

DENIED ASSISTANCE

CLOSING THE FRONT DOOR ON WELFARE IN BC



By Bruce Wallace
Seth Klein
and Marge
Reitsma-Street

VIPIRG



CCPA
CANADIAN CENTRE
for POLICY ALTERNATIVES
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DENIED ASSISTANCE: Closing the Front Door on Welfare in BC

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Summary

The number of people receiving welfare in BC has been on the decline since 1995. Despite this, in 2002, the provincial government introduced dramatic policy changes designed to further shrink the welfare “caseload.” Some of these changes were unprecedented in Canada. Many of them dealt with how people access welfare—the eligibility rules and application processes that people must navigate in order to receive assistance.

The government has declared its policies a success. According to the Ministry of Employment and Income Assistance, the reduced caseload is a result of moving people from “dependency” on welfare to jobs and self-sufficiency.

This study set out to test the government’s claim. It is the first evaluation of its kind. It sought to find out why the number of people receiving welfare has dropped so steeply, what the experiences have been of those seeking assistance, and what has happened to some of those denied help.

The study draws on previously undisclosed data obtained through Freedom of Information (FOI) requests. This statistical evidence was combined with 42 in-depth interviews conducted in Vancouver and Victoria with individuals seeking welfare, community workers and advocates, and Ministry workers. Their compelling stories are told throughout this report.

Key Findings

- **British Columbia’s welfare application system is not working—it discourages, delays and denies people who need help.** The process of seeking income assistance has become so restrictive, and so complicated to navigate, that it is systematically excluding from assistance many of the very people most in need of help. This has harmful consequences for some of the province’s most vulnerable residents.

- **The government’s narrative about more people leaving welfare for work is not supported by the evidence.** Data obtained through Freedom of Information requests shows that the recent drop in the caseload is not the result of more people leaving welfare (i.e. an increase in what the government calls “exits”). Rather, fewer people are entering the system and accessing assistance. Simply put, the caseload reduction is mainly a front-door story.
 - According to FOI data, in the first year after the new welfare legislation was introduced in April 2002, the number of applicants who began to receive welfare benefits dropped by 40 per cent, from an average of 8,234 entries (or “starts”) per month to just 4,914 starts per month. The number of welfare “exits” also fell, but only slightly, from 8,388 to 7,631 per month (see figure on page 8).
 - The acceptance rate for those who apply for welfare has dropped dramatically. According to FOI data, in June 2001, 90 per cent of people who began an application for welfare were successful in gaining income assistance. By September 2004, only 51 per cent of those who sought welfare were granted assistance.
- **The application system is now so complicated that many people need help from an advocate to successfully navigate the process.** The study found a number of incidents where people were initially denied welfare, but were able to get assistance once they had the help of an advocate—even though there was no change in their circumstances and they were actually eligible the whole time. Yet funding for advocates has been cut. In addition, those most vulnerable and in need—such as people with mental health issues, addictions or language barriers—are often least likely to be able to navigate the system on their own, and less likely to connect with an advocate.
- **Many people are being “diverted” to homelessness, charities and increased hardship.** The Ministry claims that people are being “diverted to employment”; however, the evidence shows that many are not. While some of the people who have been denied or discouraged from assistance have landed on their feet and found alternate sources of income, others are instead being left to fend for themselves, and are being directed by the Ministry to food banks, shelters and other charities. Some remain in abusive relationships or turn to the sex trade. Some are living on virtually no income.

PROFILE

A 21-year-old man we interviewed at an emergency shelter had just been denied welfare. He had worked the required number of hours, but not over two consecutive years. He explained, “I had enough hours, I just didn’t work two years back-to-back, but I, like, worked from 1999 to now, like doing different things, and it’s not fair that just ‘cause I didn’t work two consecutive years back-to-back...”

At only 21, the young man had considerable work experience, including 900 hours from eight months of work in a home care setting, two months in a restaurant, two months as a groundskeeper, three months in a hotel, and a week as a telemarketer. After a break-up with his girlfriend the young man applied for welfare and started his job search while living at an emergency shelter, handing out resumes during the day. He had reached the limit of his stay at the shelter and was denied welfare. Homeless and without welfare, he has just begun living on the streets and getting food at community centres, noting that he is now looking for a place to sleep more than looking for work.

- **In some cases, denying people assistance reduces their ability to be self-sufficient.** Lack of assistance forces some people to focus their time and resources on meeting basic shelter and food needs rather than looking for work (see profile box). Without a permanent residence, a phone line, access to transportation or appropriate clothing, searching for work is difficult if not impossible. The three-week wait leads to greater debt and increased vulnerability to eviction. The documentation needed for an Emergency Needs Assessment sometimes requires people to actually request formal eviction notices, thereby increasing the risk of homelessness.

Discouraged, Delayed and Denied

At every stage of the application process, people experience the “3Ds” of discouragement, delay and denial.

These barriers are encountered in complex and subtle ways. Denials and delays can be due simply to the new rules introduced in 2002, but they can also result from an uneven and unreasonable application of these rules. Discouragements may result from a worker verbally telling an applicant that they will not meet the eligibility requirements (which may or may not be correct), from the word-on-the-street being “don’t bother,” or from an administrative process that is too complex and onerous. One finding from the interviews in this study was reports from individuals that they were denied welfare through their initial contact with the Ministry—most often through a 1-800 call (in this case, to a 1-866 line). Several individuals told us how they believe they were deemed ineligible through this initial inquiry, well before a formal application had been submitted.

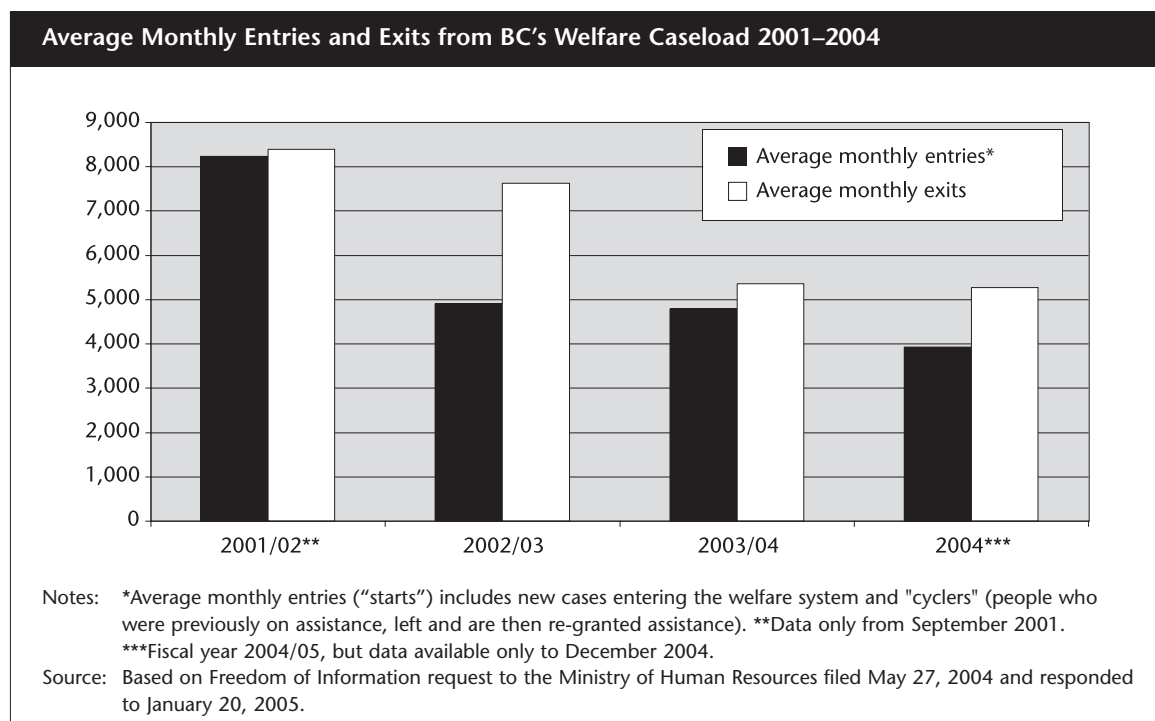
Three key changes to the eligibility rules and application process have driven the reduction in welfare caseloads:

- **The three-week wait:** Welfare is understood to be an income of last resort (people must have exhausted their assets and all alternate sources of income). Yet, beginning in 2002, when people first seek assistance, they are required to conduct a three-week job search before an “in-take interview” is conducted. And in practice, this wait can be four to six weeks.
- **The two-year “independence” test:** To be eligible for assistance, applicants must demonstrate that they have earned a minimum level of income for two consecutive years—they must prove they had at least \$7,000 of employment income or 840 hours of employment per year for two years running. The rule does not recognize other forms of independence, such as surviving on the streets. This new eligibility rule can deny benefits to an individual regardless of their financial need.
- **The implementation of electronic “alternate service delivery” systems,** including directing initial enquiries to a 1-800 line and the compulsory use of an on-line computer orientation.

The application process can be sped up if an Emergency Needs Assessment (ENA) is requested and provided, but applicants must know about this option and initiate it themselves. Even people who describe their emergency needs (without specifically requesting an ENA) are frequently not offered an ENA. We interviewed individuals living without shelter or in emergency shelters who were not offered ENAs, but rather were expected to wait a month for an appointment.

Additional Findings

- **Between 2001 and 2005, the number of people receiving welfare plummeted by 42 per cent.** There are now more than 100,000 fewer British Columbians receiving assistance. The drop was particularly steep during 2002 and 2003. The percentage of the population receiving welfare also dropped—prior to the 2002 policy changes, six per cent of the population was receiving welfare; by the end of 2005, this was reduced to 3.5 per cent.
- **Only some of the decrease in the welfare caseload can be explained by an improved labour market.** We would expect fewer people to need welfare when times are good and jobs are plentiful, just as we would expect more people to need help when unemployment is high. However, the number of people receiving welfare shrank even when the unemployment rate was going up in 2002. The labour market then improved, but according to economic analysis conducted for this study, this turnaround can explain only about 50 per cent of the caseload decline. The other half is due to the government’s policy changes.
- **The arbitrary two-year “independence” test, which refuses welfare to people regardless of their need, is now the third most common reason for denying assistance.** Between October 2002 and October 2004, an average of 162 applicants per month were refused assistance for this reason, with refusals peaking in late 2002 and early 2003. In total over this two-year period, approximately 4,000 applicants failed to gain assistance as a result of this new rule.
- **The new eligibility rules have led to an increase in homelessness, as evidenced in both Vancouver and Victoria.** The City of Vancouver’s Homelessness Action Plan found that the number of homeless doubled between 2001 and 2004, and notes that, “In 2001, about 15 per cent of the street homeless were not on welfare. By early 2004, this had increased to



50 per cent, and by summer 2004, more than 75 per cent of the street homeless reported they are not on welfare.” Similarly, a study of Victoria-based social service agencies reports major increases in demand for all types of emergency assistance, including food and shelter.

- **The welfare application process assumes people are employable, yet many who apply are not, and as a result they are not able to comply with the application requirements.** The three-week job search and the arbitrary two-year “independence” test both assume that people applying for welfare are employable. Yet many of the people applying for welfare are not—i.e. they have a disability, young children, addictions, etc. Indeed, the current caseload is made up primarily of people who are not categorized as “expected to work.”
- **Our interviews reveal that welfare applicants are frequently unaware of their rights, and are not made aware of various exemptions to the eligibility rules when they apply.** As a result, there is repeated evidence of individuals who were discouraged or denied assistance but who were, in fact, eligible. Exemptions have meaning only if applicants know they exist

What is Welfare?

Welfare is income assistance (money and/or benefits) provided by the provincial government to people considered eligible under a set of strict rules. Welfare is a program of last resort—it is available only to individuals and families who do not have the resources to meet their basic needs, have no employment, have used up their savings, and have exhausted all other options.

Welfare is not, and has never been, ‘generous.’ A single person considered to be employable receives \$510 per month—\$325 for shelter and \$185 (or about \$6 per day) for all other needs, including food, clothing, transit, telephone, etc. For a single parent with a child, the monthly welfare payment is \$969—\$520 for shelter and \$449 for all other needs. These amounts are lower than what people on welfare in BC received 12 years ago (and after taking inflation into account, they are substantially lower).

There are several categories of welfare with different criteria for eligibility. The two main categories are temporary assistance (for people considered employable or temporarily unable to work) and disability assistance. (See page 18, *The Categories That Make Up the Caseload*, for more information.)

Welfare in Canada is legislated and administered by provincial and territorial governments. From 1966 to 1996, the federal government helped fund welfare under the Canada Assistance Plan (CAP), initially sharing 50 per cent of the cost with the provinces and territories. This funding was subject to conditions—national standards—including that welfare be provided to people when in need. In 1995, the federal government announced its plan to eliminate the Canada Assistance Plan. In 1996 CAP was replaced with a new funding system that scrapped most of the conditions for federal money for welfare. It also dramatically cut the amount of transfer payments, leaving the provinces to make up the loss or cut social programs.

Throughout the 1990s, many provinces, including BC, made policy changes to welfare that resulted in less ‘generous’ and more restrictive programs. In 2002, the BC government announced a new set of policies that made welfare even harder to access, reduced benefits for many people (especially older recipients and single parents) and made the rules for those receiving assistance more demanding.

and they are fairly enforced. Specific policies for applicants in emergency need are being routinely ignored. Moreover, too much responsibility is being placed on applicants to demonstrate “emergency need.”

- **Requiring people to use electronic “services”—the 1-800 number and the online orientation—is inappropriate for the population of people who need assistance.** The loss of face-to-face service is being used to create further barriers, rather than helping people to access a vital public service. In both Vancouver and Victoria, interviewees said phone lines are “overworked and understaffed.” Difficulties are experienced when people are unable to get through. Often they cannot leave a message because they do not have a phone to receive returned calls.
- **The supply of advocates has shrunk just as the need has grown.** Despite the clear need for advocates, many community groups have had to eliminate advocacy positions. Those paid advocacy positions that still exist tend to be funded mainly by sources other than the provincial government. And provincial funding has been eliminated for women’s centres, which in many communities provide the only welfare advocates in town.

Welfare reform in BC cannot be declared a success. Helping far fewer people is not necessarily good news. The BC government needs to address the much more complex goal of reducing poverty, not just reducing the caseload.

Recommendations

- The two-year independence test and the three-week wait must be discontinued.
- Assessing emergency need must become the responsibility of the Ministry, not the individuals in crisis.
- The use of technology to deliver services must be a service delivery *option* rather than a barrier.
- Overall, the process of applying for welfare must be designed to help individuals in need, rather than the current model, which is designed to discourage and deny.
- There is need for an in-depth review of the province’s welfare legislation, policies and practices. A proper review must follow up on what happens to individuals who are “diverted” from applying for assistance. The BC government has never undertaken such an evaluation. A clear option is for the Office of the Auditor General to assess the efficiency, effectiveness and appropriateness of the Ministry’s eligibility rules and application process, to determine whether the current system is meeting the needs of British Columbians.

Introduction

Why are so few people receiving welfare in British Columbia? While the number of people receiving welfare benefits—welfare caseloads—has been steadily decreasing across Canada and BC for the last decade, BC has seen unparalleled reductions in the number of people receiving benefits since the introduction of unprecedented policy changes in 2002.

New welfare legislation was made effective in BC in April 2002—the *Employment and Assistance Act*, and the *Employment and Assistance for Persons with Disabilities Act*. The policy changes introduced through this legislation and corresponding regulations and administrative practices included a number of fundamental changes to eligibility rules and the application process, including:

- a two-year time limit rule (limiting “employable” welfare recipients without children to two years of support during any five year period);
- a “two-year independence test” (requiring new welfare applicants to demonstrate that they have been financially independent for two consecutive years);
- a three-week wait period for welfare applicants (requiring that people search for work for three weeks after contacting the Ministry for support before they can formally apply for assistance); and
- “alternative service delivery models” that increased the use of 1-800 lines and a web-based orientation, and reduced Ministry staff and closed offices.

(See *Key Changes to BC’s Welfare Eligibility* for a summary of these changes.)

These new policies were explicitly designed to reduce the welfare caseload and accordingly reduce the province’s welfare budget.¹ Targets were established to reduce the proportion of British Columbians who received welfare, and those targets were surpassed. The various Ministers² responsible for social assistance in BC declared this reduction a shining success. Following the first year of new policies, the

Key Changes to BC's Welfare Eligibility

In April 2002, the British Columbia government introduced a number of significant changes to the eligibility and application process for welfare in BC. The Ministry's web orientation describes the new policies to applicants seeking welfare as follows:

The Three-Week Wait

Before you can apply for income assistance, you must complete three weeks of active work search. The three weeks begins once you have your PA [pre-application] number. If there is more than one adult applicant in your family, each adult will be required to conduct a work search.

The Ministry has expectations on how a reasonable work search is conducted... During your three-week work search, you must make regular and ongoing efforts to find employment not restricted to a particular job or wage range.

Two-year Independence Test

You might not qualify for income assistance if:

...you have not been financially independent for a period of 2 consecutive years before applying for income assistance. Financial Independence means:

You have been employed for at least 840 hours OR

You have earned at least \$7,000 gross in each of any 2 consecutive years.

The web-orientation notes that "some exceptions apply." By clicking on a question mark icon, a separate page lists exceptions (which we describe in more detail on page 32).

Electronic "Services"

The Ministry provides a pamphlet for applicants seeking welfare that describes "enhanced telephone and Internet access" as part of the shift to increase the use of technology to deliver welfare services, cut costs and reduce ministry staffing. The pamphlet outlines the Automated Telephone Inquiry program (the 1-800 number needed to access the Ministry), as well as the on-line Orientation Session website, the on-line Income Assistance Eligibility Estimator, and the on-line Child Care Subsidy Estimator.

But what the Ministry calls "services" represents a barrier to access for some. In parts of the province, applicants are required to use the 1-800 number before being allowed to meet with a welfare worker (even if they have already come into a welfare office). And the web-based orientation is now a required part of the application process.

Emergency Needs

There is little information provided in the Ministry's web orientation on programs for people in emergency need. Instead, there is simply an encouragement to seek help from community services, specifically: "Check the telephone book under 'Social Service Organizations' or 'Community Services' for local resources that may offer support."

While applicants may not be aware, there is an Emergency Needs Assessment (ENA) policy, which is detailed to Ministry workers in the Policy and Procedures Manual. While applicants are ►

Ministry announced that the number of people receiving welfare was reduced by over 60,000. “This is good news,” exclaimed the Ministry’s annual report. The evidence provided was “exit surveys”—surveys of people who had left welfare.³ The following year, the government similarly announced that, “Our approach is working,” with “87,000 former clients no longer relying on income assistance.”⁴ This decline continued, and by 2005, there were 107,000 fewer people receiving benefits from the province than in 2001.

Repeatedly, the architects of the province’s welfare reforms told their “good news story” to a public eager for good news. According to the government’s narrative, due to the province’s reforms, people were moving off of welfare and into jobs. After tripping over panhandlers and endlessly donating to the local food bank, the public likely welcomed the comforting news that government policies had finally resulted in “better lives, more independence and a higher standard of living for many British Columbians.”⁵

When the policy changes were introduced, they were described as changing the welfare system “from a culture of entitlement to a culture of employment and self-sufficiency.” Raising the spectre of “welfare dependency” the Minister announced, “We will be changing the eligibility criteria for income assistance to focus on employment.”

For many people working the front lines against poverty in this province, the Minister responsible for welfare seemed to speak as if he despised the very public service he was responsible for. The Minister perceived providing temporary assistance to individuals as not helpful, but rather detrimental, arguing that “in the long term it doesn’t do the individual any favour and does nothing for the economy and our society.”⁶ Welfare was described as a service that “encourages dependency and represents a waste of people’s potential.”⁷ Standing in the Legislature, the Minister described how welfare will “drain the human spirit, kill self-esteem and bring a sense of hopelessness” and “can lead to other problems like alcohol and drug abuse, family neglect and physical abuse.”⁸ Welfare, which had been defined by the previous government as a “vital safety net,” was now defined as “a waste of people’s potential.”⁹

The questions that guided this study were these: Does fewer people receiving welfare mean more people are achieving independence through paid employment? Is it really that simple? Is the caseload being reduced by more people leaving welfare for jobs, or could the reduction also be a result of fewer people

According to the government’s narrative, due to the province’s reforms, people were moving off of welfare and into jobs.

◀ encouraged to seek support at community services, the policy clearly states that, “When persons are assessed for an emergency need, community resources such as food banks and community-based hostels and shelters are not to be considered as alternatives to an expedited application for assistance.” The ENA is the method used to determine whether compliance with the three-week work search would result in undue hardship to a person or their dependents.

In cases where the enquirer indicates that undue hardship will occur as a result of the three-week work search, Ministry staff will conduct an ENA. The ENA will provide Ministry staff with information about the enquirer’s circumstances so that the urgency of the enquirer’s needs can be determined. If the assessment reveals that the enquirer does have an emergency need and would therefore suffer hardship to wait three weeks for an application interview, an expedited application will be conducted. (Part 6, Section 1)

As detailed later in this study, the ENA process is frequently ignored, and applicants are often not informed that such an option exists.

being able to access benefits when in need? And depending on the answers to these questions, should helping fewer people in need be cheered as a success story?

While the fact that there are far fewer people receiving welfare today than four years ago is undeniable (caseloads have been in decline since 1995), do we really know the causes of this reduction and its full impacts? Are we ignoring some possibly obvious evidence of hardship resulting from fewer people accessing our provincial safety net? Indeed, what evidence is being provided by the government to assure us that their good news story is true?

There is certainly evidence from other provinces that contradicts the claims being made by the BC government. Prior to BC's most recent round of welfare policy changes, the federal government conducted a national review of provincial reforms and questioned caseload reduction as the best or even an adequate measure of success.¹⁰ Caseload reduction was deemed a "one-dimensional measure of success" that does not answer many other critical questions.

The truth of the matter is that the provincial government does not know how many people leave welfare for employment. It does not conduct studies that would factually allow it to make such bold claims.

The truth of the matter is that the provincial government's claims of success are simply political rhetoric—it does not know how many people leave welfare for employment. It does not conduct studies that would factually allow it to make such bold claims. And with respect to the claim that caseload reductions are due to more people exiting welfare, here the government's own data tells a different and more complex story.

The narrow definition of success as reduced caseload has been achieved by focusing public attention on welfare "leavers" (people who exit the welfare system) and ignoring equally significant changes to the welfare application process—the front door. In reality, caseload reductions are also due to fewer people getting on welfare, meaning caseload declines are both a front door and back door story. What is happening to these individuals not accessing welfare?

This more nuanced story is the one this paper seeks to tell. It reports on policy evaluation research the government should have done itself, but which, in the absence of such work, our research team has endeavoured to undertake.

This report looks at the front door to welfare because there is very little available information on the impacts of the significant reforms to eligibility rules and the application process. Caseload statistics are not routinely released to indicate how many people are entering the system and how many are exiting. This paper provides such information to the public for the first time, accessed under the Freedom of Information process. While the Ministry presents performance measures, none are specifically focused on the policy changes to eligibility and admission. Most significantly, no one knows what is happening to all of those people who seek welfare and are "diverted" (see *Defining "Diversion"*) in the process, either by being denied or discouraged. This research is the first attempt to follow up on the outcomes of diverting people from welfare in BC.

Defining "Diversion"

"Diversion" is the euphemistic term governments use for people who try to access welfare but are discouraged, denied or subjected to delay in the process. The term has a positive connotation, implying that people are being diverted *to* something better—typically, employment. In truth, governments generally don't know what actually happens to "diverted" people. As this study finds, some do land on their feet, but many are diverted to increased hardship, including homelessness.

In and of itself, caseload decline is not necessarily good or bad news. A more comprehensive evaluative framework is required. The focus needs to shift from welfare exits to a more complex perspective that includes welfare enquiries—those who contact the Ministry to find out about accessing benefits. There is an urgent need to listen to those most affected by the welfare policy changes. Our research looked at how legislated welfare reforms have worked in practice, and what some of the outcomes of these changes have been.

Study Methodology

This project set out to examine the impact of eligibility policies and practices on access to welfare in BC, and to investigate the experiences of people being discouraged, delayed or denied in the process of seeking welfare benefits.

The primary methods used in this study are qualitative in-depth interviews in Vancouver and Victoria and analysis of these interviews, quantitative analysis of Ministry statistics, and a review of policy literature. The quantitative data, obtained primarily through Freedom of Information requests, describes caseload dynamics in BC over recent years. This combination of qualitative and quantitative data provides a unique and in-depth understanding of the impact of recent welfare policy changes.

Forty-two interviews were conducted by three researchers from September 2004 to January 2005. The sample was drawn from two of BC's core urban areas: 23 from Vancouver and 19 from Victoria. The 42 interviews include 24 welfare applicants, 15 front-line community workers, and three Ministry workers. The sample is designed to capture a diversity of experiences and perspectives. Resources and access challenges limited the number of Ministry workers interviewed and thus restricts depth and variety of this perspective.

The most unique and challenging component of this research was the interviews with individuals who had applied for welfare and were denied or discouraged through the process. Optimally, the Ministry would conduct follow-up interviews with individuals who apply for welfare and do not succeed in receiving benefits. A random sampling of all individuals "diverted" through the application process would provide the most comprehensive evaluation of the impacts of such diversions. In 2003, the Ministry stated that it would collect this information by conducting exit surveys with individuals who completed a pre-application but did not become clients.¹¹ Such a study has never been released, and in fact all exit surveys (including those with welfare "leavers") have since been discontinued.

Without the same access to the full population, our researchers adopted the next best strategy: a non-random sample that involved interviews with all individuals who responded to an invitation to participate. Invitations to be interviewed were posted in various community agencies and gathering places, and many agencies and front-line workers were asked to extend the invitation to their clients. All eligible applicants who contacted the researchers were interviewed. Of the 24 applicants interviewed, half were in Victoria and half in Vancouver. The sample is diverse. It includes vulnerable individuals who are least likely to be "job-ready" when seeking welfare and who face difficulties navigating the application system, which includes many administrative discouragements. The majority of the sample was comprised of applicants who applied as single people, and most lived alone. Many are not living in secure housing; some individuals live in SROs (single room occupancy hotels), in shelters and on the streets, and others are renters. Two-thirds of the sample identify as men and one-third as women. Several of the applicants identify as Aboriginal and several as recent immigrants to Canada.

The 15 community workers interviewed were selected through purposive sampling, in which the researchers sought participants based on knowledge of the diversity and needs in the community. The

sample of community workers included: youth workers, immigrant and refugee workers, transition house workers, a doctor in a community health centre, a mental health worker, legal advocates, and workers supporting homeless and at-risk populations. The three Ministry workers were from separate offices in Vancouver and Victoria and all had worked with the Ministry for many years.

This research also includes detailed caseload and application statistics accessed through several Freedom of Information (FOI) requests. The caseload statistics routinely released through the Ministry's website illustrates the overall decline in the caseload. However, more in-depth information on caseload dynamics

was required to sufficiently understand the variables influencing the caseload reduction. Ultimately, it took our research team well over a year to access all the data requested under the FOI process.

In and of itself, caseload decline is not necessarily good or bad news. A more comprehensive evaluative framework is required.

The review of policy literature includes both governmental reports and reports from non-governmental organizations. Publicly released documents from the Ministry were reviewed, including all Service Plans, Annual Reports, Speeches from the Throne, as well as relevant press releases, clippings and correspondence. Federal government policy reports were collected from Statistics Canada and Human Resources and Skills

Development Canada (HRSDC). Non-governmental literature includes reports from BC research institutes, community groups, coalitions and academics.

Reducing the Welfare Caseload in BC

The welfare caseload in BC has been in decline since 1995. Over that time, there has also been a dramatic shift in the make-up of the caseload. The decline has been entirely in the “expected to work” category. Thus, the share of the caseload representing people with disabilities or other recognized barriers to employment has gone from a minority of the caseload to a strong majority of the caseload (see Figure 1).

The reduction in the number of people receiving assistance has resulted in part from economic trends and an improved labour market, but also from welfare policy changes themselves, introduced first by the NDP in the mid 1990s, and then again by the Liberals in 2002. The 2002 policy changes surprised many, both because the caseloads were already shrinking, but also because these reforms included policies that were unprecedented in Canada.

The 2002 welfare policy changes began with targets—to reduce the Ministry’s budget by one third, primarily by reducing the number of people receiving assistance but also by cutting the amount of benefits for those who receive assistance. There is no denying the government’s success in achieving, and even exceeding these targets. Caseloads are now extremely low.

Between 2001 and 2004 the percentage of the population receiving income assistance plummeted. There are now more than 100,000 fewer British Columbians receiving assistance, a drop of 42 per cent since 2001. The drop was particularly steep during 2002 and 2003. When the reforms began, six per cent of the population was receiving income assistance in BC. By the end of 2005, 3.5 per cent of the population was receiving assistance. The decline is even more dramatic for the proportion of the caseload that is

considered “employable” (those in the “expected to work” category): in 2001, 3.4 per cent of the population aged 19 to 64 were receiving temporary assistance (with employment obligations), while by 2005 less than one per cent (0.95 per cent) of the population was receiving this assistance.¹² Or, put another way, in four years the “expected to work” category declined by 78 per cent.¹³

This sharp decline in both the number of people and the share of the population receiving assistance still leaves important questions unanswered: What is driving the reduction? Does the decline confirm the government’s claims of increased employment and independence for the people who leave welfare?

One hypothesis is that the drop in the welfare caseload since 2001 was less about the welfare policy changes and more a result of changes in the economy. As the Minister explained “A lower percentage indicates that fewer people are in need of assistance and more are contributing to a strong and vibrant provincial economy.”¹⁴ In other words, the caseload decline should be reflected by corresponding employment and unemployment changes. So were more people employed?

In Figure 2, we again look at the decline in the welfare caseload (this time as a share of the population), but now set against trends in the provincial unemployment and employment rates. As one would expect, it appears that these trends are somewhat related, raising the possibility that the decline in welfare reliance is merely a natural response to an improving labour market. Overall, when the unemployment rate trends downward and the employment rate trends upward, we would expect the percentage of the population receiving social assistance to decline.

The Categories That Make up the Caseload

The Ministry generally splits the caseload into two overall categories—those eligible for Temporary Assistance and those designated as Persons with Disabilities. Within these two broad categories there are other client groups with differing eligibility, benefits and expectations.

Expected to Work (ETA): This category is for those individuals who the Ministry considers “employable,” which means capable of working, looking for work or taking part in a training program. Everyone who is considered employable is required to follow an employment plan. It is this category that has seen the most dramatic decline. It is worth noting, however, that while the Ministry considers those in this category as “employable,” many are not, at least not in the near term. Many face serious personal, social, health and addiction issues that pose major barriers to employment. But because the criteria for being excused from this category are so onerous, these people remain designated “Expected to Work.”

Temporarily Excused: These are individuals receiving assistance who are temporarily excused from looking for work due to a medical condition or family situation, such as a single parent with a child under three.

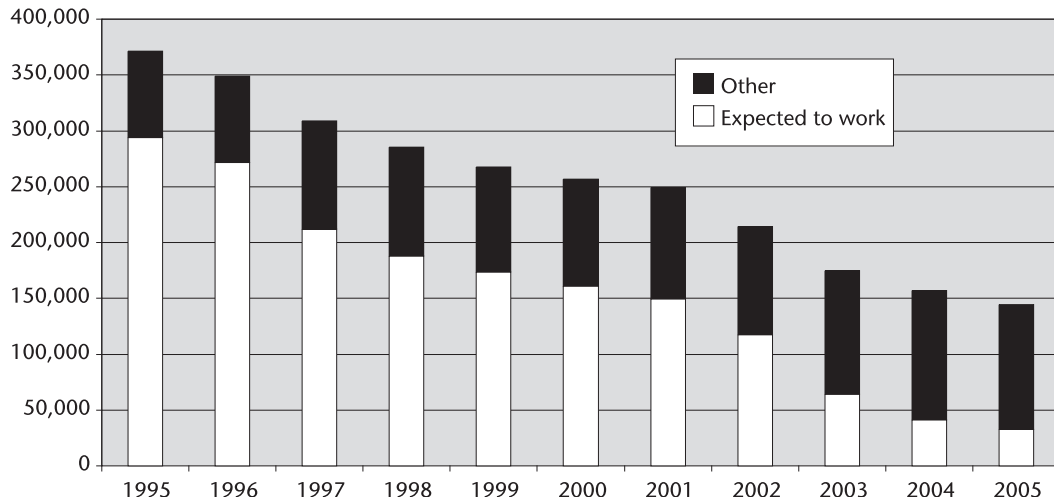
Persons with Persistent Multiple Barriers (PPMB): These are individuals who experience significant and multiple barriers to employment that limit their ability to be financially independent, such as a medical condition that has lasted for at least one year and is likely to reoccur or continue for the next two years, seriously limiting their ability to find or keep work.

Persons with Disabilities (PWD): These are individuals who experience a severe physical or mental disability and require assistance in their ability to perform daily living activities.

Children in the Home of a Relative (CIHR): If a parent is unable to care for and support their child and places the child in the home of a relative, the Ministry may provide the relative with financial support.

Yet, as is also evident, these trends do not correspond evenly. There are a few years in which the welfare caseload declines even while the unemployment rate is rising (and interestingly, these periods correspond to times when welfare rule changes came into effect under both the NDP and the Liberals), and the overall improvement in the employment rate is not nearly as dramatic as the drop in welfare receipt.

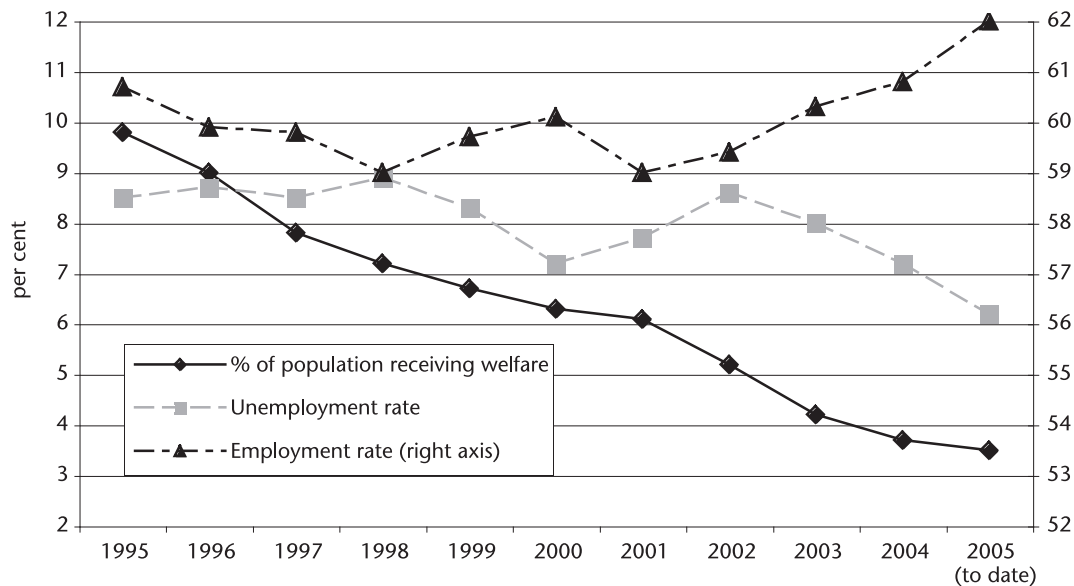
Figure 1: BC Employment and Assistance Clients



Note: "Other" includes all those categories excluded from immediate work obligations: People With Disabilities (PWD), People with Persistent Multiple Barriers to Employment (PPMB), single parents with children under 3, people temporarily excluded due to a medical condition, and children in the home of a relative.

Source: BC Ministry of Employment and Income Assistance Summary Report: Issue 2005-14, released February 21, 2006.

Figure 2: BC Welfare and Economic Trends



Sources: Employment and Unemployment data is from BC STATS Labour Force Statistics Report (September 2005). Welfare data is derived from the Ministry's Summary Report (July 2005).

This discrepancy can be more clearly explored by use of a simple economic regression analysis. Economists have found that the unemployment rate (more than the employment rate) is the strongest predictor of welfare caseloads.¹⁵ Our regression found the same. We then isolated the unemployment rate and the rate of welfare receipt, along with a dummy variable indicating the time of the 2002 welfare policy changes.¹⁶ The results are contained in Figure 3, which shows both the actual decline in welfare receipt, along with what the “predicted” decline would have been in the absence of the 2002 policy changes.

As seen, our regression analysis indicates that the welfare receipt rate as of 2005 was over 50 per cent lower due to the 2002 policy changes than one would expect given the unemployment rates in those years. In other words, the improved economy can explain about half of the caseload decline, but the

other half is due to the government’s policy changes. Or, put another way, had the labour market alone been left to reduce welfare caseloads, the share of the population receiving welfare in 2005 would have been 5 per cent, rather than 3.5 per cent.

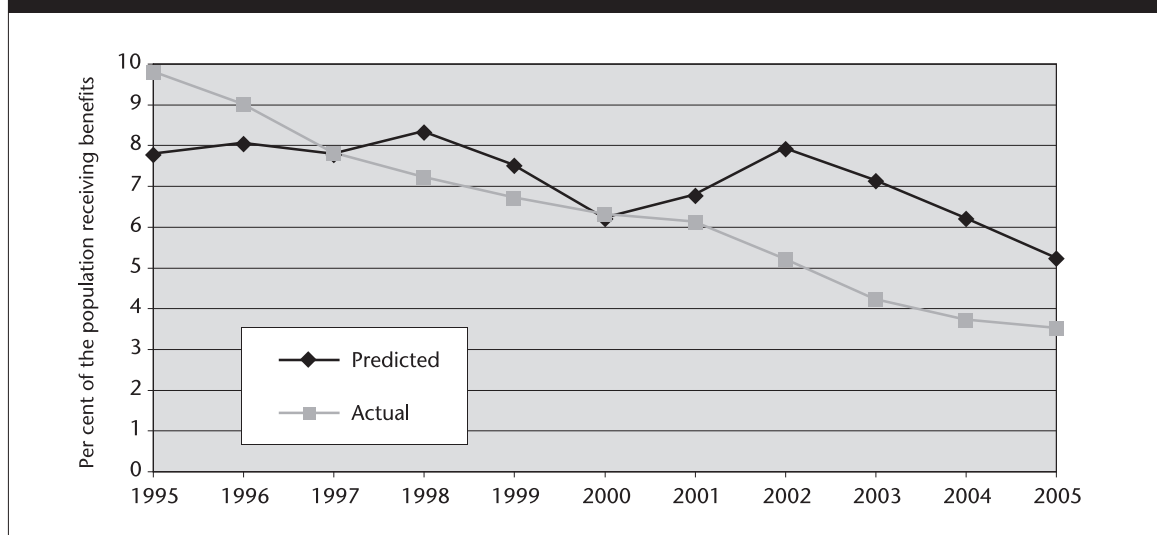
This discrepancy is most apparent between 2001 and 2002 when the welfare caseload experiences a dramatic decrease at the same time that the unemployment rate was actually going up. Our regression would have predicted an increase in welfare receipt during this time.

Statistics Canada also confirms that the caseload decline in BC is different than national trends. A 2004 report notes that “In recent years, British Columbia has had the largest decrease.”¹⁷ In 2001, the percentage of the population receiving social assistance in BC was identical to the national average (at 6.2 per cent), but three years later BC’s rate was significantly lower than the national average, and much lower than other provinces (second only to Alberta). Clearly, the provincial welfare policy changes themselves contributed significantly to dramatic caseload reduction in BC.

The question remains, however: Was BC’s caseload decline driven mainly by more people leaving welfare, or fewer people accessing welfare? Meaning, was the decline mainly a back door or front door story? We turn to this question in the next section.

Our analysis indicates that the improved economy can explain about half of the caseload decline, but the other half is due to the government’s policy changes. Put another way, had the labour market alone been left to reduce welfare caseloads, the share of the population receiving welfare in 2005 would have been 5 per cent, rather than 3.5 per cent.

Figure 3: BC Actual and Predicted Welfare Rates



Caseload Decline Driven by Restricting Entry

Welfare caseloads are constantly in flux. Every month there are significant numbers of people entering and exiting the welfare system. Think of the welfare caseload as your bank account. At the end of the year, if you have less money in your account this could be a result of more spending, but it could also be a result of lower deposits. Welfare caseloads are similarly dynamic: a reduction in the overall caseload does not necessarily mean more people are exiting the system—it could also mean fewer people are getting into the system in the first place.

By attributing the dramatic caseload reduction to welfare exits, the government has diverted the public's gaze away from its policies that restrict entry. This practice—of restricting entry but attributing success to exits—mirrors strategies in the United States, which also focuses on leavers, paying little or no attention to those who do not or cannot access welfare. As American scholars Schram and Soss note:

The fact that prevailing interpretations of roll decline emphasize leavers and exit rates rather than diversion and entry rates has major political implications. Moving long-term recipients out of welfare and into jobs that raise them out of poverty would be widely hailed by the public as a major policy achievement. By contrast, we suspect that paring the rolls by shutting the gates on needy families would be viewed by many as a small and ignoble feat.¹⁸

Reviews of welfare reforms in both the United States and Canada recognize the significant role restricted eligibility plays in reducing caseloads. The BC policy changes to eligibility are modifications of American “work first” diversion strategies. Reviews of these policies would have informed the BC government of their effectiveness in reducing caseloads and their questionable role in increasing self-sufficiency.¹⁹

In the mid-1990s, the Ontario government likewise implemented significant policy changes aimed at reducing the number of people receiving welfare. Caseload reductions there were similarly more about reduced entries than increased exits.²⁰ This news is based on a recent report from economists at the Toronto-Dominion Bank who report that, “While welfare caseloads in Ontario did fall in the ensuing years, a closer look at the data suggests that one of the main drivers of the decline was fewer Ontarians being able to get on welfare—not the intended exodus of welfare recipients into the workforce.”²¹

Statistics Canada recently conducted a study of welfare caseload dynamics in Canada over the 1990s and reported that, “Most of the overall drop in welfare cases reflected fewer people entering the system.”²² In determining the causes of caseload reductions, the report recognized the role of tightened eligibility criteria and procedural changes that make benefits more difficult and more onerous to obtain.²³ In other words, welfare caseloads were less about people getting off assistance and more about fewer people accessing assistance.

The fact that the process for applying for income assistance is purposefully designed to be discouraging is a reality that can be shocking for individuals who believe the Ministry is actually there to help them. However, the Ministry makes it very clear: the desired outcome of the welfare reforms is to have “fewer people enter the income assistance caseload.”²⁴ When the policy changes began, the Ministry listed this outcome in its Annual Report. With a stated goal of “diversion,” the Ministry introduced policy changes and practices to ensure that the process of getting welfare is burdened with barriers, delays and discouragements.

The Fraser Institute's welfare reform “Report Card” gave the province a B+ grade for diversion.²⁵ The Ministry's 2003 Service Plan argues that diversion from welfare is desirable as it reduces “dependency.” That year, the Ministry established a goal (performance measure) to purposefully divert people who contact MHR offices to enquire about welfare. The following year's Annual Report²⁶ proudly reported that the Ministry had successfully diverted every second person who sought income assistance. Forty-nine per cent of “enquirers” were diverted from applying for assistance and *assumed* to have been “diverted to

employment.” Of course, no one knows what really happened to the thousands of individuals who were prevented from seeking welfare. For this reason the measure was discontinued, as the Ministry admitted it could not determine why an enquirer did not continue their application for welfare.

Counting how many people were diverted from getting help is not as good a story, from the government’s point of view, as moving people from welfare to work. But even when the Ministry commissioned a study specifically to focus on its success in moving clients from welfare to work through its job training programs, the consultants bluntly stated that the dramatic decline is because of the changes in rules governing eligibility and benefits.²⁷

To determine whether caseload reductions in BC are more about reduced entries or increased exits, more information is required—information the Ministry does not routinely release or comment upon. Freedom of Information (FOI) requests²⁸ produced more detailed caseload information, including monthly data on entries and exits from June 2001 to December 2004. This new data was then analyzed to determine whether the caseload reduction was caused by an increase in the number of people exiting welfare or a decrease in the number of people entering, or some combination of both.

Comparing Enquiry, Entry and Exit Rates

In the year following the introduction of the *Employment and Assistance Act* in April 2002, the number of people accessing welfare dropped dramatically. As shown in Table 1, our FOI data reveals that the average number of new welfare cases²⁹ in 2001/02 was 4,240 per month. The following year the average number of new cases was just 2,173 a month—a full 49 per cent reduction in just one year. Looking at all “starts” (new cases and returning cases), there is a similar pattern: during the 2001/02 fiscal year, there were an average of 8,234 total starts per month, while in 2002/03 this dropped to 4,914 per month, a reduction of 40 per cent.

At the same time, the number of “cases” (which may include individuals or families) exiting the welfare caseload also decreased. In 2001/02, an average of 8,388 cases left the caseload each month, but by 2002/03, only 7,631 were leaving each month.

Through the next two fiscal years, the number of new cases continued to decline, but more gradually. The number of cases exiting also continued to decline.

Table 1: Average Monthly Starts and Exits from Welfare Caseload (2001–2004)

Fiscal year	Average monthly new starts	Average monthly total starts*	Average monthly exits	Average monthly total caseload
2001/02**	4,240	8,234	8,388	154,880
2002/03	2,173	4,914	7,631	130,524
2003/04	2,571	4,800	5,366	116,015
2004***	2,085	3,926	5,278	108,207

* Total Starts includes New Starts and "Cyclers" (people who were previously on assistance, left and are then re-granted assistance). **Data only available from September 2001. ***Fiscal year 2004/05, but data only available to December 2004.

Source: Based on Freedom of Information request to the Ministry of Human Resources filed May 27, 2004 and responded to January 20, 2005.

While the decline in the number of exits is to be expected, given the smaller overall caseload, it stands in stark contrast to the government's dominant narrative, which is that *more* people are leaving welfare, not fewer.

Because both entries and exits decrease as the caseload shrinks, a more useful analysis is to ask how many cases were entering or exiting the caseload as a proportion of the overall caseload. These calculations are shown in Table 2. In 2001/02, the proportion of the caseload that entered each month (5.3 per cent) was roughly the same as the proportion of the caseload that exited (5.4 per cent). But by 2004, the entry rate had dropped to 3.6 per cent of the total caseload, while the exit rate (at 4.9 per cent) had also declined, although much less sharply.

Thus, the evidence is very strong that the overall caseload reduction is not about increased exits; rather the caseload decrease is primarily due to lower entry rates—it is mainly a front door story.

Still to be determined is whether the reduction in entries is mainly a result of fewer applications (and perhaps fewer people in need of welfare) or a result of policy changes designed to restrict entry. Again, FOI requests were employed to produce the data needed to answer this question. The results are shown in Table 3, which compares the number of *requests* for welfare with the number of *successful applications* since 2001/02 (the year before the implementation of the new rules).

In recent years, not only has there been a dramatic drop in the number of pre-applications for assistance (from an average of 9,848 per month in 2001/02 to 6,735 per month in 2004), but an even more dramatic fall in the proportion of applications who start welfare. Each year the rate of unsuccessful applications increases. In the fiscal year 2001/02, 85 per cent of pre-applicants received assistance. By 2002/03, 65 per cent of those who applied were granted assistance. And by 2004, just over half (58 per cent) of those who applied actually received assistance. Indeed, looking at the monthly data, we see the success rate dropping from a high of 90 per cent during the year before the policy changes to a low of 51 per cent in 2004 (in the last month for which we have data).

(For a description of the stages of applying for welfare, see *The BC Welfare Application Process* on page 25.)

As noted earlier, the decline in the number of pre-applications is undoubtedly due in part to an improved labour market and a reduction in need. However, it is also due to policy changes. Pre-application numbers are provided to applicants when they are ready to complete the on-line orientation. Thus, if a potential

In the fiscal year 2001/02, 85 per cent of pre-applicants received assistance. By 2002/03, 65 per cent of those who applied were granted assistance. And by 2004, just over half (58 per cent) of those who applied actually received assistance.

Fiscal year	Starts (as a % of total caseload)	Exits (as a % of total caseload)
2001/02	5.3	5.4
2002/03	3.8	5.8
2003/04	4.1	4.6
2004	3.6	4.9

Source: Based on Freedom of Information request to the Ministry of Human Resources filed May 27, 2004 and responded to January 20, 2005.

applicant is effectively discouraged from applying before this stage, either because a welfare worker tells them they are likely ineligible, because the potential applicant finds the process too difficult to navigate, or simply because the word on the street is “don’t bother,” these various forms of discouragement will also be reflected in the reduction in pre-applications.

These findings support what others have found. FOI requests by investigative reporter Andrew MacLeod of Victoria’s *Monday Magazine* sought to expose the rules and processes being used to drastically limit entry into welfare. MacLeod found that the front door was closing on individuals well before they were even considered “applicants.” Based on numbers he obtained through an FOI request, MacLeod reports³⁰ that between June 2002 and September 2004 a total of 206,759 pre-applications were completed but

only 122,361 began receiving welfare payments. In other words, 84,000 enquirers who completed the pre-application process, or about four out of 10, did not get help.

The Ministry’s own reports indicate that the percentage of enquirers who are diverted is even greater. In the *2003/04 Annual Service Plan Report*,³¹ the Ministry claims that half (49 per cent) of enquirers were diverted from obtaining income assistance. In actual numbers there are now twice as many applicants being denied, discouraged or “diverted” each month. In 2001, each month an average of 1,474 pre-applications did not obtain assistance. This number doubled by 2003 as the average number of diverted applications rose to 2,715 a month, rising again in 2004 to 2,845 a month.

By analyzing the trends in pre-applications, entries and exits since the reforms, it becomes clear that the Ministry’s good news story is based on faulty logic. While the welfare reformers would like us to believe that fewer people are receiving welfare because they have found work, and while the public would also like to believe this message, it clearly is not accurate. The fact is a significant cause of the declining caseload is a result of increasingly restricting entry regardless of people’s real need—a fact that is likely less palatable to the public. And while the Ministry likes to assume everyone diverted from assistance is employed and self-reliant, there is no evidence to confirm such claims.

In actual numbers there are now twice as many applicants being denied, discouraged or “diverted” each month. In 2001, each month an average of 1,474 pre-applications did not obtain assistance. By 2004 this number rose to 2,845 a month.

Table 3: Percentage of “Pre-applicants” Who Successfully Obtain Welfare (2001–2004)

Fiscal Year	Average monthly applications	Percentage of applicants who start welfare
2001-02	9,848	85
2002-03	7,626	65
2003-04	7,498	64
2004-05 (six months only)	6,735	58

Source: Based on Freedom of Information request to the Ministry of Human Resources filed May 27, 2004 and responded to January 20, 2005.

The BC Welfare Application Process³²

The following describes the formal process for applying for welfare in BC at the time this study was conducted. In practice, various other forms of delays, discouragements and denials make accessing benefits even more difficult than the formal process would imply.

Enquiry Stage

People who intend to apply for welfare have been called “enquirers” by the Ministry, although as of November 1, 2005 the Ministry no longer uses this term and this stage is simply referred to as Stage One. The first step is for the individual to contact their local Employment and Assistance office. This contact is usually through the Ministry’s 1-800 information line. Our interviews with applicants indicated that individuals in Vancouver were generally able to go to their local office to fill out an Enquiry form, while individuals in Victoria would not be helped in person by Ministry staff, but were instead instructed to contact them by phone using a 1-800 number.

If the individual suitably demonstrates eligibility they are provided a “pre-application” (PA) number, which is necessary to proceed to the subsequent stages. As well, they need to access their “Independent Work Search Toolkit” and the “Work Search Guidelines,” which can also be downloaded from the website.

Orientation Stage

Individuals must then complete an orientation session. This orientation is available only online at www.weborientation.gov.bc.ca. The orientation session provides details about the necessary documents, income and assets levels, eligibility rules, and work expectations when applying for welfare. Individuals access the web orientation using their PA number and at the end of the session they record their “confirmation number” as evidence that they have completed the on-line tasks. Both of these numbers are necessary to secure an intake interview.

Three-Week Work Search Stage

Individuals are expected to look for employment for three weeks before moving to the next stage. During this period, individuals are to prepare and use an up-to-date resume and complete the Work Search Activities Record form. All adult members of the household are required to complete this search.

Intake Interview Stage

Individuals are given an appointment date for the intake interview, scheduled to follow the three-week work search. This first interview is expected to take up to 1.5 hours. If more than one adult lives in the household the interview may take longer. In the interview, the Ministry staff will assess whether the individual’s work search is adequate to proceed. If the work search is deemed inadequate the individual may not be allowed to apply for assistance until another work search is completed to the Ministry’s satisfaction.

Individuals are told to bring many documents to the intake appointment in order to determine eligibility. These might include, for example, an up-to-date resume, the completed Work Search Activities Record, social insurance card, valid picture identification, one other piece of identification, current rent receipt, landlord name and phone number, utility bills, 60-day bank statements, income ►

◀ tax notice of assessment, children’s birth certificates, separation agreement, Records of Employment, proof of any other sources of income, employment insurance application, vehicle registration, etc. All adult members of the household may be subject to these requirements. At this stage the individual may be deemed not eligible for many reasons, such as insufficient identification, incomplete documentation, assets in excess of allowable limits, having been dismissed with cause or quit a job, not seeking work, being a full-time student, or failure to pass the two-year independence test.

Through this process an Application Form will be completed, and signed. At this stage, a person becomes an official “applicant” in the Ministry’s view. The applicant must also sign a Consent Form that allows the Ministry to check the information provided as well as exchange information with other agencies.

The next stage for the applicant may be a verification process by a Verification Officer, which has included unannounced home visits.

Approval of Benefits Stage

Applicants who are approved for benefits will be issued a cheque at a date following the interview. As soon as the Ministry approves benefits and a file is opened, the individual must meet with Ministry staff to create and sign an Employment Plan (unless a person has been granted disability status or been temporarily excused from work). Employment Plans are a condition of receiving benefits. Clients with “employment-related obligations” (i.e. those in the expected-to-work category) who do not agree to enter into an Employment Plan are not eligible for assistance.

Emergency Needs Assessments Stage

Enquirers in urgent need may complete an Emergency Needs Assessment process rather than having to wait the required three weeks for an intake appointment. An Emergency Needs Assessment Request form is completed to demonstrate that they have an urgent need for food, shelter or medical assistance and that “undue hardship” will occur as a result of the three-week wait. The enquirer must also be able to demonstrate that they have accessed alternate resources including friends and family and confirm that no alternative resources are available. If eligibility for emergency need is determined, an expedited intake application appointment time may be provided.

How Policies Restrict Entry

The two-year independence test and three-week work search are two of the most significant policy changes to welfare eligibility in BC. Evidence from our research indicates that these two regulations have been instrumental in reducing the overall caseload, as they deny eligibility, delay receipt of assistance, and discourage individuals from accessing welfare. These eligibility and application policies take a “one size-fits all” approach to applicants that fails to reflect the diversity within the population of people in need of assistance. Specifically, these two significant reforms wrongfully assume employability.

The Ministry is very clear that these policy changes are an attempt to redesign welfare “from a culture of entitlement to a culture of employment and self-sufficiency.”³³ However, the majority of people currently receiving welfare are individuals who face barriers to employment and are not considered employable. Nevertheless, the Ministry wrongly assumes applicants to be “job-ready”—it requires that they conduct a work search before even being interviewed, and demands two years of financial independence before being eligible. Anyone who cannot fulfil these requirements is required to complete an additional eligibility test to seek exemption from these one-size-fits-all policies.

Efforts to use the Freedom of Information process to obtain data on why people are denied social assistance proved extremely difficult, primarily because such information is not readily available and had to be assembled in response to our FOI request. One would think that, each month, the Minister responsible for income assistance would receive a report telling him or her how many people were denied assistance in the previous month and for what reasons. In fact, it appears that no such reporting takes place. This is itself a fascinating finding: it suggests that the government is decidedly uninterested in the answer to such questions.

The Ministry does maintain a database in which welfare workers are asked to enter codes (representing various reasons for ineligibility) when an application for assistance is not granted. However, until prompted by our FOI, it appears the Ministry has never produced a report that extracted this information from its database, nor has any systematic analysis of this data been undertaken. Our FOI requested disclosure of the denial codes, both in instances of “no case made” (i.e. in cases where applicants were deemed ineligible for assistance at the initial time of application) and in instances of “closed files” when the applicant in question had not been in receipt of assistance for the previous three months (i.e. in cases where a file was opened, but prior to the issuing of support, the applicant was subsequently deemed ineligible upon completion of the application process). Table 4 summarizes this information, based on the response to our FOI request.

Table 4: Reasons for Denial by Category (March 2002 to December 2005)*							
Rank	Reason for denial	Fiscal 2002/03	Fiscal 2003/04	Fiscal 2004/05	Fiscal 2005 (9 months)	All years	% of total
1	Refused request for information	1,151	1,404	1,040	603	4,198	20.8
2	Income in excess	1,293	1,093	825	538	3,749	18.6
3	Fail 2-year independence test	826	1,152	817	404	3,199	15.8
4	Assets in excess	1,011	945	719	441	3,116	15.4
5	Application withdrawn	564	520	330	217	1,631	8.1
6	Missing or incorrect information	319	331	244	125	1,019	5.0
7	Under age 19	337	319	228	119	1,003	5.0
8	Quit/fired/refused employment or non-pursuit of income	161	179	139	73	552	2.7
9	Non-compliance with job search/employment obligations	250	73	63	28	414	2.1
10	Ineligible due to immigration status	139	129	83	41	392	1.9
11	Ineligible as in school	178	98	68	32	376	1.9
12	In prison/halfway house	126	83	92	71	372	1.8
13	On reserve	36	35	34	30	135	0.7
14	Other rare reasons**	2	9	15	8	34	0.2
	All reasons for denial	6,393	6,370	4,697	2,730	20,190	

Notes: * The reasons for denial presented in this table are based on "reason codes" for ineligibility produced by the Ministry of Employment and Income Assistance. The codes capture both instances in which an application is designated as "no case made" (i.e. cases where applicants were deemed ineligible for assistance at the initial time of application), and instances of "closed files" when the case in question had not been in receipt of assistance for the previous three months (i.e. in cases where a file was opened, but prior to the issuing of support, the applicant was subsequently deemed ineligible). Further, our FOI requested only one reason code per application (the first reason code entered). Applications may have been deemed ineligible for more than one reason (up to six reason may be entered, with an average of between 1 and 2). However, by restricting our request in this manner, we ensure that the totals provided in the table do not count applications more than once.

** Of the 34 "Other Rare Reasons" five were denied due to the 2-year time limits.

Source: Freedom of Information Request submitted to the Ministry of Employment and Income Assistance dated November 10, 2005, received January 19, 2006.

Of note, the total number of applicants recorded as having been denied assistance in Table 4 (20,190 over a period of just under four years since the new welfare rules came into effect) grossly understates the total number of people who are denied, diverted or discouraged at some stage during the full application process. First, reason codes are frequently left blank by welfare workers, and are thus not captured by Table 4. Second, Table 4 does not capture a large number of people who reached the pre-application stage, but who, for various reasons, did not advance to the final application stage.

While Table 4 may only capture a sample of those who seek welfare, it is nonetheless telling. First, it reveals the degree to which applicants who may in fact be eligible for assistance are being denied welfare simply because they have failed to successfully navigate the demanding process itself. In other words, the administrative requirements themselves may be keeping people from legitimate support. It appears that one out of every four applicants (26 per cent) are denied because they do not provide the reams of information required to demonstrate eligibility (21 per cent were denied due to “refusing a request for information,” while another 5 per cent were denied due to “missing or incorrect information”; sadly, we do not know what attempt, if any, is made to obtain correct information in these circumstances). Another eight per cent of applicants withdraw their applications, which again may be due in part to people finding the process too onerous or complicated. Cumulatively, this shows that many applications for welfare are refused not because of a clear lack of need, but rather, due to an inability to fulfil the bureaucratic demands—or to “jump through their hoops,” as applicants described the process to us.

The second remarkable finding revealed in Table 4 is the degree to which the new two-year independence test is leading to welfare denials. Prior to the 2002 welfare reforms, the two most significant tests of eligibility were the obvious tests to determine a person’s financial need: first, do they have an income, and second, do they have excessive assets? “Income in excess” and “assets in excess” continue to be common reasons for denial (representing 18.6 per cent and 15.4 per cent of the reasons for denial respectively). Now, however, failure to pass the two-year independence test represents the third most common reason for denial, noted in 15.8 per cent of the cases in Table 4. (As noted under Table 4, the data provided in the FOI lists only one reason for denial per applicant. In practice, there may be multiple reasons for a denial, and thus, as we will see below, failure to pass the two-year test is more common than the 3,199 cases noted in Table 4.)

Our interviews indicate that a considerable number of applicants are in fact not employable when seeking assistance. Many are in need because they lack the ability to be self-sufficient, but they are nevertheless deemed ineligible for assistance by the Ministry. Both applicants and community workers questioned the wisdom of creating barriers to income assistance while providing little or no help to those in need. If the Ministry was truly intent on helping people find work and become self-sufficient, would there not be some incentives, such as bus tickets, food, temporary assistance, etc. while undertaking a job search?

A mental health worker explained that many of her clients were now unable to get welfare, but neither were they able to get jobs:

They don't divert our clients to employment, because most of our clients are temporarily not employable ...so where they divert our clients is to the street. Thanks MHR [Ministry of Human Resources]. They know that a good number of the people who approach them have disabilities, hidden or otherwise, that make it more difficult for them to get through this process.

One would think that, each month, the Minister responsible for income assistance would receive a report telling him or her how many people were denied assistance in the previous month and for what reasons. In fact, it appears that no such reporting takes place. This is itself a fascinating finding.

A youth worker argued that to deny assistance to a person seeking welfare may actually make them less able to find work:

If you're not housed and you're not clean and you have no way to clean yourself, to clean your clothes, sort of keep a resume up to date, a place to phone you back to, there's really not a high chance of being able to walk the streets and gain employment. So, the irony is when they deny people that support, they are denying you employment. The route to employment is some support, housing and then you can move on to getting employed.

The Two-Year Independence Test

The two-year independence test is unprecedented in Canada, and is unique in that failure to pass this test means denial regardless of income or assets, in other words, regardless of need. For this reason the rule represents a fundamental departure within Canadian social policy—the denial of support when in need as a basic human right.

According to the Minister, “The two-year independence requirement promotes self-reliance through employment and discourages dependency on income assistance.”³⁴ The reform stipulates that before a person can apply for welfare, they are required to prove to the Ministry that they have been financially independent for two consecutive years. The independence test requires providing sufficient documentation to demonstrate that you have worked for at least 840 hours or earned at least \$7,000 for two years in a row (which can include money received through Employment Insurance). The two-year independence test sets a very high bar for access to assistance. Indeed, this bar is set such that many younger applicants have simply not been in the labour force long enough to pass the test.³⁵

The Ministry has created an extended list of exemptions to the rule, and continued to add exemptions through the initial years of implementation (see *The Two-Year Independence Test Regulations* on page 32).

While the list of exemptions may appear to make the two-year rule more reasonable, palatable and fair, it also raises many questions: How are people required to prove that they have been employed or financially independent for two years, particularly if they lack documentation? How are people expected

PROFILE

Julie³⁷, who is 52 years old, raised five children and lived with an abusive partner for 15 years. She struggles with depression and the effects of living with Hepatitis C.

Julie had applied for welfare three times over the last year or so and each time was denied for failure to pass the two-year independence test. Each time she needed help, she explained to the Ministry that Social Services in Ontario would have all of her records as she was in receipt of medical benefits in that province. She thought it would be much easier for the Ministry worker in BC to access the Ministry records in Ontario than for her to try to get the records, especially as she had spent the last five months sleeping in a tent in Stanley Park.

Then Julie sought an advocate. “He took me over to the welfare building, helped me talk to the people the first time, and I collected all the forms I was supposed to fill out. He took me to the clinic, he waited with me at the clinic and I got my form filled out and he actually took the form back for me,” she explained. The next meeting with the Ministry worker was the following Monday, and the next day she was on welfare.

Julie is now receiving counselling and the Ministry is helping her obtain disability benefits. She suggests that anyone who needs to deal with the Ministry should first get an advocate.

to prove that they have left an abusive home situation (is their word good enough?), and how is this abuse judged to have “impaired” their ability to work? And is the enforcement of these exemptions consistent across welfare offices and from worker to worker?

Furthermore, it is worth noting that the government’s use of the term “financial independence” is misleading. The government is requiring people to prove that they have had a certain level of formal paid employment over the past two years. This test ignores many people who have in fact been independent—people who have survived on the streets or in marginal housing situations, as sex trade workers, or by other means of survival.

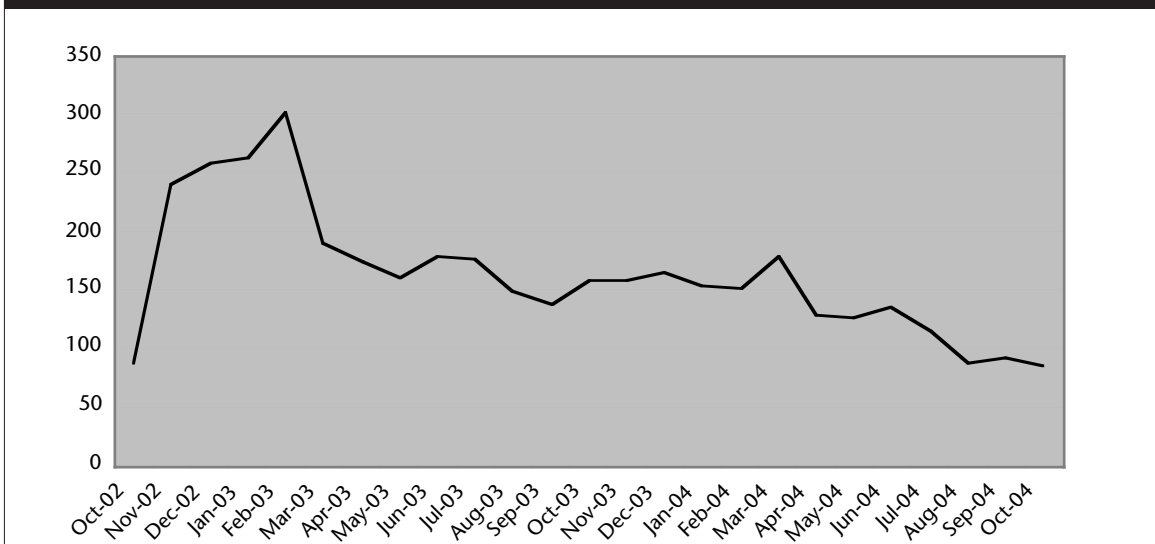
More importantly, exemptions to the two-year test have meaning only if applicants know they exist and they are fairly enforced. Yet, our research found that people are being denied assistance due to failure to pass the two-year test when they should, in fact, have been exempt, but were never made aware of or understood the exemptions. Welfare workers do not routinely inform applicants of the exemptions, nor is the list of exemptions easily found on the Ministry’s website.

As noted above, data obtained through our FOI requests indicate that the third most common reason for denying applicants assistance in recent years has been failure to pass the two-year independence test.

Figure 4 shows the number of applicants denied assistance due to failure to meet the two-year independence test each month between October 2002 and October 2004 (all the months for which we were able to obtain data under this FOI). On average, 162 applicants per month were refused assistance for this reason, with refusals peaking in late 2002 and early 2003. This represents a significant number of people. While it is true that a few people may have applied more than once and been rejected each time, it is unlikely that many would be so persistent. The numbers contained in this figure are greater than those in Table 4 (above

Many applications for welfare are refused not because of a clear lack of need, but rather, due to an inability to fulfil the bureaucratic demands—or to “jump through their hoops,” as applicants described the process to us.

Figure 4: Refusals under Two-Year Independence Test by Date



Note: The Ministry of Human Resources cautions that the applicants denied due to failure to meet the two-year independence test may not have been eligible for income assistance for other reasons as well, and the numbers above may double-count people who apply and are rejected more than once. Our view, however, is that this is unlikely to represent more than a handful of people, and more likely, these numbers under-represent those who are informally denied or discouraged due to this rule.

Source: Freedom of Information request to the BC Ministry of Human Resources, filed May 27, 2004, and responded to January 20, 2005.

on page 28), as this FOI captured *all* instances when the two-year rule was given as a reason for denial (including cases where multiple reasons for denial were recorded), whereas the data used for Table 4 gave only one reason per applicant.

Thus, in total, over this two-year period, approximately 4,000 applicants failed to gain assistance under the new two-year independence rule. And while it is likely that many of these people have landed on their feet and found alternate sources of income, one of our core findings is that many have not. Some are living on virtually no income at all, and some have joined the ranks of the homeless.

The Two-Year Independence Test Regulations

Section 8 of the Employment and Income Assistance Act states:

Requirement for 2 years employment

8 (1) For a family unit to be eligible for income assistance, at least one applicant in the family unit must have

(a) been employed for remuneration for at least the prescribed number of hours in each of two consecutive years,

(b) earned remuneration for employment in at least the prescribed amount in each of two consecutive years, or

(c) been employed for remuneration for a portion of two consecutive years and for the balance of those years either

(i) served a waiting period in respect of, or received benefits under, a claim under the Employment Insurance Act (Canada), or

(ii) received income under a public or private income replacement program or plan.

(2) The Lieutenant Governor in Council may prescribe categories of applicants to whose family units this section does not apply.

It is important to note that when the government introduced this new rule in 2002, it simultaneously introduced a host of exemptions. Among these, applicants are excused from the two-year test if they:

- are under the age of 19;
- are pregnant, have dependent children, or serve as a foster parent;
- have, or had, a medical condition that prevents them from working for at least 30 days from the date of application, or prevented them from working for a period of at least six months during the two years immediately prior to applying;
- have been a spouse supported by a partner's employment for a period of two consecutive years;
- were incarcerated in a correctional facility for at least six months during the two years prior to applying;
- were in the care of the Ministry of Children and Families when they turned 19;
- have separated from an abusive spouse or fled an abusive family situation within the last six months, and as a result had their ability to work impaired;
- hold a two-year diploma, a bachelor's degree, or higher from a college or university; or
- were previously determined to be a Person with Persistent Multiple Barriers to Employment (PPMB).³⁶

Our research indicates that the two-year independence test acts both as a formal eligibility rule that denies assistance, as well as a significant discouragement before individuals who may need income assistance even reach the formal application stage. While there is widespread knowledge of the rule, there is less knowledge of the exemptions. In our interviews, people who faced significant barriers to employment and who believed they did not meet the independence test criteria did not bother to apply. However, it appears likely that many of these same individuals would clearly be exempt from the policy.

A youth worker we interviewed found that the two-year independence test is the most significant barrier to youth, primarily street youth, accessing welfare. He found that if you can pass the independence test, you likely would qualify for Employment Insurance. We heard that some people cannot pass the test because they have not been employed enough, while others cannot pass the test simply because they are unable to obtain the necessary documentation. Many young people work casual jobs, for cash or numerous short-term jobs, which makes accumulating all of the necessary Records of Employment very difficult—especially if they have no phone or money for transportation. Examples where young adults could not document their past employment included: working for summer contractors such as house painters who no longer exist as a business, on-reserve work, work in other provinces or other countries, temporary labour pools, and cash labour.

A 21-year-old man we interviewed at an emergency shelter had just been denied welfare. He had worked the required number of hours, but not over two consecutive years. He explained “I had enough hours, I just didn’t work two years back-to-back, but I like worked from 1999 to now, like doing different things, and it’s not fair that just cause I didn’t work two consecutive years back-to-back...” At only 21 years the young man had considerable work experience, including 900 hours from eight months of work in a home care setting, two months in a restaurant, two months as a groundskeeper, three months in a hotel, and a

Exemptions to the two-year test have meaning only if applicants know they exist and they are fairly enforced. Yet, our research found that people are being denied assistance due to failure to pass the two-year test when they should, in fact, have been exempt.

PROFILE

Jason is 24 years old and has been on the street using drugs since he was a teenager. When he applied for welfare, he obtained a PA (pre-application) number and job search information, and three weeks later met with a worker, at which point he was denied welfare for failing to pass the two-year independence test. While he has never had a “real job,” Jason has worked many temporary cash labour jobs in the construction industry as well as dishwashing, working as prep cook, “and when I was 19 I had a job for eight months in a kitchen. That’s pretty much the only stable work.”

According to Jason, the Ministry provides him assistance only when he agrees to go to detox or a treatment facility. The Ministry has paid for Jason to obtain rehabilitation services many times over the years, but what he really wants now is money for food.

“I work at the temp services [cash labour] and do a day’s work here and there to buy food and clothing and you know. I spend a lot of money on drugs, so my money goes in one hand and out the other,” he explained.

Jason said he wished the Ministry could give him a chance “to try it on my own, to see if I could get a place to work at the temp service and have my rent paid for a couple of months. If they would just get me off the street and into a place for one month.”

He doesn’t expect he will apply for welfare again, saying “I don’t even want to deal with them, they treat me like a pest,” and instead will live day-to-day on the street and eating in soup kitchens.

week as a telemarketer. After a break-up with his girlfriend the young man applied for welfare and started his job search while living at an emergency shelter, handing out resumes during the day. He had reached the limit of his stay at the emergency shelter and was denied welfare. Homeless and without welfare he has just begun living on the streets and getting food at community centres, noting that he is now looking for a place to sleep more than looking for work.

Another man on the streets was also denied welfare because he could not pass the two-year independence test. He had applied, did the “run-around” for three weeks, and was then told he wasn’t eligible because of the independence test. He told us how he was feeling desperate and “they just shut me down.” His last steady employment was two years ago when he worked construction for eight months but was fired and so could not collect EI. Currently he is working part-time through a temporary labour service that pays him minimum wage—not enough to get back on his feet and afford a place to live.

Another young man living on the street had just spent the last 20 days in jail, and when released found himself with nowhere to stay and no money or support. At 20 he had yet to be able to pass the two-year independence test, notably because of his age and the fact that he struggles with addictions. He said the day he was released from jail he called welfare and was told he wouldn’t qualify because of the independence test. He said he felt it would be very difficult for him to again work odd jobs and get back on his feet. He felt what would help him was an emergency cheque and money for work boots so he could try to get day labour.

Overall, the rule appears to be unfair as it is designed to purposefully exclude young people from obtaining income assistance even though they fully meet the criteria of being in need. As the Canadian Centre for Policy Alternatives has previously stated, “There is no defensible rationale for requiring people to have two consecutive years of work prior to claiming welfare,” naming the rule a “fundamental repudiation of welfare as a right when in need.”³⁸

The Three-Week Wait

Since April 2002, people in need of assistance are required to look for work for three weeks before their application for welfare will be considered. According to the Minister, “This policy is designed to emphasize employment before assistance thereby promoting self-reliance of individuals.”⁴⁰ The findings from interviews with people seeking welfare, community advocates, and welfare workers raise serious concerns about the appropriateness of what is more commonly known as the “three-week wait.”

There are significant indications that this specific policy’s role in caseload reduction has been vastly understated by a Ministry that wants the public to believe that more and more people are moving off of welfare. Our research raises the concern that the three-week wait is reducing caseload numbers as it both delays applications and makes the application process unrealistic for people who are the least “job-ready” and possibly the most vulnerable. There is considerable evidence that the three-week wait is not fulfilling the Ministry’s goal of diverting applicants to employment, but rather, diverting applicants from much-needed assistance into greater debt and increased vulnerability. This is ultimately at odds with the Ministry’s aim of increased self-sufficiency and employability.

The three-week work search requirement is contradictory to the Ministry’s own definition of eligibility. Welfare in BC is defined as “the payer of last resort when all other sources of income are exhausted.”⁴¹ Thus, on the one hand, the Ministry is telling people that they must have exhausted all sources of income and have virtually no available assets before seeking welfare. But, on the other hand, it is then requiring these individuals with virtually no resources or means of self-sufficiency to wait for a minimum of three weeks before an application can even begin.

Here's how one Ministry worker expressed the incongruity between the Ministry's policy of being an income of last resort and also demanding a three-week wait:

The Ministry expects people to use all resources available to them before they come and ask us for assistance, so the responsible individual will do that very thing, and will wait until they are at the end of their rope and then they'll come to us, and we tell them they have to look for work for three weeks. Frequently the response I get from people is 'well that's what I've been doing for the last two months, and I've maxed my credit cards, and I've used every IOU I possibly can and I have been looking for work the whole time and I haven't found it yet.' So we really want it both ways, we expect them to be at the end of the rope before they apply for assistance, but then we turn around and impose it further. It's like, it's a double expectation, it's like a lack of belief that a person's actually looked for work. That bothers me because people really then are beyond desperate by the time they get in to see us. Frequently, you know it's too late for them to pay their rent, for example.

Another Ministry worker explained that a person is in need "when they walk through the door" and not 21 days from applying. The worker related how clients will explain how they lost their job, were in an accident, maxed their credit card, were evicted, lived with their friend for the last two or three months and still haven't found work. They tell the worker "I'm desperate and I can't do this anymore, my friend doesn't want me there and da da da da da da," and the worker's response is "you're still facing four weeks."

The result of the three-week wait is often not employment. The delay of assistance when in crisis exacerbates an individual's crisis and deepens their poverty. For example, one woman staying in an emergency shelter had been walking around town every day handing out her resume for the last two weeks—with one more week to go before she could talk to a worker and possibly get out of the shelter. Another person had no money to pay rent but still had over a week to go before being able to apply. Paradoxically, the three-week wait could mean losing his housing before gaining assistance, making his poverty deeper and employability weaker. A mental health worker explained, "When you're in a life crisis and you have no means to pay your existing bills, is not the time to send someone off to do your independent job search."

The three-week work search requirement is contradictory to the Ministry's own definition of eligibility. The Ministry is requiring individuals with virtually no resources or means of self-sufficiency to wait for a minimum of three weeks before an application can even begin.

Three-Week Work Search Regulations

Section 3 of the Regulations to the *Employment Assistance Act* states:

Pre-application requirements

3 (1) *To be eligible to apply for income assistance, a person must satisfy the following conditions:*

(a) *complete a search for employment as directed by the Minister for the 3 week period immediately following the date the person completed an enquiry form,*

(b) *provide information about and verification of the search for employment in the form specified by the Minister for that purpose.*

(2) *If the Minister is satisfied that compliance with subsection (1) would cause undue hardship to a person or a person's dependants, the Minister may exempt the person from satisfying the conditions under subsection (1).³⁹*

The Ministry recognizes that people cannot meet their basic needs, but still makes them wait for help. Rather than providing income assistance through the work search period, the Ministry refers individuals to community social services and charities. For example, the Ministry's web orientation directs enquirers who need help through the three-week wait to "Check the telephone book under 'Social Service Organizations' or 'Community Services' for local resources that may offer support."⁴² Many of the applicants interviewed said the only help they received from the Ministry that first month was a one-

Many of the applicants interviewed said the only help they received from the Ministry that first month was a one-page list of community agencies and food banks. This is not diversion to employment, but diversion to food banks, shelters and charities.

page list of community agencies and food banks. This is not diversion to employment, but diversion to food banks, shelters and charities. Many people may be surprised to learn the extent to which the public welfare system has chosen to become structurally reliant on charities.

There is no doubt that people are being diverted. But diverted to what? When the Ministry began the reforms, there were plans to track what happened to those individuals diverted through the application process. The Ministry had planned to survey diverted applicants as part of its Exit Surveys. The plan was to track "both former clients and others who completed a pre-application but did not become a client."⁴³ However, this research was not undertaken, and eventually the Ministry stopped releasing its highly questionable Exit Surveys of welfare leavers altogether.

One Ministry worker expresses the fear that not only does the three-week wait not help clients, it unnecessarily causes harm:

I believe that people are killing themselves that otherwise wouldn't have, I believe people are being more entrenched in addiction, I believe that people are forcing themselves on relatives that do not want them there at all, and causing family discord because of that, and I'm saying these things from what I'm hearing from my clients, I'm not just pulling this out of the air, we're doing harm, and that's not okay.

PROFILE

About 10 years ago Ted began to suffer from depression and that's when his marriage ended. Then he was diagnosed with a brain tumour, which was removed several years ago. Following his surgery, he sold his house and enrolled in retraining courses through a local university.

Ted is now 53 years old and lives in a furnished basement suite. He had expected to find immediate employment following his computer course, but with his course completed, Ted found himself with no savings, no immediate prospect of a job and unable to pay the next month's rent.

Ted realized he needed assistance and called the 1-800 number, completed the on-line orientation and began applying for jobs for 21 days. The problem is that the end of the month comes before the end of the three-week wait, meaning Ted will have missed paying the rent by over a week.

In Ted's initial phone call to the Ministry he enquired as to whether he would be considered disabled due to the tumour being removed, and was told that regardless he would first have to look for work for 21 days before being given an appointment. He feels that before telling someone to look for work, the Ministry should first determine whether the person is disabled.

He continues to look for work and is borrowing money from someone to pay the rent. The whole process, according to Ted, is "dehumanizing" and without compassion, and after he gets off the phone with a worker he feels more depressed.

The Wait Exceeds 21 Days

If the three-week work search policy creates hardship, how it is implemented in practice and through local administration creates additional hardship. Over and over again, we heard that people's three-week wait exceeded 21 days. Ministry workers said appointments get backed up and the wait can now be four or five weeks. Workers also expressed concern that even emergency appointments had to wait two weeks before being scheduled:

A barrier to us providing the service is the fact that we don't have as many offices as we used to, we don't have as many staff as we used to... We're basically out-matched, in terms of our own human resources, so people tend to wait longer than the three week period, or certainly different times of the year we've run into that problem where, you know, people are coming in faster than we can see them, and the three week job search period is past and people are waiting another week. At some point it is five weeks that people are waiting, and we reach a point also with the emergency appointments where they end up being longer than two weeks. So they're potentially recognized as an emergency, but because of our inability to get them in to be seen they end up being delayed too. It's a real problem, in that our staff have kind of been left to our own devices. I think every office is in that situation, where the situation's being monitored by management, and they're aware of waiting times and that kind of thing. I think each office is left to strategize on its own how to get around that.

Community workers find that many applicants are unaware that they could pre-book an application appointment, as the Ministry informs individuals to complete the three-week work search, complete the work search activities record and only then contact the Ministry to set-up an intake appointment. The consequence is that an applicant completes the three-week wait, calls the Ministry, but the first available appointment may be another two week wait. Meanwhile the rent is past due and there is no money for food. Obtaining past financial and employment records from government agencies, past employers and property management companies takes time. One applicant, for example, couldn't get the paperwork to the Ministry in the three-week timeframe. The result was that the application could not proceed.

Other studies support the finding that people can be delayed more than three weeks before being permitted to apply for welfare. In 2003, the BC Convention on Ending Discrimination Against Women Group⁴⁴ also found that in practice there is a waiting period of approximately six weeks. Its concern is that most people exhaust all other avenues of survival before turning to welfare and appear at welfare

IN THEIR OWN WORDS

A Ministry worker explained how the three-week work search effectively discourages people:

When somebody comes in with everything, they're given this package that goes step by step through all of the stuff that they're expected to supply when they come for an interview. We're catching people at one of the lowest ends of their life. People come in who are distraught, anxious, devastated, afraid—and they're expected to go out and do a three-week work search? I mean, their phone may be cut off, they may have an eviction notice, I mean all kinds of things can be going on like living with family members that hate the fact that they're not in a good situation already. So it's not unusual for people to just not have done it, and not have gotten all this stuff, so the usual response is, you know, goodbye, go get this stuff. If you don't contact me within five working days your file will be closed and if you still need assistance you'll have to go through the whole application process again. So the vast majority of people that walk out of that interview don't ever answer that.

offices having no income, assets, or other means of support. A coalition of BC community-based advocacy groups submitted a complaint to the province's Ombudsman in February 2005. Advocates reportedly

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observed that people sometimes wait up to six or seven weeks before receiving any assistance. They argue these waits violate administrative fairness because this extended delay prevents individuals from accessing benefits.⁴⁵ The advocates also argued that "these long delays may generate significant hardship for individuals and their families, including children... People are asked to search for employment when they are often hungry, about to get evicted, and have no money for transportation, child care, or telephone service."⁴⁶

How Administrative Practices Restrict Entry

Welfare in BC is an income of last resort. Those who need welfare are individuals facing significant barriers to employment and social participation. For example, the Ministry reports that 80 per cent of the people who access welfare did not graduate from high school⁴⁷ and currently half of the caseload are individuals with disabilities. It should be assumed, therefore, that a significant majority of British Columbians seeking income assistance are a population facing significant barriers, including low literacy, disabilities, mental health issues and addictions, and possibly struggling through crises such as dire poverty, debt, abuse, threat of eviction, relationship breakdown, and child custody issues.

Assuming this is the population to be served by our province's welfare system, policies and practices need to be designed to best meet the distinct needs of the people it exists to serve. Our research indicates the opposite. In fact, there is evidence that discouragements have been intentionally created to systematically divert people from obtaining welfare, regardless of their need. Furthermore, those who face the most significant barriers to employment and who struggle with disabilities or immediate crises face the greatest challenges in accessing assistance.

Researchers who looked at the welfare policy changes in Ontario (implemented in the mid-1990s) found that *administrative* practices have an equally strong impact on cutting caseloads as do the eligibility

policies and regulations themselves.⁴⁸ These researchers argue that a “bureaucratic maze” is purposefully created to reduce caseloads. Through unnecessary administrative discouragements, applicants are deterred from making a claim, denied through an administrative rule, or simply scared away from applying. The result is that people with legitimate claims are denied the support they need.⁴⁹

Reviews of the Ontario reforms have now concluded that this punitive model of service delivery in many ways actually inhibits people from moving toward social and economic independence.⁵⁰ In general, people turn to the welfare system when in need and leave as soon as they can. A punitive and exclusionary system is not what such people need or deserve, yet that is clearly what we have.

Past research in BC also cautions against across-the-board tightening of eligibility. Through a study

that compared the impact of verification officers (VOs—Ministry workers whose job it is to confirm the accuracy of information provided by applicants) in 17 welfare offices to similar offices without VOs, researchers examined the impact of benefit denial. The report concludes that denying benefits using increased scrutiny throughout the application process will save immediate money, but the denial of benefits did not appear to have a long-term impact on future welfare use.⁵¹ The report recommends that tightening eligibility “would have to be carefully targeted in order not to simply cause hardship for cases who cannot avoid their need for welfare.”⁵²

In 2001, when the BC government began its intensive Core Services Review process, the public was promised that government services would be reformed to reduce red tape and administrative barriers. However, evidence from our interviews shows that while red tape and administrative barriers were being reduced for the general population, the government was simultaneously creating more red tape and administrative barriers to programs designed for the most vulnerable British Columbians.

A clear theme emerging from our interviews is that the current application process is not responsive to the needs of the population it is supposed to serve. The 2002 policy changes have had a considerable and negative effect on assisting British Columbians in need. One root cause of this outcome appears to be the implementation of the Ministry’s *Alternative Service Delivery* project, which emphasizes the use of

There is evidence that discouragements have been intentionally created to systemically divert people from obtaining welfare, regardless of their need. Furthermore, those who face the most significant barriers to employment and who struggle with disabilities or immediate crises face the greatest challenges in accessing assistance.

PROFILE

Pat is a 53-year-old First Nations (status) woman who has seasonal work in a fish plant and is laid off each year when the season ends. She struggles with diabetes and has cycled between seasonal work and welfare often.

This time the whole process has been so confusing, explained Pat. “I had about four different workers that I’ve never met, just talking on the phone.” Her application process took over two months due to the office closing her file at one point and Pat having to reapply, for reasons unknown to her.

Pat found an advocate who could help her through the process including the on-line requirements, as she said she doesn’t know enough about computers to do the on-line orientation.

Pat also stayed in a woman’s shelter while she waited for assistance, but the application process took so long that she could no longer stay there and was sent to a second, less safe shelter, which she described as “scary” due to the drug use.

technology-based (Internet and telephone) service delivery. By and large, these policy changes are not suitable for the client base needing social assistance, and we find that the increasing use of these technologies has played a role in preventing legitimate claims from being fulfilled.

Increased Use of Technology Increases Barriers to Assistance

Welfare reform in BC has included adopting new ways to deliver Ministry services while cutting costs. The *Alternative Service Delivery* project fulfils the Premier's directive to "streamline regional service delivery to clients of income assistance."⁵³ In 2001, the Ministry also began implementation of its *Electronic Service Initiative*, which promised to use technology to provide access to income assistance. The Ministry has reformed the application process "to reduce the need for individuals to attend Ministry offices"⁵⁴ and instead implemented replacements for face-to-face service, including a 1-800 number and an orientation process that can be accessed only on-line.

The reforms are described by the Ministry as "new ways to deliver Ministry services more efficiently, effectively and at less cost to the taxpayer." The initiatives also facilitated the "workforce adjustment initiative as part of the government's budget reduction commitments." This initiative was established to help facilitate a reduction in the Ministry's workforce of 459 FTEs and the closure or amalgamation of 36 Ministry offices.⁵⁵

Our interviews show that this shift in service delivery has been a key means to discourage people. "Clients are constantly dealing with a system that has no capacity to deal with them" explained a community worker who watches clients in emergency situations being unable to connect with their worker because they are too busy to return phone calls. A Ministry worker explained how the staff reductions affect service delivery: "The reduction in staff is coupled with much more rigorous compliance monitoring ... although the caseload numbers are way down, the amount of work to maintain those remaining number of clients is way up." Another explained,

The amount of information that has to be conveyed to clients because of the complexity of the process is overwhelming to people, and you know the way it is now there is no easy way to simplify it. There's just not. There's just so many different layers and so many possibilities I could easily spend 10 to 15 minutes just explaining the basics of the beginning of an interview. That's just the basics, and then as we go on there are all kinds of stuff that can come in, that's overwhelming for people. It makes them less able to function, less able to understand, and less able to follow through in a meaningful way so that they're going to be able to get what they need in as short of time as possible.

Use of the 1-800 telephone system to deliver government services may make sense for many services, but it poses unique challenges and problems for the population seeking income assistance. We discovered that in many cases, inquiries about accessing income assistance now must be conducted over the phone. A community worker explained that "in order to apply for assistance at all, people are required to phone in a 1-800 number; they cannot walk into an office and apply for income assistance, they won't be assisted." A Ministry worker asked what happens when someone walks into an office seeking welfare told us the person is given a card with a phone number on it and told they can use the phone. A youth worker told the story of a young person who had no phone and so went into a welfare office. He was told no-one would talk to him directly, but he could phone them from the waiting area. We also heard that this practice varies. For example, in Victoria, all respondents informed us that no-one can walk into an office and apply for welfare, but in Vancouver face-to-face service appears to still be available.

In both Vancouver and Victoria we heard that the phone lines are "overworked and understaffed." Difficulties are experienced when applicants are unable to get through. Callers often cannot leave a message

because they don't have a phone to receive a message. As one community worker questions, "How many homeless people have phones, or access to phones to get a call back?"

Questions were also expressed regarding the suitability of determining eligibility and assessing job searches over the phone rather than in person. An alarming finding from the interviews was that individuals reported they were denied welfare through their initial contact with the Ministry—most often through a 1-800 call. Several individuals told us how they believed they were deemed ineligible through the initial inquiry, well before an application had been submitted.

Applicants expressed their frustration at applying for welfare without being able to just sit down and talk to a worker face-to-face. The enquiry and application process was described by applicants as taking

An alarming finding from the interviews was that individuals reported they were denied welfare through their initial contact with the Ministry—most often through a 1-800 call. Several individuals told us how they believed they were deemed ineligible through the initial inquiry, well before an application had been submitted.

over a month, involving several phone calls, but never actually meeting a worker. Each time a call is made, applicants deal with a different person and must therefore re-tell the story of their circumstances. While our research is unable to come to any formal conclusions regarding the impact of the 1-800 system, it is certainly likely that the move away from face-to-face meetings has contributed to the rise in denial rates. It is much easier to say "no" to someone who is not in front of you.

Such a hypothesis is supported by comments we have heard from welfare advocates in the Interior, a number of whom expressed concern about welfare call-centres. These advocates report that their clients have been hung up on, while many are unable to travel to those welfare offices still open for meetings, or are unable to navigate the phone and on-line systems due to low literacy or language difficulties, or due to a lack of a phone line.

After inquiring through the 1-800 number (and perhaps having an initial meeting with a duty officer), a person is then instructed to go on-line for the next stage of the application process—the on-line

orientation. This step is necessary in order to receive a confirmation number, which is needed to proceed to further stages. A community worker questions, "How many people have a computer, or a phone line to go on the Internet? Not a lot. So there are significant barriers for that one." The applicability of the on-line orientation to people who are unemployable, or not currently "job-ready," was also questioned. A mental health worker explained:

Almost all of our clients have a hell of a time going through the intake process ... a number of our clients, absolutely, are not able to understand the computer orientation. I've sat through it with them and it's really convoluted and it's also entirely geared to folks who actually have to work. If you don't have to work, if there's no employment-related obligations, none of those questions make any sense.

The Ministry's argument for the increased use of technology to deliver income assistance services is based on the estimate that 34 per cent of all British Columbians will use the Internet as their primary means of accessing government services.⁵⁶ This figure presents a weak argument for replacing workers with on-line orientations and offices with call centres. The same evidence could be interpreted to mean that the majority, two-thirds of the public, will not use the Internet to access services. It can reasonably be assumed that the poorest citizens with the fewest resources and lowest education will be almost entirely among that majority.

Diversion Through Degradation

Evidence collected through this study's in-depth interviews indicates how administrative practices are creating undue hardship and are, in fact, unethical. The tactics employed by the Ministry are effectively discouraging individuals in dire need from applying for assistance. Individuals repeatedly related stories of people who had no income but would either not apply or discontinued their applications because it was "not worth it" or simply too difficult. These individuals complained of being dehumanized, demoralized and shamed by a system they thought was created to help them. The process was described as punitive—individuals were asking for assistance and instead receiving punishment.

Workers tell of the pressure from supervisors to meet caseload reduction targets as established in the Ministry's service plan. Applicants told us they would rather live on the streets than be so degraded and receive so little. One woman who had previously worked in the sex trade said her experience seeking welfare was more degrading than the sex trade itself. While careful management of public funds is a valid objective, victimizing applicants seeking public services is not justified.

It appears that a two-tiered model of service delivery is promoted by the province—a punitive model for citizens seeking welfare and "world class" services for employed citizens. One woman applying for benefits argued:

I'm not saying they should be coddling people, but I mean, people need to be civil, you know what I mean? ... People think they're worthless because they're treated that way. They won't think that trying for anything else is even worth their time, because you know, who's gonna give them a chance? You know, half of this attitude really is the government. If they could treat people like they're human beings maybe people could start acting like that, you know.

In the end, this process of demoralizing people in crisis does not help them on their road to self-sufficiency and employment. A community worker supporting families in poverty explained that when applying for welfare "they're being further traumatized by the government that should be supporting them."

An Aboriginal couple with a child who were told to get an eviction notice as part of their application described feeling like they were treated as criminals. They relate their anger and their story of how they've lost friends because of the system. "People in the same shape as I was who committed suicide over it. The result of treating people like criminals and 'bureaucratic bullshit' is everybody loses and people are on the streets, and the one that loses the most is the child."

The process was described as "not humane" or "dehumanizing" by several applicants. One man who suffers from depression explained:

Before it was not as dehumanizing as it is now. Now you just know you have no rights. Actually, I did notice something on TV the other day about the relief camps they had during the Depression and apparently once someone was there they didn't even have a vote. You just became a non-person. And I almost feel they would be quite happy if they could do that.

Other common descriptions of the process were "being given the run-around" and "jumping through all of their hoops."

Mental health workers were especially aware of how the policy changes restricted their clients from successfully applying. One said:

The sense that you get from people that are trying to interface with it, is that it's unfriendly, unreceptive, it's focused more on exclusion criteria rather than inclusion criteria and in some cases it's downright hostile. That may sound like it's not much of a point, but you know when we deal with people with mental illness, they're not functioning to their maximum capacity, and usually they suffer from significant strain already to their self-esteem, and to go and know that you have to interface with

an office or an organization that has that kind of a reputation is just about over the top for a lot of people.

As another mental health worker explained, “Each step of the process, they’re adding more steps to the process so it’s more and more difficult to negotiate. It’s difficult for them to jump through all of the hoops... they become completely overwhelmed and they are unable to negotiate the process at all.”

A legal advocate described her concern regarding “procedural fairness.” First, “the legislation is incredibly restrictive.” Then, “the eligibility requirements deny assistance to the people who actually need it.” She explained, “There’s the legislation, then the policy, and then there is the administration of it ... the

legislation’s bad enough, the administration of it is even worse.” The advocate’s concern regarding procedural fairness is based on her observation that the main reason people are being denied is “they’re not being clearly told what’s expected of them, they don’t have the support in gathering it, and the Ministry isn’t able to conduct itself professionally.”

Finally, a Ministry worker offered a solution:

Let’s talk about creating a system that doesn’t increase the stresses on people to the extent that they become further entrenched in welfare ... At the front end you’re already dealing with a devastated person and you smack them repeatedly again in the head several times with baseball bats, and treat them like they, you know, they don’t matter...and then expect them to be all great and chipper and go out and find a job within three months. A lot of times that’s not how it works ... I mean, I totally support the idea that we have to be accountable for the money that is being spent. I mean clearly we do.

How do you balance that with the responsibility of taking care of people, with the energy involved in that process to move them forward as best they’re able to move forward? That’s the big question, and you know the answer is not what there is now.

It is difficult to measure the outcomes of these policies intended to “discourage dependency.” This study heard from people who sought welfare and were denied or discouraged through the process. The major limitation of the study is the difficulty hearing from those individuals who felt prevented from even asking for welfare and were not interviewed, although some of the sample captured this population, as did the reports from community workers. As one worker expressed, “There’s whole chunks of people that are not even showing up on the radar, they’re just not coming in.” The immediate goal of reducing the caseload may be successfully achieved through these forms of stigmatization and victimization, but this end cannot justify the means, and this single outcome measure does not capture the many negative outcomes of this unethical practice.

Individuals repeatedly related stories of people who had no income but would either not apply or discontinued their applications because it was “not worth it” or simply too difficult. These individuals complained of being dehumanized, demoralized and shamed.

How Emergency Needs Assessments are Being Restricted

When the Ministry introduced policy changes to close the front door to welfare and emphasize employment, it included exemptions for individuals in emergency situations. While all applicants are now required to undertake the three-week work search, there are exemptions for certain individuals in emergency situations. Emergency Needs Assessments (ENAs) were created to enable individuals in emergency need to get an early application date for welfare, instead of having to wait three weeks. The criteria of need are: an urgent need for food, an immediate need for shelter, or emergency medical need.

As the Minister explained, “If an applicant expresses an immediate need for food, shelter or medical assistance, Ministry staff are expected to conduct an emergency needs assessment, and in cases where an emergency need exists, to expedite the application process.”⁵⁷

Emergency Needs Assessment

According to the Ministry's Policy Manual section 6.1

In cases where the enquirer indicates that undue hardship will occur as a result of the three-week work search, Ministry staff will conduct an ENA. The ENA will provide Ministry staff with information about the enquirer's circumstances so that the urgency of the enquirer's needs can be determined. If the assessment reveals that the enquirer does have an emergency need and would therefore suffer hardship to wait three weeks for an application interview, an expedited application will be conducted. Ministry staff will use the following guidelines to conduct an ENA to determine whether or not an enquirer has an emergency need. The enquirer must:

- *have an urgent need for food (no food). Note: Enquirers who indicate an urgent need for food will not be required to access food banks as an alternative resource.*
OR
- *be able to demonstrate an immediate shelter need (i.e., hydro disconnect, eviction notice, fleeing an abusive situation, staying at a hostel, emergency shelter, or transition house with no suitable accommodation to move to in the near future). Note: Enquirers who indicate an emergency need for shelter will not be required to consider emergency shelters or hostels as an alternative resource while conducting the three week work search.*
OR
- *have an emergency medical need that must be met immediately (i.e., prescription from a medical doctor for medication, or a need for medical transportation). Note: Enquirers who have referrals/prescriptions for other medical treatment/supplies (e.g., chiropractic, over-the-counter medications, braces, etc.) will be required to demonstrate that the need must be met within the three week work search period.*
AND
- *the enquirer must demonstrate that alternative resources (including personal assets and income, family and friends) have been accessed and that no resources are available to meet that need. Note: Emergency shelters, food banks, and similar community resources providing emergency food and shelter will not be considered as alternative resources.*

Assessing Emergency Need:

ENA should be conducted whenever an enquirer has an urgent need for food, shelter or medical attention. While not an exhaustive list, the following are some examples of circumstances where an ENA should be considered:

- *Enquirer is staying at a transition house, hostel, or temporary emergency shelter, and the ability to secure permanent accommodation is dependent upon being in receipt of income assistance.*
- *Children who are awaiting placement in the home of a relative, and the ability of the relative to care for the child is dependent upon the child being in receipt of CIHR assistance.*
- *Enquirer has been ordered by the court into a supportive recovery home or an alcohol or drug facility, and the ability to enter into the recovery home or facility is dependent upon being in receipt of income assistance.*
- *Enquirer has voluntarily chosen or has been recommended by a medical professional to attend, and has been accepted into, an alcohol and/or drug treatment or rehabilitation centre, and the ability to attend is dependent upon being in receipt of income assistance.*
- *Enquirer is separating from an abusive spouse or relative.*

There is considerable evidence that these policies are not effectively responding to the emergency needs of individuals. Furthermore, these exemptions can cause undue hardship by creating a further, even more rigorous test of eligibility: individuals in emergency need not only have to demonstrate their eligibility for welfare, but also demonstrate that they meet the criteria of emergency need.

Overall, our research indicates that the provision of Emergency Needs Assessments for individuals in emergency need is not adequately protecting people from the undue hardship of the three-week wait. The specific concerns are that:

- it is the responsibility of the applicant, not the Ministry staff, to initiate an ENA;
- individuals who state their emergency needs are frequently not offered an ENA (meaning a person has to specifically request an ENA in order for the process to be initiated);
- the evidence required to demonstrate emergency need creates undue hardship;
- applicants expressing emergency need are being referred to community services such as food banks and shelters (contrary to policy); and
- in practice, people determined to be in emergency need still face an extended wait before gaining an in-take interview and receiving benefits.

Many applicants we interviewed describe how they were in emergency need when seeking assistance. When the interviewer asked the respondents if they were offered an emergency needs assessment they said “no”; most replied “What is that?” Many applicants clearly told Ministry staff that they were in emergency need and desperately needed immediate assistance, but even in these cases ENAs were not conducted. The Ministry is not responsibly providing for these individuals in crisis, as the policy places the responsibility to initiate an ENA on the client, not staff. It is evident that the Ministry is not abiding by the law to ensure an individual’s emergency needs are appropriately responded to. It is irresponsible to place this onus on a client who most often has no knowledge of the ENA option, the process, or the criteria for eligibility.

Many applicants clearly told Ministry staff that they were in emergency need and desperately needed immediate assistance, but even in these cases Emergency Needs Assessments were not conducted.

An advocate interviewed said:

I think our chief complaints are people in an emergency aren't told about the possibility of getting an earlier appointment, and people aren't being provided an appointment within the three week period, emergency or not... If somebody phones in and ...says 'I am in an emergency. I have no money left,' my experience is that they are not told that they can have an expedited appointment. So, you know, the legislation does permit for that and the employment assistance regulation in section 3 says that. If you know in the Ministry's opinion a three-week job search period would cause undue hardship, that three-week period can be waived. I think a person would have to know about that... But generally I have met many, many people who are homeless, for example, who are not told about it at all, the possibility of getting it expedited.

Our research indicates that the evidence required to demonstrate emergency need creates undue hardship. The three-week wait obviously creates undue hardship for someone who is penniless and needing to pay rent. To demonstrate “immediate shelter need” applicants are being told to request an eviction notice from their landlords. This criteria places applicants at risk; it does not help individuals in crisis and does little to enable further self sufficiency or employability. A Ministry worker explained how jeopardizing the demand for an eviction notice can be:

People are being asked to produce eviction notices. Someone may be late on their rent and have negotiated something with their landlord and said, 'Look, I'm applying for income assistance and the landlord

is willing to wait' ... and they're advised, 'We're not even going to look at your emergency needs for shelter unless you have an eviction notice.' So people are then going back to the landlord, getting an eviction notice, they phone back and then they are not provided an appointment in five days so they actually end up evicted, because the new Residential Tenancy Act permits a person, you know, for non-payment for five days they're out... It really puts people in a terribly vulnerable position, and I've had single parents affected by that...

There is evidence that the restricted provision of ENAs may be perpetuating homelessness. Individuals who are living without shelter or in emergency shelters are not being offered ENAs, but rather are expected to wait a month for an appointment. A youth worker seeking an ENA for a youth at risk explained: "I have had someone completely flat-out homeless, nowhere to stay, and no options, they've been denied any sort of support. There's none. There's no way to get around it—they say 'no, no.'" Or, as one advocate explained, ENAs are offered only to people who may lose their housing. "If you have already lost your housing you are no longer in an emergency."

It appears that the most common means for accessing an ENA is to obtain medical evidence of immediate need. A doctor at a community health centre questioned why as a medical professional his time was being used by the Province to determine people's employability. As expected, many people seeking welfare are people with ongoing disabilities, addictions, mental health issues, or temporary health conditions that limit their ability to immediately find employment through a work search. These individuals must find doctors to assess their employability and need. This process raises the question, is it the role of our overburdened health care system to be determining "emergency need" for welfare? The process seems not only costly, but time-consuming for the applicant in immediate need and a further hurdle to eligibility. Said one community worker:

It's really quite ridiculous that people have to go through this whole process of getting assessments and letters. If anyone's trained to deal with the population and they walk into the office, it's very

PROFILE

Fred and Irene are a First Nations couple with joint custody of Fred's 7-year-old son. Irene is employed part-time in a retail store and Fred is out of work with a back injury and has a doctor's letter recognizing his inability to work.

The family was not making enough money to survive. They knew if they were going to be able to keep their \$700 a month apartment they needed help. They already owed past rent to their supportive landlord, but they knew they were unable to afford next month's rent.

Fred called the 1-800 number to seek assistance. After what he calls "the run-around," he was finally able to talk to a person who referred him to the on-line web orientation, which they struggled through. Then back to the 1-800 phone service. Fred said he was informed 'In order for me to do any work for you, you first have to go get a legal eviction notice.' Fred said he couldn't believe what he was hearing. He told the worker on the phone that his landlord already gave him verbal notice, but was told that was not enough. So, Fred went to see his landlord and asked him to serve his family with a legal eviction notice.

Fred had several frustrating calls on the 1-800 number, without ever being able to meet a worker, explaining "there should be people to talk to, not a machine." He felt that he was denied assistance over the phone, without a meeting and that he was "being treated like a criminal."

"The Ministry—the humanitarian aspect of it is gone. There's no respect anymore. I see it as a place of punishment, where we're forced to beg," he explained.

After weeks of phone calls, the couple still did not have any assistance and still had not yet met a worker face-to-face. What they did have was a legal eviction notice.

clear that this person's not employable. I think there needs to be some latitude of some financial workers who are given the assessment tools to do some of these basic assessments and say that the person has persistent barriers to employment rather than them being through a doctor and through some external loop. There's too many ridiculous little steps for what's really obvious, you know.

Individuals who express immediate financial need are being referred to community services and charities rather than being provided an ENA. The Ministry's policy manual clearly states that "Enquirers who indicate an urgent need for food will not be required to access food banks as an alternative resource" and that "Enquirers who indicate an emergency need for shelter will not be required to consider emergency shelters or hostels as an alternative resource while conducting the three week work search."⁵⁸ However, individuals we talked to were handed a photocopied sheet of community services and food banks and turned away. This evidence supports the findings of advocates who also report that practice is contrary to policy as the "Ministry staff routinely refer individuals to food banks and emergency shelters, rather than conducting an ENA."⁵⁹

Finally, due to the stringent eligibility criteria to demonstrate emergency need and the Ministry's scheduling, even those applicants deemed to be in immediate need are having to wait several weeks for an in-take appointment. Collecting the evidence of one's immediate need takes time; for example, getting an eviction notice from a landlord or waiting for an appointment with a doctor. With the ENA completed, reviewed and accepted, the Ministry staff are supposed to then provide an expedited application appointment. However, we heard in our interviews that due to Ministry cutbacks in staffing and office closures these "expedited" applications can still result in a three-week wait for welfare.

One Ministry worker justifies referring individuals in emergency need to food banks and shelters, not as an alternative to offering an ENA, but rather to help people through what he knows will be an extended wait for what should be an expedited appointment:

The fact of the matter is, because of staff cuts, we're not able to see people, even though they may be designated as emergency... We are doing the best we can with the resources we've got here to get you in, but obviously you've got a few days here where we're not going to be able to see you where you need some help, so that's where I feel that it's reasonable to bring in those [services].

Even those applicants deemed to be in immediate need are having to wait several weeks for an in-take appointment. Due to Ministry cutbacks in staffing and office closures these "expedited" applications can still result in a three-week wait for welfare.

“Diversions” to Increased Hardship

While the BC government trumpets its welfare “diversion” strategy as a great success (always with the implication that people are being diverted to employment and self-sufficiency), the reality is more complex. Some of those who are discouraged, delayed and denied may well land on their feet and find employment (historically, most of those seeking assistance only needed support for a few months regardless). But our research indicates that many of those diverted from welfare are experiencing great hardship, including homelessness, and some are living on virtually no income.

The Impacts on the Most Vulnerable

While many of those applying for assistance are not, in fact, employable, the presumption of the system’s application process is that they are. Overall, the eligibility criteria and application process assume employability and discourage people from completing their application. Rather than providing a dual application process—one for employable applicants and one for those with barriers to employment—the Ministry seeks to divert all applicants to employment unless they seek exemption from the norm. The result is

that those most in need (the very people the Ministry says it is committed to protecting) appear to have the most difficulty in obtaining financial assistance.

Individuals interviewed for this study repeatedly said that those most in need had the hardest time accessing welfare. An advocate working with the homeless said, “What I’m finding is that the more disabled the person, the less likely I am to be able to get them on welfare.” She described the application process for welfare as like “playing snakes and ladders, but with no ladders, it’s all snakes.” Similarly, a mental health worker observed:

In some ways, people with mental illness and cognitive disabilities are the easiest people for them to divert. It’s like you have to be more healthy to be able to get through the process, you know. So, I mean, if they’re supposedly trying to provide this stuff to those who are most in need, when in fact they design it so that some of the people who are most in need of some kind of assistance are the ones who are least likely to get it.

An advocate for women also observed that:

Everything about the system is difficult. The more intelligent the woman is, the easier the system will be on her. So if she can present clean and alert, lucid and be able to bring the documents that’s been requested of her, I feel that she will be received and treated better. If she is obviously in great

PROFILE

Sue thought she was back on her feet. But when her relationship ended and she lost her casual shift work, Sue relapsed back to her addiction, and with these events combined she found herself seeking help. She first saw her addictions counsellor and following her advice went to the welfare office to apply for assistance.

After a long wait, Sue was informed by a worker that she was to complete numerous forms and that she could then make an appointment for three weeks later. Sue explained that she was in emergency need saying, “In three weeks I won’t have a home” and that “I have no food.” According to Sue, the worker refused to provide her with an Emergency Needs Assessment and instead replied that if she gave emergency assistance to everybody who told her that story then we wouldn’t have a Ministry, and instead gave her a list of community services such as food banks and emergency shelters.

Sue said she felt humiliated and degraded and without assistance. She knew she could not go back to the office and be humiliated again, and she knew that by not going back the worker “achieved her goal.”

“One thing I’ll say about being in the sex trade, people think you’ve hit rock bottom, but there are worse things than being in the sex trade.” Sue explained that walking back into that office and grovelling for assistance would be more of a degrading experience than going back to prostitution.

At home, Sue realized that her recovery was at risk and that she needed to pay her rent. She looked around her apartment and said “I don’t need a couch, I don’t need a bed,” made arrangements to sell her furniture, and managed to pay her rent.

Sue found a customer service job with a telecommunication company and is keeping healthy due to the support of her counsellor and what she calls “righteous anger” at the welfare system. She could be called a success story, but Sue is quick to point out that she would have found the job without having to be humiliated and defeated by the welfare system. Rather, she contends that if she had to endure the same treatment two years earlier, when her recovery was more vulnerable and she was leaving the sex trade, the experience would have killed her. She explained that all she wanted, and needed, was temporary help, but all she received was humiliation and an apartment without furniture.

disarray because of her homelessness issues and/or drug abuse issues, or substance abuse issues, she'll be treated badly, period... We have clients who, because of their substance use, have never been able to complete any of the process, so we have clients that are trying to get on assistance for over a year and we haven't been able to do that.

In our interviews there were several references to prostitution. An advocate from a women's centre sees the Ministry's diversion strategies as putting young women at risk of being diverted into the sex trade. She sees women facing delays or denials for welfare ending up in risky situations in order to secure a place to sleep. "If you're young and if you're attractive, you're extremely vulnerable and really easy to be preyed upon," she explained. In her experience, young women who are homeless and not able to

access welfare submit to prostitution. "Basically what they do is they'll sleep with a man in order to have shelter, even if that man is abusive, or makes them sick, or repulses them."

The problem, according to one advocate, is that the application process is set up for the middle class:

You have to be quite middle-class to get on [laughter]. You have to have a middle-class clientele; organized and be able to run off and do this and go and get that, and everything's completely organized and come back together and have your job search and have done all that for an ordinary employable person. So for people who have like addiction issues, they're gonna have a terrible time and they may never get on. But also people who are kind of a little slow, you know, or sometimes when people have certain types of personality disorders, it's really hard. So there's a huge barrier, it's so onerous the process to get on. I think a lot of people just don't get on for that reason.

An advocate from a women's centre sees the Ministry's diversion strategies as putting young women at risk of being diverted into the sex trade. She sees women facing delays or denials for welfare ending up in risky situations in order to secure a place to sleep.

A Ministry worker sees the same trend:

I think the bottom line is that the inquiry and application process is so cumbersome now that just by its nature alone, it's really, it's too much of a barrier for people that are not, for people that don't function at a level that a typical person does. I don't know how to describe that. I guess, you know, we've built so many stumbling blocks into our own system that people that can't even deal with basic, you know, getting up at a certain time in the morning, people who cannot meet schedules, who have other day to day problems that they can't cope with. These people are really having a hard time.

IN THEIR OWN WORDS

I'm increasingly led to believe that they're relying on the fact that people's disabilities will make it more difficult for them to get through the in-take process. They know that a good number of people with mental illness, with developmental disabilities, cognitive impairments are coming up to their counters, right, and they have no interest whatsoever ascertaining whether or not that person has such a disability and whether or not it's going to affect their ability to get on assistance. They have a duty to accommodate people's disabilities... and I mean, they're so far away from that it's not even funny... It's just so hateful, I mean they see people come in and it's not as though they don't know, they know right, you know, people's speech is disorganized, their affect is flat ...you don't have to be a mental health professional to know sometimes when somebody isn't well, you know. Right?

— Mental health worker

Diversion to Homelessness

The Ministry's stated mission is to "provide services that move people toward sustainable employment and assist individuals and families in need."⁶⁰ Yet a clear message heard through our interviews was that the Ministry's policies are creating unnecessary harm and needlessly putting individuals at risk of homelessness.

Those interviewed repeatedly related stories of discouraged, delayed or denied people living on absolutely no income for extended periods of time. There are individuals who meet the criteria of need, but are denied assistance because they fail the two-year independence test. Paradoxically, the fact that they cannot demonstrate two years of employment is often the very reason they are in need. In effect, their inability to demonstrate "independence" makes them ineligible for assistance. Self-sufficiency for these individuals is living on the streets, eating out of dumpsters, panhandling, drugs, the sex trade, and accessing charitable help such as soup kitchens and drop-ins.

A 20-year-old man ended up on the streets of Vancouver after continually being unsuccessful in the application process. "I just felt so beaten down," he said, "like what do you want me to do? I've tried everything I can to jump through your hoops." A woman living in Stanley Park told us how she "had given up on welfare." A man living on the streets in Victoria told us he was not the only one to give up on welfare.

A community worker working with homeless people also reported that the application process—rather than actual denials—is what keeps people living without an income and on the streets.

For us, people generally aren't being denied ... It wasn't that [the Ministry] was telling them that they weren't eligible—they were abandoning the process, right, so our biggest challenge in getting people on assistance is mainly about making sure that they don't abandon the process. We walk them through it and make sure that MHR doesn't do the kind of things that they normally do, to make sure that someone will abandon the process... I've worked with people who have been treated so poorly that they've abandoned the application, because they've left in tears, and they can't bear to approach the office again.

PROFILE

Chris, who is 23 years old, was homeless and without income when he walked into a Vancouver welfare office to seek help. After obtaining all of the necessary paperwork, he was told he could meet with a worker in three weeks and to stay in an emergency shelter until then.

After three weeks in the shelter he went to his appointment and was denied welfare because his Record of Employment indicated he had quit his job. He left the meeting, no longer eligible to stay at the shelter, with no welfare, but simply two bus tickets.

While Chris appreciated that the Ministry was able to secure him the three weeks in the homeless shelter, now he is sleeping on the streets and panhandling.

Chris felt that if the Ministry had more of "a trusting approach," he could get some help and back on his feet. But now, living under a tarp in an alley he worries that he could "end up like one of those people on Hastings."

He isn't hopeful he will find work while he is homeless and without welfare. Rather, if he was able to get assistance to have a place to sleep, a bit of food in the fridge, and a bus pass "that would mean all the difference to me... I would be able to become a productive member of society and put back into everything."

People are also living without income due to the three-week wait policy. As previously outlined, enforcing a three-week wait is at odds with the policy of requiring that applicants have exhausted all other sources of income. In addition, the three-week wait, in practice, can take much longer. The result is that people in temporary need are struggling to live with no income or assets for one or two months. This delay in the delivery of assistance is resulting in loss of housing, increased debt, and increased vulnerability as women and families are put into compromising positions to survive.

Other research in BC raises similar concerns. In *Welfare's New Era: Survival of the Fittest*, investigative journalist Andrew Macleod questions whether reduced caseloads are a measure of success after uncovering other possible outcomes. "The Ministry is unable to establish that reduced caseload is a result of reduced need, and perhaps more worrisome there is public concern that reduced caseload is creating greater need, greater poverty, increased homelessness and longer term problems."⁶¹ A Ministry worker told us what

diversion can look like. "Diversion doesn't necessarily take the form of anything positive, it's just, make them go away at whatever cost. If they go away to become homeless and dependent on community agencies...so be it."

More than 75 per cent of the street homeless reported they are not on welfare. "We think we could almost halve the number of people on the street [in Vancouver] if you just got people on welfare who were eligible for welfare."

"We think we could almost halve the number of people on the street if you just got people on welfare who were eligible for welfare," a City of Vancouver housing planner told the *Globe and Mail*.⁶² That city's Homeless Action Plan's first recommendation to address homelessness is to advocate for the reduction in barriers to accessing welfare by the homeless. Evidence of the relationship between eligibility reforms and homelessness is convincing, as the City found an increasing number of street homeless who are not on welfare. "In 2001, about 15 per cent of the street homeless were not on welfare. By early 2004, this had increased to 50 per cent, and by summer 2004, more than 75 per cent

of the street homeless reported they are not on welfare."⁶³ The cause of the reduced eligibility, concludes the report, is the policy changes of 2002: "The government's stated intention was to redefine income assistance to focus on employment and self-sufficiency. While this is a worthwhile objective, the emphasis on employment has created difficulties for individuals unable to make this transition."⁶⁴

Similarly, when the first Homeless Count was conducted in Victoria in January 2005, it found that 64 per cent of homeless people do not receive income assistance.⁶⁵ Most recently, the 2005 Greater Vancouver Homeless Count found that "a significant number of homeless people did not access income assistance either because they are not eligible or perceive they are not eligible. Having access to income assistance may be a critical step in stemming the tide of an increasing number of homeless people in the Greater Vancouver region."⁶⁶

Evidence is mounting that economic hardship is growing. As the Canadian Association of Food Banks has noted in its annual *Hunger Count*, while welfare caseloads in BC may be going down, food bank usage is rising, and at a higher rate than the national average.⁶⁷ Several community-based reports have commented on the impacts of the changes to income assistance eligibility. In Victoria, a coalition of agencies conducted a longitudinal study of the impacts of the restructuring, conducting four surveys of agencies through 2002 to 2004. The final report notes that, while the Province set out to "improve the welfare system," the survey findings indicate "extensive negative impacts on vulnerable citizens" and in particular "agencies reported seeing more and more people who had been either declared ineligible for or cut off from income assistance."⁶⁸

Women Leaving Abuse Remain at Risk

Special provisions are made by the Ministry for women fleeing abuse. Specifically, women who have left an abusive relationship are supposed to receive an Emergency Needs Assessment, and women in transition houses are not required to conduct the three-week work search and should be booked for the next available intake appointment or for an ENA.⁶⁹ A disturbing finding from our research was evidence that the special provisions for women fleeing abuse are not, in many cases, being provided in a way that ensures their safety.

An interview with a transition house worker raised several concerns. First, women in abusive relationships are aware that the Ministry is actively discouraging individuals from applying for welfare, and second, women in financial need leaving an abusive relationship may be unaware of the special provisions for immediate assessments. Her concern is that women are remaining in abusive relationships instead of applying for welfare. “I really believe that since all these changes, that women just aren’t leaving their relationships. They think there’s not enough money once they get off, and getting on assistance is so hard.” She said there are now fewer women on assistance in the shelters. In her experience, the immediate support from the Ministry works great when the woman has the support of a transition house worker, but when a woman is in an abusive relationship or trying to leave on her own, she feels discouraged from receiving welfare and may be putting herself or her children at risk.

PROFILE

It had been over six weeks since Alice first applied for welfare, and she still hadn’t been accepted or received any help. Alice, a First Nations woman from rural BC, was overwhelmed by the amount of information she had to collect to complete her application, but tried to get everything she could for her first appointment after the mandatory waiting period.

In the end, she was unsuccessful in getting taxation papers demonstrating two consecutive years of work, and her file was closed for failure to pass the two-year independence test. Alice, who is 47 years old, hasn’t had two years of solid work since 1980–81. She had many jobs over these years, such as sales clerk, assembly line work, cashier, but she also had chronic issues that limited her ability to work.

Now in Vancouver, with no money and no fixed address, she found it next to impossible to acquire these records from 25 years ago. Alice had waited almost a month for an application appointment, only to have her file closed and start the whole process over again. She was homeless, eating out of dumpsters and at a nearby women’s centre. It was at this women’s centre that she could use a free phone to re-apply for welfare, and it was there that a staff person overheard her frustrating conversation with the Ministry and offered her help.

Alice did not tell the workers on the phone that she became homeless because she was fleeing abuse. As she explained, “I didn’t want them knowing anything about my private life. I didn’t want that on my file.” Alice was scared that if she reported her abuse to the Ministry, the man who abused her may find out.

With the support of the staff person at the women’s centre, Alice told the Ministry worker on the phone of her abuse and how she left everything behind when she escaped. She received a cheque the next day.

Alice believes the Ministry “has no understanding of what being homeless means,” and how difficult it can be to get official records from past employers, tax records and other documents without an address, money, or a phone. She now lives in a single room (SRO) and is receiving PPMB (Person with Persistent Multiple Barriers) benefits.

As the transition house worker explained:

I spoke to someone yesterday who applied in the summer and was told there was a three-week wait period for the first appointment, and she needed to be out doing a job search in that time. She didn't disclose to the person at the desk that she was leaving an abusive relationship and they didn't ask her, so in that case, that prevented her from applying and she returned to the relationship. So she had actually left, was camping somewhere and had gone to apply and was told it's going to be three weeks so she went back to the relationship right away. She's now going to reapply with our advocacy help, and we told her that there's a policy that there is no three-week wait period for our clients, or for women fleeing abuse, so that'll change for her now, but without having had contacted us the experience wouldn't have worked for her.

The remedy, according to this worker, is to make the policy for women leaving abuse proactive, rather than the responsibility of the woman in crisis.

People Seeking Welfare Require Advocates

Among this study's most dramatic findings is how fundamental an advocate has become to securing access to assistance. Our interviews exposed a stark contrast between the experiences of applicants who sought assistance on their own versus those who had the help of a welfare advocate. In both scenarios, the applicants were people in need and eligible for assistance, but the outcome hinged on whether they were able to connect with a knowledgeable person familiar with the rules and exemptions who could help them navigate the process.

Interviews repeatedly revealed stories of people denied or discouraged through the enquiry and application process, but when supported by an advocate the Ministry determined they were indeed eligible and able to access welfare. Presumably, the individuals' actual need did not change—these applicants were entitled to help—but in one scenario they were unassisted and in the other they were deemed eligible and assisted.

These differing outcomes provide convincing evidence that the application process is inappropriate for the target population it is supposed to serve. Indeed, the application process is now so onerous and complicated that it is frequently discouraging or denying the very people who are most in need of help and who face the most barriers to employment, but who consequently have the least wherewithal to successfully navigate the process, and who, paradoxically, may be least likely to connect with an advocate. The result is that the Ministry is inappropriately diverting eligible applicants from much needed financial assistance.

Interviews indicate that the current need for advocates exceeds their traditional purpose, which was primarily to help people with appeals. Advocates are increasingly necessary as caseworkers, helping applicants as they negotiate the red tape and diversion tactics of the Ministry.

This finding—that unsuccessful outcomes were reversed with the support of an advocate—was relevant for many different types of people. It appears that the more vulnerable the client, the greater the chance of denial and the greater need for the support of an advocate. This point was heard from applicants, advocates, and Ministry staff in both Victoria and Vancouver, whether the person was talking about youth, immigrants and refugees, families, women leaving abuse, individuals with disabilities or mental health issues, people with active addictions, sex trade workers, or those at risk of being homeless or actually homeless.

“I think tons of people are not hooked up with advocates, and they’re just going right off the system,” explained a legal advocate. An advocate for individuals with mental health issues informed us that “it’s

The application process is now so onerous and complicated that it is frequently discouraging or denying the very people who are most in need of help and who face the most barriers to employment, but who consequently have the least wherewithal to successfully navigate the process.

really, really clear that clients get two completely different sets of responses depending on whether or not there is an advocate involved.” An advocate for homeless women argued that “Almost all these people really need to be walked through the process.” A church-based advocate shared her concern that “If someone comes across an advocate they have hope, but for many of them unless they have an advocate they’re never gonna make it through the process. I don’t know of any other help out there.” And, as already described in this paper, women fleeing abuse may not be accessing necessary exemptions unless they already have the support of an advocate or transition house worker.

Advocates for immigrants and refugees see their clients harmed through the introduction of diversion tactics, as they argue that the employability of many of their clients is limited

not only by language barriers, but also because they may not yet be legally permitted to work in Canada. The need for advocates, they say, is strongest for refugee clients:

Especially our refugee claimants, who most of the time come with nothing in their pockets, or very little in their pocket, we have no safety net here, no family, no friends, nobody at all, they don’t speak the language, they are traumatized, not allowed to work, how can they wait three weeks for benefits? And it’s not only of course the basic living allowance and rent money, but it’s also extended health benefits to get medication. There’s a lot of other implications of that too from the refugee claimant, if they’re not on assistance.

It became clear that applicants not only benefited from advocacy at the Ministry office, but that applicants’ outcomes were also greatly improved when they had assistance in meeting the onerous demands of demonstrating eligibility for assistance or for exemptions (such as for an ENA). Living in poverty and/or crisis frustrates the already daunting task of obtaining employment records, health information, rent receipts, bank statements, etc. Applicants expressed how incredibly valuable it was to have support in fulfilling these requests for information from the Ministry. For example, many applicants needed access to a phone or transportation to and from medical appointments. Access to an agency’s fax machine was critical to obtaining required information and within the necessary timeline.

A youth worker described the challenges faced by youth seeking assistance:

To walk into that office, and to be treated as they are treated, I get stories constantly from youth of all ages, like from 16 up. Almost every one of them say, when I go with them after they are denied, they are treated completely differently... I encourage them to file a complaint. And they say no. The

fear is being targeted from there, you know, being further denied or being treated worse because of it, so they won't make that complaint.

Paradoxically, the knowledge that vulnerable applicants significantly benefit from the support of an advocate comes at the very time that fewer advocates are available to help. An advocate for families at risk of being homeless concurs that her support is pivotal to the success of her clients in obtaining assistance and ENAs. She raises the concern of how this evidence impacts the majority of families who do not have access to advocates. She questions whether her success at securing earlier appointments and successful applications could be making the process more difficult for those mothers who don't have help.

Just as welfare has been reformed to emphasize employment, so too has funding for community agencies. Over the last decade, many non-profits stopped providing advocacy services, as funding increasingly became focused on job training and employability. With funding now tied to performance measures that demand successfully employed clients, community-based advocacy became a service that was no longer fundable. Many community groups had to eliminate advocacy positions, and those paid advocacy positions that still exist tend to be funded mainly by sources other than the provincial government (such as the Law Foundation). Provincial funding has also been eliminated for women's centres, which in many communities provide the only welfare advocates in town. Thus, the supply of advocates has shrunk just as the need has grown. The outcome is that the less employable, more vulnerable, applicants are not finding jobs, are less able to access welfare, and have fewer community services available to support them. Many would argue this is the population filling church basements, food banks and drop-ins, and on the streets.

Conclusion

The BC government has reformed eligibility and admission criteria for welfare in such a way as to purposely restrict entry through discouragements, delays and denials. The Ministry clearly established this as a measure of success—the goal of having fewer people enter the income assistance caseload.⁷⁰ Individuals seeking welfare are finding a process designed not to assist them, but to discourage them and ultimately to make them feel shame for being in a position of “dependency.”

Caseload reduction targets were established to correspond with annual cuts to the Ministry’s budget, without regard for the state of the economy or people’s level of need. British Columbians are now paying for a system that is purposefully made inaccessible to those who need it. In effect, the Province has defined the removal of the safety net for thousands of British Columbians as a successful outcome. This logic is reflected in the most recent Government Strategic Plan, where reducing the percentage of the population receiving income assistance is the measure of a “supportive social fabric”⁷¹—all without the Ministry conducting any meaningful evaluation of the impact of its policy changes.

This study documents the implementation and effects of the changes to eligibility, drawing from 42 original interviews and Freedom of Information requests regarding applications. We heard from people affected by the policy changes to assess the impacts on people in need of financial assistance. The results are clear—the reforms restrict access to welfare and cause harm to many British Columbians. It is apparent that the “diversion” to work strategies are being broadly applied to the majority of applicants without assessing their actual capacity to be employed or providing support for employment. The result is that, while some employable individuals may be in fact be “diverted” to employment, others—notably more vulnerable applicants—are being diverted to homelessness, greater financial insecurity and vulnerability. Legitimate efforts to seek support are not being assisted.

A Call for Accountability

Welfare reform in British Columbia cannot be declared a success. The Province lacks the necessary evidence to ensure accountability to both vulnerable people seeking assistance and the general public. The dramatic reduction in the province's welfare caseload cannot be attributed to moving people off of welfare and into work. There needs to be increased scrutiny of the policy changes to eligibility criteria and the application process, which appear to have significantly reduced the number of people entering the welfare system.

The Ministry repeatedly makes the unsubstantiated claim that welfare reforms are a success due to a reduced caseload, which in turn is the result of moving people from "dependency" on welfare to employment and self-sufficiency. This bold claim lacks all necessary evidence. The Ministry makes no attempt to survey what happens to the thousands of people diverted from welfare.

In 2003, the Ministry's Annual Report admits: "The Ministry did not follow up with enquirers to see if they had found employment. The Ministry is enhancing its exit survey to capture this information in the future."⁷² That never happened.

At one time, the Ministry provided a performance measure claiming that 49 per cent of enquirers are diverted to employment.⁷³ However, the Ministry subsequently discontinued this measure, and retracted its claims with the admission that the measure did not actually capture what it purported to:

*This benchmark measure reports the percentage of enquirers or applicants for whom assistance was not granted. This may have been because the enquirer did not return to complete an application or that the applicant was not eligible for assistance. Due to the difficulties determining why an enquirer did not return to apply for assistance, this measure has been discontinued...*⁷⁴

Clearly, the 49 per cent is solely the denial/diversion rate, not an employment measure. Subsequent reports from the Ministry fail to replace these flawed performance measures with new and improved measures to ensure accountability. The result is a complete absence of performance measures that ensure policy and practice are actually providing assistance to those in need, and that negative outcomes are minimized.

Warnings of this apparent lack of accountability and fears of possible harm have been raised since the provincial government started its policy changes. In June 2002, the BC Association of Social Workers passed a motion to censure Murray Coell, himself a social worker and then-Minister of Human Resources. The resolution argued that the "Minister has introduced legislation that constitutes a broad human social experiment based on little data, no formal research testing and no public consultation process." It was argued that the Minister was in violation of the principles within the Social Work Code of Ethics, as he introduced legislation that would "reduce financial assistance, reduce eligibility for assistance and refuse assistance to others and in doing so, inflict harm on individuals and families, increase poverty, inequality and health risks, and deny an adequate standard of living for those whom the Ministry is committed to assist."⁷⁵ First Call BC, a coalition focused on child poverty, has questioned whether the welfare reforms were ever fully discussed by members of the provincial government, and claims that through Freedom of Information requests it uncovered "that virtually no research went into the changes."⁷⁶

Perhaps the most significant cautionary message is found in the Auditor General's investigation of the Ministry's review of eligibility for disability assistance.⁷⁷ Many criticisms of this intense eligibility review mirror our criticisms regarding assessing eligibility and applications for basic income assistance. The result of the Ministry spending \$5 million to review the 62,000 disabled clients was only 46 cases being closed, the obvious conclusion being that the review was unnecessary and did not result in the expected cost savings, but did cause increased anxiety for many of the Ministry's disabled clients. The Auditor General states that the eligibility review was not driven by fairness, but rather, "The savings from

cancelling eligibility were expected to help the Ministry meet its budget targets.” Equally concerning is the Ministry’s “frosty retort to the auditor general’s report”⁷⁸ which accepts minimal responsibility.

Next Steps

There is a critical need to reverse the regressive policy changes to the eligibility criteria and application processes for welfare in BC. These policy and administrative changes designed to restrict entry are causing harm to British Columbians. At a minimum:

- The two-year independence test and the three-week wait must be discontinued immediately.
- Assessing emergency need must become the responsibility of the Ministry, not the individuals in crisis.
- The use of technology to deliver services (the 1-800 number and on-line orientation) must be converted to a service delivery *option*, rather than a requirement.
- Overall, the process of applying for welfare must be re-designed to assist individuals in need, rather than to discourage, delay and deny.

The Ministry has undertaken a significant social experiment affecting thousands of British Columbians and changing our communities without adequate research, consultation or accountability measures. The Province’s dedication to transparency and accountability appears to be a thin veil covering an agenda of cost savings at the expense of the most vulnerable people of BC, their future and their children.

Furthermore, changes to the welfare application process contradict the government’s overall policies to decrease red tape, increase accountability, and overall, to improve public service delivery.

The process of applying for welfare must be re-designed to assist individuals in need, rather than to discourage, delay and deny.

There is an urgent need for an in-depth public review of the legislation, policies and practices that have closed the front door to welfare in BC. This review must examine whether legitimate claims are being denied, and if the process is assisting rather than discouraging individuals in need. Most significantly, a review must follow up on what happens to individuals who are diverted from applying for assistance. A clear option is for the Office of the Auditor General to assess the effectiveness and appropriate-

ness of the Ministry’s eligibility assessment process for income assistance to determine whether the current system is best meeting the needs of British Columbians.

Caseload reduction cannot be the primary measure of success for the Ministry. The goal must be poverty reduction. The provincial government needs to recognize the positive role that welfare contributes to our safety net. Just as with health care and education, social assistance is required to create a just and healthy society. This understanding makes it irrational to stand on guard for universal access to health care and education while enforcing highly restrictive eligibility criteria and punitive application processes that deny welfare to this province’s most vulnerable people. Progressive welfare reform is urgently required in BC.

A fair and adequate welfare system is not in itself sufficient to eradicate poverty in BC, nor can it on its own create societal well-being—far more is required. In our study we found strong evidence that too many people in British Columbia—thousands of them—are systematically being denied help as part of public policy and practice. They are denied welfare, despite the need, and are made to “go away at whatever cost” only to become more vulnerable, damaged, hurt and marginalized and less able to take care of themselves or others.

Notes

- ¹ BC Ministry of Human Resources, 2002b.
- ² The term “Minister” is used generally in this report, though there were several Ministers during the period covered. During the sitting of the 37th Parliament the three Ministers of Human Resources were Murray Coell (June 2001), Stan Hagen (January 2004) and Susan Brice (September 2004). The legislative session ended on February 8, 2005. A month following the election of May 2005, Claude Richmond became the Minister for the newly-named Ministry of Employment and Income Assistance.
- ³ BC Ministry of Human Resources, 2003a.
- ⁴ BC Ministry of Human Resources, 2004a:7.
- ⁵ Coell, 2003.
- ⁶ This series of quotes from Coell, 2001.
- ⁷ Cited in Leyne, 2001.
- ⁸ Coell, 2002.
- ⁹ The definition of “vital safety net” is found in the previous government’s final Annual Performance Report 2000/01. Hansard records of the Implementation of the Human Resources Strategic Plan in 2001 begins with Minister Coell presenting the results of the core review process, saying “The review showed us that the welfare system encourages dependency and represents a waste of people’s potential.” (Coell, 2001).
- ¹⁰ Human Resources Development Canada, 2000.
- ¹¹ BC Ministry of Human Resources, 2003a.
- ¹² BC Ministry of Employment and Income Assistance, 2005.
- ¹³ Ministry spokesperson Richard Chambers, in MacLeod, 2005.
- ¹⁴ BC Ministry of Human Resources, 2005:11.
- ¹⁵ See, for example, Fortin and Crémieux, 1998.
- ¹⁶ We regress the average monthly welfare rate for the period 1994 to 2005 on the average monthly unemployment rate and a dummy variable, taking a value of one for the years after 2001. The R-squared for the regression is 0.89. The estimated coefficient on the post-2001 dummy variable is -0.47. The unemployment rate has a positive estimated effect, indicating that the welfare rate goes up when the labour market worsens. The estimated policy effect is negative and statistically significantly different from zero.
- ¹⁷ Roy, 2004:3.2.
- ¹⁸ Schram and Soss, 2001:59.
- ¹⁹ US House of Representatives, 2004.
- ²⁰ Howlett, 2005.
- ²¹ TD Bank Financial Group, 2005.
- ²² Sceviour and Finnie, 2004:3.1.
- ²³ Sceviour & Finnie, 2004.

- ²⁴ BC Ministry of Human Resources, 2002a.
- ²⁵ Schafer and Clemens, 2002.
- ²⁶ BC Ministry of Human Resources, 2004a.
- ²⁷ Adams and Tait, 2004.
- ²⁸ Freedom of Information request to the Ministry of Human Resources, filed May 27, 2004, and responded to January 20, 2005.
- ²⁹ The Ministry defines a New Start as a case that has not received income assistance within the past 12 months. "All Starts" includes these cases as well as "cyclers," which are cases that have not received income assistance within the last month, but have received assistance within last 12 months. An "Exit" is defined as a case that did not receive income assistance in the current report month, but did receive income assistance in the previous month.
- ³⁰ MacLeod, 2005.
- ³¹ BC Ministry of Human Resources, 2004a.
- ³² Information summarized from the Ministry website. See for example www.mhr.bc.ca/bcea.htm.
- ³³ BC Ministry of Human Resources, 2002a.
- ³⁴ Brice, 2005.
- ³⁵ Klein and Long, 2003; Minkley, 2004.
- ³⁶ This list of exemptions is taken from a Ministry of Human Resources "e-learning" syllabus (prepared for MHR workers when the two-year rule was introduced).
- ³⁷ All names have been changed to protect the privacy of our interviewees.
- ³⁸ Klein and Long, 2003:30.
- ³⁹ On November 1, 2005 the Ministry announced a Manual Amendment that included changes to the application process and added four additional exemptions to the three-week work search: persons over the age of 65 years, children in the home of a relative, people fleeing an abusive spouse or relative, and people with a severe physical or medical condition that precludes the person from completing a search for employment.
- ⁴⁰ Brice, 2005.
- ⁴¹ Coell, 2001.
- ⁴² www.weborientation.gov.bc.ca/other_resources.asp
- ⁴³ BC Ministry of Human Resources, 2003b:30.
- ⁴⁴ BC CEDAW, 2003.
- ⁴⁵ BC Public Interest Advocacy Centre, 2005.
- ⁴⁶ Ibid: 12.
- ⁴⁷ Coell, 2001.
- ⁴⁸ Herd and Mitchell, 2002, 2003; Lightman, Mitchell and Herd, 2003; Herd, Mitchell and Lightman 2005.
- ⁴⁹ Lightman, Mitchell and Herd, 2003.
- ⁵⁰ Matthews, 2004.
- ⁵¹ Green and Warburton, 2001.
- ⁵² Green and Warburton, 2001:24.

- 53 BC Ministry of Human Resources, 2002a.
- 54 Brice, 2005.
- 55 BC Ministry of Human Resources, 2002a.
- 56 BC Ministry of Human Resources, 2002b.
- 57 Brice, 2005.
- 58 BC Ministry of Human Resources Policy Manual section 6.1.
- 59 BC Public Interest Advocacy Centre, 2005:13.
- 60 BC Ministry of Human Resources, 2003a:11.
- 61 MacLeod, 2004.
- 62 Mickleburgh, 2005.
- 63 City of Vancouver, 2005:5.
- 64 City of Vancouver, 2005:16.
- 65 Victoria Cool Aid Society, 2005.
- 66 Goldberg et al., 2005.
- 67 Canadian Association of Food Banks, 2004.
- 68 Community Social Planning Council of Greater Victoria, 2005.
- 69 BC Ministry of Human Resources Policy Manual, sections 6.1 and 6.2.
- 70 BC Ministry of Human Resources, 2002a.
- 71 BC Government, 2004.
- 72 BC Ministry of Human Resources, 2003a:30.
- 73 BC Ministry of Human Resources, 2004a.
- 74 BC Ministry of Human Resources, 2004a:28.
- 75 BC Association of Social Workers, 2002.
- 76 First Call, 2004:4.
- 77 BC Office of the Auditor General, 2004.
- 78 Leyne, 2004.

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About VIPIRG

www.vipirg.ca

The Vancouver Island Public Interest Research Group is a student funded, not-for-profit organization dedicated to action-oriented research on social justice and environmental issues. Located at the University of Victoria, VIPIRG supports students' engagement in community based research. The agency organizes workshops and events, and provides training and employment for students, as well as producing original research.



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The Canadian Centre for Policy Alternatives is an independent, non-partisan research institute concerned with issues of social and economic justice. Founded in 1980, it is one of Canada's leading progressive voices in public policy debates.

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Established in 1997, the CCPA's BC Office offers policy research and commentary on a wide range of provincial issues, such as: BC finances, taxation and spending; poverty and welfare policy; BC's resource economy; privatization and P3s; public education financing; health care; and more.

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About the Economic Security Project

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The Economic Security Project is a major research initiative of the CCPA's BC Office and Simon Fraser University, in partnership with 24 community organizations and four BC universities.

The project examines how recent provincial policy changes affect the economic well-being of vulnerable people in BC, such as those who rely on social assistance, low-wage earners, recent immigrants, youth and others. It also develops and promotes policy solutions that improve economic security.

The project is funded primarily by a grant from the Social Sciences and Humanities Research Council of Canada (SSHRC) through its Community-University Research Alliance Program.