery as that which hangs from something else -- like an appendage might, but more like a parasite would (Moynihan in Fraser and Gordon 1994: 305). Notably, these behaviours are transformed, through pseudo-science, into personalities, the "addictive personality" the "dependent personality" so as to subsume all else that one is. Hence, people, their communities and cultures are swallowed up in pathologizing thrust.

Backer (1994: 18) identifies its usage in Christian notions of divinely prescribed work obligations, in the works of Malthus and social Darwinist theories, that relate poverty and idleness, and in the writings of Colin Mather (in the colonial period) who suggested that "for those who indulge themselves in Idleness, the Express command of God unto us is that we should let them Starve." This theme reappears in the religiously neutral concept of "self-sufficiency" as it is used to express condemnation of idleness.

employable is said to be "one of the most significant developments to take place in social assistance policies in recent years" (Evans 1988: 120). The majority of work incentive strategies over the last 10 years have been targeted to single mothers (Evans 1993: 62).[52] The systemic inequalities perpetuated by the "democratic" welfare state are also poignantly evident in the case of these women and their children.

Dependency and poverty refer to what are distinct, though potentially related, social states (Fraser and Gordon 1994). Morris and Williamson (1987: 13) explain that the latter concept is concerned with the level of one's income, while the former focuses on the source of that income, hence the seemingly illogical move to cut transfers as a response to increased need. The argument goes that "victories over poverty are won at the expense of self-sufficiency" (Murray 1984 in Morris and Williamson 1987). This perceived trade-off is a tension that exists in social policy between the desire to assist people living in poverty and the possibility of fostering economic dependency.

These days, the balance of concern has tipped in favour of the latter objective, while poverty is routinely edited out of the public policy script. Nonetheless, as will be elaborated below, one's level of income is indirectly related to whether one is *considered* dependent or not, as occupational and fiscal welfare (benefitting the well off) somehow escape the concern of public officials. By many counts economic dependency has lost its legitimacy now that "socio-legal and political dependency are officially ended" (Fraser and Gordon 1994: 322).

While dependency seems to mean to rely on the government for economic support, not all

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[52]In the U.S. "the attention given to workfare is virtually synonymous with single mothers who represent 9 out of 10 AFDC recipients and more particularly with those single mothers who are young and black and who are viewed as part of the `underclass'" (Evans 1993: 57). In Canada, however, while "single mothers constitute a particular focus for welfare-to-work programs . . . fathers, as well as men and women without dependents, have been a longstanding concern and important part of the social assistance caseload" (Evans 1993: 62).

recipients of public funds are considered dependent (Fraser and Gordon 1994: 323). "Tax breaks, tax exemptions, subsidies, grants and loans, are also redistributive measures.[53] Only these benefit the monied and upper classes" (Dominelli 1991: 9). Because fiscal welfare occurs through the Income Tax Act and so is not a visible transaction, these financial transfers have been dubbed the "hidden welfare system" by the National Council of Welfare (1987).[54] Brooks (1994: 6) captures this double standard in the treatment of the well-off and those living in poverty well.

> To protect taxpayers from "waste, fraud and abuse", when the government provides aid to our poorest citizens, it has created an extensive set of rules and regulations requiring the poor to disclose even the most intimate details of their personal lives in exchange for government assistance. Yet when the government assists the rich and our largest corporations with billions of dollars in tax breaks, the commitment to protect the rest of us from "waste, fraud and abuse" -- so piously expressed when directed at the poor -- suddenly vanishes.

Social insurance schemes position recipients as rights bearers, "what C.B. MacPherson refers to as `possessive individuals,' wherein recipients qualify as social citizens in virtually the fullest sense the term can acquire" (Fraser 1987: 111). And, Chorney (1989: 213) has pointed out that aside from the odd article about the overextension of consumer credit and excessive dependence of corporations

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[53]According to 1991 Statistics Canada figures, only 2% of the nation's debt is due to spending on social programs while 50% derives from tax breaks to upper income earners and corporations. This point hinges a key argument put forth to combat the avowal that social spending is out of control and is a primary reason for our debt. Instead, some propose that it is a decline in revenues due to "tax breaks provided to wealthy individuals and corporations, growing interest payments to service the debt, and only marginally due to greater number of people requiring social support" (Foster and MacNeil; McQuaig, 18). To this, others add John Crow's (former president of the Bank of Canada) zero inflation policy with its attendant high unemployment and interest rates. According to the Canadian Labour Congress "the cuts [to social and income security systems] actually contributed to the deficit problem by taking dollars out of a failing economy and further heightening the unemployment crisis" (in Ralph, 60). In this light "attacking social programs does seem an odd practice if deficit reduction is the true objective" (Gates 1995).

[54]For example, meals and entertainment can be deducted for business people, including self-employed professionals at a rate of 80 percent. This amounted to $357 million in lost revenue in 1993. At the same time 400,000 Canadians, including 150,000 children use food banks for survival Brooks 1994: 8)..

upon debt to finance activities very little concern is articulated.[55] In contrast, "unemployment insurance has been redefined as a `social program' even though it is more than self-sustaining, providing 14% of all federal revenues. As a social program it is to be `reformed' again in July 1996 with a savings of $1.6 billion over the next two years" (Gates 1995).

Due to the scarcity of information on transactions to the wealthy that occur through the Income Tax system, an adequate presentation of fiscal welfare is not possible (Bryson 1992; Gillespie 1991).[56] The invisibility of this information, stands in stark contrast to the overexposure to issues surrounding social welfare and of the lives and habits of its beneficiaries. This attests to the differential treatment of those with and without economic privilege. It also shows the lack of accountability with respect to government aid to the wealthy and the tightly knit relationship between stigma and subordination.[57]

When taken in concert with the polarization of wealth and the decline in the corporate share of income tax revenue, the extent of fiscal welfare belies the conventional wisdom that government intervention operates primarily to benefit the poor. The capitalist market ensures, rather, that an

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[55]There is much evidence, in fact, that deficit reduction is not the key target of spending cuts. If it were, we would see the same amount of concern expressed over the degree of reliance of business and the private consumer upon credit. In terms of "relative weight in the economy the total of all household and unincorporated private sector debt in relation to the GDP stood at 51% in 1987. If one were to add in corporate indebtedness the ratio would be well over 100% of the GDP" (Chorney et. al 1992).

[56]As Pulkingham and Ternowetsky (1996: 330) explain, "The main public source is the periodic government publication The Cost of Personal and Corporate Income Tax Expenditures. These estimates are, however, always dated, incomplete and are punctuated with `n.a.' not available and `S', indicating the cost is less than $2.5 million."

[57]Canadian multinationals are treated very well under the tax laws. As well, foreign multinationals reap huge profits in Canada free of tax. The top tax rate on the richest Canadians was lowered from a high of around 80% in the 1960's to about 50% today. In 1994, 63,000 profitable corporations paid no taxes at all (OFL 1995a).

increasing concentration of income and wealth will occur. Regressive reforms to the income tax system have removed some of the only reigns on the flow of income and wealth upwards. The social programs and accompanying entitlements that had offset this imbalance are under attack. Because people living in poverty are presumed to lack the "capacity" for self-sufficiency, proposals of work incentives become the fitting *coup de grace* of anti-poor invectives.

E. Obligations and Entitlements

> For 150 years, the concept and administration of social assistance were ruled by the British Poor Law. According to the philosophy underpinning the Poor Law, it was every person's duty to be industrious, to make the earth bear fruit, in short to be productive. Work was considered a sign of morality. . . . The unemployed were thus locked into the notorious work houses, homes for the indigent, who were so to speak sentenced to forced labour. These institutions existed in Canada: they were called houses of industry. In the Maritimes, there were "pauper auctions" (Chorney and Browne in House of Commons 1994a: 10:78).

Intimately tied to shift in concern from poverty to dependency, is the emphasis on one's obligations to society and a corresponding de-emphasis on one's entitlements.[58] Simply put, the duty-based notion of social citizenship goes as follows:

> Work in available jobs for heads of families, unless aged or disabled, and for other adult members of families that are needy. . . . Work for the employable is the clearest social obligation (Mead 1986: 242-3).

The attachment of work conditions, as a form of obligation to the state, to the receipt of

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[58]Stella Lord (1994: 192) comments that the desire to reduce social assistance caseloads and costs "produced by neo-conservative economic and social policies at the federal and provincial levels has included stimuli to extend and broaden the concept of "employability" (like the federal-provincial employability enhancement initiative launched in 1985, "committed both levels of government to work to `remove key obstacles to the employability of social assistance recipients'" and attempts "to reduce social spending in welfare, health, education, and training by `offloading' costs to the provinces, thus creating fiscal pressure on provincial governments to contain social assistance costs."

social assistance has precedent in Elizabethan England.[59] A perceived obstacle to employment, as expressed in the Royal Commission, was that the provision of assistance to able-bodied recipients benefits the work-shy at the expense of the diligent (Loney 1992: 21).[60] In contemporary Canada, the Business Council on National Issues (BCNI) and the Canadian Federation of Independent Business (CFIB) persistently lobby for government transfers to be kept low so that low-wage employees are not tempted to leave their jobs to qualify for welfare. Welfare benefits are viewed simply as "disincentives to work" (Botting 1996; BCNI 1995).

Business lobbies also advocate that a two-tiered minimum wage structure be implemented to pay students, or those who receive gratuities in the service sector, at a rate even lower than the minimum wage (Botting 1996). As Table 5 shows, the service sector is a disproportionately low-wage sector to begin with.

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[59]In the UK, the Royal Commission on the Poor Laws, established in 1832, articulated the rationale which continues to find expression in modern welfare legislation (Loney 1992: 21).

[60]This is the principle of "less eligibility" (see Lightman 1991 in Low 1996: 192).

Table 5. Poverty Rates by Occupation, 1994

Occupational Group	Family Heads	Unattached Individuals
Managerial	4.6%	11.5%
Professional	5.9%	18.1%
Processing and Machining	7.1%	15.3%
Product Fabrication	8.1%	20.3%
Transport	10.4%	23.1%
Construction	10.5%	27.1%
Sales	11.0%	31.4%
Farming, Fishing, Forestry	13.3%	27.5%
Clerical	13.7%	28.9%
Services	18.5%	48.8%

Source: National Council of Welfare (1996: 39)

Human Resources Minister Axworthy promises in *Improving Social Security* (HRDC 1994b: 16) in his promise to "change [welfare] from a system based on dependence to a system that works towards independence . . . so that the focus is clearly on work". Other policies under consideration, for reform, including an adequate social wage, subsidized daycare, etc. went largely by the way-side. In other words, the individual level barriers to employment became the ultimate focus of reform and the manipulation of rewards and deterrents, the means to get people back to work.

Premier Harris of Ontario (1995: 35) has also boasted that:

> Our benefit reduction plan is aimed at ensuring that social assistance (with all its related drug plans and dental benefits) is not more attractive than honest work.

Shragge (1996: 6) points out that these policies and rules may be interpreted as barriers rather than incentives to re-enter the labour market in that social assistance is being reformed to protect the conditions of low wage employment. This claim is elaborated in the following section.

F. The Minor Inconvenience of the Job Market

> Long-term dependency leads to an inability to take personal responsibility and minor inconveniences become insurmountable unless clients take ownership (Cormier 1993: 17).

> The terms "economic restructuring," "globalization," "downsizing," "deindustrializing," "relocating" and "labour adjustment" are all fairly common these days. . . . The results? More structural unemployment and long term unemployed people; rapid shifts of jobs between industries; certain types of jobs or skills which are being rendered obsolete because industries are moving to other countries or are introducing new procedures; other jobs are created which demand different or more complex skills; polarization in the types of jobs created; polarization in the type of education and training being demanded; unhealthy local economies; and increasing pressure to reduce social welfare costs and to accomplish more with less (The F/P/T Joint Working Group 1994: 4).

For David Browne of the C.D. Howe Institute (in Richards 1995) the decline in real market earnings over the past two decades for people in the bottom three income deciles signifies the existence of a "destructive syndrome" amongst low income Canadians. This finding is factored into "the combination of falling earnings for those `at the bottom' and rising welfare benefit levels (on average) [that] has made `nonwork' too attractive" (Richards 1995: 11). From this point of view, lower market earnings indicate a need to intensify the pressure to lower social assistance rates.

As Table 6 outlines, the minimum wage has fallen dramatically over the past one and a half decades so that it fails to ensure better than poverty level income in any Canadian district (Clark 1996: 23).

Table 6. Minimum Wage Income and the Poverty Line for a Single Person, 1976 and 1992

	1976 Minimum Wage Income	Income as % of Poverty Line	1992 Minimum Wage Income	Income as % of Poverty Line
Federal Government	$5,936	106	$8,320	55
Newfoundland	5,200	105	9,880	74
Prince Edward Island	4,992	103	9,880	76
Nova Scotia	5,200	105	10,400	78
New Brunswick	5,184	105	10,400	78
Quebec	5,897	105	11,622	77
Ontario	5,412	96	12,601	83
Manitoba	5,716	102	10,400	69
Saskatchewan	5,824	118	10,461	78
Alberta	5,640	100	10,140	67
British Columbia	6,240	111	11,353	75

Source: National Council of Welfare (1993)

A comparison of welfare rates and minimum wages across Canada reveals that some people -- those with disabilities, single parents, and one-earner couples -- may be better off on income assistance than they would be working full time at minimum wage. As Table 7 reveals, however, "single employable" income assistance recipients in most provinces receive less than they would at minimum wage, with both of these falling far below the poverty line (Clark 1996: 21; NCOW 1993).

Table 7. Incentives (and Disincentives) by Household Type: Welfare versus Work at the Minimum Wage, 1992

Province/Territory	Single Employable Person	Disabled Person	Single Parent	One-Earner Couple	Two-Earner Couple
Newfoundland	4,270	(842)	(2,135)	(2,696)	5,022
Prince Edward Island	125	(967)	(2,697)	(8,080)	(312)
Nova Scotia	2,448	(1,548)	(2,853)	(3,717)	4,269
New Brunswick	3,601	(771)	(789)	(3,003)	4,977
Quebec	2,207	1,127	2,793	(574)	7,154
Ontario	1,788	(2,412)	(4,685)	(8,810)	735
Manitoba	(42)	478	(46)	(9,047)	(1,353)
Saskatchewan	3,327	(408)	(618)	(4,390)	2,467
Alberta	2,059	1,039	(1,815)	(7,407)	1,049
British Columbia	2,349	(1,199)	(2,556)	(5,572)	2,925
Yukon	2,901	1,821	(1,115)	(7,723)	1,766

Note: Figures in parentheses indicate the amount that social assistance exceeds pay from full-time minimum wage work for one year.
Source: National Council of Welfare (1993)

The social security system, while not eliminating poverty, takes into consideration differing needs. The private market does not. Benefit rates reflect a calculation of budgetary requirements, which differ by household, but also because of supports in the way of "in kind" benefits.

If one further compares both social assistance and minimum wage levels across Canada to the poverty line, it is clear that for many on social assistance the likely alternative is employed poverty.[61] See Tables 8 and 9.

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[61]This likelihood is compounded by broad patterns in the workforce, including the growth of high-income white-collar jobs for professionals and "knowledge workers" (Greenspon 1996b), the

(continued...)

Table 8. Net Social Assistance Income Versus Poverty Lines, 1992

Province/ Territory	Single Employed	Disability (Unattached)	Single Parent, 1 Child	1-Earner Couple, 2 Children	2-Earner Couple, 2 Children
Newfoundland	-9,582	-4,470	-5,377	-13,170	-13,170
Prince Edward Island	-5,411	-4,319	-4,815	-7,786	-7,786
Nova Scotia	-7,379	-3,383	-4,167	-11,657	-11,657
New Brunswick	-8,535	-4,163	-6,231	-12,371	-12,371
Quebec	-6,107	-5,027	-5,938	-10,518	-10,518
Ontario	-5,171	-971	-355	-4,511	-4,511
Manitoba	-4,812	-5,332	-6,614	-5,607	-5,607
Saskatchewan	-8,208	-4,473	-6,024	-9,406	-9,406
Alberta	-6,863	-5,843	-5,539	-8,121	-8,121
British Columbia	-6,575	-3,027	-3,562	-8,900	-8,900
Yukon	-5,928	-4,848	-3,703	-5,344	-5,344

Note: Based on poverty lines for cities of 100,000 to 499,000 people
Source: National Council of Welfare, *Welfare Incomes 1993,* and Canadian Council on Social Development, *Canadian Fact Book on Poverty, 1994* in Clark (1996)

(...continued)
disappearance of many traditional office jobs for middle and low income earners and the steady growth of sales and service jobs, which are "on the bottom of the income pile" (Greenspon 1996b).

Table 9. Minimum Wage versus Poverty Lines, 1992

Province/ Territory	Single Employed	Disability (Unattached)	Single Parent, 1 Child	1-Earner Couple, 2 Children	2-Earner Couple, 2 Children
Newfoundland	-4,003	-4,003	-7,474	-16,246	-6,366
Prince Edward Island	-4,003	-4,003	-7,474	-16,246	-6,366
Nova Scotia	-3,483	-3,483	-6,954	-15,726	-5,326
New Brunswick	-3,483	-3,483	-6,954	-15,726	-5,326
Quebec	-2,261	-2,261	-5,732	-14,504	-2,882
Ontario	-1,282	-1,282	-1,753	-13,525	-924
Manitoba	-3,483	-3,483	-6,954	-15,726	-5,326
Saskatchewan	-3,422	-3,422	-6,893	-15,665	-5,204
Alberta	-3,743	-3,743	-7,214	-15,986	-5,846
British Columbia	-2,530	-2,530	-6,001	-14,773	-3,420
Yukon	N/A				

Notes: a. Poverty lines for cities of 100,000 to 499,000 people
b. Assuming full-time employment at minimum wage

Source: National Council of Welfare, *Incentives and Disincentives to Work,* 1993; CSSD, *Canadian Fact Book on Poverty,* 1994 in Clark (1996: 21)

The benefits to earnings ratio has risen, then, not only because the numerator has gone up, but also because the denominator, wage earnings, has gone down. The societal factors Browne attributes this to are globalization, technological change, and a "greater exploitation of international comparative advantage" (in Richards 1995: 11). These, like "collateral damage" in a military assault, are portrayed as the unintended consequences of forces operating with no primary agent.

Compounding falling minimum wage earnings is the increase in part-time work (Broad 1991: 557). In the 1980s, one quarter of the jobs created were part-time (Broad 1991: 576-578; NCOW 1996: 39). In December 1995, job market analysts reported that "two-thirds of the new jobs were part-time rather than full-time positions, and that for the year as a whole, net job growth was 88,000 jobs, of which only 8,000 were full-time positions" (Freeman 1996). Nine out of ten of the new jobs were in the services sector, where the majority of low-wage work is (refer to p. 74 this document). Table 10 compares the growth in part-time versus full-time jobs. Women remain vastly overrepresented in part-time employment, a situation that has not improved since 1975. See Table 11.

Table 10. Distribution of Actual[a] Work Time, Canada, 1976-1992

	Number of Workers (000s)			
	1976	**1985**	**1990**	**1992**
Part-Time (1-29 Hours)	1,483	2,073	2,378	2,431
(% of Total)	16.9	19.8	20.4	21.7
Full-Time (30-49 Hours)	6,151	6,868	7,399	7,110
(% of Total)	69.9	65.6	63.5	63.4
Full-Time (50 or More Hours)	1,164	1,522	1,868	1,699
(% of Total)	13.2	14.5	16.0	15.2
Total	8,798	10,463	11,645	11,210
Total Persons[b]	9,477	11,311	12,248	12,240

Notes: a. Refers to total of all hours worked at all jobs in reference week, i.e. actual hours worked
b. Total persons includes people working 0 hours in reference week

Source: Statistics Canada, Labour Force Annual Averages 1975-1983; The Labour Force, December 1984, December 1985, December 1990, December 1992 cited in Yalnizyan (1994, 30)

Table 11. Part-Time Employment in Canada by Gender, 1975-1993

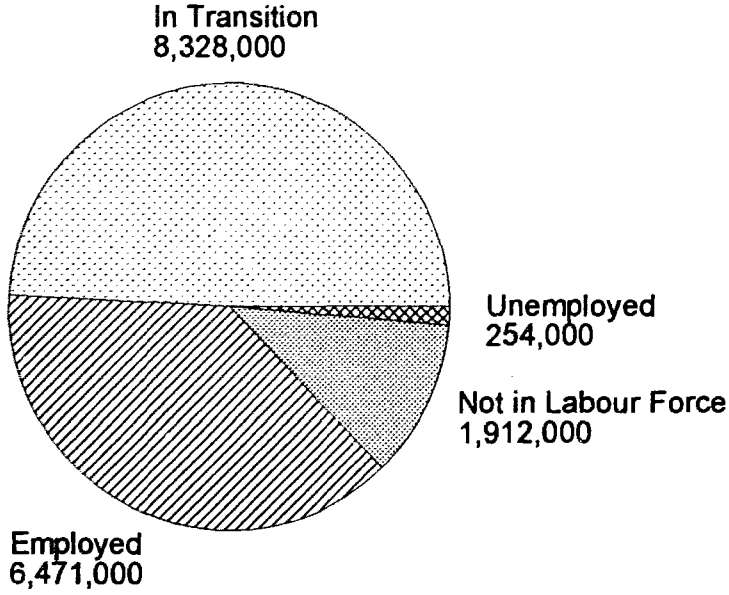
Year	Women Employed Part-Time (000s)	% of Women Employed Part-Time[a]	% of Men Employed Part-Time[a]	Women as % of Total Part-Time Employment
1975	687	20.3	5.1	69.5
1976	741	21.1	5.1	70.8
1977	800	22.1	5.4	70.9
1978	867	22.6	5.5	71.9
1979	1938	23.3	5.7	72.1
1980	1,011	23.8	5.9	72.6
1981	1,074	24.2	6.3	72.3
1982	1,100	25.1	6.9	72.0
1983	1,169	26.1	7.6	71.3
1984	1,187	25.7	7.6	71.2
1985	1,251	26.1	7.6	72.0
1986	1,274	25.7	7.8	71.2
1987	1,294	25.1	7.6	71.7
1988	1,355	25.2	7.7	72.0
1989	1,352	24.5	7.7	71.6
1990	1,371	24.4	8.1	71.0
1991	1,425	25.4	8.8	70.4
1992	1,440	25.9	9.3	70.0
1993	1,485	26.4	9.7	69.3

Note a: Expressed as a percentage of total employed
Source: Statistics Canada, *Women in the Labour Force, 1994 Edition*

Also, there has been a growth in short-term contract work, what Broad calls the "contingent economy" (Broad 1993). Studies by the National Council of Welfare (1993) also suggest that long-

term adequate employment is not the norm. As Figure 4 illustrates, during a three-year period "of the total working-age population of 17 million people aged 16 through 64, 8.3 million people or close to half were in transition" (NCOW 1993: 5). But, only 1.3% (254,000) stayed on either social assistance of unemployment insurance for the whole period. The rapid rise in entrepreneurs, so that they now outnumber civil servants, also attests that much personal initiative has gone into meeting the challenge of a rapidly changing job market (Little 1995b).[62]

Figure 4. Labour Force Status of People Aged 16-64, 1988-90



Source: National Council of Welfare, (1993: 6)

[62]Little (1995b) reports that "In 1976, almost 20 per cent of Canada's 9.8 million workers (1,914,000) got a government pay cheque for their efforts. Only 11 percent (1,069,000) were self-employed. . . . In the past four months [as of October, 1995], the self-employed accounted for 15.2 percent of those working, public servants for only 14.8 percent".

In an analysis of employment trends over a recent three year period, the NCOW (1994a: 4) found that "the link between unemployment rates and reliance on welfare or unemployment insurance becomes clear when the data are regrouped by subprovincial economic regions."Also, Table 12 shows that,

> In areas where the rate was less than eight percent, 5.2 percent of the working-age population received welfare sometime in 1988, 1989 or 1990. In areas where the rate was 16 percent or higher, the percentage of the working-age population relying on welfare was 11.9 percent. The pattern is similar for people who received UI benefits. In areas of low unemployment, 20.7 percent of the working-age population received unemployment insurance sometime in 1988, 1989, or 1990. In areas of very high unemployment, the figure jumped to 45.5 percent. (1993: 11)

Table 12. Recipients of Welfare and Unemployment Insurance by Regional Unemployment Rate, 1988-1990

		Received Welfare		Received U.I.	
Unemployment Rate	Working Age Persons	Estimated Number	Number as % of Persons in Category	Estimated Number	Number as % of Persons in Category
Less than 8%	9,692,000	503,000	5.2	2,003,000	20.7
8-11.9%	6,149,000	521,000	8.5	1,636,000	26.6
12-15.9%	630,000	61,000	9.7	216,000	34.3
16% and over	495,000	59,000	11.9	225,000	45.5

Source: National Council of Welfare (1993)

Another empirical test for the Canadian provinces between 1977 and 1982 confirmed that the rise in the number of social assistance beneficiaries was "not related to the structure of incentives, but can be explained by the unemployment situation" (Noel 1995: 16).

In December 1995, 1,411,000 Canadians were unemployed. Overall employment grew by 0.7 percent during 1995 (Freeman 1996). The Canadian Association of the Non-Employed concurs

that over the last six months the average job growth rate was low. They calculated it at about 0.8% although this varied across provinces from 6.7% in P.E.I. to -4.0% in Saskatchewan, as Table 13 shows. This pattern of low job growth is predicted to persist into 1996 and beyond (Bourette 1996).[63]

Table 13. Job Growth Index: Canada and Provinces, July 1995

	July 1995	June 1995	May 1995	Apr. 1995	Mar. 1995	Feb. 1995	6 Month Average
Canada	-1.3%	1.1%	0.0%	0.0%	1.0%	-1.4%	-0.1%
Newfoundland	-13.3%	2.1%	2.2%	-6.8%	2.1%	0.0%	-2.3%
PEI	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.7%
Nova Scotia	6.9%	-3.6%	-3.7%	3.6%	3.8%	-3.6%	0.6%
New Brunswick	6.7%	-2.5%	-4.8%	-2.6%	10.9%	-2.1%	0.9%
Quebec	-2.5%	-0.5%	2.4%	-0.5%	-3.6%	3.2%	-0.2%
Ontario	-3.2%	0.4%	1.6%	2.0%	-5.0%	-2.2%	-1.1%
Manitoba	2.4%	4.8%	2.4%	2.4%	4.5%	2.3%	3.1%
Saskatchewan	-3.0%	-8.3%	3.3%	-9.7%	-3.1%	-3.4%	-4.0%
Alberta	-3.7%	5.1%	-5.1%	-5.2%	9.7%	1.8%	0.4%
BC	5.2%	3.5%	-8.9%	0.6%	16.9%	-9.4%	1.3%

Source: Canadian Association of the Non-Employed, press release, August 9, 1995

[63]However, there are growth areas and non-growth areas hidden within these statistics. For instance, high-income white-collar jobs of managers and professionals are said to be "impervious to the moods of the economy" (Greenspon 1996b). In contrast, since 1990 222,000 clerical jobs, 10 percent of the total have been lost. The blame is attributed to computer technology. The number of sales and service jobs, however, have grown at a steady pace, though these are "at the bottom of the income pile" (Greenspon 1996b).

CHAPTER THREE

A. Work Incentive Strategies

> Given the growing consensus among academics of the unhealthy nature of welfare dependency, the idea of workfare is now being *sold* [added emphasis] less as a matter of "punishing" potential deadbeats and providing an excuse to cut them off . . . and more as a means of instilling a sense of personal responsibility on its recipient (Richards 1995).

> The labels are often misleading. Words like "workfare" and "learnfare" have different connotations in some of the more radical States south of our border and much more positive connotations in New Brunswick. The labels are far less important than the basic principle, which is to ensure that our welfare system offers a hand up not a hand-out. Under our plan, participation in these programs will be mandatory wherever they are offered (Harris 1995: 35).

As the remarks above suggest, the single label "workfare" is used to encompass a variety of programmatic approaches reflecting different ideological perspectives (Handler and Hasenfield 1991; Morris and Williamson 1987: 14-15). Shragge (1996) points out that the use of "sticks" as opposed to "carrots" generally qualifies an initiative as workfare.

While the federal government will set the general guidelines in the area of employment development, the provinces have considerable latitude and discretion in choosing their particular strategy. This measure of control is compatible with the federal government's aim to shift financial and other responsibilities for welfare onto the provinces. There is, therefore, no single or cohesive employment development (or workfare) strategy. What programs across Canada have in common is the goal of strengthening the conditions which link benefit entitlement to employment activity (Evans 1993: 57).

Dependency reduction programs can attempt to develop human capital either directly or indirectly (Morris and Williamson 1987: 13). Direct approaches include strategies such as job skill training and educational assistance so as to increase opportunities or "employability." Alternatively,

the lowering or termination of welfare benefits is frequently seen as a powerful indirect strategy that removes disincentives to work (Morris and Williamson 1987:: 13). Both approaches attempt through different methods to "bridge the chasm which exists between income support and employment programs" (Evans 1993: 56).

The Fraser Institute's stance is that "[welfare administrators] should be able to compel, on the threat of lost benefits, a client either to work or to seek training. . . . In particular, Social Services personnel should have the ability to deny benefits to a single employable person who refuses to seek work or to accept a reasonable position" (Lippert 1994: 47). The Business Council on National Issues has, instead, expressed concern over unit labour costs and endorsed such practices as having high school students come work in businesses as trainees for free (Porter 1992). Currently the former proposal for compulsory work-for-welfare constitutes but a small part of the employment development armoury (Evans 1993: 56).

McFarland and Mullaly (1996) allow for the complexity and variability of workfare programs by placing these under the umbrella of work incentive strategies. Beneath this general heading they position programs along three continuums: the continuum from voluntary to compulsory[64] participation in programs, the ideological continuum from the "right of benefit" (or "entitlement") to that of "responsibilities and obligations" on the part of participants in the programs, as well as the active or passive aspect of such programs (see Figure 5). They also consider the role that earnings exemptions, tax-back rates, service and financial strategies, guaranteed annual income schemes, and the absence of full employment policies may play within this employability schema.

With respect to the attachment of work-related conditions to benefits Lightman (in Richards

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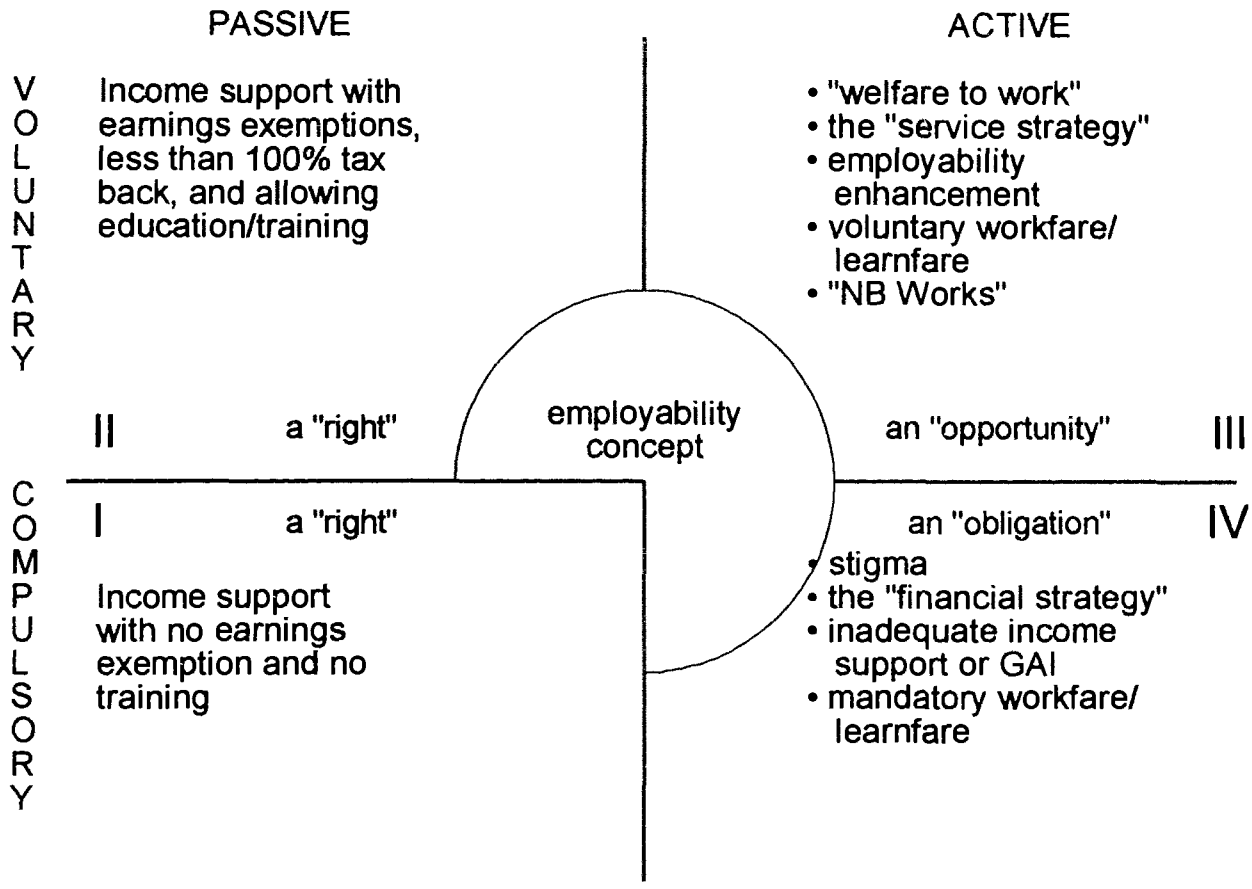
[64]In terms of the compulsory/voluntary scale, Lightman (1994) and Evans (1993) emphasize that workfare includes programs which either explicitly require work for benefits, or set conditions so onerous as to make refusing work difficult. Hence, compulsion and voluntarism are clouded.

1995: 10) comments:

> At one end is the absolute right to benefit, subject only to a determination of need on an individual or group basis; there is no compulsion to train, to work, or to seek work. At the other end is a requirement to train or do work (workfare) in exchange for benefits. . . . At least in concept a discrete line divides voluntary from involuntary training or work-related activities. This line is crossed when the cost of non-compliance became significant to the individual.

In terms of the second continuum, between active and passive support, the former approach requests or requires that people on income assistance be involved in some type of training or work-seeking activity to receive benefits. The latter, again, provides income support alone and promotes social welfare. The third continuum, from voluntary to compulsory, as described by Lightman, is fairly self-explanatory. Compliance is typically encouraged through the withdrawal or reduction of benefits. At what point this becomes "significant to the individual" is not clear cut, however.

Figure 5. Work Incentive Strategies



Source: McFarland and Mullaly (1996: 205)

Social assistance, as it was conceived under CAP, is a quadrant II approach. "The right to benefit principle exists but there is some limited 'encouragement' -- along the voluntary/compulsory continuum -- to earn income to the extent that there is an earnings exemption and less than 100% tax-back on earnings beyond that," meaning that people get to keep some, usually small, percentage of employment earnings without having these deducted dollar for dollar from their income assistance (McFarland and Mullaly 1996: 206). In principle, however, CAP holds that social assistance receipt be based on the fact, not the cause(s), of need (Riches and Manning 1989). As well, all participation in work and training is to be voluntary.

Earnings exemptions, which increase the financial rewards of working, are also a form of incentive to work (Lowe 1996: 195 and 200). For instance, the B.C. Ministry of Social Services introduced an Enhanced Earnings Exemption program in 1986 to recognize "the initiative and self-motivation of ministry clients" (Low 1996: 196). Prior to this time, extra earnings had been taxed back at a rate of 100%.

Service strategies include Human Resources Minister Axworthy's recommendation that "training in the workplace . . . [be] promoted by employer tax credits, levies for training, and paid educational leave" (HRDC 1994a: 12). These, as well as, programs of attitudinal and psychological support, T-groups, education, or "employability enhancement programs, characterized by Evans as `carrots' as opposed to `sticks', would belong in Quadrant III" (McFarland and Mullaly 1996: 206). Universal day care, supplementary health benefits, and subsidized housing are also potential service strategy tools.

The latter may be less likely to be pursued, though, since the flip-side of this model for employment development is to offer "incentives [to employers] for hiring unemployed workers, wherein the government could pay part of the wages for unemployed workers who need experience and on-the-job-training" (HRDC 1994b: 12). Therefore, incentives are not only aimed at those on income assistance, but are also designed to "encourage" employers to hire. One document put out by the New Brunswick government, lists the central aim of employment development as "work[ing] with employers to help meet their human resource needs and meet[ing] those needs from an inventory of retrained people ready to work" (NBDIA 1993: 27).

The wage supplements provided in the Self-Sufficiency Projects (SSPs) in New Brunswick and British Columbia would also fall into Quadrant III. These are active initiatives based on the liberal concept of "opportunity" so as to lie somewhere between the poles of right to benefit and

obligation orientations. One function they serve is to increase the monetary rewards from low-paid work for the duration that the supplements last (Low 1996: 188).

Mandatory workfare is a quadrant IV approach. It is compulsory, active and takes an obligation or duty-based approach to participants. However, "the stigma attached to `not working or learning', especially if there is a lot of public rhetoric around this idea, can itself add a compulsory aspect to participation in a program" (McFarland and Mullaly 1996: 206). Low (1996: 189) characterizes this as any practice that forces employment by imposing work requirements or that uses implicit measures such as eroding the value of benefits a restrictive strategy. The manipulation of financial rewards can make programs compulsory if the benefits otherwise received would be too low for survival (Lightman in McFarland and Mullaly 1996: 206).

Even prior to CAP's repeal, there has been a movement away from the stipulation that all work and training be voluntary. Mandatory work requirements have already been imposed on the "able-bodied" in Manitoba in 1982, in Alberta in the same year and again under the Klein government in 1993 and in Saskatchewan under Premiere Devine (Manning and Riches 1989). However, while the Canada Assistance Plan has not prevented the attachment of work-seeking requirements onto the receipt of social assistance (i.e. job search, training, reporting of circumstances), the removal of the CAP rights opens the gates to broad-based mandatory schemes.[65]

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[65]Examples of compulsory work-for-welfare are currently in evidence across the country. The New Brunswick government has recently announced, as a new measure to reduce welfare assistance caseloads, that "youth under 21 who do not attend courses or school will see their monthly assistance reduced from $250 to $50. . . . Moreover, single parents under 21 must take a parenting class or their monthly support will be reduced from $710 to $300 (Cormier 1995). In Saskatchewan a recent discussion paper suggests that the Social Services department should "ensure that youth either attend school, train, or work in order to receive their benefits" (1996: 9). The Harris government in Ontario recently cut social assistance payments by 21.6%. Benefits to employable people were thereby reduced from $650 to $550 per month, and people are given the option of earning back up to $100 through paid work.

"Active" assistance programs generally decrease in cost as they move from voluntary to strictly mandatory workfare strategies and provide lower cost labour for the employer as they move in the same direction (McFarland and Mullaly 1996: 206). As has been explained, in the case of the SSPs and NB Works training or work placement periods provide either subsidies or supplemented wages for businesses. In mandatory work-for-welfare, businesses typically receive labour for free (or at an extremely low cost) and government pays little more in social assistance costs, except those required for administration. However, as will be clarified further, work incentive strategies usually aim to provide a "deal" for "employers."

The Four Corner Agreement, which was signed in 1985 by the Federal government and the subsequent employability enhancement programs have been called "the most important initiative in labour market adjustment programs in years" (Evans 1993: 62). An important component of the 1985 Four Corner Agreement signed by Health and Welfare, Employment and Immigration, and their provincial counterparts, was to channel funds into provincial employment initiatives. More than 3,000 pilot projects have now been approved (NCOW 1994c: 2). The objectives laid out in this federal-provincial Agreement on Enhancement of Employment Opportunities for Social Assistance Recipients are:

> to promote the self-sufficiency of social assistance recipients and to reduce their dependence upon federal and provincial income support programs by enhancing their employability through the application of appropriate employment and training increases (Employment and Immigration Canada 1987 in McFarland and Mullaly 1996: 202).

Available information on the work incentive strategies implemented in three provinces will help assess if these particular programs have met, or are likely to meet, their professed goals. The programs to be reviewed are: The Self-Sufficiency Project (SSP) in New Brunswick (and there is one in British Columbia), which is a wage supplementation project; New Brunswick Works, which

is a national demonstration project meant to guide Social Assistance Recipient programming in the future and; Extra, Rattrapaige Scolaire, and Paie in Quebec, which, together, contained 80% of people in employability programs in Quebec between 1989 and 1993. The beginnings of mandatory workfare in the form of a financial/restrictive strategy initiated in 1995 in Ontario is included to give some indication of the potential for mandatory work requirements given the repeal of CAP on April 1, 1996.

(i) The Self-Sufficiency Projects

> I see what UI is doing to my people . . . I'm fed up with seeing generations of Atlantic kids growing up and never seeing their parents work . . . (Bernard Valcourt, press conference notes, launching the Self-Sufficiency Project in New Brunswick, November 1992 in McFarland and Mullaly 1996).

The McKenna Liberal government in Fredericton is said to be the vanguard of reform when it comes to employability enhancement. In 1992, the Federal Government launched two pilot projects, called the Self-Sufficiency Projects (SSP), one in New Brunswick (and the other in British Columbia), designed to enhance the employability of social assistance recipients (Yalnizyan 1994: 50). The SSP is fashioned after a series of large scale "demonstration projects" that have operated in the U.S. Funding comes from the "Innovations" branch of Human Resources Development Canada and is administered by a non-profit company set up specifically for this purpose called the Social Research and Demonstration Corporation (SRDC). The SRDC also oversees a series of wage supplementation schemes for U.I. recipients in seven provinces. One attempt at such a program has been the Parental Wage Assistance Program in Quebec (NCOW 1993). Currently, wage supplements and employer subsidies are favoured tools of the federal liberal government to deal with long-term dependence (Low 1996: 195).

The Self-Sufficiency Project (SSP) is an attempt to refine previous programs meant to improve the rate of employment and the earnings of social assistance recipients through time-limited income supplements. Enrollment in the SSP is strictly voluntary, but requires that those involved relinquish all social assistance supports once the job starts.[66] Single parents who have been on

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[66]However, the process through which participants are selected raises questions about how voluntary the program is. For instance, "interviewers will contact each month a random subset of these eligibles... and obtain release of information and informed consent from clients. Individuals will ideally be contacted by telephone and then interviewed in-person at their homes." Should the person be selected to be in the program, rather than in the control group, they "will be asked to enroll in the

(continued...)

assistance for over 12 months, are the primary target group. Nine out of ten of the participants are women. Those selected also tend to have received income assistance for at least a year.

A central purpose of the SSP is to move people from income assistance to paid work, thereby cutting government costs. The rationale is that: "For some social assistance recipients, the major barrier to working is the gap between their initial earning power and the minimum amount required to be self-sufficient" (NCOW 1993: 50). The supplement, which lasts for a maximum of three years, provides half of the difference between annual earnings and a bench-mark, set in 1994 at $25,000 in New Brunswick (and $35,000 in British Columbia) (Yalnizyan 1994: 51).

The SSP in New Brunswick has not been assessed in terms of whether it moves people out of poverty, saves social assistance costs, finds people either short-term or long-term employment, or simply increases participants' prospects for such. However, about one-third of those who took advantage of the working income supplement were earning minimum wage and the average hourly wage for participants was $6.30 in New Brunswick (Low 1996: 195). "As a result of the low average wages being earned, the average monthly supplements are effectively the same as the monthly social assistance payments these women would have received, just over $700 in New Brunswick (Low 1996: 195/196). Available information suggests that it will be very difficult for participants to increase their earnings to the level of the supplement over a three-year period (Evans 1995: 9). And, in this particular program, decreases in welfare costs were more than offset by increases in unemployment insurance costs (NCOW 1993).The program did reveal the need for day care, affordable housing and transportation (Low 1996: 197).

(...continued)
program and attend an orientation. . . . Those who did not attend will be contacted again" (Yalnizyan 1994: 71).

(ii) New Brunswick Works

> You want to get off income assistance!
> You want to work and be financially independent!
> You want a brighter future for you and your family!
> You know that getting a job takes education and training -- that employers look for people who are confident and have some experience in the workplace!
> You realize that you don't have these qualifications.
> And you're ready to do something about it!
> NB Works is designed for people like you
> (NB Works in McFarland and Mullaly 1996: 202).

> We don't think Atlantic Canada is ever going to achieve the greatness I'm talking about as long as we have programs which foster dependency, which make it comfortable for people to do nothing and learn nothing (Frank McKenna quoted in Swanson 1993).

An agreement between Canada and New Brunswick, commonly referred to as the Social Assistance Recipients (SAR) Agreement, was signed in 1987. From this partnership a number of cost-shared programs emerged, wherein the federal government agreed to cover 50% of the costs incurred by the province provided that the province adheres to the conditions of the Agreement.

In December 1992, as the result of a meeting with the Organization for Economic Co-operation and Development, the federal government produced a paper called "New Orientations" that emphasized the aim of "breaking the spiral of dependency" through "self-sufficiency" and "greater individual responsibility" (Mullaly and Weinman 1994: 95). A second Agreement between Ottawa and the provinces was, hence, forged in 1992, and a series of demonstration projects cropped up, the most prominent among these being NB Works.

NB Works has the status of a national demonstration project meant to "act as a guide for future SAR programming at a national level" (NBDIA 1993: 1). It also has a very high profile and has received substantial investment from Ottawa. Specifically, Ottawa has embraced this New Brunswick initiative with a subsidy of $177.1 million: $25.4 million from the province; $5.8 million

from the Canada Assistance Plan; approximately $81 million from Human Resources Development through Unemployment Insurance benefits; and $64.7 million from the Training and Development Fund (TDF) (McFarland and Mullaly 1996: 203). An important feature of these agreements is that some of their funding is diverted from the Canada Assistance Plan. As Riches and Manning (1989) point out, this has meant that the commitment to needs testing in CAP has been undermined, and work-testing subtly substituted, even prior to CAP's repeal.

Internal restructuring of departments has also accompanied this transition from support to work-related activities. The federal government has combined the Health and Welfare Department and the Department of Employment and Immigration, renaming it Human Resources Development Canada (HRDC). New Brunswick liberals, in a corresponding move, merged the Department of Advanced Education and Labour with the Department of Income Assistance, renaming it Human Resources Development to aid the operation NB Works. Human Resources Development New Brunswick is directly responsible for the project's operation.[67]

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[67]Placing these programs under the auspices of Human Resources Development also reflects the concern with developing human capital. Investments in human capital have been defined as "expenditure that improves the individual in the system in order to increase his [sic] worth to society" (McKenna in McFarland 1993: 151). This is presumed to be one way to increase human productivity, hence reducing unit labour costs, which is the BCNI's concern.

The official goals of the program are to:

> (1) develop the human resource and employment potential of the social assistance caseload; (2) begin to challenge the attitude that may exist that income assistance is an end in itself; and (3) save social assistance dollars through the move of persons from caseload to workforce (NB Works in McFarland and Mullaly 1996: 208).

The semantics consequently reflect an "active" rather than passive approach to welfare receipt, emphasizing employment-related activities, rather than support. The idea of "furnishing opportunities for participants to acquire skills and experience," which is very market-oriented, is distinguished from previous labour force re-entry programs which were based more on a bridging model. In these earlier programs, "overcoming barriers" was a major focus of the design with such aspects as counselling and life skills playing a major role. In contrast, the former approach offers opportunities and it is largely up to the participant to take advantage of these. Support services are held to a minimum, or at least of lesser importance (McFarland and Mullaly 1996: 209).

Like the SSP, NB Works explicitly targets those "who have been on assistance for at least six months [are dependent] . . . are entitled to higher ranges of support (single mothers and two parent families) . . . have limited education . . . have little or no labour force attachment . . . are assessed as having the greatest potential for success in the programme" (McFarland and Mullaly 1996: 203).

Table 14 provides a more detailed profile of those who have taken part in the NB Works program to date.

Table 14. Profile of New Brunswick Works Participants

		Intake 1	Intake 2	Intake 3
Age Groups				
Under 25		10%	13%	21%
25-34		60%	51%	42%
35-44		27%	34%	33%
45-54		3%	2%	4%
Average Age at Time of Intake		30 yrs	31 yrs	32 yrs
Sex				
Women		86%	83%	82%
Men		14%	17%	18%
Education Level Completed at Time of Intake				
Grades 1-6		4%	4%	3%
Grades 7-9		51%	42%	44%
Grades 10-12		34%	39%	35%
High School Diploma/GED		10%	16%	16%
Postsecondary		2%	4%	3%
Number of Children Needing Care Within Household	**Total**			
One	53.4%	50.5%	45.5%	54.2%
Two	33.6%	36.9%	39.2%	30.8%
Three	10.2%	10.8%	12.8%	10.5%
Four or More	2.7%	1.8%	2.5%	4.5%
Types of Child Care Used (Multiple Mentions Possible)				
Before/After School	4.5%	2.7%	7.0%	4.7%
Day Care	18.0%	14.9%	12.8%	20.7%
Relative in Home	35.5%	21.2%	24.2%	33.8%
Non-relative in Home	32.2%	23.4%	24.0%	34.4%

Source: Data supplied by New Brunswick Department of Income Assistance, 1993 cited in Baseline/Norpark (1995)

The gist of this program is to retrain jobless welfare recipients, providing them with new skills for the new jobs of "a post-industrial economy whose main pole of job growth would be the service sector that has supplanted manufacturing" (Swift 1994: 10). Recall that the service sector, on average, contains the lowest paying jobs, and that many of these are part-time (p. 75). To achieve these purposes,

> the New Brunswick Works project was set up to, offer social assistance recipients a three-year continuum of service directed towards enhancing employability and self-sufficiency . . . [including] a two-week orientation, a 20-week initial job placement, nine months of academic upgrading, a summer work internship, a further nine months of academic upgrading, a second summer internship and a year of skills training" (HRDNB 1994: ii).

Funding for training costs and associated administrative expenses is diverted from federal and provincial social assistance payments, which have been transferred into the Training and Development Fund (TDF). Wages and supplementary financial supports required for the work phase are provided by the Province of New Brunswick through the Departments of Advanced Education and Labour (DAEL) and Income Assistance (DIA) (NBDIA 1993: 33). At the end of the work phase, income support and supplementary benefits are provided by HRDC through the UI Program (NBDIA 1993: 3). Table 15 provides a rough breakdown of expenses.

Table 15. NB Works TDF Expenditures (in Thousands of Dollars)[a]

Fiscal Year	Total TDF	Administration	Communications	Systems	Evaluation	Total Training	Training Related	Skills Training	Upgrading	Client Top-Up	Client Travel	Health Card
92-93 (Actual)	$5,224	$398	$2	$1,422	$71	$3,331	$1,157	$0	$1,868	$75	$126	$105
93-94 (Actual)	$9,935	$963	$38	$817	$170	$7,947	$1,370	$58	$5,826	$318	$80	$296
94-95 (Estimated)	$13,357	$1,133	$100	$647	$280	$11,197	$843	$1,114	$8,315	$413	$83	$430
95-96 (Estimated)	$12,483	$1,163	$100	$672	$160	$10,388	$1,254	$2,727	$5,498	$406	$81	$422
96-97 (Estimated)	$8,333	$1,209	$100	$696	$160	$6,169	$731	$3,559	$1,301	$258	$52	$268
97-98 (Estimated)	$3,017	$621	$0	$305	$160	$1,931	$550	$1,226	$0	$69	$14	$72
TOTAL	$52,350	$5,486	$340	$4,559	$1,001	$40,964	$5,906	$8,684	$22,807	$1,540	$434	$1,593

Note a: Rounding errors may result in small discrepancies between the total reported and the total of the numbers in the table
Source: HRDNB, TDF Records in Baseline/Norpark (1995: 34)

The initial work exposure phase is funded by the province, primarily through the Environmental Trust and Excellence in Education funding. This 20-week placement provides the basis for client eligibility for income support (UI) under the training component (S.26) of the Unemployment Insurance Act" (HRDNB 1994: x). The internship provides on-the-job training and is used when a participant cannot enrol in class-room based training during the summer months.

Because people are transferred from welfare to New Brunswick Works, the number of people on welfare is reduced. And, because it is the federal government that is responsible for the project's funding, the provincial government experiences reduced costs (McFarland and Mullaly 1996: 214). As Llewellyn points out, the decrease in the social assistance caseload last year, presented by the provincial government as a sign of success, was about the same as the number of people in NB Works" (in McFarland and Mullaly 1996: 215). As well, during the second phase of the program, participants are eligible for unemployment insurance, which would presumably result in a reduction in the social assistance "caseload."

Due to public relations concerns the results of evaluations of NB Works will not be released until 2000 (Mullaly 1995). Information released to date is less than comprehensive. However, Baseline/Norpark, an independent research team hired by the provincial government, has conducted a partial assessment of NB works.

Initially, these researchers were hired to compare participant profiles with enrolments and exits due to a concern with the high exit rate, especially for the first intake period. Table 16 gives an indication of enrollments, exits, and retention for the first three intake periods of NB Works.

Table 16. Summary of Project Enrollments and Exits			
	Intake 1 (May 1992)	**Intake 2 (May 1993)**	**Intake 3 (March-June 1994)**
Total Enrollments	1,030	959	807
Enrollments as of 2/6/95	318	531	685
Exits to Date	712	418	122
Retention Rate to Date	31%	55%	85%
Months from Intake	31	20	10
Source: HRDNB: March 1995 in McFarland and Mullaly (1996: 218)			

In 1992-93, during its first year of operation, 60% of participants dropped out of NB Works. As of January 1995, after thirty of the thirty-five months were completed, 69% of people in the first intake had either dropped out or been expelled. Of those, 39% were back on income assistance. None of those in the first intake entered either full-time or part-time employment. Of those who exited the program after September, 12% (3% full-time and 9% part-time) entered employment (Baseline/Norpark 1995: 80). The quality or duration of such is not discussed, nor is any comparison made with a control group. Most exits occurred during the academic upgrading phase of NB Works.

The need for child care was a major factor in these participants -- mostly women's -- lives. Also, during the initial work placements the need for assistance related to transportation was raised (Baseline/Norpark 1995: 58). While 68% of employers found NB Works participants to have a "willingness to learn the job tasks, motivational interest . . . 46% mentioned problems with participants' attendance, tardiness/transportation problems. . . . child care or family demands, problem areas consistent with difficulties identified by participants" (Baseline/Norpark 1995: 98). Of the sixteen people (fifteen women and one man) that McFarland and Mullaly (1996) interviewed,

most mentioned the sacrifices the program required in terms of money and their family lives. The researchers from Baseline/Norpark (1995: 81) also found that:

> Participants are worried about completing the project; they are in a situation (an education program) with which they have generally not had positive experiences in the past; they are operating on a very limited budget; they are continuing to maintain their responsibilities in the home; and they have the added responsibility of leaving the home on a daily basis (which often implies the need for child care arrangements).

Financially, McFarland and Mullaly (1996: 211-212) discovered that the actual money received during NB Works was greater than that provided by income assistance only if child care monies were included and the participant had more than one child. Of those from the first intake who exited the program 11% claimed the income was too low. For the second intake 9% quit because of inadequate financial support (Baseline/Norpark 1995: 80). Parents were faced with a trade-off between providing good day care for their children and having needed extra spending money. Also, payment arrangements differed under NB Works from the monthly income assistance and there were times when these were erratic and unreliable. Some of the women recounted negative effects their absence and the stress of the program had on their children and themselves (McFarland and Mullaly 1996: 213).

Initial job placements consisted mainly of clearing brush for NBPower. This aspect of the program received much criticism from the participants. Participants said that the job exposure was not related to their career goals and claimed that their take-home pay ($6.25 per hour) was lower than they had been receiving on income assistance (McFarland and Mullaly 1996: 209). The employer's cost during this work exposure period was $1.25 per hour. As one woman in the program remarked,

> When you are out on your work placement, even if you try hard, you know that there are hundreds of people behind you in NB Works that can work in your same job. Even if you try really hard to impress them, they will not hire you as they can hire a NB Works student (In McFarland and Mullaly 1996: 211).

Often people in NB Works were working alongside Canadian Union of Public Employee (CUPE) members. Participants receive half of the wages (and employers pay $1.25 per hour) of the CUPE members who are paid $12.00 an hour (CUPE in NAPO 1995c: 22). One CUPE Parks Department member stated: ". . . The program participants sometimes do work that requires training, like operating chain saws. However, they are doing the work without the benefit of training that is necessary for their health and safety" (NAPO 1995c: 22).

No official figures on employment will be collected until 12 months after graduation from NB Works. This stage has not yet been reached by any of the people in the program. Training is supposed to be provided for occupations in which there is projected growth in New Brunswick (Baseline/Norpark 1995: 90-91). The researchers themselves note, however, that men and women tend to choose occupations typically occupied by their gender. And, 39% of employers indicated that "participants would have a difficult time finding a job and staying off social assistance upon completion of the project as a result of general economic conditions" (Baseline/Norpark 1995: 99). The authors of the Baseline/Norpark study observe:

> While the overall goals of the project relate to self-sufficiency, in actuality, for many participants, the end result of the 156 week continuum will be the attainment of a higher education level. Many need additional training if they are to become self-sufficient (1995: 76).

Indeed, the authors indicated that "completion of NB Works sometimes requires overcoming what must appear to be insurmountable obstacles" (Baseline/Norpark 1995: 80). As will be discussed further, the barriers to obtaining adequate, stable employment go beyond mere appearance. Finally, while the Baseline/Norpark study gives little weight to the finding, it is noted that most of the

participants in this program are struggling to avoid both employed and unemployed poverty. More than one-half of participants had no employment in the 24 month period leading up to NB Works. For those employed, on average, participants had a job for 6.5 months. Those who had been employed were at the lower end of the pay-scale, averaging $6.75 an hour (Baseline/Norpark 1995: 43). It was not recorded whether employment was part-time or full-time, although many participants had two, three, and even four jobs during this time (Baseline/Norpark 1995).

(iii) The Quebec Experience: Experience de travail (EXTRA), Rattrapaige Scolaire (RS) and Programme d'aide a l'integration en emploi (PAIE)

Between 1990 and 1993 three programs in Quebec contained approximately 80% of all participants. These were PAIE, EXTRA and RS. All three were designed to increase an individual's capacity for employment and integration into the market (Shragge 1996). But, the logic underpinning these programs was that "the reason for individuals showing up on Social Aid was related to personal deficits which could be remedied with training, a strong incentive to participate in programs, and a related push to get into the labour market" (Shragge 1996: 4). Shragge (1996) has pieced together internal government documents and other studies to form a partial assessment of these three programs. Unless otherwise cited, the following information derives from Shragge's forthcoming (1996) research.

The economic downturn of the 1980s had made "unemployment and irregular work" the norm for a growing number of people in Quebec (Shragge 1996: 2). The labour market was largely characterized by precarious employment, particularly for the young and women. In 1983 the unemployment rate was at 13.9%. It dropped to 9.3% by 1989 and then climbed again to 13.1% in 1993. The average duration of unemployment had risen from 20.4 to 26.1 months between 1986 and 1990. As well, part-time work had more than doubled in the past fifteen years. Again, these figures

understate the unemployment problem, as a significant number of discouraged workers withdrew completely from the labour market during this period (Shragge 1996: 3).

Inspired by the apparent unemployment crisis, a document entitled *Towards an Income Security Policy: Position Paper 1987* was intended to set the course for welfare reform in the following years. A primary theme within this document was to stress that welfare was a program of "last resort," while the family and the market were to be considered the primary sources of economic support. The reform of Social Aide also separated out those deemed able to work from those unable to work. This segmented pool of working poor, unemployed workers, Social Aide recipients deemed able to work and those unable to work, thereby acted as a waiting room for those who could readily be slotted into available work placements (Shragge 1996: 4).

(a) Programme d'aide a l'integration en emploi (PAIE)

PAIE was one of six employment enhancement programs for the employable unemployed in Quebec that was initiated in May 1990. The program was six months long. Its purpose was to integrate people directly into the labour market. The individual was, therefore, salaried in a business, an organization, or a municipality. Participants in PAIE were primarily men (58%) and unattached individuals (67%). Also, 16% were single parents; 85% were under 45; and half were between the ages of 30 and 44. Of those surveyed, 60% of the employers "favoured" men because they were not responsible for children (Reynolds in Shragge 1996: 10).

PAIE placed welfare recipients with a public or private sector employer for six months. These jobs were subsidized up to 26 weeks at a maximum of $160 per week for private sector jobs and $204.75 per week for jobs in the public or non-profit sector. Private enterprise, thereby, received 66.6% of each person's salary, while municipalities and other organizations could receive 100%. Over half (59%) of the PAIE participants worked in the private sector. Approximately, 50% of the

people did not complete the program. The drop out rate was higher in the private sector. Most of the employers participating in the program were small to medium-sized businesses. However, some of the larger, better-known employers included Zellers, Canadian Tire, Pizza Hut, and Harveys. Approximately 33,703 people participated in PAIE. NB Works also has a similar final phase, called the Partners' Program, which "can be used to help participants by advising potential employers of the existence of the wage subsidy available" (Baseline/Norpark 1995: 99).

In the short term (three months), integration into employment was at a rate of 37%, but there was no significant difference if an individual completed or dropped out during the program. Job retention after completion of the program was higher in the private sector 45%, then with other organizations -- 32%. Of the 28% that remained with the same employer, 36% were in the private sector and 20% in the public. It was discovered that seven months after the program, 27% remained in their jobs, while 40% had some kind of job, 14% more than a control group.

A longer-term study indicated that a year and a half after participation in PAIE, 30% were employed for at least 16 out of 18 months, compared to the control group, in which only 7% retained employment. However, even with the subsidy, a comparison group earned, on average, a dollar more per hour than the PAIE participants ($9.35 versus $8.30). PAIE was most effective for those with the fewest barriers to entering the labour market--men, who did not have to care for children, who have been on Social Aid for a shorter period of time, and who had a higher level of education (Shragge 1996: 10).

The possibility that some PAIE participants were placed in positions that would have otherwise been filled by the unemployed must be considered. One out of two (51%) of employers said "jobs would have been filled by the ranks of the unemployed" (Shragge 1996: 10). That the higher take-up of employment for PAIE participants is somewhat attributable to a substitution effect

tempers the relatively positive findings, especially since the provision of low-cost labour through these programs is clear. The grant for the salary is paid directly to the business.

Interviews with employers revealed several motivations for their participation in PAIE. The main reason given was financial: cheap labour allowed employers to remain competitive in the marketplace (Shragge 1996: 7). One in four employers claimed to have hired the PAIE participant because they had adequate skills and/or experience for the job (Reynolds in Shragge 1996: 10). It is likely that, as Shragge proposes, the program acts to supply a pool of cheap, publicly subsidized labour for the private sector (1996: 11).

(b) Experience de travail (EXTRA)

EXTRA was a work incentive program concentrated in the public sector. This program was meant to "develop or maintain skills, attitudes and behaviours that would help provide access to the labour market" (Shragge 1996: 4). These include: to bring out individual capacities to maintain and develop habits necessary for integration into the labour market, to develop a feeling of actively contributing to one's milieu, to break social isolation, to develop a feeling of usefulness and involvement in a project. The maximum time for participation in this project was less than 12 months, and there were few exceptions to this rule. The sponsoring organization was allotted $100 for each new participant, while the recipient would receive $100 above their previous benefit level.

Seven months into the program, 23% of the people involved had some kind of job, as compared to 13% in the control group -- a 10% difference. There was a 61% retention rate for this program. A follow-up study showed a 9% difference between groups after a year and a half. Permanency of work, defined as those in work 16 out of 18 months, was also reported to be superior for those in the program -- 12% as opposed to 6%. And participants were found to be more likely to be off social aid than non-participants (3/4 versus 6/10).

When interviewed, 42% of people taking the upgrading stated that they had left the program because they were dissatisfied with the content of the education program" (Shragge 1996: 4). However, a study done in 1993 showed that 52% of those integrated into the labour market after the program "considered that their participation helped them get a job" (Shragge 1996: 4).

A qualitative study showed that "EXTRA positions exist because EXTRA grants are key to [their organization's] survival" (Shragge 1996: 9); that is, 15% of public sector organizations used these grants for their own survival, while a further 25% participated because of the cheap labour available. An issue for consideration, then, is the way EXTRAs primarily served the immediate employment needs of the organization with little consideration for the needs of the workers (Shragge 1996: 9).

(c) Rattrapaige Scolaire (RS)

RS was originally designed to help young welfare recipients finish high school. It was soon expanded to include basic literacy, pre-secondary education, preparation for professional training, an introduction to a return to studies, and french language training for non-francophones. Participants included women, people born outside of Canada, and single parents. The program's criteria for success were: (1) gains in relation to employability, (2) improved level of schooling, (3) completion of a high school diploma, and (4) integration into a job after the participation in the program.

According to two studies (in Shragge 1996), 27% were able to complete their high school. In terms of the impact on employment, one study found that non-participants did better than participants, with about half making gains in employability. A follow-up study conducted between 1987 and 1991, revealed that participants left income assistance at a lesser rate than did non-participants. Participants stayed on social assistance about 7 months longer. In terms of labour

market entrance, in the short term (7 months) and in the longer term (19 months) there was no significant difference between participants and non-participants.

In comparison with a control group RS did not appear to have an impact on integration into the labour market (Shragge 1996: 4). However, this program did enable some of the youth to complete high school. The possible incompatibility of program goals should be considered, specifically those of cost containment, education and employment.

Participants stated that they were in this measure because they agreed with its objective: completion of high school. However, there was a 60% drop out rate. Of these, 42% dropped out because they were dissatisfied with its educational content. "One third of participants felt the program would help with job prospects, while approximately half thought the program contributed little to their knowledge and skills (Shragge 1996: 8). Deniger and Provost (in Shragge 1996: 8) point out that there was little continuum or linkage between the basic education programs and the diverse professionally-oriented programs. Participants also raised this issue.

(iv) Preparing the Ground for Mandatory Workfare

A cursory look at welfare reform under Mike Harris' Conservative government in Ontario may provide a better idea of what alternative goals are served by making welfare receipt conditional upon work-related activities.[68] In Ontario, the Conservative government's attempt to overhaul social assistance is only one item in an entire package of business-friendly initiatives.[69]

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[68]Work-for-welfare has operated under the Klein government since 1993. In Alberta Premiere Klein slashed monthly cheques for single employables from $470 to less than $400 per month. As a result, 31,693 people (34% of the caseload) either left Alberta, left the welfare rolls, or did both (Lippert 1994: 71).

[69]Mike Harris, Progressive Conservative Premier of Ontario, lists the common sense principles to be followed in welfare reform as: "(a) To reduce welfare caseloads and costs; (b) to target assistance for those genuinely in need, and, as a caring society, to help those who cannot help themselves; (c)

(continued...)

> The first and best cure for Ontario's current welfare problems is increased employment *opportunity* [added emphasis]. In order to create jobs, government must create an environment which attracts employers. . . . We believe Ontario's government must cut taxes, cut government spending, abolish various government-created barriers to job creation, do "better with less" and balance the budget (Harris 1995: 34).

Note that cutting government spending is suggested as a way to attract employers rather than as the only recourse for reducing the deficit. Abolishing "various government-created barriers to job creation" has entailed retrenching workers protection legislation (Bill 40 Labour Law Reforms were reversed on October 31, 1995) and successor rights for unionized employees; freezing Ontario's minimum wage, rolling back the Wage Protection Programme (which guaranteed wages, benefits, severance and termination pay to laid-off workers) to wages and benefits only; cutting the maximum from $5,000 to $2,000; loosening environmental regulations and; lowering the social welfare payments by 22% (OFL 1995b). In April of 1996, 17,000 people in university and training courses also had their welfare cut off (Mittelstaedt 1996d).

Significant changes have also taken place in the area of job infrastructure (including public sector and community-based programs). The Ministry of Labour will receive a 46% cut in its budget, effectively reducing it to half. Twenty percent of the Health and Safety Inspectors will be laid off, and a third of the Employment Standards Inspectors. The Pay Equity Programme has been reduced by $50 million, cutting payments to the lowest paid women. The Employment Equity Programme

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(...continued)
to increase incentives to recipients to work; (d) to target resources more effectively to those most in need; (e) to provide current recipients with opportunities to learn the basic skills required to find work; and most important -- (f) to restore hope to families trapped in a cycle of welfare dependency" (1995: 34). What this means in practice is that "welfare benefits in Ontario would be reduced from their current levels to a new base level set at 10% above the average of the other ten provinces", allowing them to "earn back the difference between the current rate and this new, reduced rate without financial penalty [this has been implemented]" (Harris 1995: 35). Second, "all able-bodied participants will be required to do `something' in exchange for their benefits" (Harris 1995: 35).

has been scrapped, the Act repealed, the Commission abolished, and the employees fired. Finally, funding for community job creation programs has been withdrawn (OFL 1995b).

Upon eliminating the public and community-based employment programs, the Ontario government has proposed that mandatory workfare be piloted in the form of municipally-run "community improvement projects" (Mittelstaedt 1996a; 1996b; Valpy 1996a). However, there will also be cash payments to job placement agencies that find even temporary private-sector work for welfare recipients. Ryan (in Mittelstaedt 1996a) points out that these are the type of jobs that are done for wages at public parks. Therefore, while the Social Services Minister Tsubouchi claims that workfare stints "will not lead to the loss of existing jobs", the type of work exposure offered through Ontario workfare follows closely on the heels of massive public sector lay-offs (Mittelstaedt 1996b).

Since their election on June 8 1995, the Harris government has implemented the above and other social program spending cuts in the order of $10 billion dollars to facilitate a promised 30% reduction in the Provincial income tax rate.[70] If implemented, the lion's share of this would go to the top ten percent of tax filers as Table 17 indicates (OFL 1995b).

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[70]Other reforms in the area of social welfare have included: terminating special relief to municipalities with extra-high welfare caseloads; cutting $46 million in Job Link training for young people from the Social Services Ministry's budget; grant cuts of 5% for each of the 13,000 social service agencies that depends on Community and Social Services for funding; elimination of funding for the Ontario Association of Internal and Transition Houses -- the women's shelters. And these examples only skim the surface of cuts made to essential public services under the Harris government (Fennel 1995: 24; OFL 1995b).

Table 17. Impact of the Harris Tax Plan

Income	Tax Savings	Tax Savings as a % of Income Cuts	Savings Net of Expenditure
$15-20,000	$217	1.25%	$-933
$30-35,000	$698	2.15%	$-452
$45-50,000	$1,336	2.82%	$186
$70-80,000	$2,770	3.72%	$1,620
$100-125,000	$5,087	4.60%	$3,937
$150-200,000	$8,655	5.06%	$7,505
$250,000+	$26,953	5.42%	$25,803

Note: The *Star* calculated that such a substantial tax cut ($6 billion) would necessitate each individual having to pay for many services now covered by taxes. Such charges would be made in the form of user fees and charges for services privately delivered. The average charge was calculated to be $1,150 per taxpayer.

Source: *The Toronto Star*, June 5, 1995 cited in *The Ontario Federation of Labour (1995)*

In stark contrast to this generous gesture to upper income earners, is the humiliating Tory welfare diet for single employables who now live on $550/month in Ontario. Social assistance benefits in Ontario are the equivalent of 17.5 hours of minimum wage work per week. The following (see Table 18) was suggested by the Progressive Conservative Social Services Minister Tsobushi.

Table 18. Tory Welfare Diet for Single Employable Person Per Month

Vegetables and Fruits	
Carrots (2 lbs)	$0.99
Bananas (5) x 2	1.38
Broccoli x 2	2.98
Cauliflower x 2	3.98
Apples (6) x 2	2.58
Orange juice	0.99
Lettuce (1 head)	1.79
Potatoes (10 lbs)	1.77
Oranges (6) x 2	3.38
Mixed vegetables	2.49
	$22.33
Dairy Products	
Milk (4 l) x 4	$14.76
Yogurt (175 g) x 12	2.99
Cheese (24 slices)	3.19
	$20.34
Grain Products	
Corn flakes (625 g) x 2	$5.58
Quaker oats (1 kg)	1.99
Whole wheat bread x 3	2.97
Primo pasta (900 g) x 4	5.16
Whole grain rice (2 kg) x 2	6.58
	$22.28
Meat and Alternatives	
Ground beef (1 kg)	$5.84
Chicken breast (6 pcs)	3.27
Eggs	1.79
Bologna (125 g)	1.79
Beans x 12	9.48
Peanut butter (900 mil)	2.49
	$24.66
Total: $90.21 (subject to applicable tax)	

Source: The Toronto Star (1995)

In Ontario, it is, therefore, within a climate of high unemployment, a depleting pool of safety net provisions, weakened worker's protection legislation, a gutted public sector and social infrastructure, that Premiere Harris' promise that "all able-bodied recipients be required to do `something' for their welfare cheques" must be considered (1995: 35).

B. Discussion

> Overall, the federal government presented a budget that will leave more Canadians jobless while reducing income support programs such as welfare and unemployment insurance. This is what we call a cheap labour strategy: governments reduce income support programs, people become desperate to get a job at any wage and existing workers are pressured to accept lower wages, knowing full well that there are many thousands of other workers who would be happy to replace them. All of this takes place in a labour market that does not have enough jobs for all those who want to work (NAPO 1995b: 2).

The sentiment and professed intent of work incentive programs have been compared with available measures of their outcomes. Some of the factors that either impede, or are required to ensure their success were introduced.

The logic behind "work incentives" is that market-valued work is the ultimate source of self-fulfilment, self-sufficiency and worthiness. The idea that incentives are needed implies that people on income assistance must be compelled, or encouraged, to engage in work-related activities. These claims will be examined on the basis of their logical merit, given job market characteristics and the programs' capacities. For instance, it will be determined if having individuals take responsibility for their own joblessness is an appropriate aim.

Work incentives are intended to achieve certain measurable results relating broadly to saving social assistance monies, moving people from welfare into market valued work and improving the motivation of individuals on social assistance. Based on available program evaluations, the effectiveness of work incentive strategies in these respects will be assessed in this chapter. Programs aims will also be examined in terms of their ethical and logical credibility.

Finally, while few policy papers and work incentive proposals state as explicit goals moving people out of poverty and into sustainable adequate employment, or meeting the differential needs of people who are on income assistance, these are held to be relevant to people's well-being, as measured against legal and ethical standards and democratic tradition. These considerations lend a fuller understanding to the use of the terms "independence" and "self-sufficiency," and to the objectives of making work "pay" and saving social assistance costs.

Barriers to achieving both ostensive goals and those of providing adequate employment and eliminating poverty will be discussed further. And, the data provided previously on unemployment, poverty, labour market conditions, and income and wealth distribution will be used to contextualize

the outcomes of work incentive strategies.

Though the work incentive strategies examined differed a fair bit, they had certain broad themes in common. Broadly stated, program objectives were: to save social assistance costs, to achieve gains in terms of employment and employability and to motivate individuals to take responsibility for their lives. The work incentive initiatives in New Brunswick, Quebec and Ontario, in one way or another, all attempted to bridge the gap between income support and work-related activities.

The work incentive strategies in New Brunswick and Quebec produced partial successes. Rattrapaige Scolarie (RS) helped young adults complete high school. The Self-Sufficiency Project (SSP) in New Brunswick provided a temporary increase in take-home pay for women with children as compared with their benefits from income assistance. A higher rate of employment was found for people in EXTRA and PAIE than for non-participants. And, of course, the possible intrinsic value of skills training, education and work experience was not measured, nor can it be discounted. However, this consideration was not at the core of the programs' design, simply because it is taken for granted that paid work has inherent worth.

Overshadowing these moderately positive effects, however, were the incompatibility of some of the program goals, unacknowledged consequences of the programs, and the lack of consideration for societal conditions that had a bearing upon individuals' efforts to obtain adequate long-term employment. Several disjunctures therefore resulted between the intent of work incentive programs and their effects.

For instance, the SSP was intended to move people into paid work, thereby saving social assistance costs. However, on average, because many employers paid minimum wage, the supplements were about the same as the social assistance payments would have been. This program,

therefore, did not produce savings for government during the placement period. Also, the benefit of higher earnings lasted only for the duration of the program. The short-term, temporary nature of the SSP as a response to unemployment is characteristic of wage supplement and employer subsidy programs. Such work incentives set up artificial employment conditions that are not matched by the actual job market, and, so, are band-aid solutions to more deep-seated problems.

Similarly, NB Works was intended to instill greater individual responsibility and to break the spiral of dependency of the social assistance "caseload," improving attitudes and saving social assistance dollars in the process. To achieve this, NB Works offered a hodgepodge of programs at great public expense that, nonetheless, had no necessary link to employment. The Partner's Program component of NB Works, which promises to find graduates a work placement, represents a last-ditch attempt to make this link.

The final results of this program, in terms of employment, have not been released. However, a number of difficulties that arose during its operation have been identified.

Both the employers surveyed and the authors of Baseline/Norpark stated that it would be difficult for income assistance recipients to find work "as a result of general economic conditions" (Baseline/Norpark 1995: 99). This is the achilles heel of work incentives -- that it is not within the capacity of this individually-focused approach to alter any of the societal barriers to the program's success. For example, employers are under no obligation to hire a subsidized worker once the subsidy runs out.

A disjuncture also existed between the focus of the training and work exposures and actual job market conditions. The work exposure component of NB Works primarily involved clearing brush for the New Brunswick Power Corporation and, therefore, was not related to participants' career goals. The work experience alsowas not in the service sector, which had been indicated as a

"growth" area and a specific focus of NB Works training. The service sector itself is characterized by low-paying, part-time employment anyway. Because the work involved no training, it is doubtful that transferrable skills would have been acquired.

Also, the work exposure phase was reported to be "unsuitable and poorly supervised" (McFarland and Mullaly 1996: 218). Participants were subjected to sexual harassment and dangerous working conditions. An unusually high accident rate was reported among welfare recipients who took part in NB Works. In 1991, one provincial beautification project that employed welfare recipients reported 67 accidents, including several chain saw cuts and one drowning (Mullaly 1995: 13). And, the work exposure was designed, not so much to provide people with needed training, but to transfer people from social assistance rolls onto unemployment insurance (McFarland and Mullaly 1996: 218).

Some of the training and work placement positions would typically have been done by higher paid employees. NB Works participants were clearing brush alongside unionized CUPE members. The employer paid $1.25 per hour for people in NB Works, while CUPE members were doing the same jobs for $12.00 per hour. Under these circumstances, the potential that people with subsidies will replace unionized, or otherwise well-paid, employees would be difficult to monitor or prevent.

In Quebec, program aims included increasing individuals' capacities for employment and integration into the market (Shragge 1996). A sub-theme was to emphasize that social assistance was the option of "last resort" so that one's family and the market were to be considered the primary supports. While the job market in Quebec, as in most Canadian regions, was characterized by high unemployment and irregular work, especially for youth and women, the PAIE program was most useful, as a tool for integrating men with a relatively high education level into long-term employment. Employers actually stated a preference for hiring men (Shragge 1996: 10). Those who obtained

employment were being paid less than a comparable group who did not participate in the program, however ($8.30 versus $9.35).

The approach to "employment development" in Ontario qualifies as a restrictive strategy in three senses. The most obvious is that mandatory work-for-welfare is currently being piloted in Ontario municipalities (Mittelstaedt 1996a, 1996b). Second, the financial strategy that was installed in November 1995 reduced benefits for "employables" to below subsistence levels, from $650 to $550 per month. Third, the anti-poor rhetoric in Ontario so extreme as to make the position of "welfare recipient" a source of stigma and discomfort (Harris 1995; *Toronto Star* 1995). Because all of these aspects of Ontario's workfare approach are in some sense coercive and punitive, ethical and legal issues are most clearly raised in this particular case.

The "community-based" workfare initiative in Ontario and the work exposure phases of NB Works, PAIE and EXTRA, all involve work activities that are typically the domain of community based organizations and the public sector. Work activities like the beautification of public parks and work in non-governmental organizations easily fall into the devalued realm of volunteer work. In Ontario, the introduction of mandatory workfare follows on the heels of massive public sector cuts, including those to community-based employment programs and changes to workers' protection legislation. The "work exposure" aspect of work incentive strategies, therefore, may be part of an endeavour to undermine public sector, including community-based, employment.

There is further indication that workfare jobs may wind up, whether intentionally or incidentally, replacing better paying positions. In the PAIE program in Quebec, for placements in the private sector, 51% of employers said the position would have been filled from the ranks of the unemployed (Shragge 1996: 10). In EXTRA, 15% of employers used these grants for their own survival and 25% used them for the cheap labour available (Shragge 1996: 9). What *would* be the

motivation for participating employers to pay someone at a higher rate when they can receive NB Works, SSP, EXTRA or PAIE participants for less? Work incentives operate on the reverse premise: to preserve the conditions of low-wage labour.

Statements by Premiers McKenna and Harris make it clear that the provision of inexpensive labour is, in itself, seen as an incentive for businesses to hire and/or to locate in a particular province. Work incentive programs, therefore, are also intended to influence the hiring practices of employers. This is the extent to which the work incentive approach attempts to alter labour market employment.

Canadians are being offered essentially two options with respect to employment development. One is found in the mandatory workfare approach in Ontario and the other exists in the employment development strategies of the New Brunswick and Quebec programs. The latter patronizing "self-help" approach assumes the low-wage segmented labour force to be inalterable. Options therefore include compensating for inadequate wages and infrastructure so as to create temporary artificial employment conditions and attempting to improve the employability of people on income assistance, thereby possibly moving the long-term unemployed up in the job queue. These efforts are accompanied by sermons aimed at improving the motivation (read work ethic) of people on income assistance. These types of programs are typically costly to government and may or may not result in any long-term employment. They, nonetheless, contain remnants of social democratic principles in their partial recognition of the need for adequate wages, various supports, and differential needs and, so, cannot be said to be purely neoliberal in make-up.

The former punitive "tough love" approach entails no cognisance of the need for adequate employment and necessary supports. Initiatives are aimed solely at compelling people to work for very little pay under unspecified conditions. This approach is therefore accompanied by neoconservative tactics, such as fingerprinting to prevent welfare fraud and below-subsistence-level

benefits, that are aimed at social control.

The severity of restrictive workfare makes any alternative look attractive. The existence of mandatory workfare serves to shift debate further to the right. But one should not mistake more benign employability measures with the "high road" of job creation. The federal government, having eliminated the CAP rights, is ultimately responsible for the presence of this punitive approach on the pallet of policy options.

In both types of programs, the exclusive focus on the flaws of people on income assistance has disguised the dual and inseparable purposes of work incentives: to have people adapt to labour market conditions and to encourage employers to hire and/or locate in a particular area. "Encouragement" to employers includes the use of public monies for wage supplements, direct subsidies and tax incentives.

Since low-wage unprotected labour is one of the "carrots" used to encourage employers to hire, it is unlikely that any jobs created will provide adequate wages or move people out of poverty. The polarization of the types of jobs available in Canada -- between well-paid white collar jobs and low-paid service sector jobs -- increases the likelihood that employment will not be adequate. Both the SSPs and NB Works target people with little education who have been out of the workforce for quite some time. This is especially the case for female-headed families who were the primary target group for NB Works and the SSP, as they required jobs that pay above minimum wage and various supports, such as day care and transportation.

However, there were other problems with the internal operation of the various programs. In NB Works, these included that training allowances and work placement wages were higher than income assistance only in cases where the person had more than one child. Payments were erratic and unreliable at times and there was not enough flexibility in the program to accommodate the

demands of family life.

Tulloch (1994: 6) points out, "none of the program's three stated goals included reducing the poverty in the province among women with children by helping female social recipients qualify for quality jobs. Rather the goals are generic. . . ." Also, neither the program design nor the rhetoric surrounding work incentives indicated recognition that caring for children is work. Yet, NB Works had a significant impact on finances and family life. If adequate paid secure employment, universal day care and other supports were available, then a legitimate "choice" would exist between accepting employment or not. In the absence of these, this is not the choice being offered.

The current popularity of wage subsidies and supplements entails an admission that low-wage work and the conditions of the labour market, in general, are inadequate to meet the needs of many families. Rather than tackling this underlying situation, officials have chosen to encourage, prod and compel individuals into accommodating the demands of the job market. Two separate questions need to be asked of this preferred tack: Is it *possible* for people to compensate for the shortcomings of private market employment? and, Is it *desirable* for people to adjust themselves to the particular conditions dictated by private sector employment?

The above assessment of work incentive strategies suggests that the infrastructure is being restructured to promote more working poverty and, as part of this, workfare programs may shift billions of dollars that are now paid by employers over to individual taxpayers. Employers wouldn't pay for a Guaranteed Annual Income or for welfare, but they do pay for unemployment insurance and wages.

Indeed, work incentives merely expand the "marginal" labour market, which is comprised of "precarious jobs that mirror the just-in-time system of production with a just-in-time labour force" (Yalnizyan 1994: 48). Their pursuit, in the place of legitimate job creation efforts risks installing a

two-tiered labour and training market, where those in the fallen state of welfare dependency are expected to toil for substandard pay under unspecified conditions or train for good jobs that are not accessible, perhaps wearing new labels like "welfare scabs" for being forced to take others' well-paying jobs.

CHAPTER FOUR

A. Alternative Models for Social Relations: Dependency (Read Inequality)

Work incentives only make sense as a social policy option from a perspective that is largely unconcerned with the full realization of human capacities. Neoliberalism begins with the assumption that people must adapt to and compensate for the weaknesses of the job market. Its vision for developing meaningful social relations is fairly underdeveloped, then, because people are considered only as they relate to the needs of the market, as consumers, labour costs, and caseloads. Neat divisions can be drawn between the productive and unproductive, the dependent and independent. The following commentary compiles the research and insights of authors writing in a number of veins who show up the narrowness and misguidedness of a number of assumptions that extend from the neoliberal conception of the autonomous possessive individual.

There is a plethora of research -- summarized in Emory (1991), Evans (1993; 1995) and the NCOW (1993) -- that refutes the dependency thesis on its own terms, that is, by showing that most people receive income assistance for short periods of time and that there is no relationship between level of funding and use.[71]

Other researchers stress that economic growth is not enough to end poverty, and that cutbacks in income transfers focused on the poor will only increase poverty (Morris and Williamson 1987; Shram and Elesh in Emory 1991). Simply put, "less not more welfare creates dependency" in that depriving people of needed resources only impedes efforts to enter employment (Emory 1991: 95). Beyond this, only if it is assumed that jobs are out there, and that people must be compelled to

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[71]The Social Assistance Review Committee in Ontario discovered that about 40% of employable persons remain on assistance for less than three months, with the average for that group being about 7 months. Single parents average between 3 and 4 years, with a significant minority leaving the program within 2 years. Disabled recipients have the longest average stay, just over 5 years (NAC 1994: 68).

take them, with reduced benefits being the appropriate spur, can the reverse be claimed.

Works by Scott (1990), Jones and Kelly (in Katz 1993), Funicello (1984), and West (1981) take this argument further by documenting how people living in poverty have resisted the "debilitating dependency forced upon them by white men of property" (Jones in Katz 1993: 38). Within Canada, those who receive income assistance have often either refused compliance or subverted the intent of work incentive strategies (Shragge 1996). One community group that sponsored an EXTRA project, the Notre-Dame de Grace Anti-Poverty Group (NDG-APG), seeing it as a way of "providing a political critique and building a counter-culture of poor people through the creation of a literary magazine, and maintaining active involvement in the ongoing struggle against Bill 37" (Shragge 1996: 12).

Similarly, evidence of "self-activity" by people living in poverty, including the informal exchange of resources, impress that the narrow definitions of dependency and self-sufficiency exclude a whole range of activities from view (Scott 1990). This perspective also holds that the unwaged poor contribute much to their households and communities in the way of work that is not market-valued, and their arguments diverge from the conventional wisdom that informs "poorhouse politics" (Fox-Piven 1995).

Other authors point out that virtually no one is independent in any meaningful sense and "the stigmatizing of particular relationships as `dependent,' which underlies most contemporary critiques makes invisible other kinds of interrelationships that are crucial to the social whole" (Ackelsberg 1994: 73). What is labelled "welfare dependency" also tends to correspond to legislated poverty and inequality. Subordinated groups -- people living in poverty, including Aboriginal people, those with disabilities, single-parent mothers, and youth -- are often those whose contributions to the social whole are undervalued, while they are also excluded from activities that are deemed productive.

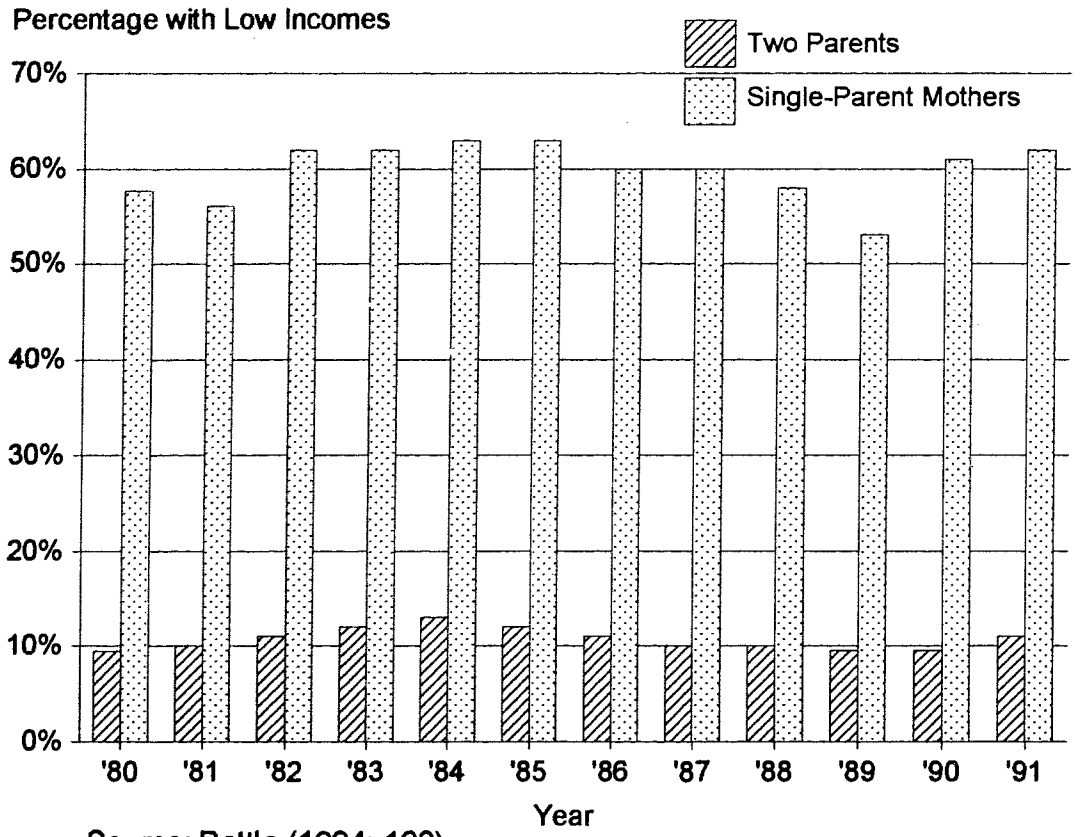
They are entitled to, but do not enjoy, the same claim to the resources of society as the more well-off.

Even liberal feminists have often envisaged women's relationship to the state and within the family as one of dependency, albeit this usage retains an emphasis on inequality and subjection (Fox-Piven 1984: 11; Diamond in Ackelsberg 1994: 78; Smith in Emory 1991: 91; Brown 1980; McIntosh 1978). This perspective has not given adequate consideration to growing inequities according to income level, race, ethnicity, and so on and has not recognized that even gendered inequalities cannot be rectified within a capitalist market system.

Liberal feminism has thereby reinforced the view that waged work will eliminate "dependency" (both on men and the social assistance, which is deemed "public patriarchy"), despite the case that the employed poor remain no less vulnerable to market exigencies and hierarchical-patriarchal valuations of work (Friedan 1963; Barrett 1983 in Ackelsberg 1994).

In Canada, this liberal view has persisted in part because women's progress is usually measured against a male standard, despite that certain sub-groups of both male and female populations remain vastly overrepresented in poverty and unemployment statistics. For example, Figure 6 compares poverty rates for female-headed single parent families and two parent families.

Figure 6. Poverty Rate, Two-Parent Families and Single-Parent Families Led by Women, 1980-91

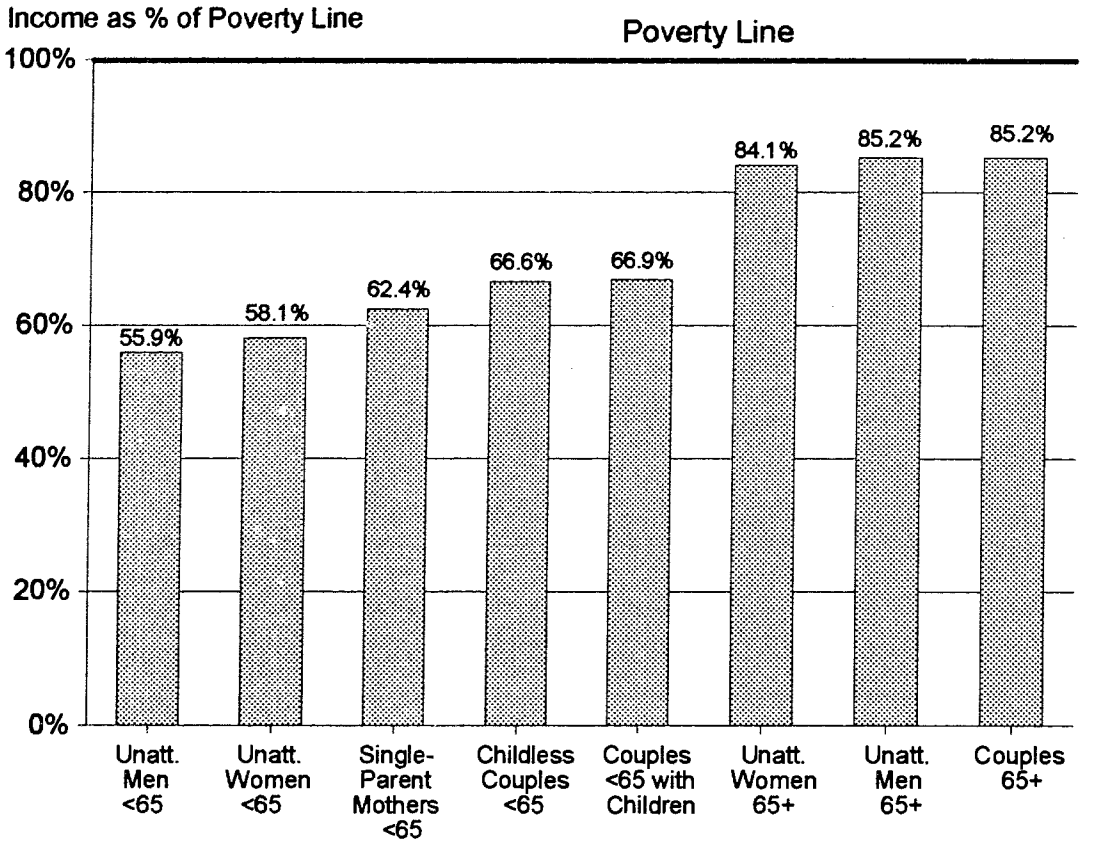


Source: Battle (1994: 160)

Also, to some extent, "what appears to be a greater situation of economic equality between men and women actually reflects a decline in [some] men's situation rather than real gains for women" (Armstrong in Bakker 1994: 17). Women's participation rate and earnings have increased since 1975 and women employed in the paid work force rose 2.2 million. As a result, by 1993, just over half of all women aged 15 and over were working in the home, up from 41% in 1975. However, while the number of men with jobs rose from 5.8 Million to 6.8 million during this period, the proportion of men with jobs actually declined sharply between 1975 and 1993, falling from 74% to 65% (Statistics Canada 1994a: 12).

In terms of the depth of poverty (see Figure 7), that is, the degree to which a family type falls below the poverty line, unattached men under 65 fair the worst of the eight family types. This convergence of employment rates, then, has not necessarily led to greater equality "since structural change and economic crisis have reinforced inequalities between women and men concerning pay, unemployment and precariousness and widened differences amongst women. This latter result, hastened by restructuring, means a greater classed and raced differentiation of resources amongst women competing in the market" (Bakker 1993: 18). Further, the majority of women's gains in the area of employment have been in the low-paying services sector. Women remain overrepresented in statistics of part-time and contract work, holding 60% of minimum wage jobs and 70% of part-time work (MacNeil 1996).

Figure 7. Depth of Poverty by Family Type, 1994



Source: National Council of Welfare (1996: 51)

Proponents of familism assume that households are headed by a male who earns a family wage, so that women should perform gratuitous "support" work for a proportion of this wage (Chunn 1994; Dominelli 1991). There is no "positive" place in this schema for the unemployed "able-bodied" male. Not only is this model of the family outmoded, but it relies on women's subordination in the private sphere and exclusion from public life. Social services, including women's shelters, counselling and advocacy, as well as income assistance have provided a measure of choice, if not control, in some people's lives. Therefore, social assistance cannot be treated with categorical antipathy, as merely a form of public patriarchy.

Because some activities essential to maintain human life are market-valued, while other

activities and their market-value are ignored, some groups of people are not considered as contributing to the nation's productivity. Yet, unemployment, restraint measures and government cutbacks to social service programs all serve to intensify unpaid work in the home and community (Lees 1995: 7). Those who take on this work for free, continue to be denied a claim to the resources of society as they are treated as having reduced entitlement (Lees 1995: 8; Mullaly 1994: 84). Existent hierarchies are reinforced and legitimated in one fell swoop.

The dividing line between what is productive and what is not, according to the System of National Accounts is fluid (Statistics Canada 1994: 24). "Housework, food production food storage and processing, primary education and health care, family care and community work have, until recently, been uniformly classified as outside the production boundary" (Lees 1995: 5).[72]

It is also arbitrary to the extent that the public sector work (including that of non-governmental organizations) is paid in some cases and not in others. Activities comparable to those offered by women in the home are recognized when provided in the private market for profit. The creation of a public sector and government funding of community based service and advocacy groups signalled a partial recognition that work done to meet social needs is valued.[73]

Another stream of thought, therefore, has argued for a revaluation of women's work in the home, primarily as caregivers (Dominelli 1994: 9; Lees 1995). This recognition should be broadened

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[72]A significant amount of equally "productive" activities still fall outside the definitions of the formal and informal sectors and there remain invisible and unaccounted for. There are considerable work activities that need to be recognized, either within the traditional economic aggregates or within the proposed satellite accounts system (Statistics Canada 1995: 79).

[73]Lewenhak (1992: 1) suggests that "Economic institutions, indicators and definitions of work for many thousands of years have been created and formulated largely by middle and upper class men, an aspect of their control of their societies. Their control of semantics and of economic institutions has become and remains one of the chief ways by which the status of women -- and, indeed, of other groups of people -- has been undermined and the power of elites maintained".

to include many other people in settings other than the home, however. Labour that is excluded from, or undervalued in, the formal marketplace is extensive (Armitage 1991: 35). Social development theorists argue that work should not only be defined in terms of the paid services of employees to an employer, but "should be broadened to include mutual services between the members of a family, co-operative or band" (in Armitage 1991: 36).

There is a world of difference between saying that these groups are productive to claiming that they ought to do work in their communities for their welfare cheques. What is being claimed, instead, is that a market definition of productivity is disconnected from human capacities and contributions to society; it is the private market-based evaluation of worth that is misplaced.

What is problematic is "not dependency, per se, but unequal dependency resulting in relationships of domination and subordination, in which one person, or group, hold the power to define the nature and/or life-chances of another" (Ackelsberg 1994: 83; also Walzer 1983; Addelson and Pyne 1991). Value, then, should not be applied according to one's earnings, or paid work, but instead must recognize and celebrate "one's place in an interdependent community" (Ackelsberg 1994: 83). It needs to be acknowledged that self-sufficiency (or rather, mutuality and choice) requires far more than employment in the marketplace under unspecified conditions.

The "welfare state" "signified a new type of right `positive liberties', . . . lending legitimacy to a whole series of demands for economic equality and insistence upon new social rights" (Laclau and Mouffe 1985: 163). One concrete manifestation of this is the Canada Assistance Plan Act. Prior to the creation of the CHST, through the enactment of Bill C-76, CAP held that all people were entitled to a basic adequate income when in need, regardless of which province one was from and held that people did not have to work for welfare and had the right to appeal Social Services Ministry decisions. The only remaining right -- to income assistance regardless of which province

one is from -- was violated in 1995 by British Columbia.

The withdrawal of these nationally-mandated legal protections has substantial implications for all Canadian people and especially for those on income assistance. However, these rights should not be perceived as belonging to independent, atomistic, isolated individuals so as to render invisible the extensive support work that has sustained and profited those supposedly autonomous persons (Ackelsberg 1994: 84).

B. Conclusion

The federal government has defined the "problem" of income assistance use as that of "dependency" upon government aid. Dependency is said to result from "disincentives" to work. While, on the one hand, this simply means that employment does not "pay" as well as income assistance, it also implies that people on income assistance must be spurred into seeking employment. This theme is associated with neoliberal philosophy. In contemporary Canada, it is a view put forth by business lobbies, most notably the BCNI and the CFIB, and by right wing policy think tanks, like The Fraser and The C.D. Howe Institutes. These themes have to large extent been adopted by the federal government and most provincial governments and constitute the common sense knowledge about social assistance.

"Passive" social assistance programs are said to have, in part, caused the dependency of people on income assistance. The proposal that work obligations should be stressed and unconditional entitlements downplayed follows from this. Since Canada has a looming national debt -- purportedly caused by overspending on social programs -- and, since welfare is held to be more of a problem than a solution, reducing federal social assistance monies and restricting eligibility have been adopted as remedies to a series of "problems."

Other practices that emerge from these suppositions are the pursuit of work incentive

strategies in the area of employment development and the legislation of Bill C-76. The latter both reduces federal transfers for social assistance and removes the Canada Assistance Plan rights. The lost rights are: the right to an adequate income when in need; the right not to have to work for welfare and; the right to appeal Social Service Ministry decisions. The only remaining right is that to social assistance regardless of which province one is from. Bill C-76, therefore, also facilitates the shift from passive support to work obligations, both by eliminating unconditional entitlement to a basic adequate income and by permitting work activities to become a condition of income assistance.

The neoliberal themes of individual responsibility and self-sufficiency and the notion that paid work is the ultimate expression of social worth inform the work incentive approach. Neoliberals conceive of society as comprised of possessive individuals, whose primary rights are those to property and freedom from intrusion by the state. Private profit making, extreme income and wealth disparity and the activities of powerful actors, therefore, go largely unquestioned. Both disadvantage and privilege are thereby individualized. These assumptions underpin the federal government's current approach to welfare reform.

From this perspective, "structural unemployment and long term unemployed people; rapid shifts of jobs between industries; certain types of jobs or skills which are being rendered obsolete because industries are moving to other countries or are introducing new procedures; . . . polarization in the type of education and training being demanded; . . . " (F/P/T Joint Working Group 1994: 4) are said to indicate that Canada has a "skills deficit" (Axworthy 1994: 10). Similarly, the decline in market earning for the bottom three deciles of income earners is said to signify a "destructive syndrome" among poor Canadians (Browne in Richards 1995). Employability measures in Canada are, therefore, aimed at correcting the deficits of the "non-productive."

The other side of this coin is the practice of "encouraging" employers to hire by creating "a

business friendly environment of low wages, part-time jobs, the absence of unions, and low worker's compensation levels and fringe benefits" (GM 1995b). Therefore, much new employment will tend to be low-wage and non-unionized. Indeed, this has been the case in New Brunswick and there have been almost as many jobs lost as gained. The unemployment rate has remained virtually unchanged over the past few years, at around 12 percent (Mullaly 1994: 90).

At its most extreme within Canada, as signified by Ontario's Conservative government's recent reforms, intervention to benefit business has included changes to workers' protection legislation, a frozen minimum wage, the absence of benefits and unions. These types of reforms are aimed at minimizing labour costs for employers. Complementing this is the elimination of alternatives to accepting undesirable work. In its most extreme form, this is acheived simply by forcing people to work. Hence, this appraoch to employment development weakens the financial security of all workers, but most especially those at the marginal edges of the labour market.

The Harris government's policies, especially, highlight the antagonism between basic social and economic rights and the neoliberal version of "employment development." Indeed, the former are presented as barriers to creating an attractive environment for business operations. Income assistance, in particular, has acted as an alternative to accepting a job that does not pay a living wage. This is precisely why business lobbies and "think tanks" have labelled income assistance and unemployment insurance "disincentives to work" and have designated economic support that is not obtained directly (through the private market), or indirectly (from one's husband or family), as "dependency." The concept of "less eligibility," is behind this design for ensuring that the conditions of low-wage employment are protected.

Despite substantial societal factors that hinder the success of work incentives, the misplaced focus on individual level variables persists. The aim of fostering long-term independence through

wage supplements and employer subsidies "assumes a job ladder, where low paid, possibly part-time, work leads to well-paid full-time work. Yet, the context in which Human Resources Minister Axworthy has envisaged social welfare reform both acknowledges and seeks to develop further the 'flexible' segmented labour market of the 21st century (Low 1996: 189). As the "Axworthy Report" (HRDC 1994a: 16) points out,

> . . . work is becoming less permanent, providing less security . . . Indeed much of the job creation over the past fifteen years has been part-time. Today, about four in every ten jobs in Canada fall outside the traditional, 40 hours a week mould. This contrasts with the situation as recently as 1976 when over 70 per cent of jobs offered standard work hours.

While increased training and education can move one up in the job queue, and, these are useful tools for upgrading skills to meet market demands; they do not create the demand itself. Work obligations inevitably run into the wall of work availability. It is likely that people participating in work incentive strategies are struggling to avoid both employed and unemployed poverty. The idea that bridging the gap between income support and work should be done by focusing on individual capacities, in terms of skill, ability and motivational deficits, "involves assumptions over which the program itself has no direct, or even indirect control . . . like job markets, the local regional or national economy" (Morris and Williamson 1987: 16-17). Add to this the willingness of employers to hire or to pay a wage that meets variable family needs.

Employment no longer ensures an escape from poverty as minimum wages have declined as a percentage of the poverty line over the past two decades. And, recent hiring trends belie the claim that the private sector will create the needed extra jobs for a skilled workforce. Yet, the federal government has not outlined what the obligations for the private sector are in the area of hiring. Representatives from the private sector soundly rebuffed Prime Minister Chretien's suggestion that the private sector spend one percent of payroll on new jobs for young Canadians (Greenspon 1996c).

The topic has not been raised again by the Prime Minister.

The precise relationship between providing additional education and training to people on income assistance remains unknown. Studies have tended to focus on those who participated voluntarily (Evans 1993: 7). Sanctions have not typically been required to ensure take up as programs are usually oversubscribed (Evans 1993). This latter finding was also evident in Quebec where there is a very low rate of actual participation in the programs due to "a lack of spaces for those willing to participate" (Shragge 1996: 5). Low (1996: 199) found that women with children responded well to financial incentives. However, work incentives "did little to overcome both the general lack of employment and the increasingly segmented nature of the labour market so that the `choice' open to single mothers is usually poverty from welfare dependence or poverty from low paid insecure work" (Low 1996: 199).

Work incentive programs also are not equiped to provide the professional training required for well-paying jobs. Therefore, the "learnfare" approach to social policy of the NB Works variety promises only to institutionalize the great divide between "good jobs and bad jobs, training people for good jobs they will never get or bad jobs into which they can be slotted, most likely on the precarious basis that characterizes a labour market offering part-time, contract, or temporary positions" (Swift 1994: 13).

While budgetary considerations are used to justify workfare, it is doubtful that savings will result from work incentive initiatives. Employment development is often more expensive than "passive" support due to the high cost of retraining, administration and the periodic need to create largely phony public service jobs. As was evident in the RS program, helping people complete high school had a negative relationship to participants finding employment or leaving income assistance. Service strategies, as typified by elements of New Brunswick Works, are unlikely to be fast or cheap

(Low 1996: 199). The working income supplements in New Brunswick were generally equivalent to the amount that would have been paid in social assistance costs. And this does not take into account administrative expenses. One municipal official estimated the cost of implementing workfare in Ontario at $5,000 per person (Mittelstaedt 1996a). However, workfare is clearly the most bare-bones approach, so that if the rhetoric about cost containment gets any stronger, the employability enhancement approach may give way to more restrictive methods.

While there is no evidence that work incentive strategies save costs, one effect they do have is to transfer funds from CAP and UI, (now EI), into employment development coffers, with a proportion of these monies going to business, intermediary agencies and training schools. Again, there is a trade-off being made that is not presented as such; that is, rather than legislating a higher minimum wage the federal and provincial governments have chosen to supplement inadequate private sector wages and infrastructure with public monies.

Evaluations of work incentive strategies also reveal that measures like universal daycare, transportation costs, and flexibility in programming are needed to aid the transition from income assistance into employment. As complements to this, a full employment policy, an adequate minimum wage, fair taxes, support of unions, and the redefinition of work and work sharing would be some ways to improve the employment situation for those living in poverty. These progressive measures would also remove so-called disincentives to work, by making employment accessible and adequate.

Piecemeal reform of existent work incentive programs in terms of ensuring that day care and transportation are available and that cheque receipt is not sporadic, would not correct the flawed logic that informs this approach, however. Social democratic measures, when grafted onto a neoliberal model, are unlikely to resolve any of the contradictory aims of work incentives or remove the obstacles that they encounter. Or, rather, these efforts will be at odds with the neoliberal rules

underpinning the programs. Bill C-76 and the contradictions that plague work incentive strategies are indications that the federal government's concessions to business are in conflict with democratic principles. The decision to let the finance department's priorities override social policy aims also brings out this tension between democratic and neoliberal principles.

While incentives are cloaked in the for-your-own-good rhetoric of "self-sufficiency" and "independence," one must be aware of how narrowly these terms are defined. Independence has little to do with the measure of control or choice one has, or with one's ability to use one's personal capacities to contribute to one's social milieu, community or family. Indeed, one message in the NB Works program seems to be that women should be willing to make sacrifices in their family lives in order to work in the market. Some means of attributing value to unpaid work is called for. Therefore, the positive ring of "self-sufficiency" is largely a smokescreen for other practices and is not an adequate representation of what paid employment, by and large, has to offer.

Workfare is not the provision of employment to replace welfare. And, it only includes work that has been signified as such by the private market or government. Welfare recipients who participate in provincial employability programs are not necessarily covered by labour standard codes. They cannot join unions, are often exempt from minimum wage law, and cannot take statutory holidays, rest periods or vacations. Days missed may result in *ipso facto* termination of benefits without appeal. In some cases, they are not even protected against injury on the job. Workfare, therefore, offers a precarious existence with no guarantees and is held to be a form of work organization that should be resisted.

While mandatory workfare has been tried on a spotty basis in the past, the removal of national restrictions against making work-related activities conditions of assistance normalizes this punitive strategy and furthers the erosion of the economic and social rights of all Canadians. What

is different about the current welfare reform is the "consensus" that has developed around this approach and the degree of collaboration between federal and provincial governments McFarland and Mullaly 1996: 203).

Though the CAP rights disappeared as nationally mandated legal protections on April 1, 1996, many of the components of Bill C-76, especially the CHST, introduced by the federal government are inconsistent with their obligations under international law and human rights treaties, not to mention that the Canadian government has previously pointed to CAP as the instrument through which the alleviation of poverty and other social ills would be pursued.

In 1993, the U.N. Committee on Economic, Social, and Cultural rights considered the second periodic report of Canada concerning the rights covered by Articles 10 to 15 of the International Covenant on Economic, Social and Cultural Rights. They expressed concern about "the persistence of poverty in Canada," stating that: "There seems to have been no measurable progress in alleviating poverty over the last decade, nor in alleviating the severity of poverty among a number of particularly vulnerable groups" (E/C.12/1993/5: 2). Also "of particular concern is the fact that the federal Government appears to have reduced the ratio of its contributions to cost-sharing agreements for social assistance . . . [at a time when] more than half of the single mothers in Canada, as well as a large number of children, live in poverty" (E/C.12/1993/5 1993: 2). Also the Committee expressed concern "that there seems to exist no procedure to ensure that those who must depend entirely on welfare payments do not thereby derive an income which is at or above the poverty line . . . [and about] the evidence of hunger in Canada and the reliance on food banks operated by charitable organizations" (E/C.12/1993/5 1993: 2).

A number of practices in Canada, at that time, were deemed contrary to an adequate standard of living as set out in Article 11 of the Covenant. "The Committee urged `concerted action' to

remedy two illegal situations: the reliance on food banks due to poverty-related hunger and discrimination in housing against both social assistance recipients and the working poor" (Scott 1995: 80). Mandatory work obligations, in particular, may constitute and "involuntary servitude" (Nice in Backer 1994: 25). Again, forced compliance in work-related activities contravenes Article 6 (1) of the Cultural Social and Economic Rights Covenant.

There was further concern that "in some court decisions and recent constitutional discussions, social and economic rights have been described as mere `policy objectives' of governments rather than as fundamental human rights" (E/C.12/1993/5: 4). On this matter "the Committee would like to have heard of some measures being undertaken by provincial governments in Canada to provide for more effective legal remedies against violations of each of the rights contained in the Covenant" (E/C.12/1993/5: 4).

In May 1995 the United Nations Committee on Economic, Social and Cultural Rights again responded to a report put before them by the National Anti-Poverty Organization, the Charter Committee on Poverty Issues and the National Action Committee on Poverty Issues with the statement that,

> draft legislation currently before the Canadian Parliament in Bill C-76 will, if enacted, result in serious contravention of the International Covenant on Economic, Social and Cultural Rights, to which Canada is a party (Scott 1995).

The ways in which an unequal burden is placed upon people living in poverty -- who constitute a vulnerable minority--by Bill C-76 are manifold. Scott (1995: 80) has pointed out that austerity measures are discriminatory, in law and not just morally, "if those measures are either aimed at or clearly affect persons faced with poverty more severely than they affect better-off sectors of society."

The federal government has not only named the elimination of the deficit the top national

priority, but has also passed down a dictum that this must be done at the expense of the most vulnerable. This is despite that it is unlikely that reducing monies for essential programs will significantly reduce the deficit problem (CCPA 1996; McQuaig 1995; Mimoto and Cross 1991). This theis has provided evidence that people with low incomes, and particularly those on social assistance, are being scapegoated for a series of societal problems. This scapegoating has allowed government to minimize opposition to their preferred approach to employment development and deficit reduction through fiscal restraint.

Therefore, while it would seem common sense that those with the resources should be the ones to "pay" for the deficit, rather than those with no ability to do so, the greater power, privilege and influence of the private sector, and particularly profitable corporations, allows those "with" to shirk their responsibilities, while those with increasingly less "voice," little economic clout, and limited choices have only minimal influence over the political decisions that directly impact their lives. The extreme differences in wealth and influence that characterize Canada seriously distort what is touted as a democratic system.

One result the disproportionate influence afforded to business has is that, rather than being taxed at a higher level, those who have profited in these austere times are being catered to with promises of reduced tax rates, expenditures and deferrals. As part of this package, many businesses are being offered workplace trainees and employees that are either subsidized or with wage supplements. Yet, there is no guarantee that the provision of inexpensive labour will lead to increased employment and will not simply be used to increase profits, CEO salaries, or upgrade technology and even downsize (Dobbin Nd). What is one person's livelihood, is another's labour costs. It can no longer be argued with any credence that "what is good for General Motors is good for the country" (Barnet 1995: 4).

Due to this conflict between private profit making and economic entitlement rights, there is a need for ethical principles to direct social policy. In the absence of such, all aspects of life risk being assessed in relation to private profit making and productivity. Some of these principles have also been formalized in legislation.

While neoliberalism is sold as a logic that responds to the challenges of a global economy, the vision of society that underlies the emphasis on make-to-work schemes and even work incentives evokes the dark ages of social policy, the pre-Depression period, where there are no guarantees. In the profit-determined model for society there is little worth placed on people apart from the narrow measure of their productivity. The neoliberal prescription for social reality, therefore, constitutes a barren view of human existence, where capitalism is king and everything else must bend to its laws.

C. Wrapping Up

The above discussion has dealt largely with governmental policies and programming and the influence of business lobbies, and a neoliberal value system in general, on their design. This is despite that much political action is rooted in and played out in extra-parliamentary settings. There is no way to identify with any certainty whether the impetus to move welfare reform to the right has been initiated by government or adopted upon the suggestion of business lobbies. One can only observe that there has been a convergence of the express interests of these two groups. Likewise, efforts to reduce inequalities and to pursue the mutuality of social and economic relationships involve a collaboration of various sectors . Previously, Canada's federal and provincial governments had endorsed these principles, by ratifying UN covenants and by translating these into domestic legislation.

Currently, there are many coalitional efforts dedicated to building momentum to improve equity and fairness in the workplace, the income tax system and Human Rights Codes. There are

groups raising anti-poverty issues at the International level (e.g. NAPO, 10 Days for World Development, Oxfam, the Charter Committee for Poverty Issues). And, local non-governmental organizations and alternative media continue to use their scarce resources to provide some forum for the expression of dissenting opinion.

Nonetheless, this thesis has, by and large attended to the practices of those with a great deal of influence, particularly as this bears upon the formation of policy and legislation. It has not, in other words, captured the struggle that is involved in all constitutive processes. This fairly static representation of social relations and political practices has, however, allowed for certain fairly elementary premises to be advanced. Questions have been primarily of the who and what variety: what is the interrelation between a series of transformations that mark our current historical context in the field of social welfare and who are their primary beneficiaries. Work incentive strategies, in the context of Bill C-76, were thought to constitute a more localized focus to examine these questions as they are held to be integral to and indicative of the current thrust of social welfare reform.

There has been little attempt to determine *why* the federal government has opted for a neoliberal approach, other than that those who advance and benefit from this perspective have greater wealth and influence than do those who oppose and are disbenefitted by such. In an era of multinational capital with vocal national representation, it becomes less problematic to present the common sense of social welfare and work as defined from above, especially since public participation appeared has had little influence on the direction of the social policy of late (Pulkingham and Ternowetsky 1996: 328; Ralph 1994).

It has also been demonstrated that the definition of income assistance use as a problem, and the prescription for its cure take on a completely different appearance depending on which political

tradition one appeals to. The exercise of looking at key terms and trends that are contested sites within the social welfare field has brought home that the meaning ascribed to such is contingent and the result of hegemonic construction. Any claim otherwise -- that a particular solution is imperative or inevitable -- is an attempt to close off debate and eliminate dissent.

The views expressed within, of course, have no necessary convergence with those of people on income assistance who have participated in work incentive programs. This is why an appeal has been made to certain values and political traditions, rather than to inherent class interests. Sklar (1995) cites Martin Luther King's conception of how a commonality of values differs from objective interests,

> A true revolution of values will soon look uneasily on the glaring contrast of power and wealth. With righteous indignation, it will look at thousands of working people displaced from their jobs with reduced incomes as the result of automation while the profits of the employers remain intact, and say "This is not just".

The position adopted within this thesis has been fairly consistent with that espoused by the anti-poverty movement in Canada, however. Also, the collectivist, egalitarian principles that have been appealed to for ethical backing, are to some extent embodied in legislation, like the eliminated CAP rights, and domestic and international law. They are, therefore, a reflection of one conception of social justice and citizenship rights that has import within Canada. Again, these are not absolute interests, but are contracts, principles, laws etc.. that are rooted in Canada's recent history.

Future studies might take a more indepth look at various issues that this thesis has only touched upon. For instance, alternative employment strategies that adhere to a particular set of ethical principles could be outlined. Also, investigation into how domestic and international law might be used to protect social and economic rights would be useful. This thesis has also suggested certain basic criteria to evaluate the effectiveness of policies and programming designed to deal with

income assistance use. This includes an appreciation for the differential needs of people involved, the elimination of poverty and the attainment of stable adequate employment, all of which should be identified by the people who will be directly affected. Employment strategies might also seek to combine social and economic interests, strengthen local economies (rather than respond to global conditions) and meet local needs.

Efforts to shore up remnants of a status quo that is under attack should be balanced with sggestions for progressive alternatives, including the redefinition of work, renumeration and the distribution of work in ways that promote mutuality and interdependence. Previous arrangements under the "Keynesian welfare state" did not realize the ideals they laid out in the way of redistributing income and shared wealth and eliminating exclusion. The guidelines that informed this approach may not be responsive to the problems that currently mark the political and economic landscape in Canada.

Also, documenting fiscal, as well as occupational, welfare in Canada would go some way in dispelling the myth that government intervention acts primarily to take from the rich and give to the poor. The partial information that exists suggests that the opposite is the case. Currently, there is a lack of accountability to the public in the areas of fiscal and occupational welfare, including that provided through subsidized labour.

These are but a sample of the directions that further study in the areas of democracy and neoliberalism, the relationship between economic and social policy and welfare and work might take. Was a space for legitimate debate to open up, a proliferation of varying views would certainly abound. In the meantime, hopefully it has been made clear in this thesis that ethics should not be sacrificed to the imperative of market liberalism.

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