

# Hunger in Regina: Where do we go from here?

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## **Introduction**

I am pleased to be here today; to have this opportunity to meet with you; and to learn more about community-based initiatives in the area of hunger.<sup>1</sup> I am also honored to be asked to share some of my ideas and suggestions as to where we may go from here.

My role today is to link the situation of hunger in Regina to the bigger picture and to issues that continue to confound the best efforts of workers, local and provincial governments and community groups as they deal with the causes and consequences of hunger.

Before I begin I would like to put forward some reservations about my suitability as a speaker at this forum. Over the years I have worked with many of the groups and people present here today. But when I look at the range of organizations represented and consider the multiplicity of functions they perform, I recognize that I have played a minor role. The point I want to make clear is that compared to the experiences of those gathered here today, I am no expert. My understanding of the work involved in servicing the needs of the hungry is indeed limited.

A second reservation stems from what I have decided needs to be said and raised in today's symposium. I can only summarize this now, but as this talk develops it will become clear that I will be suggesting that we shift the spotlight from the poor and hungry to the well-off and affluent; I am going to suggest that in addition to working out better methods of distributing scarce resources we *also* need to publicly raise the issue of how resources are distributed in the first place. Finally, I am going to propose that we move the question of dealing with hunger from the shoulders of agencies, workers and consumers; to questions that address the type of society that is unfolding in Saskatchewan and Canada. Why is it that in the midst of abundance and affluence we tolerate poverty and hunger?

## **Where Are We Going?**

Not too many years back Canada was still working on building a comprehensive set of social programs. While by no means perfect, these programs

symbolized the important role governments, particularly the federal government, assumed in providing coverage for Canadians. Today the picture has changed. Increasingly we are turning to charitable, non state organizations to help sustain those that have slipped through an increasingly porous safety net. For example, by the end of 1991, 19 out of every 1000 people on the prairies received help from foodbanks which at the start of 1981 were non-existent (Oderkirk, 1992:7). Today there are close to 300 Canadian foodbanks and these have become a part of the fabric of social welfare in our society. Witness Regina where in 1992, there were 88,788 visits to the foodbank, an increase of 224% from 1984 (Geller et al, 1993:44). This growth in the magnitude of need and the increasing delivery of services of last resort by community groups and non-governmental organizations demonstrates that we are well on our way into a new type of society and a new way of caring for those in need.

On the one hand we are slipping into a society characterized by greater inequality and economic and social vulnerability (Ternowetsky and Thorn, 1991). On the other hand, in the face of this need, we are witnessing an emergent society where the federal government in the name of deficit control, globalization, competitiveness and market led recoveries, has faded from the scene as a provider and guardian of state welfare. *I must point out (and underscore)*, that these observations come after more than a decade of market based policies designed specifically to solve the economic crises that took hold of western society in general and Canadian society in particular in the early 1980s. However it is now clear that the "single contribution" of these policies "has been to worsen the crises and add to our discontents" (Watkins, 1992:11).

So where do we go from here? and, What do these observations mean in terms of advocacy and future directions for serving the poor and the hungry in Regina, Saskatchewan and Canada. I would like to begin to address these questions by briefly summarizing some of the outcomes of the work initiated in this city in 1989 by the *Mayor's Inquiry Into Hunger in Regina*.

### **Five Years of Work: What Has Been Achieved**

*Getting to the Root of the Hunger Problem: A Follow-up to the 1989 Hunger Inquiry in Regina* (SP Research Associates, 1992) reviews the scale of work and achievements undertaken since the *Mayor's Inquiry*. It notes the increased participation of the hungry and poor in shaping their own services; it demonstrates the growth of community involvement in the issue and delivery of services to the hungry; it documents the different ways that the provincial government has joined with municipalities and school boards in responding to the problem of hunger. This has led to an expansion of programs and

funding for feeding Regina's poor and the hungry across the province. Today there are some 13 umbrella agencies and NGOs and 15 school divisions that together receive just over \$1 million of provincial funds for feeding the poor (Saskatchewan Government, 1993a). The Follow-up report also notes that the programs evolving from the Mayor's Inquiry have increased the communities awareness of the problem of hunger. Indeed, when one considers the recommendations of the original Mayor's Task Force in the context of objectives and outcomes, much has been achieved.

In spite of these achievements, however, the problem of hunger in our community has worsened. As noted in the interviews in the Follow-Up study (SP Associates, 1992:16)

. . . the extent and intensity of hunger are . . . even greater now than in 1989. Although there are more lunch programs available, there are more children who are hungry and there are children who are hungrier than ever.

With all that has been done, demand is growing as poverty, inequality, unemployment and underemployment propel people to the doors of foodbanks and other feeding programs in record numbers. As noted in a soon to be released report on the work of human service agencies in this province "staff are tired, burned out, and discouraged by increasing workloads and shrinking resources. They know the situation will not improve . . ." (WIPP, forthcoming).

From my perspective we have reached a crossroad. We have to shift our attention more concretely to the causes of poverty and hunger if we are to put forth realistic solutions that will make a difference. This has always been a goal of the foodbank, agencies and groups in this community who "want to see much more discussion about the causes of hunger and more structural solutions to the problem" (AP Associates, 1992:14).

## **Structural Causes**

In dealing with the structural roots of hunger, I would like to make three initial points.

- 1) If there were enough jobs around, more people would be working, earning and spending money and paying taxes.
- 2) Governments would have higher tax revenues and there would be less demand for social assistance.
- 3) With higher revenues, governments could develop and maintain income support programs that provide adequate levels of assistance. The need for foodbanks would disappear.

But how can such a solution that rests on the goal of full employment with its social and economic spin-offs be achieved?

Over the last several years successive Canadian governments have relied on the private sector to create jobs. This market based solution rests on the assumption that once profits are secure and predictable, business will spur the recovery through expanding investments that will produce jobs and higher consumer spending that will translate into further investments and job creation (Department of Finance, 1986:iii). Among the pathways followed to boost the prospects of private sector profits and job creation, deficit control has been crucial. We see this in the current federal election campaign with its focus on the deficit. We witnessed it in Don Mazinkowski's last budget that called for "spending cutbacks" in order to "nurture a market led recovery and the creation of . . . long term jobs" (Winsor, 1992:A1). And, this emphasis on deficit control was the major platform of the federal Conservative government when it returned to power in 1984 with the message that "if the present pattern of deficits were allowed to materialize, confidence would be further depressed, producing adverse effects on investments, growth and jobs" (Department of Finance, 1984:1).

But what we have witnessed in the last number of years clearly shows *that the prospect of jobs remains dim even in the best of economic times*. Consider the evidence. Since the recession of early 1981 when the first foodbank bank started in Edmonton, through the mid to late 1980s, when Canada went through the most prolonged period of economic growth and private sector profit making in the post war period, *unemployment remained high*. As business expands and profits grow big business in particular no longer creates jobs. We have entered a period where profits are enhanced by shedding staff and business is getting by with fewer workers. The evidence is abundantly clear. *We are in a period of 'jobless' or 'job-loss growth'*.

For example, in a recent five-year period Canada's top five chartered banks reported cumulative profits of more than \$8 billion. Over 32% of these profits (some \$2.8 billion) came from federal and provincial government's decision not to collect statutory taxes owed by the banks (Ternowetsky, 1987). While attaining these profits and aid from the public purse to the tune of \$2.8 billion, these five banks also cut their workforce by 11,119 employees.

More recently, as I prepared for this talk, I took a quick look at the employment records of eleven selected profitable companies for 1991 and 1992 reported in the *Financial Post's* Top 500. The findings show that combined two years profits of \$3.7 billion was accompanied with 17,000 fewer employees (see Table 1). *This is not the outcome we have been conditioned to expect. However, it is the way of the 1990s and the future. We need to put these facts on the public agenda, respond to them, publicize them and devise new policies where employment and job creation is the objective*. As Linda McQuaig (1992:xvi) noted in her recent book, *The Quick and the*

Dead, "we need to make corporations responsible to the communities where they do business. What's wrong with that?"

**Table 1**  
Profits and Jobs:  
Selected Profitable Canadian Corporations 1991-1992

| Company          | 1991            |         | 1992            |         | Combined Profits (2 years) | Empl. Change | % Empl. Change |
|------------------|-----------------|---------|-----------------|---------|----------------------------|--------------|----------------|
|                  | Net Income      | Empl.   | Net Income      | Empl.   |                            |              |                |
| George Weston    | 92,000,000      | 63,700  | 48,000,000      | 62,500  | 140,000,000                | (1,700)      | -2.7           |
| Imasco           | 331,600,000     | 78,000  | 380,400,000     | 75,000  | 712,000,000                | (3,000)      | -3.8           |
| Imperial Oil     | 162,000,000     | 11,936  | 195,000,000     | 10,152  | 357,000,000                | (1,784)      | -14.9          |
| Seagrams         | 834,000,000     | 16,800  | 598,038,000     | 16,500  | 1,432,038,000              | (300)        | -1.8           |
| Hudson's Bay Co. | 82,780,000      | 60,000  | 116,723,000     | 56,500  | 199,503,000                | (3,500)      | -5.8           |
| Labatt's         | 109,000,000     | 16,700  | 101,000,000     | 11,000  | 210,000,000                | (5,700)      | -34.1          |
| Sask. Wheat Pool | 44,112,000      | 3,389   | 39,946,000      | 3,157   | 84,058,000                 | (232)        | -6.8           |
| Du Pont          | 56,165,000      | 4,162   | 81,779,000      | 4,142   | 137,944,000                | (19)         | -0.5           |
| Telus Corp.      | 183,379,000     | 10,201  | 177,768,000     | 9,753   | 361,147,000                | (448)        | -4.4           |
| Xerox            | 39,504,000      | 5,000   | 61,125          | 4,800   | 39,565,125                 | (200)        | -4.0           |
| Digital          | 10,218,000      | 3,117   | 6,762,000       | 3,000   | 16,980,000                 | (117)        | -3.8           |
|                  | \$1,944,758,000 | 273,005 | \$1,745,477,125 | 256,005 | \$3,690,235,125            | (17,000)     | -6.2           |

Source: *The Financial Post 500* 1992, 1993.

There are other trends that need to be noted. One is that most new jobs are poor paying. In Saskatchewan in the 1980s, 92% of all new jobs paid less than the average weekly earnings of jobs in the service sector (Ternowetsky and Thorn, 1991:55). *The fastest growing jobs are now the poorest paying.* A second pattern is that between the years 1981 to 1992 the number of women in the paid workforce grew by 38,000 while the number of employed men in Saskatchewan fell by 23,000. Women, however, continue to earn about two-thirds of the earnings of men which means that *the fastest growing workforce is the poorest paid.*

The result of these employment trends for Saskatchewan as well as Canada is a declining middle and an expanding bottom of poorly paid, underemployed and unemployed marginal workers who increasingly are turning to UI, welfare and foodbanks for support. In the midst of this growing need, the federal government in the name of deficit control and competitiveness has actively pursued policies that have eroded benefits and living standards

of those in most need. Do you remember the Sacred Trust promised to us by Brian Mulroney in 1984? In less than ten years we lost that trust and with it the society our foreparents fashioned for us.

### The True Causes of the Deficit

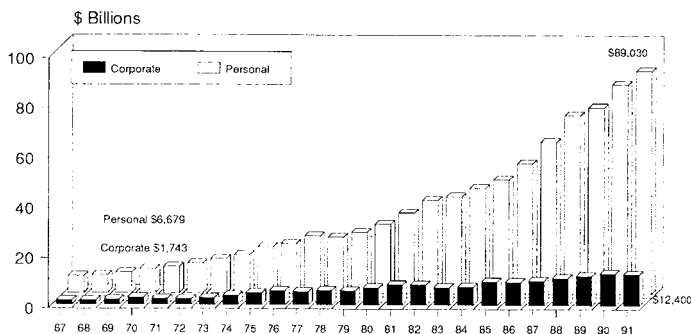
There is another tendency that needs to be placed on the public agenda. What are the true causes of the deficit? While it is easy to blame deficits on social program spending, *social spending is not responsible for the deficit in Canada*. A recent report on spending in Canada produced by the *Canadian Economic Observer* (Mimoto and Cross, 1991), a government-sponsored publication, clearly documents that Canada's deficit can be traced to declining revenue resulting from corporate tax breaks and the interest paid on the debt. Less than 6% of the deficit is an outcome of spending on social programs. The pattern in Figure 1 shows that while personal income and consumption taxes have been rising, the corporate tax bill remains flat. Table 2 shows why. Here we have data released by Statistics Canada that shows the number of profitable corporations that pay no tax. Over the years 1981 to 1987 some \$126 billion in profits were not taxed. After all the discussion on fairer taxes initiated by the Mulroney government we end up with a system that is clearly unequal, unfair and continually siphones-off public funds from the federal treasury. No wonder governments are short of revenue to sustain adequate social programs.

### Spending is Choosing

Spending is also about choosing and the power to determine who gets what and why (Riches et al, 1979). In the last several years we have seen many changes to Unemployment Insurance. It has now been privatized and benefit levels, the qualifying period and the length of time of entitlement have eroded the value of UI insurance and support. The Saskatchewan Government estimates that these "cutbacks in UI" will "permanently add" 4,400 cases to SAP at a cost of more than \$33 million (Government of Saskatchewan, 1993b). We have also witnessed the elimination of universality in the name of targeting; and the introduction of a new child benefits system that adds nothing if you are a single mum that is not in the paid workforce. The last several years have also brought cutbacks in federal child payments with the decision to only *partially index* child benefits to rising inflation. "This giant step backward in social policy was first taken in Michael Wilson's maiden 1985 budget, and has since siphoned about \$3.5 billion from child benefits" (Battle, 1993:2).

However, while the most vulnerable suffer, the powerful prosper at the expense of the public purse. In 1984 after Welfare Reform 1 was introduced

**Figure 1**  
Tax Revenue: Personal and Corporate (1967-1991)



Source: Canadian Economic Observer  
Personal = Consumption + Personal Income Tax.

**Table 2**  
Growth of Profitable Corporations That Pay No Taxes  
(1980-1987, 1990)

| Year  | Corporations | Untaxed Profits |
|-------|--------------|-----------------|
| 1980  | 62,619       | 9,966,000,000   |
| 1981  | 70,710       | 12,113,000,000  |
| 1982  | 83,076       | 10,504,000,000  |
| 1983  | 79,196       | 13,275,000,000  |
| 1984  | 85,430       | 15,264,000,000  |
| 1985  | 90,502       | 16,292,000,000  |
| 1986  | 95,386       | 21,981,000,000  |
| 1987  | 93,405       | 27,061,000,000  |
| 1990  | 63,577       | 13,880,160,000  |
| Total |              | 140,336,160,000 |

in this province, benefits for single employables were cut to \$384 while 170 of the top 1% of income earners, with average incomes of \$136,123 managed to pay no personal income tax. For these favoured few this represented an average saving of \$62,829. While one welfare system is reduced, hidden, fiscal welfare for the rich continues to thrive (Ternowetsky, 1989:30). Witness also Prime Minister Mulroney, who spent "more than \$450,000 of public funds wining and dining guests and staff at his two official residences during his last term in office" (*Leader Post*, 1993: Sept. 22). Or consider John Crow, the governor of the Bank of Canada who pushed up unemployment

with his policy of 'zero-inflation'. While this policy produced untold suffering in terms unemployment and yes hunger, he felt comfortable "accepting pay raises of up to 21 per cent . . . [or] up to \$103,000" (Newman, 1993:44). Of course, this may be "petty stuff" (Newman, 1993:44) but it is an affront to the sense of 'fairness' we value in this province. More than this affront, however, *it is the consequences of this unscrutinized, free wheeling policy making and spending choices by the most powerful that need to be brought forward for public scrutiny. We need to ask, who wins and who loses, and what roles do the state and its functionaries play in exacerbating unemployment, poverty and hunger in Canadian society? This needs to be on the public agenda.*

As I turn again to Regina and the problems of the homeless, the unemployed, the poor, those growing numbers dependent on welfare and inadequate incomes and the continued growth of hunger, I am worried by recent decisions of Kim Campbell to create superministries and eliminate the Welfare branch of Health and Welfare Canada. The Saskatchewan Assistance Plan caseload is at an all time high and during 1992 10.2% of the "total provincial population relied on SAP for part or all of the year" (Government of Saskatchewan, 1993b). What message does this reshuffling send to the growing number of people dependent on public assistance in Saskatchewan and Canada?

In a recent letter to the Prime Minister we asked her that same question. We reminded her of her own statement that it is unlikely unemployment rates will fall before the turn of the century. We reminded her of the empirical evidence that traced the growth of welfare and poverty and hunger to unemployment. And, we suggested that the recent reshuffling and loss of an identifiable ministry catering to the needs of welfare recipients sends a message that those that are already marginal are being further excluded from full representation, participation and hope for a future in Canadian society.

### Some Concluding Comments

Without jobs, we will continue to drift into a two-tiered society with a growing number of underemployed and marginal people. Poverty, hunger and deprivation will continue to expand and confound the best efforts of community workers who know and care about people and the character of the society they live in.

We are at a turning point. If we continue on a path of growing unemployment and underemployment with its consequences of poverty and hunger, and the continued devolution of federal responsibility for welfare, it will mean the end to the type of society we have shaped, nurtured and



over the last number of years struggled to protect. We have reached a juncture where we need more government, not less. We have reached a point where organizations dealing with the human casualties of unemployment, poverty and hunger can't tighten their belts any more. Without changes in the structure of opportunity we will all be continuing to busily apply bandages to a problem that we know requires much more than bandages (Carniol, 1987:16). In the name of deficit control the poor have given up a lot; their incomes, self-sufficiency and hope. Its time we turned our attention to those groups, organizations, corporations and individuals that tend to escape public scrutiny; to those that benefit from the public purse, exacerbate the deficit but give back little in return.

Our agenda for the future in terms of what we should do about hunger and poverty in Regina, Saskatchewan and Canada should include:

- 1) The creation of unemployment by profitable firms. What responsibility do firms that extract a profit from a community have to the people in that community and to the society in which they operate? There's nothing wrong with making corporations responsible to the communities where they do their business.
- 2) The creation of unemployment by firms in receipt of government assistance through tax breaks and direct grants. It is not unreasonable to ensure that when public money is used to boost company profits, that there be some tangible return, such as jobs, to the Canadian people? It is also not unreasonable to ensure that governments make public the size and cost of these expenditures on the private sector.
- 3) The true causes of the deficit. The feature article in the *Economic Observer*, a federal government publication, recently showed that the Canadian deficit is not attributable to social spending. This information is available but is often ignored. We need to pressure the media to give as much exposure to the cost of tax breaks and the real causes of the deficit as it gives to spending on welfare and transfer payments.
- 4) Closer scrutiny on spending patterns of those in power. We have Auditor General reports and their annual revelations on the misuse of public funds by public officials. This information needs to be placed and kept on the public agenda. Again, we need to ask the media for fairness in reporting. When deficits are discussed this information has a place in the public eye.
- 5) The loss of a federal Welfare Ministry further marginalizes the unemployed, the poor and those on welfare. It is an issue that needs to be put on the public agenda during our current election campaign. While our prime minister stresses the importance of *inclusiveness* in her current campaign, the loss of an identifiable welfare branch diminishes the importance of this ministry and excludes those who for a variety of

reasons are dependent on welfare for assistance. Without an identifiable welfare ministry it might, I suggest, be easier to forget about the 2.5 to 3 million Canadians that are currently dependent on some form of welfare support. *Who wins and who loses if such an agenda is permitted to take root in Canadian society?*

Thank you.

#### NOTE

1. This paper was the keynote address at the World Food Day Hunger Symposium, organised by the Regina and District Food Bank Inc., October 15, 1993.

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