

# **Social Exclusion**

**and the Justification  
of Welfare-To-Work  
Programs in Saskatchewan**

**By Garson Hunter and  
Kathleen Donovan  
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**By Garson Hunter and Kathleen Donovan**

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# Summary

The “social exclusion” (sometimes referred to as “social inclusion”) discourse has become the new justification for welfare-to-work programs in Saskatchewan. Taking the place of the Right’s more crude arguments that welfare creates dependency, that it creates welfare queens driving Cadillacs or has ruined the traditional family, the social exclusion/inclusion discourse has become the bugbear of welfare programming. Social exclusion/inclusion arguments have become a new line of reasoning to justify reductions in welfare benefits and the forced “inclusion” of recipients in employment and related activities characterizing workfare. A reading of Rick August’s, Saskatchewan’s Department of Community Resources’<sup>1</sup> (welfare) Executive Director of Strategic Policy,

publication,<sup>2,3</sup> serves as an example of this new line of reasoning. He argues against the traditional social democratic redistributive program to benefit the poor. In his view, the working and welfare poor in Saskatchewan comprise a subpopulation that is different than the rest of Canada, and they must be dealt with by a welfare-to-work approach that emphasizes low-wage work.

Official Saskatchewan welfare policy, in several important areas, reflects August’s view where-in policies that support low-wage employers are seen as valid and programs that support poor people without employment are viewed as deficient. These views are consistent with other Third Way policies of social democratic governments in Western society.

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<sup>1</sup>Since 1991, Saskatchewan’s welfare department has undergone name changes from Saskatchewan Social Services to Department of Community Resources and Employment to more recently the Department of Community Resources. To keep the explanation simple, it will just be referred to as Saskatchewan’s welfare department.

<sup>2</sup>Unless otherwise noted, references to August are from his article — August, R. (January, 2006). “Strategies for Achieving Equity and Prosperity in Saskatchewan.” Ottawa: *Caledon Institute of Social Policy*. Available online from <http://www.caledoninst.org/>.

<sup>3</sup>August’s article contains the provision that his views are not necessarily shared by either the Government of Saskatchewan or the Caledon Institute of Social Policy. That caveat is difficult to support since August is Saskatchewan’s Executive Director of Strategic Policy for welfare programs and is identified “... as the principal designer of Saskatchewan program reforms built on the NCB [National Child Benefit] base” (Milner, 2002, p. 170).

# Introduction

Saskatchewan is often considered an oasis of social democracy in a sea of centrist and right wing governments. It was here that the first social democratic government in North America was elected in 1944. The social democratic government in Saskatchewan introduced the first hospitalization insurance program in Canada in 1946, and the first medical care insurance program in Canada in 1961. Due to its reputation as the home of many progressive social policy initiatives, the province presents an interesting study for examining current welfare program changes (1998-2006). During the 1990s and into the 21<sup>st</sup> Century, Saskatchewan continued to elect social democratic New Democratic Party (NDP) governments, although the 1999 election resulted in a minority NDP government.

England's Labour Party experienced electoral success in 1997, in part due to its "Third Way" approach to social policy. The NDP in Saskatchewan has looked to capitalize on the electoral success of other social democratic governments by articulating their social policy adjustments using Third Way justifications. The Third Way is characterized by the refashioning of welfare program delivery away from eligibility based on needs, social entitlement and voluntary work programming, to approaches that emphasize selective entitlements, mandatory programming and maximum participation in wage labour (Theodore & Peck, 1999, p. 488). Saskatchewan's NDP draws heavily upon the "New Deal" welfare ideology of Britain's social democratic government under the Labour Party of Prime Minister Tony Blair

(Hunter & Miazdyck, 2006). In addition to Tony Blair, examples of Third Way leaders include Bill Clinton in the United States, Gerhard Schroder in Germany, Kim Dae-Jung in South Korea and Fernando Henrique Cardoso of Brazil (Callinicos, 2001, pp.1-2). Although in England the model is viewed as "Third Way" policymaking (Holden, 1999; Jordan & Jordan, 2000; Callinicos, 2001), in the United States this model is called the "work-first approach" to welfare programming (Peck, 2001; Theodore & Peck, 1999).

Third Way literature is laden with rhetoric about the negative effects of government intervention and state redistribution that are believed to create dependency and favour rights over responsibilities. Such approaches are seen as misguided and even harmful. Third Way scholar, Anthony Giddens, denounces the idea of equality of outcome-wherein all citizens are provided with basic needs-advocating instead for equality of opportunity (Callinicos (2001). Redistribution policy is deemed passive and hedonistic by Third Way proponent David Marquand (Lund, 1999).

With pressure from the business lobby, the modern welfare state across Canada is being actively redesigned to accommodate the needs of employers. This remodelling has paralleled the widespread economic restructuring brought about by legislation such as the North American Free Trade Agreement (NAFTA). An examination of recent developments in welfare programming suggests that national programs for welfare have been replaced by local experimentation in delivery.

Proponents of the Third Way ideology claim that a modern approach to social democracy capable of meeting the challenges of the 21<sup>st</sup> century. Within the current dominance of neo-liberal thinking, wherein market interests are set as the major priority of nearly every government, social democracy is being redefined to fit that trend. Third Way philosophy departs from the traditional social democratic ideals of equality of outcome and government intervention, opting instead to trust the market economy as a tool for constructing a just society. In defending the Third Way, two arguments are used — 1) government intervention and redistribution are unwise, and 2) globalization forces us to minimize government spending, to accept a weaker labour position and to cut back social programs.

According to Third Way advocates, the “Old Left” failed to acknowledge the importance of the market system in the new global economy (Callinicos, 2001). With the economic consequences of global integration, the autonomy of nation-states has been greatly reduced; therefore, the economic statism of a particular form of the ‘Old Left’ has been rendered obsolete. Economic statism is seen as an approach that points in the wrong direction, because the economic game has changed.

The second reason that Third Way advocates offer for moving away from the “Old Left” is that globalization is inevitable. Opinions on the consequences of globalization are varied, but the common thread in Third Way literature is that social democracy must accommodate this “new reality”. The ability of national governments to enact policies is curtailed by globalization (Graham & Al-Krenawi, 2001, p. 417). Commenting on social policy changes in Canada they write, “As companies compete in an increasingly international marketplace,

the demands upon national governments to restrict welfare may grow” (p. 417). The Third Way advocates have accepted the neo-liberal argument that workers need to be prepared for a more competitive market and lower expectations. Workfare schemes increase the desperation of the most marginalized with the promise that economic success is found in competition rather than state intervention (George & Wilding, 1985).

Third Way proponents neither attempt to challenge globalization nor strengthen the welfare state in response to it. Callinicos (2001) quotes Clinton and Blair ambivalently, touting globalization adages and suggesting that they no longer have the power to change anything. When economic globalization is mentioned in a negative way, there is a sense of powerlessness in Third Way writing. At other times, Third Way advocates argue expressly for the benefits of globalization. With a certain degree of enthusiasm, Third Way leaders have accepted the theories of neo-liberal monetarism and incorporated it into their platforms. Callinicos (2001) points out that the new reality that governments are contending with is not an ethereal new era known as globalization, but the triumph of global capitalism. Capitalism has always been global, and it has always sought to expand regardless of the human cost. The new label of globalization does not change this fact.

In reinventing themselves, social democratic political parties feel it is crucial to distinguish themselves from the “Old Left” (Callinicos, 2001). Former Saskatchewan NDP Provincial Justice Minister and Member of Parliament, Chris Axworthy, uses Third Way rhetoric in Canada to argue for workfare, suggesting that the Left is wrong to offer programs based on entitlement alone, and given the new global reality, programs will need to keep pace

(Axworthy, 1999). The new agenda of the Third Way is to increase labour participation through work participation programs and training and/or support for workforce participation tied to rights and responsibility justifications.<sup>4</sup> The workfare styled program agenda support is not the Human-Capital Development (HCD) approach that involves quality training and education, with job entry that is usually above the minimum wage. Instead, the *Labour-Force Attachment* (LFA) model is advocated. This model favours a “low-cost, work-first, move-people-off-welfare-quickly” solution, with job entry that is usually either at or near minimum wage rates (Peck, 2001). Referring to workforce participation and rights/responsibilities of welfare recipients, Gilbert (2004) points out “... these two themes are habitually joined with a third — the desire to promote social inclusion” (p. 65). Social inclusion/exclusion is a topic that will be returned to later in this discussion.

The constraining power of globalization is still a product of government choices that have been made over a relatively short period of time. In their critique of the surrender to globalization, Piven and Cloward (1997) look back historically at similar attempts by capital to limit the power of labour. “Capital has often mobilized politically to change government laws and policies in order to enlarge employer exit options or narrow worker exit options” (p.7). Callinicos (2001) agrees, giving historical examples of the pressure labour governments experienced in previous attempts to create a universal welfare state.

The tale of reformist governments defeated by economic constraints notably through the flight of capital on

the financial markets is almost as old as social democracy itself .... This record at least puts into question the idea that globalization has introduced radically new economic constraints on government action. (Callinicos, 2001, p.27)

The movement towards workfare is not necessitated by a mystical force identified as a global economy, “but from neo-liberal politics, from political ideas and political strategies conceived by political actors” (Piven & Cloward, 2001, p. xi). Thus, the shape that globalization has taken has not been neutral; it has been an imposition of neo-liberal policies such as deregulation, trade liberalization and privatization by those who hold economic power (Callinicos, 2001, p. 7).

Saskatchewan began introducing its welfare-to-work changes in 1998 under a program called *Building Independence* (August, 2006; Hunter & Donovan, 2005; Hunter & Miazdyck, 2006). Welfare-to-work program changes are designed to have welfare recipients find employment if they are thought to be capable of working in paid employment. The employable category allotted to such recipients has never been a clearly defined category in Saskatchewan. The two general models of welfare-to-work, the labour force attachment (LFA) and the human resources development (HRD), or human capital development model (Peck, 2001, pp. 76-78), provide alternative policy directions for pursuing welfare-to-work policies.

With the LFA model, governments consider any employment to be better than welfare provision. Increasingly, for Canada and its provinces, the LFA approach to welfare has been the model most favoured. “Welfare has

<sup>4</sup>For more on “active welfare programming” and “rights and responsibility” arguments in Saskatchewan see Hunter & Miazdyck, 2006.

increasingly shifted from being an “entitlement” program designed to help fight poverty, to a temporary support intended to promote individual self-sufficiency through labour force attachment strategies” (HRDC, 2000). The LFA welfare-to-work approach is in contrast to the HRD model that is most identified with the Scandinavian social democratic welfare states. The HRD model is, in the short term, a more costly approach because it emphasizes education and training, leading to labour force entry above the minimum wage rate. Over the long-term, the HRD model is viewed as beneficial to workers and the labour market since, it is argued, individual and overall wages increase with this approach. Both Britain and Canada, including Saskatchewan, have adopted the LFA model of welfare provision. Both LFA and HRD models of welfare provision can be thought of as welfare-to-work approaches, and both exist within the social exclusion literature.

Especially disheartening in the debate about the various models of “active welfare programming,” is the lack of any serious debate about the realities of employment. Levita’s (2005) comments state that:

The principal arena of debate is now bounded on one side by a synthesis of the free economy and the strong community — an apparently soft version of Thatcherism, but one whose antipathy to state intervention is particularly useful to the dismantling of the welfare state and the transfer of risk from the collective to the individual. (p. 4)

Levitas (2005) writes that on the other side, the extreme left’s position is now defined by the “Third Way’s” social democratic support for markets that place many workers in tem-

porary employment at or near minimum wage rates with few, if any, benefits (p. 4).

However, the more progressively viewed HRD model is not without its flaws. As noted by the economist James K. Galbraith (1998), the skills-mismatch idea distracts from attention to the fact that the roots of income inequality lie in monopoly power rather than educational deficiency (Katz, 2001, p. 352). Galbraith observes that:

What the existing economy needs is a fairly small number of first-rate technical talents, combined with a small superclass of managers and financiers, on top of a vast substructure of nominally literate and politically apathetic working people. (Galbraith, 1998 pp. 34-35 cited in Katz, 2001, p. 352)

Perhaps that explains why so many countries have adopted the labour force attachment model in their “active welfare states.” Trained, skilled workers are not required in the current economic climate, where job growth lies within the unskilled work sector. Trained workers would not only be unable to find sufficient employment to match their skill levels, they may also form a less compliant and more demanding workforce.

In explaining Saskatchewan’s welfare-to-work program changes, August relies heavily upon Blair’s Labour Party government’s “Third Way” social exclusion arguments. However, August does not rely solely on social exclusion justifications for Saskatchewan’s welfare-to-work approach. Two other themes run through the work — the subpopulation theme and the economy theme. These two themes are explored here before considering the social exclusion models used to justify Saskatchewan’s welfare-to-work model.



# The Subpopulation

An early neo-conservative attack on the modern welfare state is Edward Banfield's book, *The Unheavenly City* (1970). Banfield's book was identified by Piven and Cloward (1987) as one of the major texts providing the intellectual foundation for the attack on the welfare state during the 1980s. His book put the "cornerstone" in place for the Right-wing critique of the welfare state "... with the argument that the poor were doomed to their poverty by their inability to defer gratification, and that interventions by "do-gooders" were therefore useless" (Piven & Cloward, 1987, p. 45). Central to Banfield's book are what he labels as 'the imperatives of class' to describe behaviours. In Banfield's terms, these are categorized into the upper-class, the middle-class, the working-class, and the lower-class, or subpopulation.

The upper-class is viewed as the most future orientated, admirably concerned with "... abstract entities as the community, nation or mankind (sic)" as well as being "... markedly self-respecting, self-confident, and self-sufficient". The upper-class individual also "... places great value on independence, curiosity, creativity, happiness, 'developing one's potentialities to the full,' and 'consideration for others'" (Banfield, 1970, pp. 48-49). The next class to make an appearance is the middle-class, and though "... less future orientated than the ideal member of the upper-class ... He too is confident in his ability to influence the future ... [And though his] self-feelings are a little less strong than those of the upper-class individual ... we discover [that] he

shows a good deal of independence and creativity and a certain taste for self-expression" (Banfield, 1970, pp. 50-51). The working-class, however, possesses quite different qualities than the middle-class person. "As compared to the middle-class individual, he is little disposed toward either self-improvement or self-expression; 'getting ahead' and 'enlarging one's horizon' have relatively little attraction for him" (Banfield, 1970, p. 52). Unfortunately, with the working-class person we find "In his relations with others, he is often authoritarian and intolerant, and sometimes aggressive. "He is not only a bigot but a self-righteous one" (Banfield, 1970, p. 52).

It is with Banfield's identified lower-class however, that society runs into real trouble. In the lower-class person we find all that is wrong in society. It is informative to read Banfield's list of faults with the lower-class:

At the present-orientated end of the scale, the lower-class individual lives from moment to moment. If he has any awareness of the future, it is of something to be fixed, fated, beyond his control: things happen *to* him, he does not *make* them happen. Impulse governs his behaviour, either because he cannot discipline himself to sacrifice a present for a future satisfaction or because he has no sense of the future. (Banfield, 1970, p. 53)

Especially when it comes to work, present needs "Take Precedence" over long-term thinking "and certainly over any work routine"

(Banfield, 1970, p. 53). The behaviours that Banfield attributes to his “lower-class” are very similar to the behaviours often attributed to children, and in many ways the poor are described as acting like children with an inability to delay gratification, a dependence upon others and a lack of ability to meet their needs on their own. This is the renowned “culture of poverty” or “cycle of poverty,” theory that attempts to explain social problems by attributing them to supposed characteristics of the group. This theory was astutely critiqued by William Ryan in his classic book, *Blaming the Victim* (Ryan, 1971).

Although somewhat ironic with its own bigoted, self-righteous tone, Banfield’s ideas of different behaviours among classes and the lower-class’s inability to defer gratification does find its way into 21<sup>st</sup> Century literature. Banfield’s work was pivotal to the conservatives in their attack on the modern welfare state (Piven & Cloward, 1987), and the neo-liberal arguments have become more sophisticated over time. As one of this article’s peer-reviewers has noted, August’s published views are more similar to the current neo-conservative publications of John Richards, a Fellow-In-Residence with the neo-conservative C.D. Howe Institute, than Banfield’s conservative prejudices. Richards is a former Saskatchewan NDP MLA from the 1970s Allan Blakeney government. He states, “I was actually closer to the provincial NDP administration under Roy Romanow in the 1990s than I was as a MLA there in the 1970s, under Allan Blakeney<sup>5</sup>” when he was a regular consultant with, then premier, Romanow’s government on workfare and the Child Tax Benefit (Warnock, 1999).

Richards was one of the key influences on the current direction of Saskatchewan’s welfare approach. Richards (1997) book, *Retooling the Welfare State*, concentrated on his support for traditional family values and the need for a source of cheap labour. According to J.W. Warnock, Richard’s economic views:

... make good economic sense to the 200 corporations bankrolling the C.D. Howe Institute. They do not want to pay taxes to support social assistance. Yet they know that single-parent women, and other single people as well, cannot live on today’s minimum wage. But they want low-wage workers. If we could only go back to the traditional family, with father and mother on the minimum wage but pooling their income, they could survive and it would be a win-win solution. (Warnock, 1998, pp. 10-12)

August’s article refers to people on social assistance (welfare) as either a sub-population (p. 7) or an underclass (p. 8). Similar to Banfield’s (1970) derision of the lower-class for their lack of future-orientation and desire to meet short-term needs, He continues, “Rather than a solution to poverty, welfare has become a system whereby the poor trade their future life prospects for minimal satisfaction of short-term needs” (p. 2). The article states “The effect of many of these legacy policies [social programs] was that the government displaced the capacities of some of its citizens to solve life’s problems for themselves, in the way that most of us do” (p. 3). Over time, August argues, the impacts of welfare state programs have been devastating:

<sup>5</sup>Aurora, Issue 2005, Available from <http://aurora.icaap.org/index.php/aurora/article/view/2/2>: Internet; accessed 30 May, 2006.

The effect, over decades and generations, has been the creation of a sub-population that is under-resourced with respect to literacy, numeracy, job skills and personal attributes necessary to succeed in employment and other normal economic activity.

The short-term challenge for most of this sub-population is to make them ready for the most attainable goal — employment at the low-skilled, entry level to the economy. Jobs for pipeline welders, operating room nurses and high-crane operators are of no value at all to a population that could not reasonably hope to qualify for them, even with years of investment and preparation. (August, p. 7)

It is here that we meet the sexist, ableist, classist and racial undertones that must eventually be confronted when using the sub-population thesis; who is it exactly that comprises this group?

Children form the largest group among welfare recipients with most of them living in female lone-parent families. Furthermore, and particularly in Saskatchewan, First Nations peoples are over-represented on welfare programs. Although what groups of people comprise the sub-population, possessing limited intellectual resources, is not clarified in the August article, August did identify who he believed comprised this sub-population during a 2002 roundtable discussion on poverty in Canada (August in Milner, 2002).

In Saskatchewan we have many people living on the margins of society — par-

ticularly Aboriginal people and people with disabilities — coexisting with high demand for labour, including lower-skilled, entry-type jobs. (p. 177)

In extreme cases, welfare dependency has become an intergenerational phenomenon: children who grow up in families with no working parents have an even harder time establishing a good life for themselves and their own families. Intergenerational patterns are clearly in evidence on western reserves, in many isolated northern communities, and, more and more, in the decayed, inner-city neighbourhoods of many western cities. The evolution of a more-or-less permanent underclass has consequences in all areas of social dysfunction, including child abuse and neglect, juvenile and adult crime etc. (p. 181)

Dysfunction features large August's writings. Illuminating the dysfunctionality of those who do not work with those who do work, he writes:

It is usually helpful to take a normative approach to dysfunction, in other words, to consider those who are not dysfunctional, and look at what distinguishes the two circumstances. In the matter of economic problems of citizens, the issue is not necessarily as complex or as intractable as some would suggest. Most Saskatchewan people aspire to, and most in fact achieve, the basic elements of a good life: an education, a job, family, home and community. (p. 2)

The position that welfare creates dependency<sup>6</sup>, either intergenerational or among present recipients, has no support in the serious empirical research literature. Further, August's explanations for First Nations poverty displays a total lack of awareness about the colonization of the Americas, the effect of the residential school system on First Nations' peoples in Canada and the continuing racism of Canadian society. Unfortunately for his readers, August does not reference his statements to source material that can be checked. Instead, he presents his case through "argumentation by assertion" — a process whereby a series of assertions are made with neither supporting logic nor evidence (except for an occasional classical allusion or metaphor from everyday life) to form an edifice of argumentation. (Trivers, 2002, p. 257).

His statements also obscure the fact that many First Nations people in Saskatchewan participate in paid labour. According to the 2001 Census<sup>7</sup>, when the total population of Canada fifteen years and over in age is examined by composition of total income for 2000, 77.1 per cent of total income came from paid-employment for non-First Nations people, while registered First Nations people derived 70.8 per cent of their total income from paid employment.<sup>8</sup> Statistics Canada (2006) notes that the largest share of income received by

Aboriginal women comes from employment sources — 68 per cent Aboriginal women, 72 per cent non-Aboriginal women and 81 per cent Aboriginal men (p. 200). Unemployment rates among female Aboriginal labour force participants are twice the rate of non-Aboriginal women (17 per cent and 7 per cent respectively). However, these rates are lower than the Aboriginal men's rate of 21 per cent (p. 199).

One real difference exists between Aboriginal and non-Aboriginal populations — the pay scale rates. Statistics Canada (2006), in using the 2001 Census data, reports that the incomes of Aboriginal women in Canada tend to be relatively low, earning about \$5,000 less than non-Aboriginal women and about \$3,000 less than Aboriginal men (p. 199). The same report also noted that similar to other women, Aboriginal women "are heavily concentrated in low-paying occupations" in the sales and service sector (p. 198). Using the same 2001 Census data, the National Council of Welfare (2007) report states that:

The 2001 Census ... showed growing disparity in income between Aboriginal and non-Aboriginal Canadians. While non-Aboriginal incomes also decreased somewhat over this 20 year period [1980 to 2000], from \$31,218 to

<sup>6</sup>For a detailed analysis of this topic see Hartly, D., & Taylor-Gooby, P. (1992). *Dependency Culture: the explosion of a myth*. New York: Harvester-Wheatsheaf.

<sup>7</sup>Compiled by the authors using *Statistics Canada 2001 Census Standard Data Products, Aboriginal Peoples of Canada*, 97F0011XCB2001062. Available from <http://www12.statcan.ca/english/census01/products/standard/themes/RetrieveProductTable.cfm?Temporal=2001&PID=73650&APATH=3&GID=355313&METH=1&PTYPE=55496&THEME=45&FOCUS=0&AID=0&PLACENAME=0&PROVINCE=0&SEARCH=0&GC=0&GK=0&VID=0&FL=0&RL=0&FREE=0>; Internet; accessed 30 May, 2006.

<sup>8</sup>Statistics Canada (2005) cautions that when examining Aboriginal unemployment "... it is important to realize that it does not always reflect the complex work situation of Aboriginal people, especially those living in rural or remote communities. Official unemployment rates, for example, may not always reflect work that is carried out for which no payment is received. Work of this type is common in many Aboriginal communities where large amounts of time are spent fishing, hunting, sewing and caring for children of friends and family members. Also, there is much seasonal work in many Aboriginal communities" (p. 199).

\$30,023, the gap between Aboriginal and non-Aboriginal people widened to over \$11,000. (p. 22)

On the basis of their study, the National Council of Welfare (2007) concluded that, "These long-term and recent income trends indicate that many Aboriginal people have not benefited from economic prosperity and have actually lost ground" (p. 23). Low-wages among First Nations people is a serious issue, and as Warnock (2004) observes, "Presently Aboriginal people are largely confined to the more marginal jobs" (p. 155). Despite participation in the workforce, the idea that First Nations' people are dependent on welfare and should have to work for welfare has widespread support in Saskatchewan (Laycock, 2002 cited in Warnock, 2004, p. 154).

Along with employment, racism in Saskatchewan has further impacts on Aboriginal people. Warnock (2004) writes:

The Saskatchewan Human Rights Commission has classified Aboriginal people as a "designated group" which has experienced "historical inequities that have become entrenched within education, economic and other systems." ... Around seventy-five percent of young Aboriginal people do not graduate from high school. Ninety percent of the women in prison in Saskatchewan are Aboriginal, and seventy-five percent of the men. Saskatchewan has the highest rate of youth incarceration of any province in Canada, and around 90 percent of those in custody are Aboriginal. Saskatchewan has the highest infant mortality rate of any province, and this is due to the high rate in Northern Saskatchewan, where

Aboriginal people are the majority. (pp. 152-153)

As Ryan (1971) noted in his book, it is an easier mental slight of hand to blame the victim for creating social ills rather than examining and changing social structures. The concept of an essentially inferior subpopulation causing their own problems rather than confronting and changing a classist, racist, patriarchal and increasing fearful society helps very well in this deception.

Furthermore, we often hear about how the poor have either televisions or compact disk players, begging the question of "How poor are they really?" What we don't hear about in response to this question is the production of what George Orwell (1980) referred to as "cheap luxuries" (p. 164). Writing about the life of the poor in upper England during the late 1930's, Orwell noticed that luxuries were almost always cheaper than necessities. For our times, luxuries such as televisions and music players abound at little expenditure, while the costs of necessities such as shelter and food continue unabated at high costs and profits. Orwell (1980) observed that "Trade since the war has had to adjust itself to meet the demands of underpaid, underfed people, with the result that a luxury is nowadays almost always cheaper than a necessity" (p. 164). In what is perhaps one of the most astute observations of capitalism and the masses, Orwell (1980) is worth quoting at length:

Of course the post-war development of cheap luxuries has been a very fortunate thing for our rulers. It is quite likely that fish-and-chips, art-silk stockings, tinned salmon, cut price chocolate (five two-ounce bars for six-

pence), the movies, the radio, strong tea and the Football Pools have between them averted revolution. Therefore we are sometimes told that the whole thing is an astute manoeuvre by the governing class — a sort of ‘bread and circuses’ business — to hold the unemployed down. What I have seen of our governing class does not convince me that they have that much intelligence. The thing has happened, but by an unconscious process — the quite natural interaction be-

tween the manufacturer’s need for a market and the need of half-starved people for cheap palliatives. (p. 165)

Orwell continues to observe that “Above all there is gambling, the cheapest of all luxuries. Even people on the verge of starvation can buy a few days’ hope (‘Something to live for’, as they call it) by having a penny on the sweepstake” (Orwell, 1980, pp. 164-165). The parallel between the sweepstakes of the past and today’s constant barrage of lotto and instant win tickets is almost comical.

# The Economy

August writes with some appreciation for low-income jobs. Discussing low-wage work, August comments that: “In our current circumstances, low-skilled entry-level employment is a friend to, not an enemy of, an effective anti-poverty strategy” (p. 7). Statements such as the above abound in August’s arguments. In fact, it is the low-wage economy that August suggests is going to build the economic health of Saskatchewan in the future:

For an underpopulated province with growing labour demand, it defies logic to allow significant numbers of citizens to remain outside the labour force and reliant on income support from their fellow citizens. This paper argues that the best path to solve income problems among this population, and improve income equity in Saskatchewan, is also the best strategy for building the economy and a stronger and more cohesive province. (August, p. 1)

In other words, the poor are not only guilty of living off of their fellow residents but also responsible for not building a strong economy for Saskatchewan. That is a heavy burden to carry for children, lone-parent mothers, the disabled, the sick, the addicted and those whose labour is expendable and marginal.

In an explanation of how social programs are financed and the concept of redistributive justice, August writes:

In simple fiscal terms, government is a mediator of the transfer of resources

among citizens. In effect, a substantive entitlement of one citizen is a disenfranchisement of another. More so in our present system, social policy should provide a clear rationale for appropriating the product of one citizen for the benefit of another, and the conditions that justify such a transfer. (pp. 3-4)

It would be difficult to find in the most right-wing of journals the presentation of a more extreme *laissez-faire* position, at least without a whole list of qualifications. For the wealthy enjoy even greater government transfer of resources than the poor. They use the universities, airports, highways, hospitals and medical systems, police, courts, schools and the hundreds of other services provided by taxation. In the August article, the transfer of resources only comes up for question when the poor receive them. Further, most “transfer of resources among citizens” exists to mitigate the worst excesses of capitalism; therefore, serving to legitimate the economic arrangement of society and its system of exploitation.

There are four major sources of income available to people: 1) private material resources such as dividends, savings, insurance, property; 2) employee compensation from a job; 3) family and community support; and 4) state subsidies in the form of pensions, unemployment insurance, welfare and other forms of income assistance (Hicks, 1999). The poor obviously do not have private material resources for a source of income. The poor either do not have employee compensation, or if

they do, it is barely adequate to meet basic needs. The poor often rely on family and friends for support or the services of charities such as food banks, and the poor often have to rely on social income programs to survive.

Unlike those who have private material resources, income insecurity is the threat to working people and the poor. For those who can work, they have a dependence on securing and maintaining waged labour, and therefore are constantly faced with the threat of unemployment (Hicks, 1999, p. 4). The unemployed who are poor, and the poor who cannot obtain decent employment, must rely upon state subsidy programs. As a result, these individuals face the threat of program eliminations, program cutbacks and being denied services from these programs. The lesson is very clear; if you are not wealthy, then you better have either a good job or a responsible government (Hicks, 1999).

There are thousands of Canadian children who are poor and live in families without private wealth, who do not have a decent steady job and are without relatives or neighbours who are wealthy and generous. They children must rely on the social wage.

Social income transfer programs can be thought of as a social wage; that is a program of goods and services provided to the individual by the state, funded by taxes, which are distributed outside of the labour market (Phillips, 1990). Related to the social wage is the surplus wage (Teeples, 1995), which is the room available to governments to use taxation and deferred income from wages and salaries — the largest source of government revenue — for funds that are available to cover social

wage programs such as old age pension programs, disability programs, health programs, social assistance programs, or social insurance schemes. The justification of surplus wage taxation is the risk that all people face of having to someday use one or all of these types of social wage programs. Some of the programs assist the poor and working class; they also represent a transfer of benefits to the upper-income earners in Canada as they use proportionately more of the programs (health care, post-secondary education) than their contribution. Additionally, working people contribute more in taxes, premiums, and deferred income for social programs and activities from the state than services they receive because a portion of the transfer of wealth from working people also goes to the corporate sector in the form of grants, loans, subsidies and concessions. (Hunter, 2003, p. 41)

August acknowledges that “Entitlement systems have been used to good effect” (p. 4), but qualifies this support with the caveat that they have only been “effective in the case of demographic targets that are not required by society to be economically active” (p. 4). All other approaches interfere with, or “distort,” the market system; and the “preferred choices are policy tools that modify social outcomes with the least possible negative impact on the economy” (p. 3). In other words, social assistance is only justified in cases of extreme destitution, the residual welfare model (Titmus, 1974).

Titmus furthers the argument by saying that as a result, “The task becomes to align unused human capacity [people] with the needs of the



economy" (p. 6), because "Saskatchewan needs new labour market entrants to meet the needs of the economy" (p. 9). August's argument sees little financial role for government regulation of the market because the primary "rule" for governments is to "minimize market distortions" (p. 3), and governments must adopt "enabling approaches rather than attempts by government to impose or command outcomes directly" (p. 3). Markets are allowed to function without government interference; however, the government is to actively distort the labour supply with workfare.

Underlying August's arguments is the assumption that large numbers of people make up the "sub-population" that could be tapped for use by employers desiring low wage workers. A close look at the welfare caseload in Saskatchewan provides us with important information on exactly how large the welfare group is who will be expected to fill this potential labour pool.

The government's own welfare data from December 2006 (Saskatchewan, 2006) contains the following details. The Saskatchewan Assistance Plan (SAP) caseload is the largest welfare program in the province with a total of 21,179 files, while the province's other welfare program, the Transitional Employment Allowance (TEA), has a total of 5,362 files (see Hunter & Miazdyck, 2006, for more on the differences between these two welfare programs). Of the SAP caseload, the largest segment of recipients is single persons without dependents (62 per cent) who are not fully employable, such as people with disabilities and individuals who are in residential treatment facilities. (Saskatchewan, 2006, p. 5).

The next largest segment of SAP recipients (22 per cent) is single parents. Approximately one-half of these recipients are classified as unemployable. Overall, 77 per cent of the total SAP caseload is not fully employable, with approximately 63 per cent of the SAP caseload coded as disabled. The total caseload of SAP/TEA was 26,541 files (this number of files represents 44,801 people including spouses and children). Since all TEA recipients are classified as fully employable, this amounts to 5,362 employable files on TEA. Added to the number of SAP fully employable files (23 per cent of 21,179, the total fully employable caseload consists of 10,233 files, or 38.5 per cent of the total welfare caseload of both welfare programs. With a Saskatchewan population of 873,247, the total number of people including spouses and children in receipt of welfare from both programs is 5.1 per cent of the total population. The percentage of the population receiving welfare and who are deemed fully employable, including spouses and children, is even less at 10,233, or 1.2 per cent, of the total Saskatchewan population<sup>9</sup>.

It is difficult to imagine that this segment of the province's population (1.2 per cent) are able to shoulder the economic and province building burden August places upon them, which is repeated here again:

For an underpopulated province with growing labour demand, it defies logic to allow *significant numbers* (emphasis by authors) of citizens to remain outside the labour force and reliant on income support from their fellow citizens. This paper argues that the best path to solve income problems among this population, and improve income

<sup>9</sup>These numbers do not include on-reserve Aboriginal poverty, as this area is the responsibility of the federal government.

equity in Saskatchewan, is also the best strategy for building the economy and a stronger and more cohesive province. (August, p. 1)

It is difficult to accept the premise that the poor on social assistance represent an unmanageable burden on either the provincial budget or the essential element in growing the provincial economy given the small numbers on welfare. Especially considering the fact that one-third of the recipients are children, and two-thirds are coded as disabled? There are simply not enough poor people in the province who are either able to work or who are not children to carry the supposed economic burden they apparently represent.

Government workfare programming that threatens the loss of benefits is coercion. Government programs that use the surplus social wage to subsidize low-wage employers, such as the National Child Benefit Supplement (NCBS) benefit under the Canada Child Tax Benefit (CCTB), are serious “distortions” of the market system in favour of employers and against working people. Welfare-to-work programs have driven down the wages of working people in Canada. As people are forced by the welfare system to accept any job or risk losing government benefits, the pool of desperate workers is increased as all compete for the same low wage jobs. Evidence is already emerging that welfare-to-work has “distorted” the market, and it has also distorted the market to the detriment of working people, not the business class. Although this is not seen as a problem, we need to remember, “In our current circumstances, low-skilled, entry-level employment is a friend to, not an enemy of, an effective anti-poverty strategy” (August, p. 7). If the public needs further

explication of the changes to welfare in Saskatchewan that favour low wage employers and further hurt the poor with no waged employment, August (Milner, 2002) states, “Welfare should be a tool to prevent destitution, not fight poverty” (p. 180).

August (Milner, 2002) chides those who would defend welfare programs against the welfare-to-work approach of the “social democrats” in government by saying that:

Many advocacy groups seem to use anger and outrage as a substitute for thoughtful analysis; and, as a result, advocate solutions which, if followed, would in the long run do no favours for the poor. This is particularly true of groups that advocate building up the welfare system as a response to poverty. (p. 180)

As a result, structural responses to the welfare debate are dismissed by August (2002), who also dismisses the empirical findings from the United States (Mishel & Scmitt, 1995) and Canada (Klein & Montgomery, 2001), which state that welfare-to-work programs actually depress wages in the low-income job sector; doing fewer “favours” to the working poor.

Apparently, analyzing welfare poverty and working poverty is just an exercise in hair-splitting. In his work, August argues that welfare-to-work that will programs not exchange welfare poverty with employment poverty are non-sensical. (p. 7). Although he acknowledges that competition for low-skilled work has affected wages, he believes that nothing can be done as poor nations and international labour that have caused the problem. He states that:

It is quite true that the labour market has changed, and the international competition has changed, and that international competition for low-skilled work has affected relative wages<sup>10</sup> and tenure in lower-skilled strata of the labour market. This is a fact that is not about to change any-time soon, given the vast surplus of underutilized labour resources in developing countries, and the irreversible permeability of national economies in the modern world. (p. 7)

The ability of governments to regulate businesses is declining<sup>11</sup> according to August (p. 8), with the proof supplied by the example of consumer electronics, “which are overwhelmingly manufactured offshore at much lower labour rates than prevail in North America (p. 8). And if “international competition for low-skilled work has affected relative wages and tenure in lower-skilled strata of the labour market,” somehow that relationship is going to turn around in Saskatchewan. He also stresses that:

For Saskatchewan to become a healthier society, from an economic point of view, a transition strategy is required, to integrate and make productive as much of the potential labour pool as possible. Through effective human resource development strategies that help the lower-skill ranks of the labour force to increase their productive capacity, the level of employment can increase, in turn enhancing the effectiveness of the labour market as a distributional vehicle. From a base of

increased employment and an expanded labour market, employers and workers can increase labour productivity, and thus incomes, of the lower-skilled strata of the labour market. (p. 11)

Why this miracle of the market has not already occurred within the international competition for low-skilled work is not explained. Again, no evidence or references to any studies are provided by August for his statements. He also does not explain how increased profits for employers, garnered through hiring low-wage employees, are going to be shared with low-wage workers, especially in Saskatchewan. Using August’s example the restaurant industry “argues that wage-driven price inflation rate is stagnating business and employment in its sector” (p. 8).

One measure that is not useful to consider, according to August, is the minimum wage. Minimum wage laws have an adverse effect on the unemployed because “Where a segment of the population is already challenged to offer a viable skill set to an employer, regulating low-productivity work out of an economy eliminates these citizens’ opportunities to get a start in the mainstream, and increases the likelihood of the persistence of a permanently workless underclass” (August, p. 8). August makes this claim without citing evidence — in fact, there is no evidence to support this claim.

Although August neither argues for lower minimum wages nor for minimum wages to be unavailable to governments as policy instruments (p. 8), he believes that minimum wage legislation should be used with caution

<sup>10</sup>August does not provide a definition of “relative wages” in the article.

<sup>11</sup>For a challenge to the “globalization” argument for Saskatchewan see Hunter & Miazdyck, 2006.

when applied to low-income people. August concludes that minimum wage legislation is not necessarily the best means for governments to “make work pay.” Instead, he prefers providing government subsidies to low-income earners, thereby creating a subsidy for low-wage employers, as the preferred behavioural social policy.

What of the argument that over time the economy will benefit low-income workers? A recently published study by Statistics Canada<sup>12</sup> reveals that less than half of Canadian workers (47 percent) who held low-paying jobs<sup>13</sup> in 1996 managed to climb out of low-paying jobs<sup>14</sup> by 2001. Those most likely to rise out of low-income employment were young, university educated males in professional occupations and industries, most often worked full-time in large unionized firms in Ontario and

Alberta. The profile of this group does not match the profile of people most likely to apply for and receive welfare in Saskatchewan. The same study found that for those who remained in the same job, rising above low-income was more likely if they increased their hours of work by five or more hours per week. Of course, increasing our work is not always possible, and many individuals would take more hours if they were offered. The 53 percent who remained in low-paid work from 1996-2001 tended to be older women, those with either a high school education or less and who worked part-time for small non-unionized organizations.

A large segment of August’s article is devoted to arguments of social exclusion of the poor due to their lack of economic participation. It is to those arguments we now turn.

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<sup>12</sup>Janz, T. (2004). Low-paid employment and ‘moving up.’ *Statistics Canada Research Paper*, Catalogue no. 75F0002MIE – No. 003.

<sup>13</sup>The Janz report defines low-wages based on before-tax Low Income Cut-Off (LICO). To calculate “low-paid work” threshold, the appropriate LICO to family size and geographic location was divided by 52.14 (weeks/year), which yields the dollars per week to reach a LICO low-income threshold in 1996.

<sup>14</sup>The Janz report defines “moving up” out of low-paid work as earnings 10% above the LICO low-income threshold for 2001.

# Social Exclusion

Ruth Levitas (2005) of the University of Bristol is a specialist in the critical analysis of social exclusion. Her book, *The Inclusive Society? Social Exclusion and New Labour*, clearly sets out the different usages of social exclusion to explain welfare-to-work policies. For Levitas, there is no one single definition of social exclusion, "... rather there is a range of national discourses which use the idea of exclusion in different ways" (p. 2). Levitas (2005) has developed three general categories for social exclusion discourse; 1) redistributionist discourse (RED); 2) moral underclass discourse (MUD); and 3) social integrationist discourse (SID). In reducing the discourses of the poor to basic formats, Levitas (2005) writes, "To oversimplify, in RED they have no money, in SID they have no work, and in MUD they have no morals (p. 27). Based upon her work, the following table highlights the features of three social exclusion discourses.

Levitas (2005) notes that all three discourses assign a central role to paid employment in bringing about social inclusion, and all three contain moral subject matter (p. 27).

From the outset, the RED approach can be dismissed from August's ideas of social assistance provision. Indeed his approach is anything but redistributive. Poverty is seen as a result of exclusion; its main cause is a lack of paid employment. August does not make the slightest mention of unpaid work. Work only

occurs where it is recognized; "or leveraged," through paid employment.

It is difficult to understand where August stands on structural responses to poverty. He is very supportive of "expensive" government programs that support low-wage employers who wish to offer temporary, low-paid employment with little in the way of benefits. For example, August approves of the province's participation in the National Child Benefit, and the provincial welfare-to-work reform program called *Building Independence*. With these programs "Considerable progress has been made against structural employment barriers to employment of low-income parents," to being at least equal to employed singles (August, p. 9). As is the pattern, no evidence is provided to support these claims. For evidence that suggests that the province has accomplished little when we look at the poverty of families with children in Saskatchewan, the national and provincial child poverty report cards present ample substantiation.<sup>15</sup>

August claims that "Thousands of parents have left welfare for work, and because the reform strategy relies on leveraged benefit from the labour market, provincial expenditures on income support have decreased" (p. 9). A couple of assumptions in the above statement need to be challenged. First, there is no evidence that thousands of parents have left welfare for work. Caseload numbers in

<sup>15</sup>For the National and Provincial Child Poverty Report Cards, including Saskatchewan from the years 2001-2005, please go to Campaign 2000's website available from <http://www.campaign2000.ca/rc/>; Internet; accessed on May 30, 2006.

**Table 1: Social Exclusion Discourse**

	Redistributionist (RED)	Moral Underclass (MUD)	Social Integrationist (SID)
Cause of exclusion	Poverty — however poverty does not necessarily lead to exclusion	Underclass — cultural and moral terms	Lack of participation in economic mainstream leading to social exclusion
Cause of poverty	Poverty viewed as a multifaceted process	Culture of dependency and individual behaviour among underclass	Lack of paid employment
Poverty solution	Broadly redistributive	Private market solutions	Labour force attachment
Unpaid work	Some recognition — work refers to all activity necessary for the production and reproduction of economic relations and structures	No recognition	No recognition
Citizenship	Poverty could be denial of citizenship; however, citizenship could operate to legitimize inequalities	No extension of citizenship rights, rather greater conditionality, reduction or removal of rights to government services	Reduces social life to economic participation
Focus on structural causes of poverty	Yes	No	No
Focus on exclusion	Too much focus diverts attention from deprivation	Excluded are culturally distinct from mainstream; and therefore, they are excluded from the economic sphere. Social and political factors are not a central focus.	Excluded are not in the economic mainstream; and therefore, they are excluded from the social sphere. Cultural and political factors are not a central focus.

Source: Prepared by authors from Levitas (2005, pp. 7-28).

Saskatchewan have decreased, but that does not mean that they left for employment. The government has provided no information tracking what happened to families that have been removed from welfare benefits.

Secondly, the government's annual reports do not indicate a reduction in provincial expenditures for social assistance because families have left social assistance. The Annual Report for 1997-98 reports the actual expenditures for Income Support in Saskatchewan at \$327,504,000 (p. 44); and for the 2004-05 Annual Report the expenditures are \$374,271,000 (\$314,615,000 in Employment Support and Income Assistance and \$63,049,000 in Supporting Families and Building Economic Independence, minus \$2,779,000 for Income Security Administration (p. 24). What is apparent is that given the high child poverty rate in Saskatchewan (just over 20 percent for 2005) and the ongoing high government expenditures on welfare programs, the welfare-to-work initiatives in the province have neither been a poverty reducing nor cost cutting success.

August fits into the moral underclass (MUD) of social exclusion discourse. The following are excerpts from August's publications that fall within either the theme or discourse of moral negligence among the "underclass":

- It is usually helpful to take a normative approach to dysfunction — in other words to consider those who are not dysfunctional, and look at what distinguishes the two circumstances. In the matter of economic problems of citizens, the issue is not as necessarily as complex or as intractable as some would suggest. Most Saskatchewan people aspire

to, and most in fact achieve, the basic elements of a good life: an education, a job, family, home and community. (p. 2)

- Every entitlement system we have devised, from welfare to generous unemployment insurance [sic] to disability pensions, has fostered socially undesirable outcomes by paying citizens not to develop and use their human capacities. (p. 4)
- ... it is possible to view social policy not as an overhead cost to a caring society, but a means to shape behaviours towards outcomes that benefit both the individual and society. (p. 4)
- A behavioural approach implies a recognition that governments can rarely guarantee outcomes in the broad areas of social relations. (p. 4)
- The effect of many of these legacy policies was that government displaced the capacities of some citizens to solve life problems for themselves, in the way most of us do. (p. 5)
- The effect, over decades and generations, has been the creation of a sub-population that is under-resourced with respect to the literacy, numeracy, job skills and personal attributes necessary to succeed in employment and other normal economic activities. (p. 7)
- ... critical to overall success, however, is the palette of measures to ensure that citizens who act in a

constructive way — including working to the extent of their capacities and abilities — achieve a level of comfort or dignity that satisfies our collective values. (p. 7)

What can we learn from the above about the morals of the “underclass?” We learn that because of welfare there exists an underclass whose ranks are swollen with a sub-population possessing only eroded capacities. However, it may be that the sub-population’s capacities are not “eroded” but only “displaced;” August does not appear to be clear on his position. The point is that the sub-population must change their behaviours (which must mean get a job?). And if they are not willing to change, then a “caring government” armed with their “behavioural social policy”<sup>16</sup> will make them change. Only then will we reach the pinnacle of society, “... the development overtime of a broadly competent and responsible citizenry that acts with socially constructive self-interest” (August, p. 4). The potential manipulative element of governments shaping behaviours is an area of grave concern that requires vigilant external commentaries, especially seeing the limited hope that August holds for these people. He states that:

The short-term challenge for most of this sub-population is to make them ready for the most attainable goal — employment at the low skilled, entry level economy. Jobs for pipeline welders, operation room nurses and high-crane operators, are of no value at all to a population that could not reason-

ably hope to qualify for them, even with years of investment and preparation. (p. 7)

In the long-term debate between training-work or work-first, the literature on balance supports the latter as the more effective approach to economic exclusion. It is important to get low-income people working and developing skills, at whatever level they are capable, as a base to move forward in life. (p. 10)<sup>17</sup>

August places strong emphasis in his article upon waged work, and attention now shifts to the SID category of social exclusion discourse. There exists in the August article strong evidence for placing many of his welfare-to-work arguments into the SID category of social exclusion discourse. The following are excerpts from the article that fall within either the theme or discourse of social integrationist:

- Markets — particularly employment markets — are the source of well-being for the majority of working-age adults ... (p. 1)
- What distinguishes the mainstream from the margin, at essence, is capacity and opportunity to benefit from the economy, in most cases through employment or self-employment. (p. 2)
- I would argue that it has been a misstep in social security measures to ignore the importance of a productive role for citizens as a critical

<sup>16</sup>The newly developed Graduate School of Public Administration at the University of Regina offers a course entitled Behavioural Social Policy. The Spring 2006 session was taught by Rick August.

<sup>17</sup>As an editorial comment, we wish to point out that August provides absolutely no references to the literature on the training-first, work-first debate in his article. His statement that on balance the literature supports a work-first approach is unfounded.



component of a good and rewarding life. (p. 5)

- People need a productive and contributing role to sustain their self-perception as a legitimate member of a community. (p. 5)
- Fighting exclusion is about more than just money in citizens' hands. In the late stages of the welfare era, it should be clear enough that it matters how people get their money, too. (p. 5)
- The practical task, in short, is to get as many of the currently-marginalized population into employment, as quickly as possible. (p. 6)
- On the level of economic management, this provides a realistic and attainable way to meet human resource demands. It also provides a base of productive self-sufficiency — full or partial — from which individuals and their employers can build greater personal and collective well-being through labour productivity growth. (p. 6)
- If economic restructuring increased some workers' vulnerability, the welfare response to their vulnerability also impaired their functionality and capacity to maintain a dignified self-sufficiency within or based on the changing economy. (p. 7)
- If there is a 'next step' for strategic policy development, it lies in the development of measures that reach further into the under-utilized population for potential workers

who could access the benefits of employment. (p. 9)

- To a great extent, public authorities are still experimenting and learning how to address social issues constructively and to shape human behaviour in ways that serve the interests of the individuals affected and of communities as a whole. (August, 2005, p. 877)

The dominance of the SID discourse in the August article alongside elements of MUD is not surprising. As Levitas (2005) comments:

As an analytic device, this model [RED; MUD; SID] remains useful in negotiating the minefields of social exclusion policy, especially as it can be used to illuminate the co-existence of, and the contradictions and shifts between, these different positions. The dominance of SID in government policy bears out the argument that this approach neglects unpaid work and places too little emphasis on quality of paid work. The co-presence of MUD identifies particular groups as a problem for social order, and generates behavioural, and often repressive, solutions. (p. x)

Indeed, for August, paid employment is reified to the level of solution to social order and a means of creating a strengthened capitalist economy. At no time is paid employment seen as what John Dewey calls "industrial feudalism." August (2005) gushes over the market economy, stating that: "People who live in market economies like Saskatchewan's enjoy freedom of choice and personal economic opportunities that may not be available in

more structured economic environments” (p. 873). There is not a hint of acknowledgement for the structural inequalities of the market-based system on underemployment, unemployment and poverty. Corporate business structures that teach people obedience to authority, a self-interested focus, and that create a dread of speaking up for fear of unemployment and the worst manifestations of egoism are not challenged. Instead, such systems of employer dominance result in the development of good and functional citizens. All the while the dominance of the corporate market system over society and the structural inequalities that create unemployment and poverty are left out of the equation.

Also left out of August’s analysis is an acknowledgement of unpaid work. The idea of unpaid work (performed mostly by women) is not raised once in his writings, SID is inherently narrowing by reducing the social to the economic and takes no notice of the political

and cultural arenas of conflict. Instead, paid work is the defining element in the creation of identity. Levitas, (2005) comments that:

It is hard to disagree that paid work can contribute to self-esteem, both through the earned income and through the opportunity to exercise skills; or that it may impose a structure on otherwise unstructured time, and be a place of much-needed social interaction. It is equally important to recognize that employment does not necessarily do all or any of these things — and the non-pecuniary benefits may be as skewed as the financial rewards. (pp. 59-60)

It would be interesting to hear how August would reconcile the demeaning nature of much waged work, especially in the low-wage labour market, with self-esteem and the development of a non-dysfunctional person.

# Conclusion

August creates a fictitious model of the poor as a sub-population created since the beginning of the modern welfare state, especially its development in Canada during the 1960s and 1970s. He allows for no differentiation among the poor, all have been harmed by the modern welfare state and need some form of wage employment to the level of their abilities (unlike the wealthy who do not work and are, apparently, not harmed by being outside the economic mainstream).

Implicit in the assumption that the poor are a temperamentally homogenous group, and beyond that, that they bear the marks of a shared historical experience (having been spoiled by the briefly more generous social welfare programs of the sixties and the early seventies), is the idea that the poor are a constant, self-reproducing sub-population — the “underclass” of conservative theory. (Ehrenreich, 1987, p. 177)

A simplistic presentation of the poor leads to simplistic solutions; behavioural social policy and attachment of the poor to society through paid employment. However, all of this is presented as being in defence of “working people” and our society. August presents a glowing picture of society where all wish to have the good life — an education, a job, family, home and community. Levitas (2005) comments that “What results is an overly homogenous and consensual image of society — a rosy view possible because the implicit model is one in which inequality and poverty

are pathological and residual, rather than endemic” (p. 7). Inequality and poverty are presented as individualistic problems, unrelated to structural realities. Concern is expressed for collective values and citizenship, but the welfare-to-work policies advocated by August are inherently pro-business and anti-labour. They are a further continuation of the neo-liberal policies introduced in England in the late 1970s and 1980s by the conservative governments of Prime Minister Margaret Thatcher, by Prime Minister Brian Mulroney’s conservative governments in Canada during the 1980s, and by the conservative governments in Saskatchewan of Premier Grant Devine. Levitas (2005) states that the welfare policies of New Labour, “... constitute a continuation of the flight from redistribution and equality towards a mixture of market-orientated and socially authoritarian policies” (p. 129). The social democratic NDP party in Saskatchewan has also advanced neo-liberal social policy after assuming power in the early 1990s (Warnock, 2004).

Saskatchewan NDP’s policies under the provincial *Building Independence* program have extended monitoring of the spending habits and work attachment of the poor on welfare to include the working poor who must “open their books and doors” to government representatives in order to be eligible to receive minor financial assistance (Hunter & Donovan, 2005). Rather than less government intrusion through *Building Independence*, monitoring the behaviour of the poor is now extended beyond welfare to the working poor as well.

Many of the monitoring activities are being performed by either voluntary or third sector agencies that are contracted by the government. Increasingly, voluntary non-profit organizations are receiving contracts that in effect conduct surveillance on the poor. The voluntary sector is in a position to become something akin to a shadow state by providing job finding services, resume writing workshops, work placement programs and other contract services that are in essence devoted to ensuring that the poor maintain employment. The welfare state is changing in that it has been retracting tangible benefits to people and reducing benefits and money, which supposedly represents less intrusion in private lives and distortion to the market system. In reality, the authoritarian powers of the state are expanding, monitoring the labour attachment of the poor, to the benefit

of an increasingly profitable private business sector.

Similar to New Labour's "New Deal" welfare changes in England, the social democratic government of Saskatchewan employs the social exclusion discourse as a euphemism for welfare-to-work changes during the 1990s and early 21<sup>st</sup> Century. Social exclusion as conceptualized by these social democratic governments in relationship to their welfare programs is demonstrably pro-business and anti-labour. Social democratic governments<sup>18</sup> examined in this article have abandoned the principles of equality, solidarity, minimum sufficiency, public service, public ownership and internationalism for a "socially constructive self-interest" as functioning workers and consumers within a capitalist economy of expanding inequality and social control.

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<sup>18</sup>For more on the topic of abandoning social democratic principles by social democratic governments in Canada see, Carrol, K., & Ratner, R. (Eds.). (2005). *Challenges and Perils: Social Democracy in Neoliberal Times*. Halifax: Fernwood Publishing.

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