

Child Poverty and Welfare Reform: Robbing the Poor to Pay the Poor

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Abstract

This paper examines the Saskatchewan Government's policy of welfare reform and its consequences for family and child poverty between 1981 and 1989. It reviews the changing economic and social context within the province during the period welfare reform was introduced, analyses the impact of welfare reform upon social assistance and Family Income Plan benefits and assesses its implications for child poverty in Saskatchewan. In determining adequacy, the analysis makes a distinction between entitlements claimed and the real and net basic allowances received. The study concludes that children and families became financially worse off after the introduction of welfare reform with a growing need for substitute forms of relief such as food banks. Given that welfare reform in 1984 was financed from existing monies and that cuts in certain benefits paid for increases in others, welfare reform amounted to little more than a policy of robbing the poor to pay the poor.

Introduction

During the 1980s social assistance policy in Canada has been dominated by a central concern with welfare reform. Government policy, both federally and provincially, has been directed at reducing welfare dependency and returning social assistance clients classified as fully employable to the paid labour force (Adams, 1983; Nielsen, 1985; Macdonald, 1986; Shragge, 1988; Riches and Manning, 1989; Callahan *et. al.*, 1990). Needs based criteria for granting social assistance have been replaced by the work test as social assistance and unemployment insurance have been increasingly viewed by the state as devices to help reshape labour market policy. Dependency reduction and not the amelioration of poverty has become the central policy goal.

At the same time child poverty has re-emerged as a national issue in social policy. Income issues have been pressed by such bodies as the Child Poverty Action Group and seven national organizations directly concerned with child welfare, family policy and social development (CPAG, 1986; CCWA, *et. al.*, 1988). Federally the debate concerning the lack of a national child care policy and the serious underfunding of day care across Canada has reinforced the importance of child poverty as a significant national

issue and one fundamental to any discussion of family policy. Yet one aspect of the child poverty debate which has received little attention has been the consequences of welfare reform for social assistance families and children. This has been an important policy question in Saskatchewan given that welfare reform has not only sought to resolve the work/welfare issue but at the same time has claimed to further family policy objectives.

This much was promised by Gordon Dirks, Saskatchewan's erstwhile Minister of Social Services who, when launching welfare reform in 1984, stated:

I believe we can all be proud that Saskatchewan is the first province in Canada to initiate a major reform program which will help foster independence for employable clients, provide more support for families, the elderly and the handicapped, and will save the taxpayer millions of dollars through increased efficiency. (Social Services News Release 84-228, March 28, 1984)

Mr Dirks seemed at once to make the case for both equity and efficiency, for supporting the work ethic and strengthening family life. As far as families and children were concerned welfare reform was designed to provide 'equity in programme benefits' (Saskatchewan, 1984:3) presumably to ensure that children and families of the deserving poor were well treated.

Indeed such an objective has been consistent with major commitments of Premier Devine's administration to support children and the family as the foundation of public policy. (Saskatchewan, Debates and Proceedings, 1984, XXVIII(2); 1989, XXXII(2)). Yet on October 2, 1989, five years after the province launched welfare reform, the Mayor of Regina released his Board of Inquiry's report into hunger in his city claiming that hunger was an every day reality for thousands of people in the city and that poverty or insufficient income was its cause (Archer, 1989:35). What had gone wrong?

Economic and social trends: increasing deprivation

Against this background of the province's declared policy of support for families and children, it is instructive briefly to review changes in a number of leading Saskatchewan economic and social indicators between 1981-1989. In this time period the average annual number of unemployed persons rose from 4.7 percent to 8.6 percent (Saskatchewan Bureau of Statistics 1982:2; 1989:2). While these rates compare favourably with other provinces, it should be noted that Saskatchewan was the only Canadian province where employment declined between 1987 and 1989 (Ternowetsky, 1989:5).

More particularly as Ternowetsky notes,

... the percentage change in income generated from unemployment insurance far exceeds the percentage growth in income from work. Between 1981 and 1986 income from work for women went up by 48 percent and by 10.8 percent for men. In contrast income from unemployment insurance in these years grew by 177 percent for women and 229 percent for men (Ibid, 1989:2).

This should not be a surprising finding given that the number of regular unemployment insurance beneficiaries rose by 64 percent in Saskatchewan between 1982 and 1989 from 20,734 to 33,940 (Saskatchewan Bureau of Statistics, 1982;1989). What this data suggests is the increasing impoverishment of labour. This is borne out when we consider changes taking place in family incomes in the province.

Between 1981 and 1987 average Canadian family incomes grew by 43 percent from \$30,440 to \$43,604. In Saskatchewan they rose from a lower base of \$28,743 and more slowly by 36 percent to \$39,119. However, after taking inflation into account while Canadian average family incomes still grew by 3.6 percent, those in Saskatchewan declined by 5.4 percent to \$27,203 (Statistics Canada, 1981-1987, Table 2). During the 1980s Saskatchewan's minimum wage was raised only once from \$4.25 to \$4.50 an hour.

Shifts in the sources of family income between 1982 and 1986 within the province confirm growing vulnerability: while the numbers of husband-wife families grew by 1 percent from 216,600 to 218,525, those in the labour force deriving income from employment shrank by 1 percent from 197,600 to 195,975. During the same period families earning incomes from dividends fell by 8 percent, from interest by 9 percent and from capital gains by 20 percent. Family allowance income decreased by 4 percent. While it is true that income from wages/salaries and commissions rose by 2 percent and from non-farm/fish self-employment by 10 percent, the numbers of families deriving income from unemployment insurance and from pensions increased by 15 percent and 8 percent respectively (Statistics Canada, 1982;1986, Table 2,6).

In 1986 one out of every four families with children under 16 yrs of age in the province had incomes of less than \$20,000 per annum. (Statistics Canada, 13-207, 1986). For low income families the early to mid eighties (1982-1986) saw an increase in the number of Saskatchewan husband-wife families with children earning below \$5,000 per year. For families with one child the numbers increased from 1,750 to 1,950 or by 11 percent. The numbers of two child families rose from 1,800 to 2,475 or

by 37 percent while families of three children or more grew from 2,900 to 3,350 or by 15 percent (Statistics Canada, 1982; 1986, Table 2,6). While there was no increase in the total numbers of one child families earning less than \$10,000 per year, two child families increased by 21 percent and three children families by 13 percent overall. The story told by these figures is not only that incomes declined but that during the nineteen eighties the poorest families grew in number in Saskatchewan and that their economic vulnerability increased.

Saskatchewan's poverty data between 1979 and 1986 confirm this. Ross and Shillington report that in 1986 the average household poverty gap, which measures both the rate and depth of poverty or the amount of money needed to eliminate poverty stood at \$5,132, the highest amount of all the provinces (1989:52). Between 1979 and 1986 the incidence of low income families in the province rose from 14.1 percent to 16.4 percent (1989:44). Moreover the percentage distribution of low income families in Saskatchewan compared to other provinces rose from 4.4 percent to 5 percent. Other provinces which showed increases during this time period were Newfoundland, Nova Scotia, Quebec and British Columbia (1989:42).

In terms of child poverty the number of children under sixteen years living in low income families rose from 57,250 to 64,560 between 1981 and 1986, a rate of increase of 12.8 percent (Table 1). By 1986 one child in four was growing up in poverty in Saskatchewan, a ratio that was higher only in Newfoundland. Of these a little over two thirds lived in two parent families with nearly a third living with single parents, the majority of whom were women (NCW, 1988:28).

TABLE 1
Children Under 16 Years in Low-Income Families, by Province,
1981, 1984 and 1986

	Low-Income Children Total			As a % of all Children		
	1981	1984	1986	1981	1984	1986
Atlantic Provinces	130,170	147,100	122,200	22.1	26.0	21.7
Quebec	283,570	334,200	282,100	18.9	22.9	19.2
Ontario	295,310	337,060	268,660	14.1	16.4	13.4
Manitoba	52,370	56,580	58,610	20.7	22.0	24.3
Sask.	57,250	63,690	64,560	21.8	25.4	25.7
Alberta	69,670	131,180	93,640	11.7	21.9	15.6
B.C.	80,410	138,700	126,290	13.7	21.7	20.2
Canada	968,750	1,208,510	1,016,080	16.5	19.5	17.6

Source: Statistics Canada, *Survey of Consumer Finances*, Special Tabulation.

Indeed between 1984 and 1986 Saskatchewan and Manitoba were the only two provinces which saw their rates of child poverty increase.

Furthermore, the Saskatchewan data underestimates the true incidence of child and family poverty in that on reserve Indian families are not included in the data. There are an estimated 8,910 such families in Saskatchewan comprising approximately 39,000 men, women and children (Riches and Ternowetsky, 1989:1). Many of these people live below the poverty line, a point attested to by Ross and Shillington who conservatively estimate that 30 percent or more of the population of Northern Saskatchewan are poor (1989:30). Unofficial estimates claim that unemployment in many northern communities is as high as 90 percent

These data tell a story of increasing economic dependency which is reflected in the changes in Saskatchewan's provincial social assistance rolls during the 1980s. As Table 2 shows, the Saskatchewan Assistance Plan caseloads increased by 24 percent between 1981 and 1989. A sharper increase occurred in the period leading up to 1984 since when welfare rolls declined by 11 percent. Despite this decline they still remain well above the 1981 baseline.

Given the drop what is perhaps surprising is that food bank usage continued to increase. In Regina, Saskatoon and Prince Albert the numbers rose from 98,455 in 1985 to 148,111 in 1988, a rise of 66 percent (Riches, 1989:16). What is particularly disturbing is that children under the age of sixteen years comprise more than 40 percent of those receiving social assistance and 47 percent of those turning to three of

Saskatchewan's food banks. In that social assistance entitlements, which are thousands of dollars below official low income cut offs, reveal the state's view of adequacy as constituting sub-subsistence living, these figures present a disturbing picture of child poverty in Saskatchewan.

The cumulative effect of rising unemployment, shifting sources and declining levels of income from employment, expanded welfare rolls and increased food bank usage all point to the increasing vulnerability of low income families in Saskatchewan and child poverty as a significant social issue. Reform of the welfare system was undoubtedly called for but did the policies which were introduced improve or worsen an already desperate situation?

Welfare Reform: Origins and Objectives

It is against this background of a government committed to supporting the family as the bedrock of its public policy and the increasing economic and social vulnerability of families and children within Saskatchewan that the impact of welfare reform on family and child poverty within the province will be examined. In this context it is important briefly to review the origins of welfare reform within Saskatchewan noting the shift towards dependency reduction as opposed to poverty amelioration as the new basis for social assistance policy.

Welfare reform was the name given by the provincial government to its policy of reforming the provincial social assistance system. In a historical sense its origins and its name can be traced to attempts in the nineteen eighties in the United States to

Table 2
Saskatchewan Assistance Plan and Family Income Plan Caseloads
Single Persons and Families, March 1981, 1984, 1989
Numbers, Distribution and Change

Year	Total Cases		One Person Cases		Family Cases		Family Income Plan Grant No's
	Cases	Beneficiaries ¹	No's	Distribution	No's	Distribution	
1981	22,605	43,766	13,382	59%	9,223	41%	7,831
1984	31,446	63,703	17,196	55%	14,250	45%	7,493
1989	28,027	57,152	14,917	53%	13,110	47%	3,974 ²
% Change							
1981-89	+24%	+31%	+12%		+42%		
1981-84	+39%	+46%	+29%		+55%		
1984-89	-11%	-11%	-13%		-8%		

Source: *Monthly Bulletin of Statistics*, Saskatchewan Social Services, 1981-89.

1. Men, women and children

2. Those receiving SAP benefits transferred to SAP caseload after 6 months.

transform public welfare. Welfare reform in this context aimed to reduce welfare dependency by moving people off the social assistance rolls and back into the labour force. Achieving self-sufficiency was the prime goal. Others included the reallocation of scarce resources to those most in need, reducing welfare expenditures and discouraging fraud and abuse (Rofuth, 1987:12). This was to be achieved by a variety of measures including increased employment and training opportunities, workfare programmes, benefit reductions and more stringent eligibility requirements. In this way welfare reform of the nineteen eighties differed from earlier attempts in the seventies in Canada and the United States which sought to reduce poverty by major expansions of cash welfare (Leman, 1980:xiii).

In Saskatchewan the specific origins of welfare reform lie in a study of the Saskatchewan Assistance Plan (SAP) commissioned in 1982 by the newly elected Progressive Conservative government and published in 1983. Its author was Duane Adams, the former Deputy Minister of Social Services in the previous NDP administration.

The Adams report concluded that SAP was

essentially non-productive for clients, helping clients very little except in the payment of minimum financial allowances. The system is dehumanising, adversarial, inequitable, relatively cheap in client benefits but wasteful administratively, inconsistent and unacceptably complex. The program is widely misunderstood by the public. (Adams, 1983:vi)

In reading the report it is worth remembering that by March 1983 the province was feeling the harsh effects of the economic recession and social assistance rolls were showing the impact of rising unemployment. By 1983 the numbers receiving social assistance had jumped by 26.8 percent from two years earlier to 59,724 men, women and children. One year later in 1984, when welfare reform was introduced, the numbers had increased to 63,703 and were still climbing. Nor do these figures include the approximately 20,000 treaty Indians receiving social assistance from the Department of Indian and Northern Affairs (DIAND, 1987).

The report's major recommendations were to find ways of moving people from social assistance into jobs and training; to streamline what was seen to be an unnecessarily complicated administrative structure and to make greater use of the private, non-government and voluntary sector.

Welfare reform as a specific government policy was introduced in March, 1984 with a second stage being phased in towards the end of 1987 (Saskatchewan Social Services, 1984; Saskatchewan Finance, 1987). It built on the main principles outlined in the Adams report but in its intent and implementation was to adopt a more aggressive, stringent and

punitive approach. Its stated aims were,

- to reduce dependency on social assistance by moving single fully employable long term clients into work and training programs;
- to provide equitable benefits for people unable to work including families; and
- to make SAP more efficient and effective.

This latter objective included the goal of reducing fraud and abuse. On the face of it these seemed like wise and sensible commitments. However the experience of welfare reform was to be very different.

The failure of the policy of dependency reduction has been noted elsewhere and is not addressed in this paper (Riches and Manning, 1989; Elliott, 1989). Suffice it to say that the persistently high levels of the province's welfare rolls between 1982 and 1989, the fact that unemployment has remained the largest single cause of people receiving social assistance, the lack of any publicly available data to support the contention that welfare reform has moved significant numbers of recipients into long term employment coupled with the growing pauperisation of single fully employable clients bears out the findings of United States and Canadian research in this field that welfare reform has only a marginal impact in terms of reducing welfare dependency (Morris *et. al.*, 1987; Karger *et. al.*, 1987; Nichols-Casebolt, *et. al.*, 1989; Callahan *et. al.*, 1990).

If welfare reform has failed in its attempts to achieve dependency reduction, how successful was the policy in terms of bringing about equity for families? What has been the impact of welfare reform through benefit restructuring on social assistance benefits for families and what are the continuing implications for child poverty? How has welfare reform treated "deserving" families?

What benefit restructuring initially seemed to imply was that while single social assistance recipients would have their entitlements cut, those with family obligations would not be expected to experience any reductions. In other words the level of family benefits was assumed to be adequate and, it could be presumed, would not be allowed to fall. Additionally welfare payments to large families would increase by \$5 per month for a family with five to seven members and by \$10 per month for a family with over seven members. It was also announced that 8,000 low income working families would see their Family Income Plan benefits increase from \$91 to a \$100 per month for families with one child and \$10 per month for families with four or more children (Social Services, 1984:5).

These policy changes suggested that families, and women as mothers, were being made more

deserving than single fully employable persons, in that they were to receive higher and therefore "more equitable" benefits than individuals. It could therefore be argued that welfare reform was recognising the costs to low income families of raising dependent children.

This is not to say that welfare reform had placed the eradication of child poverty on the province's political agenda. The prevailing inadequacy of social assistance benefits was testimony to that. Rather the point is that in 1984 welfare reform's stated policy of providing more support to low income families indicated a public and explicit commitment by Saskatchewan's Progressive Conservative government to provide an increased measure of income support to social assistance and working poor families and their children. It suggested that welfare reform was indeed articulating family policy objectives. If that was the promise what was the reality?

Analysing Welfare Reform

Methodology

In examining the impact of welfare reform upon SAP family benefits two main lines of inquiry will be followed. First, changes in the size, composition and expenditures of the SAP caseload between 1981 and 1989 will be examined.

Second, using a time series expenditure analysis between 1981, 1984 and 1989, the impact of welfare reform

- on the levels of average financial assistance benefits received by families including Family Income Plan benefits;
- on family benefit entitlements;
- and on the real basic allowances or the amounts which families actually receive in their welfare cheques will be evaluated;
- and the impact of overpayments and its consequences for the net basic allowance will also be assessed.

The analysis will also include references to the adequacy of the entitlements and allowances by comparing them to nutritious food costs, poverty lines, minimum wage rates and average incomes.

Expenditure changes in current and constant (1981) dollars will be compared for the time periods 1981-1989, 1981-1984 and 1984-1989. 1981 is chosen as the base year as this was the year prior to which the Progressive Conservative government achieved power in 1982. 1984 was the year in which welfare reform was introduced and 1989 is the latest year for which most data is available.

There are a number of limitations to the analysis. First, in recent years the public social services data have been subject to a number of changes in both collection and reporting. This may result in hidden or unknown errors in compiling time series analyses. Second, without access to internal sources of data it is not always possible to disaggregate data in terms of the most useful units of analysis. For example it is difficult to obtain reliable data on the size and composition of social assistance families. Third, the analysis does not take into account federal child tax credits which are received in addition to social assistance benefits. Family allowances are additional income though their value is deducted from the social assistance cheque.

Saskatchewan Assistance Plan: Caseload and Expenditure Changes 1981, 1984, 1989

Changes in the SAP caseload, 1981-1989

As noted previously (Table 2) between 1981 and 1989 the SAP caseload rose by nearly one quarter from 22,605 to 28,027. In fact the sharpest increase occurred between 1981 and 1984 when welfare reform was introduced. It continued to climb until 1985 and by 1989 had declined by 11 percent. The increases can be explained largely in terms of rising unemployment and the growing incidence of fully employable people seeking social assistance.

It is important to note that until 1984 the numbers of total beneficiaries, that is all men, women and children receiving social assistance increased at a faster rate than the total caseload. This suggests that for the first half of the 1980s family cases grew more quickly than those of single persons. For the period 1981 to 1989, the single person caseload rose by 12 percent while family cases grew by 42 percent. While in the period preceding the introduction of welfare reform single persons increased the welfare rolls by 29 percent, family cases grew by 55 percent and then following the introduction of welfare reform declined more slowly than the single person caseload. In fact by 1989 families made up a larger proportion of the SAP caseload than they had in 1981.

It should also be noted that by 1989 there were nearly twice as many female led families receiving social assistance as those headed by males. In fact, single parent families comprised 30 percent of the total caseload and 74 percent of all family benefits cases (Saskatchewan Social Services, 1989). Given that many of these families were headed by women, welfare reform's family benefit's policy was to have a marked impact on the lives of women and their children.

Changes in SAP expenditures, 1981-1989

Two pictures of the changes in total SAP expenditures for 1981-89 are presented in Table 3: shifts in welfare expenditure prior to and following welfare reform's introduction in 1984 and the impact of inflation.

SAP aggregate expenditures, in both current and constant dollars, show strong growth between 1981 and 1989. It is only when it is realised that this expenditure growth largely occurred between 1981 and

prior to welfare reform's introduction and decreases following it.

Impact on Family Benefits

Changes in average financial assistance benefits

In examining the average benefit levels of social assistance and Family Income Plan payments between 1981, 1984 and 1989 (Table 4), the changes are analyzed on a per case and per capita basis and in current and constant dollars. Changes in average assistance per case are based on data published by Saskatchewan Social Services. Per capita average assistance reflects benefits paid to beneficiaries, i.e., to all men, women and children receiving social assistance in the province.

A similar pattern emerges to that shown by the changes in aggregate SAP expenditures. As Table 4 indicates, in terms of current dollars, average financial assistance benefits for single persons and families, both per case and per capita, rose by more than 50 percent between 1981 and 1989. However, most of that increase occurred in the period prior to welfare reform. Since 1984 the growth rate was only 15 percent, but when taking inflation into account by 1989 this translated into real declines of between 2 percent and 3 percent in the purchasing power of average social assistance benefits.

When examining average assistance per family case (Table 4) a similar story holds true. Average assistance per case grew by 61 percent for the eight year period 1981-1989 but more than half of this increase occurred prior to 1984. In fact when taking inflation into account it is evident that the total real increase for 1981-1984 is exactly that for the period 1981-1989. Again following welfare reform the real dollar value of the average family welfare benefit declined by .4 percent. This is a smaller decline than that experienced by single persons, but it is nevertheless a decrease. Of course it could be argued that this was what was meant by the government when it referred to greater equity in financial benefits for families as opposed to single unemployed employables. In other words every one will have their benefits reduced but some will suffer more than others.

One further way of analysing the impact of welfare reform on family well being is to assess its consequences for Saskatchewan Family Income Plan (FIP) benefits. FIP was introduced in 1974 as an income supplementation programme designed to assist working poor families with children. As such it was never of additional benefit to social assistance families as the value of the benefit was deducted from their social assistance cheques.

Table 3
Changes in Annual Expenditures
Saskatchewan Assistance Plan
Fiscal Years Ending 1981, 1984, 1989

	Current \$	Constant ¹ \$ (1981)
1981	89,969,000	89,969,000
1984	174,862,000	143,329,000
1989	196,846,000	130,360,000
	% Change	
1981-89	+119%	+44%
1981-84	+94%	+59%
1984-89	+13%	-9%

¹ CPI Index, *Quarterly Economic Review*, Department of Finance Canada, June 1990:78.

Source: Public Accounts, Province of Saskatchewan.

1984, prior to the introduction of welfare reform and during the period that the welfare rolls were themselves rapidly increasing, that this growth can be seen in perspective.

Following welfare reform in 1984, SAP expenditures grew by only 13 percent (current dollars), but when inflation has been taken into account welfare reform resulted in SAP expenditures declining by 8 percent. In other words at a time when food bank usage in the province was growing rapidly, aggregate social assistance expenditures were shrinking. It could perhaps be suggested that welfare rolls were also decreasing and that this would explain the decline in overall expenditures. However, when we turn to examine changes in average social assistance entitlements and allowances a different explanation is suggested. The decreases which occurred had more to do with cutbacks in benefits than they did with declining caseloads. Moreover families and children were not to be exempt from these cost-cutting policies. The pattern which emerged show increases

Table 4
Comparison of Average Assistance Benefits
Saskatchewan Assistance Plan and Family Income Plan
March 1981, 1984, 1989

<i>Average Financial Assistance</i>					
	<i>Social Assistance</i>				<i>Family Income Plan</i>
	<i>Per Capita¹</i>	<i>Per Case</i>	<i>Per Case Singles</i>	<i>Per Case Families²</i>	<i>Families</i>
<i>Current \$</i>					
1981	191	370	296	477	114
1984	249	504	378	655	207
1989	286	584	406	771 ³	229 ³
<i>% Change</i>					
1981-89	+50%	+58%	+37%	+61%	+101%
1981-84	+30%	+36%	+27%	+37%	+76%
1984-89	+15%	+15%	+7%	+18%	+14%
<i>Constant (1981) \$</i>					
1981	191	370	296	477	114
1984	206	416	312	541	166
1989	200	408	284	539	160
<i>% Change</i>					
1981-89	+5%	+10%	-4%	+13%	+40%
1981-84	+8%	+12%	+5%	+13%	+46%

1 Beneficiaries or all men, women and children.
2 Average family assistance calculated by subtracting total assistance (\$) for family cases (total assistance (\$) less assistance (\$) for one person cases) and dividing by total family cases = (total cases less total one person cases). Total family cases include childless couples, single parent families and two parent families.
3 Month of February.

Source: *Monthly Bulletin and Quarterly Statistics, Saskatchewan Social Services, March 1981, 1984, 1989.*

In fact as noted previously FIP benefits were raised when welfare reform was introduced in 1984. Yet while the average FIP grant per family rose in current dollar terms by more than 100 percent for the period 1981-1989, three quarters of that increase took place prior to welfare reform's introduction in 1984. In fact when inflation is taken into account the real value of the benefits declined by 4 percent between 1984 and 1989 or by more than the decline in family social assistance benefits (Table 4).

To conclude this analysis of changes in the value of average financial assistance benefits before and after the introduction of welfare reform, it is clear that in terms of current dollars the greatest increases in benefit levels occurred before the introduction of welfare reform (Table 4). When inflation is taken into account it is evident that following the implementa-

tion of welfare reform average financial assistance benefits received by families from both SAP and FIP declined in real terms by between .4 percent and 4 percent. These declines were not as great as those suffered by single persons, yet they would seem to represent an inexplicable disregard of the economic plight of impoverished mothers and their children by a government avowedly committed to supporting families as the bedrock of its public policy.

Changes in family benefit entitlements 1981-1989

This finding is borne out when we analyse the impact of welfare reform upon the adequacy of SAP benefits. In determining adequacy a conceptual distinction is made between an entitlement and the actual allowance which is received by a claimant or recipient. The importance of making this distinction is that debates about adequacy are generally discussed in the context of entitlements, rarely in terms of what people actually receive. In point of fact significant numbers of social assistance recipients regularly receive less than what is required to meet their basic needs.

The **benefit entitlement** is the amount of financial assistance to which an eligible person in need has an established claim and lawful

right according to the SAP regulations and the Canada Assistance Plan (CAP, 1966-1967, Section 2(a)) cost-sharing conditions. In 1989 the SAP **benefit entitlement** is that amount of financial assistance deemed adequate to meet the basic requirements of food, shelter, clothing, utilities (gas, electricity, telephone, water), household supplies and personal requirements including travel. In addition benefits can be provided to meet a range of special needs.

The **real basic allowance** is the amount of dollars or financial assistance actually received by a recipient to meet the costs of food, clothing, household, personal and travel costs after deductions have been made for rent and for utilities. In the case of families with dependent children, family allowance payments and child tax credits will be received in addition. However, in Saskatchewan the family allowance has

already been deducted from the social assistance entitlement.

It must also be noted that both the **benefit entitlement** and the **real basic allowance** can be further reduced by the repayment of overpayments, advances and duplicate assistance, i.e., monies recouped from social assistance cheques. In practice the concept of the **real basic allowance** can be somewhat misleading as it fails to take into account these forms of foregone income. One needs to identify what might be termed a **foregone basic allowance**, that is all the money reclaimed by the government and finally a **net basic allowance** which is the amount which people actually receive and with which they must find a way of meeting their basic income requirements for food, clothing, household, personal and travel costs.

One reason for the post 1984 welfare reform decline in the real value of average family assistance is that **benefit entitlements** for single parent and husband/wife families remained frozen at current levels throughout the 1980s (Table 5). While it is true that the basic needs entitlement has been increased since 1987 for single persons and families, the overall **benefit entitlement** declined because the allowances for transportation, laundry and certain add-ons such as fridge and stove costs were eliminated.

In other words, in 1989 a single mother with two children was entitled to receive \$900 per month and a husband/wife family with four children \$1,384 per month or the same amounts as they were expected to live on in 1981. When inflation is taken into account for that period the extreme seriousness of the situation can be realised (Table 6). By 1988 the real purchasing power of the entitlement for the single mother and her two children had dropped by 30 percent to the equivalent of \$643 per month in 1981 dollars and for the husband/wife family by 29 percent to \$989 per month.

When SAP **benefit entitlements** are measured against poverty lines, minimum wage levels and average incomes (Table 7), it is clear that welfare reform has had a devastating impact on the adequacy of the social assistance entitlement. The single mother with two children is very vulnerable. Her SAP entitlement is only 60% of the poverty line and she would be \$2,309 per year worse off if a job at minimum wage was her only source of income. She would also have to start paying for medical drugs and supplies and for eye and dental care. Her SAP entitlement is 67 percent of the average Canadian income for a single parent family (1986). The two parent family is also better off on welfare than if one of them worked at minimum

wage. However their SAP entitlement is only 62 percent of the poverty line and less than half of the average Saskatchewan family income (1986).

Changes in the real basic allowance

In the real world of welfare what one is entitled to receive is one thing, what one actually gets can be very different. The fact is that after actual rent and utility costs have been paid, those on long term social assistance frequently find that the already marginal monthly basic needs allowance can be reduced by as much as a third to a half depending on family size. One reason for this is that welfare reform has resulted in caps being placed on what the government will allow for rent and utilities. Another reason is that actual costs for rent and

Table 5
Impact of Welfare Reform
Changes (1989) in Monthly SAP Entitlements:
Single and Two Parent Families
1981, 1984, 1989

SAP Entitlement	1 Parent with 2 Children			2 Parents with 4 Children		
	1981	1984	1989	1981	1984	1989
	\$	\$	\$	\$	\$	\$
Basic	472	472	515	874	884	965
Rent	375	375	400 (max)	475	475	490
Utilities	55 ¹	55 ¹	50 ²	55 ¹	55 ¹	60 ³
Laundry	30	35	—	30	35	—
Transport.	23	27	—	50	54	—
Add-ons						
Fridge/Stove	15	15	—	15	15	—
Subtotal	970	979	965	1,499	1,518	1,515
Less Family Allowance	-53.83	-59.60	-65.48	-108	-119	-130.96
Total^{4/5}	916.17	919.40	899.52	1,391	1,399	1,384

1. Actual paid if on Equalized Payment Plan (EPP).

2. \$50 for one or more utilities; up to \$120 if on EPP, includes coin operated laundry.

3. Up to \$150 if on EPP.

4. Special needs can be paid for school needs but only in September (kindergarten: \$25; Elementary \$60.00; High School \$100).

5. Family Allowance and Child Tax Credits are in addition.

Source: SAP Regulations, *Program Administration Manual*, 1988.

Table 6
Impact of Welfare Reform on Purchasing Power of Monthly SAP Entitlements, Saskatchewan 1981, 1984, 1988

	1981 \$	1984 ¹ \$	1988 \$	Loss in Purchasing Power, 1981-1988	
				Constant ² 1981 \$	% Loss
Single Employable Person	581	384	375	268	-54%
Single Parent, two children	916	919	900	643	-30%
Two Parents two children	1,391	1,399	1,384	989	-29%

1. Welfare Reform initiated.
2. CPI Index (Regina 1988) - 10 month average of 139.95 applied. Labour Report, Saskatchewan Human Resources, Quarterly, Volume 1, Number 2, Table 2, Winter 1988.

sonal and travel costs; and a husband/wife family with four children with an amount as low as \$23 per person per week (Table 8). Even with the addition of the monthly family allowance cheque and the annual or semi-annual child tax credit, it is difficult to understand how families are able to meet their basic requirements on such sub-subsistence levels of income. The short answer of course is that they do not. Increasing food bank usage testifies to this.

Another way of appreciating the sheer inadequacy of the real basic allowance is to compare it to Agriculture Canada's weekly nutritious food basket costs. This is an officially sanc-

Table 7
Comparison of Saskatchewan Assistance Plan Entitlements, Poverty Lines, Minimum Wage and Average Canadian Incomes, 1988
Annual Rates

	SAP Entitlement 1988 ¹	Poverty Line ₂ 1988 ²	Saskatchewan Minimum Wage ³	Average Canadian Incomes 1986
	\$	\$ SAP as a %	\$ SAP as a %	\$ SAP as a %
Single Person (unemployed/employable)	4,500	10,984 (40.9%)	9,331 (48.2%)	19,608 (22.9%) (unattached individual)
Single Parent (two children)	11,640	19,343 (60%)	9,331 (124.7%)	19,740 (59%) (female headed, single parent family)
Two Parent (four children)	17,678	28,283 (62.5%)	9,331 (—)	46,185 (38.3%) (family) 40,357 (43.8%) (Sask.)

1. Based on maximum monthly SAP entitlements x 12.

2. Estimates for cities with populations 100,000-499,999, Statistics Canada Revised Low Income Cut Offs, Poverty Profile, NWC, Ottawa, 1988.

3. \$4.50 per hour x 8 hours; x 21.6 working days per month; x 12 = yearly wage.

Sources: Poverty Profile 1988, National Council of Welfare, Ottawa, 1988; Statistics Canada, #13-207, 1988.

utilities are invariably higher than what is allowed so these differences have to be made up from the basic allowance. A third reason is that laundry, transportation and certain add-ons for stoves and fridges have also been cut. The impact on the real basic allowance is dramatic.

For families with dependent children the situation is equally depressing. A single mother with two children can be left with a real basic allowance of as little as \$26 per person per week (Table 8) to meet the basic requirements of food, clothing, household, per-

tioned and objective measure. First, it should be noted (Table 9) that even the SAP food entitlement is below what teenagers (10-18 years) and adult males (19-49 years) should receive, though the entitlement for adult females is sufficient. However, the real basic allowance of \$23 per week, even if it was just for food, would only be two-thirds of the amount which Agriculture Canada says is necessary. Of course the real amount is much less as the money has to be spent on a range of basic requirements in addition to food including clothing, household, personal, and travel.

	SAP Entitlement \$	Actual Costs \$	<i>Real Basic Allowance:</i> (Food, Clothing, Personal Household, Travel) \$
<i>Single Parent with Two Children</i>			
Basic	515	—	= 340
Rent	400 (max)	450 ¹	or
Utilities	50-120 ²	180 ³	\$26 per person⁴ <i>per week</i>
Less F.A. (x2)	-65.48		
Total	900-970 less	630	
<i>Two Parents with Four Children</i>			
Basic	965	—	= 589
Rent	490	575 ¹	or
Utility	60-150 ²	310 ³	\$23 per person⁴ <i>per week</i>
Less F.A. (x4)	-126	—	
Total	1384-1474 less	885	
1. Conservative estimate. Average rent for 3 bedroom apartment (Regina) was \$575, CMHC Survey, August, 1988. 2. Up to \$120 if on EPP. 3. Based on Following averages: Water: \$25; Power (EPP): \$90 average; Telephone: \$10; Laundry: \$30; Travel: \$25. 4. $\text{Real Basic Allowance} = \text{Daily Rate} \times 7 = \frac{\text{Weekly Rate}}{\text{Family Size}} = \text{Weekly Rate per person}$ 30 days			
Source: SAP Regulations, Program Administration Manual, 1988.			

For families a similar situation of absolute deprivation applies.

Given the paucity of these amounts, the concept of adequacy is one which hardly seems to apply. Yet it is a right and a principle which both Canada and the provinces have given their commitment to uphold. It is expressed in CAP and is implicit in the notion of meeting basic requirements. Such a commitment is clearly stated in the United Nations Covenant on Economic, Social and Cultural Rights and in its recently signed Convention on the Rights of the Child.

Impact of overpayments on the net basic allowance

Yet even the real basic allowance can underestimate the actual income received in that it does not take into account further deductions for overpayments, advances and duplicate assistance. It is the net basic allowance which takes into account this additional foregone income.

Overpayments refer to monies received but to which the recipient was not entitled due to administrative error or failure to report income or assets. In Saskatchewan overpayments can be recovered at a rate of up to 10 percent of maximum entitlement per month or according to a sliding scale.

Advances refer to lump sum payments loaned against future entitlements. They

are granted to social assistance recipients (except single fully employable and childless couples) to enable them to defray certain unavoidable household costs. Advances are always issued at a rate of \$60 per month for up to 6 months and are reclaimed at the same rate even though for some people the budgetary allowance is \$30 per month.

Duplicate assistance refers to the cost of emergency food vouchers received from the Department of Social Services itself or the price of 'free' meals eaten at the Salvation Army. These costs are then charged to the government which recovers its ex-

	Cost of Nutritious Food Basket \$	SAP Food Entitlement ¹ \$	<i>Real Basic Allowance:</i> per week for food, clothing, personal household, travel
Children			
1-9 years ²	18.10	21.00	Single Parent, two children \$26.00 per person
10-18 years(m) ²	29.97	per child	
10-18 years (f) ²	25.25	(0-18 years)	
Adults	Per Week		Two Parents, four children \$23.00 per person
Man (19-49) ²	30.38	\$28 per adult	
Woman (19-49) ²	24.87		
Pregnant Mother	31.06	(18 years +) ³	
1. Based on SAP allowance of \$3.00 per day (children 0-18); \$4.00 per day (adults). 2. Based on average costs by age cohort. 3. A special needs allowance (\$30 per month) may be added on doctor's request. Source: Weekly Nutritious Food Basket costs, Agriculture Canada, November 1988.			

penditures (\$3 per meal) from the welfare recipient's cheque.

Approximately one third of those receiving social assistance in the province are having overpayments deducted from their cheques (*Leader Post*, 27.1.89). Repayments can amount to \$5 million a year. It is therefore a significant issue particularly in light of the recent decision by the Federal Court of Appeal with respect to the Finlay case in Manitoba in which that province was denied the right to impose overpayments which reduced the basic allowance to less than that deemed adequate to meet basic requirements (Ottawa, 24.1.89). Canada has appealed this decision to the Supreme Court.

As can be seen from Table 10 the impact of overpayments on the net basic allowance can be devastating. In the case of the single mother with one child her weekly basic needs entitlement is reduced from \$43.16 per person to a real basic allowance of \$29.90 per person. After the overpayment has been recovered she is left with \$18.73 each for herself and her child. In other words her basic needs entitlement has been more than halved.

The essential point to be made in this short review of changes in SAP benefit expenditures, entitlements and allowances following the introduction of welfare reform in Saskatchewan in 1984 is that family benefits have been severely cut back. Given that no new money has been allocated to social assistance and that workfare programmes and minimal in-

creases in basic allowances have been funded by making cuts in other allowances, welfare reform has amounted to little more than a case of robbing the poor to pay the poor.

Summary

Despite the Saskatchewan Government's claim to promote the family as the foundation of its public policy and despite its commitment that welfare reform would provide more equitable benefits to social assistance families there is little evidence to suggest this has occurred. In fact five years after its introduction in 1984, welfare reform continued to deal as harshly with those it judged deserving, i.e., families, the majority of which are single parent and female headed, as with the un-deserving who are single fully employable persons. What is perhaps the most striking fact to emerge from the analysis is that since the introduction of welfare reform in 1984 benefits for all social assistance users have sharply declined and there is a growing need for substitute kinds of relief in the form of food banks. Increases in the feminisation of poverty and of child poverty are major consequences.

Perhaps the government could claim that welfare reform has treated families more equitably in that, in terms of current dollars, their overall social assistance entitlements have been frozen since 1984 and not cut as was the case with fully employable claimants. Or they could suggest that benefit restructuring

Table 10
Net Basic Allowance
Impact of Overpayment Deduction on SAP Basic Needs Allowance,¹
Single Mother and one Child. Selected Case Example, Saskatchewan, March 1989

	SAP Entitle- ment \$	Actual Costs \$	Real Basic Allowance \$	Overpay- ment Charge \$	Foregone Basic Allowance \$	Net Basic Allowance \$
Basic Needs	370	—	230.62	Less 70.00	(209.38)	160.62
Rent	375	445 ¹	—	—	—	—
Utilities	45	32 ¹	—	—	—	—
Less F.A. and other Income	-82.38	—	—	—	—	—
Total	707.62 less	477	230.62	—	—	160.62
Net basic allowance: food, clothing, personal, house- hold, travel	\$43.16 per person per week		\$29.90 per person per week			\$18.73 per person per week
1. Monthly. 2. Direct payments. Source: Regina Welfare Rights Centre, 1989.						

achieved equity for families by ensuring that the real losses in the purchasing power of their welfare dollars between 1984 and 1989 was only 30 percent compared to the 54 percent cut suffered by single fully employable people. Indeed they could even claim, as the former Minister of Social Services did, that social assistance benefits for children in Saskatchewan are the highest of any province in Canada (Hansard, XXXI, May 12, 1988:1,284). In fact only P.E.I. (all families) and Alberta (two parent families) have higher rates in terms of family benefits (NCW, 1987:66-68).

Yet such claims that equity is being pursued are not only misleading they are profoundly anti-family. They are misleading in that the absolute inadequacy of the SAP benefit entitlement and the net basic allowance are ignored with no consideration being given to the legal requirements of the Canada Assistance Plan that eligible claimants do have the right to have their basic needs met.

They are anti-family in that welfare reform despite considerable evidence of increasing deprivation and child poverty in the province chose to attack alleged welfare dependency while making no attempt to address the real income needs of impoverished families and destitute women and children. Welfare reform resulted in their social assistance being cut. Indeed Family Income Plan benefits designed for working poor families with children also eroded in value as did the minimum wage. It is for these reasons that child hunger has emerged in Saskatchewan and been recognised by the Mayor's Board of Inquiry into Hunger in Regina (1989) as a critical social issue.

Welfare reform must be judged a double failure. First, it has failed in its task of employability enhancement and dependency reduction in terms of moving significant numbers of fully employable social assistance clients back into the paid labour force. Second, welfare reform as an articulation of conservative family policy has not only failed to address the issue of inadequate incomes of the poorest of Canadian families, but rather, has increased their poverty and that of their children. In that welfare reform attracted no new or additional funding and that training and workfare programmes and marginal increases in certain family benefits were financed by cutting other allowances it is clear that welfare reform amounted to little more than a policy of robbing the poor to pay the poor. In the process the poor became even poorer.

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Les politiques linguistiques au Canada: des individus sans territoire

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Abstract

Together, the 1988 decisions of the Supreme Court of Canada which prescribed the language of commercial signs in Quebec and the subsequent adoption of Bill 178 by the Bourassa government marked the beginning of the end of national reconciliation. The debates which arose around these issues were expressed mainly in an abstract language that opposed individual and collective rights. It is important to realize that this opposition of norms deflects debate from the central question: that is, which language policy is most appropriate given the demolinquistic composition of the Canadian population? That debate was deflected from the central question is due partly if not wholly to the manner in which the Supreme Court dealt with and judged the problem at hand. A close examination of the Ford and Devine cases reveals that the Supreme Court favoured one particular kind of bilingualism policy, what sociolinguists call "personal bilingualism." This latter policy option

favours individual choice in linguistic behaviour, and thus is at odds with a "territorial solution" that prescribes the use of one language in a given province or state. It is interesting to note that the Supreme Court arrived at its preferred solution without recourse to the language clauses in the Canadian Charter of Rights and Freedoms. The authors show that such a result was possible because of the supportive links between the liberal principle of rights and the policy of "personal bilingualism." The authors end with a plea to reflect on how the debate has been skewed by a liberal judicial model of decision-making, one which may not be amendable to a coherent solution to the problem of bilingualism.

Les jugements prononcés par la Cour suprême du Canada concernant le droit d'affichage commercial et l'adoption subséquente de la loi 178 par le gouvernement Bourassa ont marqué le début de la fin de la réconciliation nationale. Les débats qui firent suite aux jugements de la Cour suprême ont été articulés dans un discours abstrait, opposant les droits individuels aux droits collectifs. Cependant, cette opposition normative a détourné l'attention due public de la question centrale: quelle politique linguistique est appropriée, compte tenu des caractéristiques démolinquistiques du Canada? De plus, une lecture détaillée des arrêts Ford et Devine révèle que la Cour a opté pour une solution personnelle sans avoir recours aux dispositions linguistiques de la Charte canadienne des droits et libertés. Les auteurs démontrent que ce dénouement fut possible en raison du lien étroit entre le libéralisme et la solution personnelle en matière linguistique