

Solutions that Work

Fighting Poverty in Winnipeg

edited by
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Chapter 3

Workfare in Manitoba

By Shauna MacKinnon

Manitoba's welfare poor have been put through the wringer throughout the 1990s. Government policies have done nothing to alleviate poverty. Instead, government has increasingly blamed the poor. A review of social policy measures throughout the past decade reveals two major concerns.

- There has been an ideologically motivated, deliberate and systematic withdrawal of support for individuals and families on social assistance.
- The government has "dealt" with Manitoba's shameful poverty statistics by creating a perception that the blame for poverty falls on those who are poor. The government's message has been that people on welfare need fixing.

The attack on Manitoba's poor began in earnest in the early 1990s. A series of social service cutbacks resulted in great hardship for many. Provincial measures combined with the abolition by the federal government of the Canada Assistance Plan and its national standards were part of a significant shift in how government intervenes in the lives of the poor.

Setting the Stage for Workfare

The most regressive amendments to the Social Allowances Act began in 1993. These policy changes—which the National Council of Welfare called an "attack on Manitoba's poor"—were a precursor to the introduction of workfare (NCW, 1997, p. 72).

The following list highlights the changes to social policy in Manitoba since 1993.

1993

In order to standardize provincial/municipal welfare rates, the province of Manitoba amended the Social Allowances Act with the following detrimental changes.

- Exemptions dropped from \$240 a month to \$130 for families and from \$125 to \$95 a month for single people. (Exemptions refers to the amount of money social assistance recipients are able to earn in addition to their assistance. Money earned beyond the exemption amount is deducted in full from the recipient's social assistance payment.)
- Families lost the \$205 monthly exemption on any child support payments they were receiving during their first three months on welfare.

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- Income tax refunds aside from tax credits were no longer exempt income.
- Provincial income supplements of up to \$30 a month per child in low income families and a provincial supplement of more than \$100 every three months for people fifty-five and older were also dropped from the list of exempt income.

Supplemental health insurance coverage for welfare recipients was cut back. Covered medication and services were trimmed, major restorative dental services were subject to new dollar limits and new welfare recipients had a three-month waiting period imposed on them for non-emergency dental and vision care.

Special welfare programs for students ended, resulting in the return of over a thousand people to the municipal welfare rolls.

1994

Shelter allowances were cut by \$14 a month for employable single people.

The \$30 supplement received monthly by single people and childless couples was cut.

The income definition used to determine tax credits was broadened to include incomes previously exempt, including social assistance. In effect, tax credits for welfare recipients were reduced and therefore the supplement paid directly to social assistance recipients through Family Services was reduced.

Grants to welfare organizations, day care facilities and nurseries were cut.

Special needs policies which included newborn allowances, assistance to purchase appliances, moving expenses, school supplies, household start-up needs, bedding, beds and other extraordinary expenses were eliminated.

There were further cuts to the range of prescription medication covered by social assistance.

The province spent \$50,000 advertising its welfare fraud line.

1995

Single mothers became the suggested target of future cuts and administrative controls with the inception of welfare reform programs such as Taking Charge!, Manitoba's largest welfare reform program.

The province passed legislation to enforce child support from non-custodial parents—one of the few potentially positive social policy initiatives during this period.

1996

On June 4, 1996, the then Minister of Family Services, Bonnie Mitchelson, introduced Bill 36, The Social Allowances Amendment and Consequential Amendments Act. The intent of the Bill was to amend the Social Allowances Act in three ways: to provide for a one-tier system in the City of Winnipeg which would transfer responsibility for City of Winnipeg welfare recipients to the provincial system; to provide direction for welfare reform; and to update the Act with regard to the elimination of the Canada Assistance Plan.

The name of the Act was amended to accommodate the fundamental change as defined by welfare reform. With the passing of Bill 36, the Social Allowances Act was changed to the Employment and Income Assistance Act. The words "So-

cial Allowances” were purposely eliminated and replaced to reflect an emphasis on “work.”

The national standards that were firmly entrenched within the Canada Assistance Plan died with the Act. The impact of this for Manitoba was realized with the passing of Bill 36. Section 5.4 of the Employment and Income Assistance Act gives the provincial government the power to implement work for welfare policies. With regard to obligations regarding employment, Section 5.4(1) states that “an applicant, recipient or dependent as specified in the regulations has an obligation to satisfy the director or the municipality, as the case may be, that he or she (a) has met the employment obligations set out in the regulations that he or she is required to meet and (b) has undertaken any employability enhancement measure as set out in the regulations that he or she is required to undertake.” “Where employment obligations are not met” section 5.4(2) allows the director “... to deny, reduce, suspend or discontinue the income assistance, municipal assistance or general assistance otherwise payable, in accordance with the regulations.” Individuals could now be refused assistance if they failed to “meet the employment obligations to the satisfaction of the director or municipality.” Years of post-war struggle to ensure the right to financial assistance for all citizens was gone.

Other changes in 1996 included the following.

- Rates were reduced from \$458 to \$411 per month for single employable people and from \$774 to \$692 for childless couples.
- Benefits were cut from people who did not meet “reasonable” training or employment expectations. All new applicants were now required to sign personalized training and employability plans.
- Family heads could lose up to \$100 a month if they did not meet work expectations.
- The 1996 budget cut 3.2 percent of government spending, including \$23 million in welfare spending.¹
- The exemption of provincial tax credits paid to about 18,500 people on welfare in Winnipeg was reduced.
- The City of Winnipeg reduced its enhanced social assistance rates for children in 1996. They eliminated Christmas allowances for municipal welfare recipients and instead donated \$135,000 to the Christmas Cheer Board.
- Municipal rates for children were reduced to provincial rates in 1997.

1999

An attempt to broaden the coercive nature of Bill 36 was introduced through Bill 40 in July 1999. This Bill expanded on Section 5.4 to allow the government to deny financial assistance to individuals who refused to participate in addiction treatment when ordered to do so. Recipients would also be obligated to attend parenting programs and training. The community would be given an increased role in the policing of welfare recipients as those individuals not in other programs would be expected to “volunteer” thirty-five hours per week in exchange for their benefits.

Shortly after being elected in September 1999, the NDP government announced that Bill 40 would not be implemented. The new government indicated a desire to

implement policies that support and encourage rather than punish and browbeat the poor. Although this appears to be a step in the right direction, it was the contents of Bill 36 that opened the door to workfare and those fundamental changes are now legislation. The power to implement work for welfare policies is entrenched within the Employment and Income Assistance Act. As a result workfare remains a concern in Manitoba.

Origins of Workfare

The premise of workfare is that government-delivered income support is conditional upon the recipient participating in activities as prescribed by the government. The official rationale for this model is the claim that it will lead participants quickly back to employment.

The concept of work for welfare dates back to the Elizabethan poor laws of 1601. Providing work for the able-bodied unemployed was a central concern and obligation of the parish under Elizabethan poor laws. The able-bodied poor were sent to workhouses as it was felt that they would learn good work habits and earn their keep (Guest, 1997, p. 12).

At the end of the nineteenth century, the workhouse concept lost its popularity; “outdoor relief” became the chosen method of providing for the poor. This meant that any assistance available to the poor was provided on an emergency basis through municipalities and private charities. The principles of the poor laws remained.

This mechanism remained popular until the First World War, during which time attitudes toward the poor changed very little, in Canada as elsewhere. The poor were viewed as lazy, immoral, or incompetent—all of which was used as justification for limiting income assistance to very low levels. For example, the concept of “less eligibility”—the idea that assistance must be less than that which the lowest-paid labourer could earn—was a central tenet. The *beginnings* of a new approach were faintly visible after the war, with the inauguration of the “mothers’ allowance” in British Columbia and Ontario and occasional statements from policymakers and politicians that widowed and deserted mothers deserved a “pension” from the state for the socially necessary work of raising the next generation of citizens.

The Great Depression of the 1930s led to the idea that unemployment was beyond individual control; the notion that unemployed people were lazy was challenged. Unemployment was so widespread that it was no longer possible to blame the impoverished for their fate.

The Second World War brought an end to the catastrophic conditions of the Depression. Production and employment grew. So did demand for a public social safety net to avoid a return to Depression conditions.

The welfare state began to take shape with the passing of the Unemployment Insurance Act in 1940. The expansion of public assistance in Britain prompted the Canadian government to follow suit. The Report on Social Security for Canada (a report by Leonard Marsh in 1943, known as the Marsh Report) provided the basis for the development of a publicly administered welfare system, fashioned at least in part after the British model, that evolved through to the 1970s. Although the system was less than perfect and retained traces of the residual model of the poor laws, citizens’ rights to assistance were more firmly entrenched through the national standards embodied in the Canada Assistance Plan (CAP), enacted in 1966.

The power of the welfare state peaked in the 1970s and then began to decline. By the 1990s the national standards of CAP had been completely abolished with the implementation of the Canada Health and Social Transfer (CHST). This new mechanism for the delivery of social services became policy in 1996. The National Council of Welfare has called the Canada Health and Social Transfer “the worst social policy initiative undertaken by the federal government in more than a generation” (National Council of Welfare, 1995). It is this fundamental change, in particular the loss of national standards, that has allowed workfare to re-emerge as the contemporary successor to the workhouse of the poor law era.

The Current Socio-political Environment

Increasingly, the right not to have to work in order to be entitled to receive welfare benefits is a thing of the past. But it is not just government policies that have changed. Perhaps more disturbing is the apparent change in public sentiment that has resulted in growing support for policies which penalize, demean and point a finger at the poor. How did we, as a society, move from public support for a fundamental right to government assistance for those in need to public contempt for the poor?

Discussion of welfare reform twenty years ago focussed on making the welfare state increasingly progressive. The idea of a guaranteed annual income was even floated on occasion—although it never came close to implementation, and as advanced by the Macdonald Royal Commission was a recipe for guaranteed annual poverty. Ideas of making the welfare state more progressive are now miles away. Stereotypes of the poor as lazy, undeserving and in need of punishment have been nurtured by governments to justify a return to pre-Second World War welfare measures. Even those individuals who contribute to society by caring for their children have been unable to escape the wrath of punitive policy-makers.

The former Government of Manitoba was at the forefront of the attack on the poor by systematically chipping away at welfare programs and suggesting that welfare recipients are lazy and dishonest. They implemented a welfare fraud line, implying, irresponsibly, that welfare cheats are running rampant. The welfare fraud line was not based on good empirical evidence at the time of its inception, and since then has failed to demonstrate any pervasive abuse of the welfare system. Instead, it contributed to a false perception of welfare fraud that allowed government to implement a series of regressive policy measures.

In fact, research indicates that “welfare fraud represents 2 to 3 percent of a total annual welfare bill of \$15 billion. By way of comparison, an Ekos Research study in the summer of 1995 reported that two out of five people surveyed admitted that they cheated on their income taxes, and three out of four said they would cheat if they knew they would not get caught” (NCW, 1997, p. 117). Nonetheless, a lack of understanding of the issues has led to some public support for the draconian policy measures that have emerged.

The Manitoba Welfare Reform Model

Manitoba’s Employment and Income Assistance Program was implemented in May of 1996. It was described by the former Government of Manitoba as the “Program of last resort for people who need help to meet basic personal and family needs” (Gorlick and Brethour, 1998). It is aimed at “helping people find a job or

get back to work.” Recipients must “maintain an active job search.” Also known as “Welfare Reform,” the Government’s model consists of a variety of workfare/learnfare (mandatory job training) initiatives administered through the Department of Family Services and the Department of Education and Training. The stated goal is to provide training to “help people prepare for job searches and subsequent employment.” Employment-based programs and services are also delivered through Community Partnerships and Employment Connections under the umbrella of Employment First. Participation in Employment First is mandatory for all income assistance recipients. Those who do not comply are punished with budget reductions. Single parents with a child under six years or a dependent child requiring extensive care, people with disabilities, the elderly and people in authorized crisis facilities are exempt.

The former Government of Manitoba maintained that the program would not displace workers or volunteers in the local economy. All Employment and Income Assistance applicants are expected to attend orientation programs where available. They must complete an employment plan and are to report their progress to a worker on a regular basis.

A 1998 national inventory of welfare-to-work programs reports that senior government officials have indicated that a more comprehensive evaluation would be forthcoming—one which measures cost effectiveness, evaluates outcome data collected on participants, and measures participant satisfaction (Gorlick and Brethour, 1998). There is no indication that such an evaluation is forthcoming; government officials contacted are unaware of it. However they did indicate that there has been an evaluation of Taking Charge! The results of this evaluation have not yet been released to the public.

Is Workfare Working?

The passing of Bill 36 in 1996 enabled the province to implement involuntary programs that focus on pushing people off the welfare rolls. The previous government pointed to welfare statistics to defend the program’s success. As indicated in Table One, total expenditures for social assistance were reduced by 9 percent from 1995 to 1998.

Since 1997, the provincial government has clawed back the National Child Benefit (NCB) supplement from welfare recipients. The NCB is a federal supplement provided to low-income families aimed at reducing child poverty. The provinces were given the option of clawing back this supplement from welfare recipients and “reinvesting” the funds in programming. This is the route the former Government of Manitoba chose to take. Like other low-income families, those on social assistance receive their NCB supplement directly from the federal government. The Province then reduces their social assistance payment by an equivalent amount. This reduction is reflected as reduced provincial expenditures on social assistance. What is significant is that this “savings” in provincial social assistance expenditures comes at the expense of the poorest children in Manitoba. While Table One shows a reduction of Family Services expenditures, it is in part due to a reduction in financial assistance to families who continue to be on the social assistance rolls.

The number of welfare cases involving employable recipients has declined since the inception of Manitoba welfare reform (Table Two). However, there is no empirical evidence to suggest that this reduction is due to welfare reform. Further,

Table 1: Provincial Government Expenditures on Welfare Programs

Year	Family Service Expenditures for Employment and Income Assistance *	Family Service allocation to Making Welfare Work	Education and Training Expenditures on Employment and Development Programs for support for E&IA clients, including Making Welfare Work*	Total expenditures on Welfare programs *
1995-96	374,838	0	7,201.50	382,039.50
1996-97	357,165	3,352.10	7,620.00	368,138.00
1997-98	336,986.**	4,983.00	7,918.40	349,887.4**

* in millions

** \$10 million in recovery on National Child Benefit has been deducted from this amount. The government of Manitoba has chosen to deduct this federal supplement paid to low income families from welfare benefits.

Source: Government of Manitoba Annual Reports

there is absolutely no evidence that welfare reform has had any positive impact on poverty rates in Manitoba. The number of Manitobans living in poverty continued to rise in the 1990s (Lezubski, Silver and Black, Chapter Two).

Although Table One shows some decline in welfare expenditures, there has been an increase in food-bank use for individuals who are not on assistance. The number of individuals served by food banks has dropped marginally since 1995, but the number of *working* households assisted has almost doubled in the same period—evidence of the former provincial government's low-wage strategy (Black and Shaw, Chapter Four). The increase in food-bank use by households not on social assistance, along with the increase in the number of people living in poverty, suggests that welfare reform has not contributed to the overall well-being of the poor (Table Three). The decline in the number of welfare caseloads is attributable to a variety of factors that will be discussed further.

For those who have found work, workfare creates a revolving-door phenomenon with no permanent gains in full-time employment. The majority of jobs accessed through welfare reform are unskilled jobs, and few become permanent. "A cost conscious employer who can train people in a few days has no incentive to keep them on the payroll when demand is slack...□." (Jenks, 1997, p. 3). Those who do manage to find full-time employment are most often struggling to make ends meet on minimum or near-minimum wages, as unskilled workers have a

Table 2: Average Monthly Social Assistance Caseload by Category

Category	1995/96	1996/97	1997/98
Children	183	163	133
Single Parents	12,384	12,013	11,256
Aged	398	372	351
Disabled	11,536	11,748	12,115
Crisis Facility Cases	101	111	98
General Assistance	1,556	1,295	1,114
Special Cases	24	28	36
Total	26,182	25,730	25,103

Source: Family Services Annual Reports

** excludes Municipal cases

Table 3: Welfare Statistics vs Food Bank Use

Year	Welfare Cases (for March of each year)	Winnipeg Harvest households served (for March of each year)		
		Households on Assistance (provincial and city combined)	Harvest households served (not on assistance)	Total individuals served by Winnipeg Harvest
1995	78,325	11,360	2,640	33,000
1996	73,715	12,800	3,200	35,000
1997	68,315	12,576	3,424	35,000
1998	62,805	12,639	3,861	35,150
1999	unknown	11,312	4,582	32,300

Source: Winnipeg Harvest

*Harvest number represent food banks in Winnipeg alone.

In rural Manitoba, food banks have increased from 15 to over 25 from 1995 - 1999

much lower chance of moving out of low-paying jobs (Statistics Canada, 1998). Nor is there a way of knowing how many hours are being worked by those shown as being employed in workfare programs. The Province of Manitoba does not keep statistics on the number of hours worked for those they have determined are "employed," making it impossible to determine how many former social assistance recipients are working only part-time.

Manitoba's largest welfare reform program, Taking Charge!, is a \$26.2-million, five-year pilot project targeted at single parents on welfare. At the time of its inception, the government suggested that four thousand single-parent clients would be assisted by March of 1999. This would mean a cost of \$65,500 per client with no guarantee that individuals would find full-time work and not require further assistance. The 1998/1999 Taking Charge! Annual Report indicates that the program has had 3,784 registrants. There are currently 3,098 individuals participating in projects and 1453 clients are employed. Whether those 1453 are employed full-time and are self-sufficient is not stated in the Report.

Cutting Where it Hurts

Many initiatives that have in the past had great success in providing training and education for welfare recipients who *voluntarily* chose to participate, have been cut by the government throughout the 1990s. For example:

- Student social allowances were eliminated in 1993. This program allowed individuals to continue to receive social assistance while pursuing their education.
- University access programs were introduced in the 1980s to provide educational opportunities and support for students who would be at high risk of failing in the absence of financial, personal and academic supports. These programs continue to operate but on a shoestring budget after having been cut back throughout the 1990s.
- New Careers South also provided training opportunities to high risk individuals. This program was eliminated entirely.

Other programs including preventive parenting and training programs, childcare, anti-poverty initiatives, support for people with disabilities, foster par-

ents, women's shelters, friendship centres and other initiatives that are especially important in the lives of the poorest Manitobans lost substantial funding, or in some cases were wiped out entirely, as a result of cutbacks. Superficially similar programs have been implemented under the banner of welfare reform. The fundamental difference, however, is the shift in philosophy that has made participation mandatory.

What are the Problems with Workfare?

Opposition to workfare is based on a variety of concerns. The coercive, controlling nature of the program and the absence of choice is paternalistic, humiliating and stigmatizing to an already targeted population. Merely making the program mandatory feeds into the notion that people are unemployed by their own choice.

Workfare does not attempt to address poverty. In fact, it takes the focus away from the issue of poverty by creating the illusion that low-income individuals themselves are responsible for their difficult economic circumstances. As shown in Chapter Two of this volume, poverty in Winnipeg has continued to grow since the inception of welfare reform.

Workfare creates a source of low-wage and free labour by providing subsidies to the private sector and forcing recipients to volunteer in exchange for assistance. Workfare employees do not qualify for the same benefits and protections that other employees enjoy. Free labour is disguised as volunteer labour to avoid contravening labour legislation. The move toward coercing welfare recipients who are not working or training, to "volunteer" their time to community organizations is a concern. This provides free labour to the same community organizations which have suffered as a result of government cutbacks.

There is a very dark irony operating in this latest policy development. The former provincial government cut support to agencies which provide support to the poorest in society. That same government then implemented policy which forces the poor to work for free for those agencies that are no longer able to provide them with support.

Under workfare, poverty advocates become policy enforcers, ensuring that recipients are reporting for duty. This creates a serious ethical dilemma for service providers. In Ontario, where workfare is more advanced, many churches and community groups have refused to take on this policing and supervisory role.²

In Manitoba, employers are paid up to \$3 per hour toward the wages of a "Work First" participant with no obligations beyond the contractual period. Because subsidized employers need not commit to workers, it is doubtful that this form of intervention results in long-term employment. Many employers fail to hire workers permanently once the subsidized period ends. Most who do keep workfare workers on had a position that needed to be filled with or without workfare. The end result is simply the displacement of a non-workfare worker. A job is not created and the primary beneficiary of the subsidy program is the employer. Economist Robert Solow describes the concept in terms of a game of musical chairs.

...□ the labor market is like a game, or several games, of musical chairs. When the music stops, the players scramble for the available chairs. Since there are fewer chairs than players, the losers are left standing. They are, you might say, the unemployed. If the game were repeated, the losers

might be different people, but the number of losers is determined entirely by the number of players and the number of chairs. Adding more players, which is what forcing welfare beneficiaries into the labor market would do, can only increase unemployment. Some former welfare recipients will find jobs. Perhaps many will, because among other reasons, they are hungry, but only by displacing formerly employed members of the assiduously working poor (Solow, 1998, p. 3).

As competition is added at the level of the least skilled workers, “the costs of adjusting to the influx of former welfare recipients spreads to the working poor, the working just-less-poor, and so on, in the form of lower wages and heightened job insecurity” (Solow, 1998, p. 5).

The mandatory nature of workfare results in individuals being attached to workplaces and training experiences that are often outside of their interests and aptitude. This can be frustrating for employer/trainers and for participants. The stigmatization that accompanies welfare recipients often results in employers not feeling that recipients are worth hiring without the subsidy. They are often not kept on or their hours are reduced to a point where they are forced to leave. Studies of employers’ hiring habits have confirmed this. While employers are willing to hire welfare recipients with a subsidy attached, they tend not to continue to employ them. Non-welfare recipients are often chosen over workfare workers for positions that are permanent (Harrison, Bennett, et al, 1998).

Social services workers can cite endless examples of single parents receiving a reduction in hours at their work placements once the subsidized period has ended.³ Unable to survive on casual hours, they often quit. Unable to collect Employment Insurance or find full-time work, they return to Employment and Income Assistance for help. Unfortunately they find that returning for assistance is not a simple process. Employment and Income Assistance workers question the decision to leave paid employment, regardless of how inadequate it may have been, to seek government assistance. Government officials have stated that even marginal attachment to the workforce is considered a success of welfare reform. Those who choose to leave are subjected to a lengthy investigation before assistance is provided. Of course, the numbers of individuals waiting in limbo while being investigated are not reflected in welfare statistics. There have been reports of people who have waited months before they could get welfare to accept them back on the rolls.

The policy of providing employers with subsidies has further implications. Displacement of non-subsidized workers is clearly a problem. Skill development is *not* a focus of job placements. Without development of skills, workfare participants will remain vulnerable in the market place with little hope of moving on to better jobs.

There have also been concerns expressed about who is actually getting the jobs. One individual interviewed (who wished to remain anonymous) has been actively involved in welfare reform since 1995 and expressed the opinion that there is an ongoing concern with racism. Of all welfare reform participants, it appears that Aboriginal people have had the most difficulty finding work placements. This observation is consistent with U.S. data which show minority groups being least likely to benefit (Holzer, 1997, p. 1).

**Table 4: Social Assistance
Related Training Support Programs**

1997/1998 Fiscal Year	New Careers North	Community Partnerships		Labour Market Training	Employment Connections	Youth Now	Taking Charge
Participants	1387	148	517	310	937	669	1,143
Employed	41	102	164	109	370	330	434
% employed	2.9%	68.0%	31.7%	35.1%	39.4%	49.3%	3.7%
drop out rate	Not known	Not known	Not known	Not known	Not known	Not known	Not known
off assistance	Not known	Not known	Not known	Not known	Not known	Not known	Not known

Source: Manitoba Education And Training Annual Report
N/A Information not available
Total Contribution by Education and Training = \$3,986.8 million

98/99 Annual Report	TAKING CHARGE!
Participants Oct 95-Mar 99	3,784
Employed	1,453
% employed	38
Drop out rate	N/A
off assistance	N/A

There are also concerns for those individuals who take the “training” route of welfare reform. Training available to people on welfare is limited to short-term programs that most often result in low-wage employment, if any employment at all. Testimonials such as the following are common.

My worker showed me a variety of courses that I could choose from. I told her I wanted to go to university but as a single parent I didn't think I could afford the high cost, even with a student loan. I would also need to get upgrading first. The worker said that university wasn't one of my choices. She encouraged me to take a secretarial course. I did. I hated it. I didn't want to be a secretary, I wanted to go to university. I finished but I couldn't find work. There are a lot of us being trained in this field and not enough jobs for us all. I finally got fed up. I am off assistance now and in university. I am accumulating a lot of debt and I don't know if I will ever be able to pay it all back. I had to move back in with my dad because I couldn't make ends meet. Yeah, I am off of assistance but not because of their help. I am far from self sufficient and I am definitely still poor.⁴

One common problem with workfare policy at a time of high unemployment is that it results in recipients moving in and out of the few jobs available. This creates a revolving door through the system. Workfare does not create a long-term solution to poverty and unemployment. Although unemployment in Manitoba is relatively low, the majority of jobs created in the 1990s have been low-skill, low-wage jobs that feed the welfare cycle.

Workfare also violates the U.N. Charter on Social and Cultural rights, which stipulates that workers must be free to choose their work (United Nations Committee on Economic, Social and Cultural Rights, 1998, p. 8).

Although information regarding the costs and outcomes of employment and training programs for welfare recipients is difficult to find, Table Four provides a snapshot of programs including the total number of participants and those employed at the end of March, 1998. The Province of Manitoba defines success as any

earnings from employment. This suggests that “employment” in Table Four is similarly defined.

Whether or not individuals continue to be supported by income assistance is not clear. The number of individuals who have dropped out of the programs in Table Four is also not known. The difficulty in obtaining this and related information is of concern. Several requests for information were made to officials in both Family Services and Education and Training. In some cases information was denied or said to be unavailable. The complicated nature of the administrative structure that involves two major departments has also created barriers for researchers. An additional piece of information that was unavailable is the amount of welfare reform dollars that goes directly into the pockets of employers in the form of subsidies. One researcher was told that this information would be next to impossible to access while another was told that it was all in the Annual Report—although it was not.⁵

The Experience in North America

The Manitoba workfare model is not new. It is based on an approach that has been used in other provinces and countries. Evaluations of programs allow us to conclude that the only accomplishment of workfare is that it shuffles people around while keeping them at the bottom. The evidence suggests that the availability of jobs is the single most important factor in determining the number of families on welfare (National Council of Welfare, 1997). The implementation of workfare has had no measurable impact on caseloads. It is the relationship between unemployment rates and caseloads that was found to be direct and consistent over time (University of Wisconsin, 1997, *Evaluation of WEJT and CWEP Programs*, p. 2).

Workfare programs have been in existence in other Canadian provinces since the mid-1990s. Most Canadian programs are modeled after those in the U.S., which have been around since the late 1980s.

Evaluations of workfare programs in the U.S. highlight a number of concerns. Measuring effectiveness by simply looking at reductions in caseloads is a seriously flawed method of evaluation. Reductions can be attributed to many factors other than workfare. Participants who successfully find work are often those who have higher skills and education and would likely have found work on their own. With private sector involvement in workfare and financial reimbursement based on successful job placement or attendance, there is a tendency to screen out all but the most motivated, well-educated applicants (Hardina, 1997, p. 137).

A comprehensive cost-effectiveness study of mandatory work and job training programs in the U.S. looked at program effectiveness and cost efficiency in eight U.S. states. The study found that “differences between experimental and control groups in terms of both increased earnings and welfare savings were not statistically significant” (Hardina, 1997). The study also found little difference between experimental and control groups in terms of job loss and return to government assistance. Burtless (1995) concluded that these programs could not be judged effective. Programs did not result in “substantial improvement in most recipients’ standard of living,” and further, “there is no empirical evidence job training, job search, or workfare programs are actually effective in putting people in jobs that will help them leave the welfare system” (Hardina, 1997, p. 144). The evidence is that most people on welfare already do work. They care for their families, work

part-time or when work is available, and volunteer in their communities. They do this of their own free will. They do not have to be forced to do so.

The cost of coercion does not come cheap. Many U.S. jurisdictions have abandoned their Workfare programs because they have found the administrative cost to be too high. Florida spent \$1 for every 16 cents saved. Georgia spent \$1 for every 20 cents saved (O'Keefe, 1995, p. 17).

As in the U.S., Workfare in Canada is expensive and fraught with problems. New Brunswick's much hailed NB Works will cost \$59,000 per person if participants complete the program. Manitoba's Taking Charge! program costs \$65,500 per person. NB Works had a 60 percent dropout rate. No jobs were created through NB Works, except for the jobs of those hired to deliver, manage and evaluate the program (Mullaly, 1997, p. 57). There has been no change in poverty rates or unemployment levels in New Brunswick.

In Ontario, qualitative research has found that welfare recipients who found permanent work said they did so on their own. They did not cite Ontario Works as helping them in getting off welfare (Report of the Project Team for Monitoring Ontario Works, 1999, p. 29). The Quebec scheme was killed after seven years due to high costs and failure to improve the long-term employment of recipients.

Evaluation of programs in other jurisdictions provide the following lessons that Manitoba could learn from.

1. Good evaluation of programming allows us to understand what works, and what does not.
2. Outcomes are modest but better in jurisdictions where jobs are available. High unemployment equals low success rates.
3. People leave welfare naturally. There is little difference found between participants and non-participants in control group studies.
4. Programs which emphasize long-term skill development and education have a more sustained impact on earnings, access to good jobs and long term employment (Workfare Watch, 1997, p. 18).

Evaluating Programs

There has been a variety of methods used to evaluate workfare programs. It is essential to understand the methods used in order to understand why supporters of workfare claim success, while critics maintain that workfare is a failure.

The most common method of evaluation is to look at the number of welfare cases and to attribute the reduction to the success of welfare reform. This has been the primary method used by the Province of Manitoba. It is extremely problematic.

Without a longitudinal study that follows individuals who have left the welfare system, there is no way of knowing if they remain off the system and are meeting government objectives of self-sustenance. Only through a longitudinal study would we fully understand the implications of workfare in terms of getting and keeping people off the system, and more importantly, whether or not they have been elevated out of poverty.

Comprehensive evaluation must include a control group. This is necessary in order to establish employment patterns of non-participants to determine if work attachment is attributable to workfare policies. Many recipients will enter the workforce as appropriate jobs become available. They may also return to assist-

ance at some point. The rise and decline of welfare caseloads is first and foremost a function of the ups and downs of the economy.

There is no evidence that subsidized employers have contributed to the long-term employment of participants. There is no expectation that employers continue to employ recipients once the subsidy expires. There are sufficient data indicating that employers participate only to take advantage of the cheap labour pool made available through these programs (Shragge, 1997, p. 73).

There is no empirical evidence that workfare programs are effective in putting people in jobs that will help them leave the welfare system permanently (Hardina, 1997). Most programs train for low-wage positions. Training provided through the public purse is often in areas that were previously the responsibility of employers. This suggests that the government has taken on the unnecessary expense of training welfare recipients for jobs that previously required no training. It is employers who are the primary beneficiaries of this policy.

Looking at numbers alone does not measure the well-being of participants. Do welfare recipients past and present feel they are better off, financially and emotionally, as a result of their experience with workfare? Social indicators are required to measure the social impact of workfare. In Manitoba, as in other jurisdictions, there has been no empirical evidence to suggest that welfare reform has been successful. Changes in wages, employment, housing, domestic violence, child maltreatment and foster care placement are among the many indicators that would need to be considered in a proper evaluation. There is a growing acknowledgment that "the development of social indicators is crucial to furthering awareness among Canadians about the impact of political and economic activities" (CCSD, 1998, p. 1).

There is evidence suggesting that mandatory programs are unnecessary and inefficient. A voluntary employment program in Ontario during the early 1990s had significant success at a much lower cost (Reid, 1997). Voluntary programs will attract people who are interested and motivated. The abundance of such individuals would suggest that there is no need for mandatory programs and that they are not a good use of valuable resources.

Manitoba's Employment and Income Assistance Act specifies self-sufficiency as a goal of welfare reform. The decision to consider even marginal attachment to the workforce as success is a far cry from that goal. Marginal attachment to the workforce does not move people permanently off welfare and out of poverty and such a measure cannot be deemed a success by any stretch of the imagination. A single parent with one child needs to work over 80 hours per week at the minimum wage to live above the poverty line.

For all of these reasons, we must conclude that in Manitoba, as in other jurisdictions, there is no empirical evidence to suggest that workfare has been or will be successful.

Poverty, Unemployment and Community Values: the Connection

Workfare is based on the assumption that people on welfare are lazy and dishonest. Proponents of workfare assume that people on welfare do not value work; that they do not already work. But the evidence suggests that there is no difference between welfare recipients and non-welfare recipients in terms of their attitudes toward work (Hardina, 1997, p. 133). This suggests that the decision to implement workfare policies is not about helping people live better lives. It is about

decreasing public expenditures on income assistance. It is about providing a source of low-wage labour and distracting the public from the fundamental issues that contribute to welfare dependency in the first place, such as high unemployment, lack of financial incentives, inadequate social supports such as childcare and educational support, and maintaining a low-wage market place which is in part sustained by low-income assistance and involuntary labour.

Recommendations

Before attempting to solve the “welfare problem,” policy-makers need to take an honest look at what the problem is. The problem isn’t the *people* on welfare. The problem is high unemployment/underemployment, low wages and inadequate redistribution of wealth. This reality needs to be at the forefront of any discussion that attempts to propose welfare reform measures. The focus must move beyond a simple examination of the welfare rolls to a serious discussion about structural solutions. There is no dispute that the existence of large numbers of people on the welfare rolls is a serious matter that requires resolution. Consensus does not extend to how governments can best intervene. It is at this point that ideological differences shine through.

Critics of workfare suggest that progressive, effective welfare reform requires a comprehensive approach to social policy. Progressive solutions would take into account the following:

- The first priority needs to be the creation of jobs that pay a living wage. Welfare recipients, like the rest of society, need to be able to be free to choose jobs they feel are appropriate for them. Workfare does *not* create jobs.
- The Government of Manitoba should drop the policy of penalizing poor families on welfare by clawing back part of the National Child Benefit from welfare cheques.
- The Government of Manitoba should concentrate program efforts on supportive programming that allows people to explore their interests and pursue education and training as appropriate. This does not mean that there cannot be help along the way. That help however should be supportive and encouraging, not coercive and controlling.
- The Government of Manitoba should increase spending in the area of childcare. The lack of affordable registered childcare spaces continues to be a problem which keeps people out of the workforce.
- Welfare rates should be increased sufficiently to enable those on social assistance to meet the basic necessities of life.
- The Government of Manitoba should lobby the federal government to reinstate a national program for income security with clear national standards and adequate cash transfers to the provinces.
- The government should stop contributing to the negative public perception of welfare recipients. The efforts of the government to paint a picture of welfare recipients as lazy and dishonest has been extremely damaging to these families. Contrary to popular belief, it is not the lack of attachment to the workforce that destroys self esteem, as much as it is the day-to-day experience of being told that by virtue of your economic status, you are less of a citizen than your neighbour. As stated by one representa-

tive in the United Nations Committee on Economic, Social and Cultural Rights report (1998) in reference to welfare policy in Canada:

It is “unbecoming” a democratic society. It is one thing to beat the budget deficit, but not at the expense of bringing about a very harmful, a very inhumane social and economic revolution that is taking place now.

The U.N. Report (1998), strongly urged Canadian governments to abandon workfare programmes. The committee reminded Canada that: “provincial workfare programs violate the international covenant on economic, social and cultural rights.”

The government needs to broaden the search for solutions and look at less punitive models that have had success. An excellent example is a four-year community-based program in Ontario. “Going to Work: Waterloo Region Opportunities Planning (OP)” used a participatory approach to include community agencies and social assistance recipients in the design of a program to address unemployment and poverty (Reid, 1997). Opportunities Planning was a voluntary program that allowed clients to identify their personal barriers and assist them in overcoming those barriers. By the end of three years, 1100 people had found permanent jobs or created their own work through self-employment. After one year, 85 percent remained employed. The target population of OP were those least likely to succeed in finding work on their own. The community-based approach ensured that the program was staffed by individuals who themselves had been on social assistance. Cost analyses found that the program had produced \$2.2 million in welfare savings on an investment of \$1.3 million in the program’s first two years. By the end of the program in 1996, “it had generated more than \$7.5 million in welfare savings and increased economic activity, equivalent to a return of \$2.16 for every government dollar invested in the program” (Reid, 1997). This example is evidence of the value of community-based solutions to poverty.

There has also been some positive work done in Manitoba. Opportunities for Employment has had some success with their job placement model. However, once again, this may be helpful in finding jobs for a select few. It will not resolve the larger problem of poverty and most certainly does not require a mandatory approach. What is needed is a comprehensive approach which addresses poverty at its roots and which employs community-based solutions.

Conclusion

The concern about poverty is not limited to the U.N. and a few anti-poverty activists. In response to the U.S. Government’s assertion that the American welfare reform model, which Canada and Manitoba have modeled, has been a success, Senator Paul Wellstone (1998) states:

The welfare rolls may have been cut in half, but not poverty. I don’t quite understand how the White House, or any Democrat or Republican, can proclaim this policy a success when we have done so little to actually reduce poverty in our country, especially the shameful poverty of women and children. Rather than all this boosterism, let’s have an honest policy evaluation to find out what is really happening to poor families□...□.

The former Government of Manitoba followed other provinces in the implementation of welfare policy without regard to the literature that consistently demonstrates the adverse consequences of this direction. Workfare is a huge step backward in social policy.

It should be stopped.

Notes

- ¹ "For the period 1992/93 to 1997/98, after adjusting for inflation, the Conservative provincial government had cut expenditures by the following amounts: education, \$111.9 million; health, \$121.7 million; social assistance, \$143.9 million; and total government spending less debt charges, \$519.8 million. By 1997 the government boasted that 'the Manitoba government is now smaller than at any time since the mid-1970s'" (Black and Silver, 1999, p. 13)
- ² The United Church of Canada council voted to encourage all its mission units and pastoral charges to refuse to participate in mandatory work programs for social assistance recipients at the 36th general council meeting in Camrose, Alberta, 1997.
- ³ Focus groups with Social Assistant clients and anti-poverty advocates (who wish to remain anonymous) in preparation of the Alternative Provincial Budget revealed that this is a common experience.
- ⁴ Interview with a University of Manitoba student who wished to remain anonymous
- ⁵ Researchers were connected with a variety of government employees who failed to provide information requested.

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