

Trying to give a hand up, not a handout

Decline in able-bodied recipients points to new tools to fight poverty



Peter Holle

'At the end of the day, our economy and way of life is based on all of us working and contributing'

—Saskatchewan Finance Minister Harry Van Mulligen

THE good news on welfare caseloads in Canada should be universally applauded. According to StatsCan, the numbers of non-handicapped recipients fell from 3.1 million people in 1994 to under 2 million in 2000, and the bill for social assistance for the able-bodied went down from \$14.3 billion to \$10.4 billion. Significant disagreement can be expected, however, about the cause of the decline and its meaning for poor people.

Numbers can deceive and these ones must be put in context. First, their time frame makes the improvement look better than it actually may be. The StatsCan data, which actually measures from 1992 to 2000, show caseloads peaking in 1994 as North America was emerging from a particularly nasty recession. Second, many jurisdictions reduced benefit levels and tightened rules for eligibility. Both actions have disincentive effects on those who might otherwise have applied for assistance.

An indictment based on the second factor has already been handed down by one Toronto-based group of advocates for the poor. "The sharp drop is not a result of significantly less people living in poverty or in need of assistance," according to a spokesperson, "... (but) of governments making it significantly more difficult to be eligible for assistance." She cited a rule in Ontario, where a single mother whose monthly income exceeds \$931 a month can't collect welfare.

She has a point, but falls into the intellectual trap of using taxable income as a measure of poverty. Most poor people have many other resources than reflected by that bottom line, from families, non-governmental organizations and charities and from unrecorded, or underground economy income. Real poverty in Canada — as measured by a more reliable indicator, whether one's basic needs for shelter, food and clothing are met — fell from 35 per cent of the population in 1951 to just under five per cent in 1994.

Economic expansion since then is often cited as the biggest factor in the subsequent decline of welfare caseloads. Although StatsCan's number crunchers carefully avoid any attempt to suggest cause and effect, they do say that the incidence of social welfare participation "generally followed the business cycle at the national level." The importance of family assistance in the mix is also reflected by the fact that caseloads over the decade rose slightly for single individuals, while they fell quite sharply for couples, with or without children.

A comparison of entry and exit rates from social assistance indicates that tightened eligibility requirements may have shaken a lot of people out of the system in British Columbia, Alberta and Ontario, which did the most to



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Real poverty, defined as an inability to meet basic needs of life, declined to five per cent in 1994.

introduce American-style restrictions. As StatsCan rather coldly puts it, "the stock of SA participants likely changed." Alberta, for instance, rerouted adolescents leaving home back into scholastic and training programs rather than open-ended assistance.

The importance of steering "human capital" into productive activity is made clearer by the results of welfare reform in the United States after 1996, when successful programs in states like Wisconsin were replicated nationally. Overall poverty, child poverty, black child poverty, the poverty of single mothers and child hunger have all declined substantially since then. Contrary to conventional wisdom, the decline in welfare dependence has been greatest among the most disadvantaged and least employable group, single mothers. The most dramatic change in Canada was also experienced by single mothers. Their welfare participation rate declined from a peak of one-half in 1995 to a third in 2000.

But the belief that a rising economy

is solely responsible for declining welfare rolls is not borne out by the American experience. The Heritage Foundation, a large think tank, looked at caseloads over eight periods of economic growth prior to the 1990s. In none of them did participation rates drop, and during two of them, the late 1960s and the early 1970s, the welfare caseload grew substantially. Only during the expansion of the 1990s did it contract. "How was the economic expansion of the 1990s different from the eight prior expansions?" the researchers asked. "The answer is welfare reform."

That is supported by the work of Dr. June O'Neill, former Director of the Congressional Budget Office, who analyzed changes in caseloads and employment patterns from 1983 to 1999. Her conclusion was that in the period after the enactment of welfare reform, policy changes accounted for roughly three-quarters of the increase in employment and decrease in dependence, while economic conditions explained only about one-quarter.

The StatsCan data seem to point in that direction as well. In Quebec, where the rules changed the least for a major province, welfare participation rates remained high throughout the period.

The new numbers demonstrate that welfare reform works. It's good for the people affected and good for the taxpayers who support the poor. Saskatchewan's Minister of Finance, Harry Van Mulligen, who oversaw changes in his province's welfare system in 1997 and spoke at the Frontier Centre in 2002, was asked what was most valuable about the effort.

"I think to reward the decision to go to work," he answered. "At the end of the day, our economy and way of life is based on all of us working and contributing. If you support that, you support the decisions of people to move into the mainstream of our society and to be included, not excluded."

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Letters to the Editor

The Free Press welcomes letters from readers. They must include the author's name, address and telephone number. Letters may be edited. Letters to the Editor, 1355 Mountain Avenue, Winnipeg, R2X 3B6. Fax 697-7412. E-mail letters@freepress.mb.ca

Violence against women an issue for all of us

I am outraged and saddened to hear about the tragic death of Sandra Chabauty, another woman in our community who was slain. Police have charged her former common-law husband. It is a reminder of the work we are faced with every day and the work ahead of us to continue to break down the isolation and ultimately to eliminate family violence.

"Typical domestic" is a term for society to easily accept the fact that another woman died. It is difficult to comprehend or make sense when there was no pattern of abuse. There was no indication there were problems.

As one of 10 shelters in the province, we know that the police are faced every day with thousands of calls and hundreds of them being domestic violence. We understand it is their responsibility to respond and that response will determine the outcome. At Osborne House we, too, receive hundreds of anonymous calls related to women directly, family members, friends and neighbours that ask the questions: What do we do? How can we stop the abuse occurring in the home?

We are faced with the reality that abusers do not take responsibility for the violence. Most abusers are not violent outside the home. Abusers control the victim's entire life. It's important to know women who leave partners are at the highest risk. Stalking behaviours from the abuser may start to occur. Victims of abuse are most likely to be murdered when attempting to report or leave an abusive relationship. We also need to remember the children, the silent victims, the times they witness the abuse and try to make sense of the dynamics. Women rarely call the police unless they think their children or themselves are in serious danger.

Violence against women and their children is not a "women's issue". This is an issue for all of us. We all need to

up and speak out — to our sister agencies, we need to ask why successful programs such as the Family Violence Intervention Team are cut. We need to speak to all levels of government: Where do they stand and are they doing enough to eliminate domestic violence? We need to support women and agencies who are taking the lead.

MARGARET MARIN
Executive Director
Osborne House Inc.
Winnipeg

There's nothing decent about child pornography

I was sufficiently puzzled, or incensed — I haven't yet decided which — over Judge Robert Kopstein's comments in the article *Sex offender given conditional sentence* (Aug. 18) on a consumer of child pornography given a conditional sentence, to phone the provincial Department of Justice; but of course the nice lady who phoned me back was not at liberty to share her opinion of Kopstein.

According to Kopstein, the offender is "a pretty decent young man with good values with a deviant interest in children". Huh?

Unlike the people addressed in Lindor Reynolds' column *Judges deserve justice* (Aug. 20), it is not only the conditional sentence handed down to Philip Grabowski that is incomprehensible, but the joining of "decent...good values...with a deviant interest in young children." If we think the three can go together then as a society we are really, really, screwed up. There is nothing decent about pornography, child especially, nothing valued as good in it, but then maybe I am too old-fashioned.

I am no social psychologist but I have heard that sexual deviants are incurable. That would lead me to suspect that viewing child pornography will not end there, it will move on to

and pedophilia is the next step.

Which brings me back to the pretty decent young man with good values, who tried to delete his tracks of deviant interest from his computer. Is a conditional sentence the best we should do?

SHEILA WELBERGEN
Winnipeg

If you love the Bombers, show up at the stadium

Here's a note for Khari Jones and the Blue Bombers. Believe in yourself! Because we loyal fans believe in you! I'm fed up with the negative press the *Free Press* and others are hurling at our football team. I mean, if someone keeps telling you that you're bad pretty soon you believe it. This talk about trading Khari is only going to make matters worse.

Come on, let's start accentuating the positive and giving the Blue Bombers support in their difficult time. After all, we are the 13th member of this team. If we aren't playing positively then we can take part of the blame. If

you love this team then get to the stadium and let them know it! If you can't go to the stadium then a positive phone call wouldn't hurt. Go Blue Bombers!

EILEEN KORPONAY
Winnipeg

Ranchers see payback for taxpayer support

As a member of the board of directors of Ranchers' Choice Beef Co-op Ltd., I feel I must correct some of your statements in your editorial *Let's make a beef deal*.

The proposed beef plant by Ranchers' Choice is not for fat cattle, rather for mature cows and bulls. It is clear in your editorial you do not understand the difference. The border may open to cattle under 30 months of age. However, there is no expectation by anyone in the industry for the border to open to mature cows and bulls, for at least five to seven years.

We have great confidence in our industry and all its players in Canada, including the producers, future employees and customers, that a pro-

posed plant will not only work, but will be profitable, thereby returning cash into the pockets of its member/shareholders. Our project manager is keeping constant track of profits, and in his words: "the Manitoba cattle producer has been raped in terms of profits by the existing plants".

Should the border open to mature cows and bulls, we are fully confident that a larger market will be opened for our products. There are other markets available to us besides the U.S., and I can tell you we've already had inquiries from some of them for our future product.

In closing let me say that as cattle producers, we have been and are a fiercely independent lot. We don't like having to go to any level of government for personal assistance. However, for the plant we propose, the payback to the taxpayer will be tremendous. Not a bad investment I'd say. Much better than the straight subsidies so rampant in the U.S.

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BY GARRY TRUDEAU