

Welfare repeal: How low can we go?

CANADA AND THE UNITED STATES CONVERGE ON WELFARE REFORM

Welfare used to be as low as you could go—the bottom of the barrel. Not anymore. Welfare is now harder to get in both Canada and the United States. Increasingly, needy people are being disqualified from receiving assistance, and are being turned away from the welfare system. True, some of those turned away do find jobs; but others cannot and do not find work. Poverty activists in the United States despair at what they call “welfare repeal.” They have seen “welfare reform” give way to new regimes that make it impossible for some people to get any help at all. This is the key convergence in welfare policy between Canada and the United States.

On both sides of the border, we have come to expect that some people in our communities will have no income whatsoever—not from welfare and not from work. The growth of homelessness and the staying power of food banks are a sad testament to this new acceptance. Correspondingly, changes in welfare policy reflect inherent expectations of what can and should be done about poverty. The rise of “welfare repeal” means that welfare cannot be properly called an option of “last resort” anymore. Many people are increasingly barred from that “last resort.”

A VERY CONDITIONAL “SAFETY NET”

There is still a peculiar wariness in Canada and the United States that their welfare systems are too generous. The predominant thinking is that people should not enjoy welfare as a “right.” Not if they have done drugs. Not if they don’t work(fare) for their welfare. Not if they have been convicted of fraud. Not if they are 16. Not if 5 years have passed. Not if their papers are not in order. (There will be more on these specific

BY ANDREA CALVER

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examples later.) Being needy is not enough. Welfare has become a very conditional safety net. “Ending welfare as we know it”—the popular refrain of President Clinton—has become both theory and practice in both countries.

Of course, there is some divergence between Canada and the United States with regard to the specifics of system privatization: the reasons people are disqualified from receiving benefits, and the precise implementation of workfare protocols. However, the overwhelming sameness of the thrust to-

ward “welfare repeal” is remarkable. As someone who has opposed many of the changes to welfare in Ontario, I often find policy precedents for a tighter system in the United States.

THE WRONG TESTS: LIFETIME BANS AND BENEFIT LIMITS

In the United States, the 1996 *Personal Responsibility and Work Opportunity Reconciliation Act* mandated work activities for all recipients, and a five-year total lifetime limit for receiving welfare assistance. As of yet, there are no lifetime limits in Canadian jurisdictions. However, in Ontario, the Harris government has introduced a “lifetime ban” for people convicted of welfare fraud. These are the wrong tests for the wrong reasons.

Both lifetime benefit limits and the implementation of a lifetime ban fundamentally challenge the core purpose of welfare. Both are arbitrary protocols, indifferent to the objective needs of people who may well require help. We once viewed welfare as the last safety net—below which a person ought not fall. Now there is no limit to how far you can fall. Both Canada and the United States have moved away from granting welfare assistance based on the simple neediness of a potential recipient. Exclusion is also the focus of other new welfare rules in Ontario, such as mandatory drugs testing, and ending benefits for 16 and 17 year olds.

Even without assistance, needy people still have to try to pay the rent and try to feed themselves. Without assistance, many people simply cannot manage. The new “non-needs-based” rules do remove people from the welfare system. The trouble is that these people may actually be worse off without assistance.

RULES TO CONFUSE, DISCOURAGE, AND DISQUALIFY

A report from the U.S.-based Children’s Defense Fund called *Welfare to*

What?—published in December 1998—details circumstances where families are denied assistance, not because they are no longer needy, but because of a failure to meet bureaucratic requirements. For example, the following situation is cited: “In Iowa’s PROMISE JOBS experiment, the majority of families punished for failure to meet welfare-to-work requirements told researchers they did not understand those requirements.”

The experience in Ontario is no more illustrious. Mandatory workfare, with its “participation agreements,” is about eventually disqualifying people from receiving assistance, more than it is about preparing people for work. This thrust is detailed in the 1999 *Broken Promises* report, by Workfare Watch:

They use language in here like . . . “noncompliance,” “recipients,” “cancellation,” “first occurrence,” “each subsequent occurrence,” and it’s put out as an information sheet but in fact it’s a contract and it says, “the contents of this document have been explained to me and I’ve received a copy.” Well, I mean when you’re in that situation with a couple of kids you’ll sign anything. I didn’t even really read it, I just said OK.

— Kelly, Peterborough, Ontario

PROFITING FROM “WELFARE REPEAL”

Multinational companies like Andersen Consulting have successfully won contracts across Canada and the United States to implement the mechanics of “welfare repeal.” Andersen Consulting negotiates payment as a percentage of the savings to the state treasury. It is a seductive offer for client governments. The Harris government is paying Andersen Consulting a percentage of welfare savings, up to \$180 million, for savings achieved in “modernizing” the province’s welfare system. The company will have no difficulty meeting its target. When you take a close look at Andersen Consulting’s “efficiencies” and “innovations,” they create savings by making welfare

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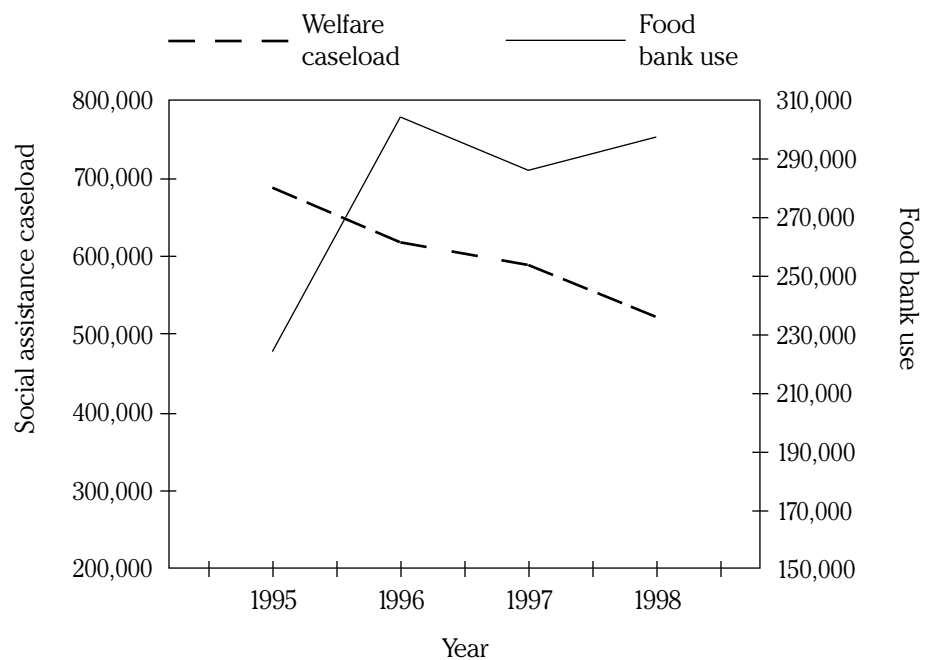
In Ontario, Andersen Consulting’s *Consolidated Verification Project* is a rigorous review of every aspect of every welfare recipient’s file. As opposed to judging people’s need, the focus is on finding the criteria to disqualify people. For example, if a document is missing, whether it’s two days old or 20 years old, if the recipient’s paperwork is not in order, they get kicked off. The more people off welfare, the more money Andersen Consulting makes. Simply set up obstacles that vulnerable people find too difficult to manouevre, and more people fall off the rolls. One strike, and they’re out.

Another example from Workfare Watch:

On October 1st I read my mail—welfare said I needed all of this documentation: proof of my land tax, proof of my utility bill, proof of admittance and release date from rehab, contract from CAS [Children’s Aid Society] for the two kids, school attendance records. I had to get all of this by October 21st. On October 7th I had a meeting with my worker. They said if they didn’t get the documents they would put my cheque on hold. I just didn’t get the documents together when all of this other stuff was going on. I phone the welfare office two days before I was to get my cheque to tell them I was working on getting the documents but I didn’t have them yet. They told me I was

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Welfare caseload down, food bank use up



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going to be terminated because I didn't have the documents in. They didn't want to hear any explanation.

In past contracts, Andersen Consulting has helped governments privatize and contract out functions in the welfare system like employment counseling and training, job preparation, and even the administration of the program itself. The following observation appeared in *The New York Times* in 1996:

Before the new welfare law, moving people from welfare to work was the domain of nonprofit organizations and three relatively small businesses (America Works, Curtis and Associates, and Maximus). Now, some large companies see a potentially multibillion-dollar industry that could run entire welfare programs for states and counties.

CONCLUSION

In both Canada and the United States, "welfare repeal" is taking hold not just in policy, but in the public imagination.

When it comes to welfare, the "truly needy" have become the exotic object of our collective concern. They exist in rhetoric, contrasted against the fraudulent claims made by the "lazy pregnant cheats" of political lore. On both sides of the border, governments encourage our suspicions about the "undeserving."

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ing." Welfare is now very rarely upheld as a fundamental right of citizenship. Rather, welfare is a tab that every level of government would rather not pay. And it is certainly an expense that governments' encourage their taxpaying citizens to scorn. The answer to "how low can we go?": there is no bottom. ♣

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DIVERSITY AND PATRIOTISM

But this greater willingness on the part of Canadians to accept diversity, as well as Canada's lesser inclination to demand ardent patriotism of its citizens, does not necessarily indicate that Canadians are apathetic about Canada as a nation. Rather, and paradoxically, they feel strongly about their weak attachments to the state, its institutions, and their fellow citizens. They feel strongly about the right to live in a society that allows its citizens to be detached from ideology or critical of organizations, and in which they do not feel obliged to be jingoistic or sentimentally patriotic.

While the recent popularity of Molson's ostensibly nationalistic "Joe" character may seem to controvert the widely held view that Canadians take an *understated* pride in their country, this young man is more a parody than an

example of the patriot. After all, at the conclusion of his rant tinged with self-deprecation, what does Joe do but thank his audience for having listened—a nod to the stereotype of the mild and courteous Canadian that undercuts whatever flag waving he may have attempted during the preceding address. But Joe, if not a classic chest-beating hero, certainly hasn't failed in the task of telling us something about ourselves. It is of course Canadians' very lack of nationalism, particularly when compared with Americans' famous patriotism, that is in its own way a distinguishing feature of the country.

Quite simply, Canadians are pragmatic rather than ideological. They desire a sustainable welfare state, perhaps not the social-democratic paradise envisioned by the Canadian left, but certainly not the almost unfettered free

market that exists to the south. Although there has been a turn to the right of the political spectrum in Canada during recent years, rather than a sign of increased Americanization, this seems to be a symptom of Canada's adapting to the forces of globalization in much the same way as other social-welfare states, such as Germany, New Zealand, and Sweden. Canadians do have a distinct vision of what their country should be, but part of that very vision is that they should not have to wave flags in order to convince others of their dedication to the ideals of their country. ♣

* All data drawn from Environics's 1996 3SC social values survey of representative samples of Canadians and Americans aged 15 and older.