THE NATIONAL CHILD BENEFIT: SOCIAL INEQUALITY UNDER THE NEW 'SOCIAL UNION'

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In this article, the author assesses the likely impact of the National Child Benefit through the NCB Supplement and provincial and territorial Reinvestments. While she acknowledges that the Supplement will benefit a considerable number of low-income households both by increasing their income and curtailing their exposure to the current welfare system, she notes that the impact of the Supplement is limited because it applies only to households with children under 18, fails to address substantially the average poverty gap, and is clawed back from households that continue to receive any or all of their income from social assistance. The scheme therefore benefits least those households that generally experience the worst poverty. Through the clawback, the Supplement functions primarily as an incentive program to reduce social assistance caseloads through either employment or nuclear family formation. While the Supplement will likely have some dynamic impact on employment by reducing the costs of employment, the magnitude of this impact is subject to numerous external constraints on labour force participation which provincial and territorial reinvestments have either failed to address or substantially change. A number of discursive and structural features of the Benefit also combine to reinforce dominant ideologies regarding work, family and notions of 'deservingness' and to reinforce the social exclusion and stigma attached to reliance on social assistance.

Dans cet article, l'auteure évalue les effets probables des prestations nationales pour enfants au moyen du supplément de PNE et des réinvestissements provinciaux et territoriaux. Tout en reconnaissant que le supplément profitera à un bon nombre de ménages à faible revenu en augmentant leur revenu et en diminuant les risques du régime actuel de bien-être, elle en note les limites : seuls les ménages qui ont des enfants de moins de dix-huit ans y ont droit; le problème de l'écart moyen de pauvreté n'est pas vraiment réglé; les ménages qui continuent de recevoir en tout ou en partie leur revenu de l'aide sociale doivent le remettre. Ce programme profite donc le moins aux ménages généralement les plus démunis. Étant donné les mesures de récupération, le supplément sert avant tout d'incitatif pour diminuer les cas d'aide sociale, par le travail ou la formation de famille nucléaire. Si un effet dynamique est prévisible sur le plan du travail, vu la réduction des coûts reliés à l'emploi, sa portée véritable sera tempérée par les nombreuses contraintes extérieures à la participation à la force ouvrière que le programme de réinvestissements provinciaux et territoriaux omet de prendre en considération ou de changer de façon importante. Plusieurs aspects discursifs et structurels de ces prestations se recoupent et renforcent les idéologies dominantes concernant le travail, la famille, les notions de mérite, l'exclusion sociale et les stigmates rattachés à la dépendance sur l'aide sociale.

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I. INTRODUCTION

The National Child Benefit (NCB or Benefit) was the first program negotiated as part of the "Social Union", a multilateral government initiative intended to establish a new framework for the design and funding of social programs in Canada. Since its introduction in 1998, the NCB has been hailed not only as a breakthrough in federal-provincial relations, but as perhaps the most important social policy reform since the mid-1960s. Through the National Child Benefit, federal and participating provincial and territorial governments have represented themselves as 'partners' "working together ... to secure better lives for Canadian children".[1]

The federal government has presented the reform primarily as a response to public concern over an escalating rate of 'child poverty' in Canada.[2] In 1989, the House of Commons passed a unanimous all-party resolution to "seek to achieve the goal of eliminating poverty among Canadian children by the year 2000".[3] Public opinion polls in the early 1990s indicated that overwhelmingly, Canadians viewed child poverty as a serious problem and one which should be addressed by the federal government.[4] As of 1998, a total of 1,274,000 children outside of the territories and First Nations reserves were living in households that had an income below the before-tax low-income cut-off (LICO) identified by Statistics Canada.[5] This number represents about one out of five or 18.8% of all such Canadian children, an estimate that would likely be slightly higher if children from First Nations communities and the territories were included.[6] Promotional material describes the National Child Benefit as "[a] positive, permanent

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[1] Ministers Responsible for Social Services, "Looking Ahead" in The National Child Benefit: Building a Better Future for Canadian Children (Booklet) at 14, online: Social Union Homepage <http://socialunion.gc.ca/ncb/ncbpamp_e.html> (last modified: September 1997) [hereinafter *Building a Better Future*]; Ministers Responsible for Social Services, *The National Child Benefit: What It Means for Canadian Families* at 1, online: Social Union Homepage <http://socialunion.gc.ca/ncb/ncb_e19.html> (last modified: 19 July 1999) [hereinafter NCB: What It Means for Canadian Families].

[2] Over the last decade, government, media and policy groups have increasingly constructed poverty and social inequality in the narrower terms of the poverty experienced by children. I explore this construction of poverty in *The Framing of Poverty as "Child Poverty" and its Implications for Women* (Ottawa: Status of Women Canada) [forthcoming in 2002].

[3] House of Commons, House of Commons Debates (24 November 1989) at 6173, 6628.

[4] Human Resources Development Canada, Social Security Reform - Wave II (Angus Reid Poll) (Ottawa: Human Resources Development Canada, 1994) at 3, indicating that nine in ten Canadians were concerned about child poverty and nearly nine in ten agreed that reducing it should be a federal government priority. See also Human Resources Development Canada, Child Poverty Focus Groups: Final Report (Ottawa: Human Resources Development Canada, 1997). Over the past decade, organizations such as Campaign 2000 and the Child Poverty Action Group have helped focus attention on child poverty by tracking Canada's failure to significantly alleviate the problem.

[5] Statistics Canada, Income in Canada 1998 (Ottawa: Statistics Canada, 2000) at 204, online: Statistics Canada <http://www.statcan.ca> (last modified: 28 September 2001) [hereinafter Income in Canada]. For the definition of the pre-tax LICO measure, see *infra* note 35.

[6] *Ibid.*

step to reduce child poverty....Through the [NCB], Canadian governments are helping to make sure children get the best possible start to life."[7]

For many of its framers and proponents, the Benefit also, and perhaps more importantly, represents a strategic move away from the model of social assistance. It "signal[s] the beginning of a basic change of direction for Canada's income security system, away from reliance on individualized, stigmatizing welfare programs and towards greater reliance on policies that address income needs in a broader social and economic context."[8] The NCB "starts to replace a welfare approach with a more proactive set of programs that helps families become healthier and more self-sufficient".[9] Critics of the Benefit note that this reform is consistent with the 'neo-liberal agenda' pursued by governments throughout the 1990s, an agenda dominated by concerns with fiscal restraint, the targeting of benefits, devolution of power to the provinces, and 'work' incentives.[10]

The NCB is the product of an agreement between the federal government and all provincial and territorial governments except Quebec. Although the federal government has presented the Benefit as a "national program", Quebec has not participated in this initiative due to the fact that the Quebec government objects to federal involvement and claims exclusive jurisdiction over social programs under the *Constitution*.[11] First Nations have also not been privy to the negotiations leading to the formation of the NCB but do have the authority to allocate funds available through the program on Reserves. The Benefit is linked to a broader National Children's Agenda that was announced in 2000[12] and is intended to be succeeded by a new employment assistance program for disabled persons. According to promotional material, the NCB

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[7] Ministers Responsible for Social Services, *Seeing the Possibilities: The National Child Benefit*, online: Social Union Homepage <http://socialunion.gc.ca/ncb-7-20-00/see-possibilities.html> (last modified: 20 July 2000).

[8] R. August, "Income Security and the Labour Market: Saskatchewan Perspectives on Child Benefit Reform" in D. Durst, ed., *Canada's National Child Benefit: Phoenix or Fizzle?* (Halifax: Fernwood Publishing, 1999) 61 at 63 [hereinafter "Income Security"].

[9] Clint Dunford, Minister of Alberta Human Resources and Employment, News Release, "Phase 2 of the National Child Benefit brings more money and services to low-income families across Canada" (19 July 1999), online: Social Union Homepage <http://socialunion.gc.ca/news/ncb-news19-7_e.html> (last modified: 19 July 1999).

[10] Throughout this article, I place the words 'work' and 'working poor' in quotations to emphasize the narrow and specific way in which 'work' is typically constructed in welfare reform discourse to obscure domestic and forms of socially useful labour other than employment or participation in the paid labour force.

[11] Quebec has, however, pursued similar initiatives.

[12] The first initiative under the National Children's Agenda is the Early Childhood Development agreement. Under this agreement, the federal government will give $2.2 billion to the provinces over five years. Provinces and territorial leaders have agreed that the money will be spent in one or more of four areas: prenatal and postpartum care, parenting services, pre-school and child care and community supports, see "$2.2 billion earmarked for children" *[Saskatoon] Star Phoenix* (12 September 2000) A8. Note that some child advocacy groups had demanded at least $7.5 billion over five years, three times the current investment, see K. Battle & S. Torjman, *A Proposed Model Framework for Early Childhood Development Services Within the National Children's Agenda: An Agreement between the Government of Canada and the Governments of the Provinces and Territories* (Ottawa: Caledon Institute of Social Policy, 2000) 6.

reflects a consensus on the part of participating governments that "the first priorities should be children in poverty and persons with disabilities".[13]

As presented by the federal and remaining provincial and territorial governments, the National Child Benefit has three explicit objectives:

- to help prevent and reduce the depth of child poverty;
- to promote attachment to the workforce - resulting in fewer families having to rely on social assistance - by ensuring that families will always be better off as a result of finding work; and
- to reduce overlap and duplication through closer harmonization of program objectives and benefits and through simplified administration.[14]

In this article, I evaluate the extent to which the NCB is likely to achieve its central objectives, that of reducing child poverty and promoting attachment to the labour force, given the dominant structural and discursive features of the NCB.[15] In 1997, governments participating in the NCB agreed in principle to at least three fundamental design features. First, all participating governments agreed that the Benefit would be paid directly by Revenue Canada to households with children but that the provinces would reduce (or "adjust" as government promotional material describes it) their funding of social assistance for households with children by the amount of the National Child Benefit Supplement (NCBS or Supplement).[16] Households on social assistance were to be "protected" from net reductions in benefits in that the decrease in benefits by the provinces or territories could not exceed the amount of the federal increase. Second, the amount of the NCBS was intended to be enhanced to the point that is "sufficient to remove benefits for children from the welfare system".[17] Participating governments thus expected that the quantum of the federal NCB would be increased over time, with each

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[13] *Social Union: Main Menu*, online: Social Union Homepage <http://socialunion.gc.ca/menu_e.html> (last modified: 21 June 2000).

[14] Canada, *National Child Benefit: NCB Governance and* Accountability Framework, online: Social Union Homepage <http://socialunion.gc.ca/ncb/geston3_e.html> (last modified: 12 March 1998); "Objectives and Principles of the National Child Benefit" in *Building a Better Future, supra* note 1 at 6.

[15] I do not discuss the impact of the NCB on its third objective, i.e. overlap, duplication and reduced administrative costs as little empirical evidence is available on this question. By effectively reducing the welfare breakeven threshold (the maximum income level at which assistance benefits are payable), a number of households across the country are automatically removed from provincial systems. Administrative costs may be further reduced if the NCB significantly promotes labour force attachment. These savings, however, must be weighed against the cost of administering the NCB, and the increased cost of filing income tax returns that will be borne by recipients.

[16] *Building A Better Future, supra* note 1. For use of the term "adjust", see Ministers Responsible for Social Services, *The National Child Benefit Progress Report: 1999* (Ottawa: Minister of Public Works and Government Services Canada, 1999) at 14, 18, online: Social Union Homepage <http://socialunion.gc.ca/NCB-99/toceng.html> (date accessed: 23 October 2001) [hereinafter *NCB Progress Report: 1999]*; *The National Child Benefit Progress Report: 2000* (Ottawa: Her Majesty the Queen in Right of Canada, 2001) at (i), 4, online: Social Union Homepage <http://socialunion.gc.ca/NCB-progress2000/toceng.html> (date accessed: 23 October 21) 2001 [hereinafter NCB Progress Report:2000].

[17] *NCB Progress Report:1999, ibid.* at 13, *NCB Progress Report:2000, ibid.* at 4.

budget, in order to eventually approximate the amount of the child allowance paid per child to households receiving social assistance. Indeed, "replacing child benefits delivered through provincial/territorial social assistance systems with a national platform of income-tested child benefits delivered outside of social assistance" is emerging as an overarching objective of the NCB as a whole.[18] Third, governments agreed to use the funds clawed back from the provision of social assistance as "reinvestment funds" to finance "complementary programs targeted at improving work incentives, benefits and services for low-income families with children".[19] Since 1997, government officials have also initiated an inquiry into the use of alternative measures of poverty in evaluating the effectiveness and impact of the Benefit.

Provincial and territorial governments have undertaken a wide array of reinvestments since 1998.[20] Throughout this article, I make specific mention of Saskatchewan because the Saskatchewan government has used its reinvestment funds as well as additional provincial funding to provide an income-tested benefit that is wholly integrated with the federal benefit and payable by what is now the Canada Customs and Revenue Agency on behalf of children in all low-income families. Several other jurisdictions have introduced child benefits, although the amount of the benefit and the designated beneficiaries vary considerably across different jurisdictions. Like the family bonus plan initiated in British Columbia in 1996, however, the child benefit payable in Saskatchewan has been used to fully displace the child allowance formerly paid to families receiving social assistance. Since the child allowance is now fully funded from outside the welfare system, some view the NCB as a way of "taking kids off welfare". The Saskatchewan government is also providing an Employment Supplement on employment, self-employment and maintenance income for low-income families with children and extending supplementary child health benefits to employed low income families with children. For many policy analysts, the Saskatchewan package represents the NCB as it has been ideally envisaged.[21]

Overall, I argue that the Benefit is structured first and foremost as an incentive program to reduce social assistance caseloads and expenditures. The clawback, most significantly, provides a direct incentive to exit welfare by increasing the gains from either employment or other private income source (most obviously, through nuclear family formation). The NCB Supplement does reduce the depth of poverty by

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[18] Ministers Responsible for Social Services, *National Child Benefit: Seeing the Possibilities: National Child Benefit Future Directions: A Statement by Federal/Provincial/Territorial Ministers Responsible for Social Services* at 2, online: Social Union Homepage <http://socialunion.gc.ca/ncb-7-20-00/ncb-future_directions.html> (date accessed: 27 October 2001) [hereinafter *NCB Future Directions*].

[19] "How the National Child Benefit Will Work", in *Building a Better Future, supra* note 1 at 7.

[20] See text accompanying notes 29 to 33.

[21] See *Income Security, supra* note 8. But see J. Pulkingham & G. Ternowetsky, "Child Poverty and the CCTB/NCB: Why Most Poor Children Gain Nothing" in D. Durst, ed., *Canada's National Child Benefit: Phoenix or Fizzle?* (Halifax: Fernwood Publishing, 1999) 103 [hereinafter *Child Poverty and the CCTB/NCB*]. The federal news release in July 2001 highlighted the Saskatchewan welfare reform initiatives, News Release, "Families will see the latest increase in Canada Child Tax Benefit starting July 20, 2001" (17 July 2001), online: Social Union Homepage <http://socialunion.gc.ca/news/071701_e.htm> (date accessed: 27 October 2001).

supplementing the wages of men and women working in an increasing number of low-wage jobs. However, the NCBS will likely not substantially reduce the poverty rate nor the average poverty gap given the huge depth of poverty experienced by the average low-income household. While the NCBS may increase the disposable income of women who depend upon the earnings of a typically male breadwinner, it will not likely change the long term consequences for women of unpaid labour. More importantly, the clawback of the NCBS significantly reduces the extent of poverty relief by depriving households, disproportionately single mother households, that remain wholly or partially reliant on social assistance of any direct net benefit. The Benefit also obscures multiple constraints on labour force participation that most adversely affect the most disadvantaged and oppressed.

In Part II of this paper, I address the NCB's direct impact on poverty and social inequality, both in terms of the rate and depth of poverty and its impact on particular groups. In Part III, I assess the likely dynamic impact of the Benefit on labour force participation and examine the concepts of the 'welfare wall' and 'work' disincentives upon which positive assessments of the NCB's potential long-term impact on poverty are premised. I also examine the impact of structural variables on labour force participation including labour market conditions, domestic labour and child care and other deterrents within the welfare system. My assessment of the Benefit's impact on poverty and labour force attachment is obviously preliminary and speculative since detailed statistical information and impact studies on the NCB itself are not yet available. Throughout the article, I discuss how the main structural and discursive features of the Benefit reflect and reinforce dominant ideologies regarding work, family and notions of "deservingness"[22] that identify the dominant cause of poverty in terms of individual or family (mis)behavior. In Part IV, I examine how these features combine to reinforce the social exclusion and stigma of social assistance for recipients *and* their

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[22] By ideology, I refer to the tacit norms, assumptions and beliefs that influence perception, an understanding of experience and practice, and the formation of values, meaning and identity. Ideologies are a product of historical and contemporary differentials in power between social groups. "Whether or not they are self-consciously recognized, ideologies affect what explanations of events we are likely to accept or reject, what aspects of social relations we tend to regard as natural, normal or essential, and what alternative visions of the world we are prepared to consider as reasonable or realistic": L. Phillips & M. Young, "Sex, Trade and the Charter: A Review of *Thibaudeau* v. *Canada*" (1995) 2 Rev. Constit. Studies 221 at 247-248 [hereinafter "Sex, Trade and the Charter"]. As Terry Eagleton has noted, to have this impact, ideologies must make at least some sense of people's experience and engage significantly with their desires, hopes and needs. Ideologies can also, however, often involve systematic distortions, false beliefs and mystification, see T. Eagleton, *Ideology: An Introduction* (London: Verso, 1991) at 13-26. An ideological proposition can be "true enough in what [it] asserts but false in what [it] den[ies]" at 15 or "true in its empirical content but deceptive in its force, or true in its surface meaning but false in its underlying assumptions" at 16-17. Like Phillips and Young, by discourse, I refer to the language and institutional practices through which ideologies are expressed. According to Eagleton, ideology is not just any form of discourse but one which discloses the relationship between language and material conditions of power, at 8-9, 194. The discourses of poverty and welfare reform including the use of the words 'dependency', 'work', and 'private' express certain ideologies such as the primacy of individual responsibility that in turn reflect and reinforce dominant power structures.

children, ultimately making it more difficult to move constructively towards ending poverty and its negative consequences.

Some anti-poverty activists have argued that the denial of net benefits to recipients of social assistance discriminates against families as a result of their receipt of public assistance, particularly single-parent families, the vast majority of which are headed by women.[23] Although my analysis may suggest in a preliminary way various lines of argument under the *Canadian Charter of Rights and Freedoms*, an examination of whether the NCB, in its design and delivery, constitutes a violation of the *Charter* or contravenes provincial anti-discrimination legislation is beyond the scope of this article.

II. THE GOAL OF REDUCING CHILD POVERTY

A. *Direct Impact on Poverty*

The NCB program consists both of a direct non-taxable payment by Canada Customs and Revenue Agency to families with children (the National Child Benefit Supplement) and of expenditures on services and income supports by provincial, territorial or First Nation governments (reinvestments). The NCB Supplement is a tier of income benefits paid by the federal government exclusively to low-income families. It is one component of the Canada Child Tax Benefit (CCTB), which is also comprised of the basic Child Tax Benefit (CTB), an income-tested benefit payable to low to upper middle-income families (formerly the 1995 CTB). The NCBS has been federally funded through successive increases from the $300 million spent on the previous Working Income Supplement in 1996-97 to about $2.5 billion in 2001-02.[24] In the 1999 and 2000 budgets, the federal government also increased the maximum CTB (by about $70/year) and extended payment to modest and middle-income families. In Budget 2000, in addition to providing for a number of tax reductions, the federal government indexed the value of all Benefits to the rate of inflation as of January 2000. The total federal investment in the CCTB has increased from $5.1 billion in 1996-97 to $8 billion in 2001-02.[25]

Adjusted for inflation, the annual basic CTB, as of July, 2001 consists of $1,117 per child under 18 years of age, $78 for each third or additional child plus $221 for each child under seven (less 25% of childcare expenses claimed for all children). For families with net incomes of more than $30,004, the base Benefit will be reduced by 2.5% for a one-child family and 5% of net income in a family with two or more children, ending at incomes in excess of $70,000 (for a one and two child family) and in excess of $90,000 (for a three child family).[26] The annual NCBS consists of $1,255 for the first child, $1,055 for the second and $980 for each additional child in families with incomes up to $21,744. Beyond this net family income, the NCBS is reduced by 12.2% for

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[23] The *Charter* Committee on Poverty Issues did obtain funding from the *Charter* Challenges program to examine a challenge to the National Child Benefit as a violation of the *Canadian Charter of Rights and Freedoms*. No action, however, has been commenced to date.

[24] *NCB Progress Report: 2000, supra* note 16 at 11.

[25] *Ibid.*

[26] *Income Tax Act*, R.S.C. 1985 (5th Supp.), c.1, s. 122.61. The phase-out rates for the CTB will be reduced to 2% and 4% as of July 2004.

families with one child, 22.5% for two children and 32.1% with three or more. By 2004, the federal government intends to increase the income levels at which maximum benefits are available and reduce benefits more gradually for families with incomes beyond those levels. It also expects to provide a maximum CCTB benefit (in nominal terms) of about $2,500 for the first child and $2,300 for the second and each subsequent child.[27] Generally, an average payment of approximately $2,500 per child will be required in order to displace provincial funding of child allowances through social assistance benefits.[28]

It is important to remember that a significant portion of these total funds do not represent additional cash benefits for many households living in poverty but rather are being expended by provincial and territorial governments and First Nations as reinvestments. All eligible parents receive the benefit of the basic CTB. Since 1998, however, most participating governments have fully reduced their payments to households on social assistance by the amount of the NCBS.[29] These "reinvestment funds" have been directed to a wide range of programs. In 1999-2000, governments and First Nations "reinvested" approximately $404 million and have made additional investments of about $80 million in the following areas: 32% on additional child benefits and earned income supplements; 34% on child care programs and child tax credits (down from 39% in 1998-99); 3% on the extension of supplementary health benefits such as optical, dental and prescription coverage for low-income families not on social assistance; 10% on early intervention and child development programs (up from 5% in 1998-99); 11% on First Nations programs; and 10% on other programs (including job placement programs).[30] In 1999-2000, approximately 600 First Nations reinvested $48.76 million in the following areas: 36% on early child development, 35% on nutrition, 8% on child day care, 11% on employment, and 10% on other programs.[31] Presumably provincial and territorial spending represents new and additional expenditures, rather than the substitution of funding for pre-existing services.[32]

Since 1998, the Saskatchewan government has used its "reinvestment funds" to pay additional child benefits that have been adjusted for both income and family

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[27] *NCB Progress Report: 2000, supra* note 16 at 11.

[28] K. Battle, "The National Child Benefit: Best Thing Since Medicare or New Poor Law?" (Eighth Conference on Canadian Social Welfare Policy, University of Regina, 25-28 June 1997) (Ottawa: Caledon Institute of Social Policy, 1997) at 5 [hereinafter *Best Thing Since Medicare?*].

[29] As exceptions, New Brunswick and Newfoundland and Labrador passed on the full amount of the Supplement to recipients of social assistance in 1998. New Brunswick did so again in 1999-2000 and New Brunswick, Newfoundland and Labrador and Manitoba did not recover the approximately $200 increase in the NCBS in 2000-2001, see *NCB Progress Report: 2000, supra* note 16 at 15. In February, 1999 Alberta used a portion of its reinvestment funds to increase shelter benefits for families on welfare.

[30] *Ibid.* at 17. See also *NCB Progress Report: 1999, supra* note 16 at 23.

[31] Indian and Northern Affairs Canada, *First Nations National Child Benefit Progress Report 2000* (Ottawa: Minister of Indian Affairs and Northern Development, 2001) at 4, 10 and 15.

[32] Wiggins, *infra* note 94.

size.[33] The combined federal and provincial child benefits for families with income in this range form the Saskatchewan Child Benefit (SCB) which totals about $218 per child per month, a sum approximately equal to the child allowance paid to a household on social assistance. Provincial funding of the SCB is being reduced as federal funding of the NCBS increases. In addition to the SCB, the Saskatchewan government provides an Employment Supplement (SES) which amounts to 25%-45% of earnings or child and spousal maintenance in excess of $125 monthly. The SES reaches a maximum of $185 for one child at a gross income of $1,000 (plus $46 if the child is under 13) and is taxed back up to about $2,000 per month. The basic Child Tax Benefit, the NCB Supplement, the Saskatchewan Child Benefit and the Saskatchewan Employment Supplement all have different benefit reduction rates and different income levels beyond which benefits are reduced.

The impact of the NCB and provincial reinvestments on the rate and depth of poverty will depend both on the direct cash input and on whether the Benefit in the long run induces behavioral changes that result in less poverty.[34] In terms of its immediate or direct impact, an eventual commitment of $2,500 per year is not insignificant, but it is difficult to predict its impact on the rate or depth of poverty as defined by the pre-tax low-income cut offs (LICOs).[35] In 1998, 16.9% of Canadians, excluding the territories and First Nations, or 5,056,000 people, were subsisting on incomes below the LICO.[36] Of persons under 18 years of age, 18.8% were living in low-income households, a decline of about 1.3% from 1997. While this drop may reflect the impact of the NCBS in the last half of 1998, it may also be attributed to a more robust economy as poverty rates for all groups fell by the same approximate amount. In Saskatchewan, the child poverty rate in 1998 fell about 1%, the combined outcome of an increase in the rate of child poverty in two-parent households of about 3% and a rather dramatic drop of about 20% of poverty for children in female lone-parent households.[37] These statistics are difficult to interpret but may represent the upward movement of a number of single parents who were at or near the low-income line before payment of the Saskatchewan Child Benefit.

The magnitude of the impact of both the NCBS and reinvestments will depend

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[33] See *Income Security*, *supra* note 8 for a more detailed discussion of the Saskatchewan programs and see Saskatchewan, *Social Services,* online: Government of Saskatchewan Home Page <http://www.gov.sk.ca/socserv/> (last modified: 7 November 2001).

[34] See below at Part II.B. The Welfare Wall and Marginal Tax Rates and Part II.C. Empirical Studies of Welfare and Labour Participation Rates for discussion of the dynamic impact of the NCB.

[35] The pre-tax LICO represents the income level, using 1992 family expenditures and adjusted according to family and community size, below which families spend more than 55% of their pre-tax income on basic essentials (food, shelter and clothing). Basic essentials exclude the cost of dental care, glasses, diapers, toiletries and personal items, household cleaning supplies, pets, child care, phone, paper needs, light bulbs, furnishings, appliances, transportation, medical drugs, disability insurance, toys, recreation, reading and educational supplies, tobacco and alcohol and other miscellaneous goods. The pre-tax LICO for a two-parent family with one child in a large urban centre is $27,315; and $21, 962 for a single parent with one child. In a mid-sized city, the LICO is $23,439 and $18,837 respectively, *Income in Canada, supra* note 5 at 223.

[36] *Ibid.*

[37] *Ibid.* at 212.

in part on the distribution of income among the low-income population. While the NCBS will clearly have some positive impact, the NCBS will not likely reduce the overall low-income rate to a substantial degree because of the huge depth of poverty experienced by many low-income households. In 1998, the depth of poverty, as measured by the LICOs, was $8,919 for the average non-elderly low-income two-parent household with children and $8,912 for single-parent households.[38] The depth of poverty for two-parent households with children and lone-parent households did fall on average between 1997 and 1998, but only by $306 and $221 respectively.[39] Even if benefits were actually paid to all households (assuming an average of 1.2 children per household), $2,500 per year would not come close to eliminating the average poverty gap.

Obviously, however, the adequacy of the NCBS depends upon how 'child poverty' is itself defined. One difficulty in determining the adequacy of benefits arises from the difficulty of separating the needs of children from the needs and circumstances of their caregivers. As commonly mentioned, children are poor because their parents are poor. Moreover, as recognized in family law, the cost of raising a child typically varies with or is relative to parental income. Ken Battle of the Caledon Institute, a major proponent of an integrated child benefit, has argued that the NCB should reflect the "real costs" of raising a child which he estimates at about $4,000 per annum.[40] Some policy analysts have argued that a total expenditure in excess of $15 billion, similar to that expended on seniors, would be necessary to prevent child poverty and provide family income security.[41] Again, however, it is questionable whether the NCB will ever reach these amounts as governments appear interested primarily in displacing the child allowance from provincial welfare schemes.

A further difficulty in identifying the adequacy of benefits and evaluating the impact of the NCB is the ongoing controversy regarding the definition and appropriate income measure of poverty. In 1998, the Federal/Provincial/Territorial (FPT) Working Group on Social Development Research and Information released a discussion paper on an alternative Market Basket Measure (MBM)[42] that would reduce the national poverty rate about 33% (from 17% to 12%) and the child poverty rate 25% (from 20 to 16%) relative to the LICO definition. The MBM, which is being developed by Statistics Canada for release in 2002, reflects the income necessary to purchase a basket of needs in a particular place. The MBM is more sensitive to regional differences in some costs, particularly rental costs in cities of more than 500,000 people, than the LICO, but is also more complex as it would generate different measures of poverty in different regions and cities. The FPT Report asserts the need to find an alternative measure of poverty

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[38] *Ibid.* at 220. The depth of poverty is the difference between the LICO and actual income on average. The depth of poverty for unattached individuals was $6,154 in 1998.

[39] *Ibid.* at 220. The average depth of poverty was $9,225 for two-parent households and $9,133 for lone-parent households in 1997.

[40] *Best Thing Since Medicare?, supra* note 28 at 5. He notes that there are no commonly accepted estimates.

[41] M. Novick & R. Shillington, *Crossroads for Canada: A Time to Invest in Children and Families* (Toronto: Campaign 2000, 1996).

[42] Canada, *The Market Basket Measure—Construction a New Measure of Poverty* (Ottawa: Federal/Provincial/Territorial Working Group on Social Development Research and Information, 1998).

based on "creditability" (i.e. a creditable standard of living in relation to others).

According to one critic, the interminable debate over the definition of poverty tends ultimately to allow governments to fall back on "the lowest level of income which it is possible politically to get away with".[43] The MBMs may represent the political compromise of this moment.[44] While the attempt by the House of Commons Sub-Committee on Child Poverty in 1993 to redefine poverty in terms of subsistence (as influenced by the work of Christopher Sarlo[45] and the Fraser Institute) was widely perceived as an outright denial and avoidance strategy by the then Conservative government, the MBM has been far more favourably received.[46]

A cogent criticism of poverty discourse is that it tends to reinforce an individualistic perspective on the causes of social inequality. The discourse of poverty constructs "the poor" as different from the non-poor. Inequality, in this discourse, is not relational but rather a function of one or more characteristics of individuals who are implicitly defined as deviants from the norm and as objects of scrutiny and examination.[47] Westergaard and Resler argue that any definition of poverty, whether based on needs, income or consumption, runs the risk of encouraging both "false diagnosis" and "false prescription" by confusing the personal characteristics of those defined as poor with the causes of poverty.[48] Attention to characteristics such as disability, region, and age renders less visible the "total pattern of inequality".[49] Among the structural causes of poverty that are obscured is the increasing number of low-wage jobs in the global economy that are unable to generate an income that can meet the costs of social reproduction—the cost not only of sustaining the labourer but of caring for the young, sick and the elderly. According to Westergaard and Resler, "[s]ubsistence poverty is indeed common among old people, the sick, the handicapped, and so on; but only because the majority of the old, sick and handicapped have previously been dependent on jobs that provided them with few or no other resources to fall back on than

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[43] T. Novak, "Rethinking Poverty" (1995) 15 Crit. Soc. Pol'y 58 at 59 [hereinafter *Rethinking Poverty*].

[44] Statistics Canada in its report on family income in 1998 also highlighted the post-tax rather than the pre-tax LICOs. The after-tax LICO measure reduces the child poverty rate by about 25%, from 18.8% to 14.2%, as of 1998. The Canadian Council on Social Development has criticized the use of post-tax LICOs since they do not accurately reflect actual disposable income across income groups. They fail to adjust for regressive aspects of the tax system such as payroll taxes and sales and consumption taxes, as well as the costs of employment, all of which are disproportionately higher for low-income groups. "Expert studies have shown that Canadians at all income levels pay about the same total proportion of their incomes in taxes to governments, so it is questionable to adjust for income taxes alone", Canada, *What's behind a poverty line?*, online: Canadian Council on Social Development <http://www.ccsd.ca/pr/lico00aj.htm> (date accessed: 25 October 2001). I have used the pre-tax LICO measures throughout this article.

[45] C.A. Sarlo, Poverty in Canada, 2d ed. (Vancouver: The Fraser Institute, 1996).

[46] See *e.g.* "Drawing the lines on poverty lines" Editorial Comment, The Globe and Mail (19 December 1998) D6.

[47] See E. Saraga, ed., Embodying the Social: Constructions of Difference (London: Routledge, 1998) at 34-37.

[48] J. Westergaard & H. Resler, Class in a Capitalist Society: A Study of Contemporary Britain (London: Heinemann, 1975) at 122-126.

[49] *Ibid.* at 124. "It is false precisely because it closes one eye firmly to the total pattern of inequality, only the bottom end of which is visible under the poverty line."

meagre benefits from public funds."[50] Others have argued that poverty is a product of deeper and more pervasive structures of oppression that are manifest not only in the concentration of wealth and private property but in the history and legacy of colonialism, the tenacity of racist and sexist ideologies, the existence of sex-segregated labour markets and the gendered assignment of responsibility for domestic labour and child care. In addition to the tendency of poverty discourse to obscure these oppressive social structures and relations, family-based definitions of poverty have been criticized for obscuring the poverty of women and children in households where income is not shared equitably by the (typically male) breadwinner.[51]

While these critiques represent fundamental concerns with the limits of poverty discourse, the choice or use of a particular income measure of poverty can have important implications. A needs-based definition of poverty can obscure the fact that the needs of people living in poverty are contested and may fail to give significant weight to how people living on low-incomes themselves interpret their needs.[52] There appears to be tremendous resistance to interpreting needs broadly, to include for example, the costs of a telephone, newspaper, or recreation for people living in poverty.[53]

However, unless "needs" are defined broadly, relative to standards of consumption or well-being in the community as a whole, a needs-based measure will not fully address the harms associated with poverty. Ethnographic and other studies suggest that the harmful effects of surviving on a low-income are not simply about a lack of money and an inability to meet material needs. The 'harm' of poverty also includes isolation, a sense of not belonging and a lack of stability and group respect. Monetary transfers will not in themselves overcome all of these outcomes but adequate income benefits are essential to improving food quality and quantity and providing suitable accommodation, clothing and opportunities to participate in extra-curricular sports or activities. These goods are particularly important in giving children a sense of belonging and security.[54]

According to empirical studies, family income has a major impact on the well-being of children whose chances of financial well-being increase as family incomes

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[50] *Ibid.* at 125. "To the bourgeoisie, by contrast, the risk of subsistence poverty is remote. High earnings, fringe benefits, greater job security, the incremental rise of the typical life cycle, the consequent relative ease of individual 'planning' and saving—all these confer relative immunity. And property ownership gives total immunity".

[51] See *e.g.* C. Glendinning & J. Millar, eds., *Women and Poverty in Britain* (Brighton: Wheatsheaf Books, 1987) at 8-13. See *infra* Part III.D. for a detailed discussion of the impact of the labour market, domestic labour and the welfare system.

[52] For a discussion of "the politics of need interpretation", see N. Fraser, "Talking about Needs: Interpretive Contests as Political Conflicts in Welfare-State Societies" (1989) 99 Ethics 291.

[53] Novak suggests that internalized images of famine and destitution in Third World poverty have obscured the actual dimensions and experience of poverty in both Third World and industrialized countries: *Rethinking Poverty, supra* note 43 at 72.

[54] S. Baxter, ed., No Way to Live (Vancouver: New Star Books, 1988) at 38-41 [hereinafter *No Way to Live*]. The provision of in-kind benefits through a voucher system will not achieve this goal given the stigmatizing impact of the voucher.

rise.[55] Individuals with higher incomes live longer on average and have fewer diseases.[56] Studies also suggest that overall population health is correlated with the degree of social cohesion in a society which itself is strongly related to a more egalitarian distribution of income.[57]

More specifically, a number of empirical studies have demonstrated significant correlations between families under the LICO and harmful outcomes for children such as higher infant mortality, low birth weight, higher risk of health, cognitive and behavioral problems and lower levels of educational development.[58] A study by Ross and Roberts established that children in households with annual incomes of $30,000 or less experienced a noticeably higher risk of negative outcomes in 80% of the variables examined in relation to child development.[59] The authors recommended a line representing "poverty of opportunity" in the range of $30,000 to $40,000 for a family of four, higher than the LICO but substantially below the median level of income. Children in households reliant on social assistance, and thereby surviving on households incomes dramatically below the LICO, appear to suffer more psychiatric and chronic health problems, have poorer levels of school performance and lower levels of participation in extra-curricular activities.[60]

Many factors associated with low-income may explain these outcomes: poor housing conditions (cold, damp, in need of repair or crowded), unsafe neighbourhoods (near hazardous wastes, high traffic density, high crime), lower levels of nutrition (a diet with less fresh vegetables and fruit and lower quality meat products), fewer recreational and cultural opportunities, low quality day care (low worker/child ratios), environmental changes (repeated residential moves, changes in care arrangements, changes in schools). Parents living in poverty may also experience higher levels of parental isolation and stress, depression or substance abuse as a result of poor housing, job insecurity and inadequate resources as well as the stigma and marginalization associated with poverty, racism and sexism. As the legacy of colonialism, Aboriginal populations experience

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[55] Statistics Canada, *The Intergenerational Income Mobility of Canadian Men* by M. Corak & A. Heisz (Ottawa: Statistics Canada, 1996) at 6-7. A son with a father in the top income decile had an income advantage of 40% relative to a son with a father in the bottom decile. Note that this study did not address the direct impact of differentials in wealth, although earnings from assets were included in income.

[56] Canada, Toward a Healthy Future: Second Report on the Health of Canadians (Ottawa: Federal, Provincial and Territorial Advisory Committee on Population Health, 1999) at 14, 31, 43 [hereinafter Toward a Healthy Future].

[57] *Ibid.* at xv; M. Townson, Health and Wealth: How Social and Economic Factors Affect Our Well Being (Ottawa: Canadian Centre for Policy Alternatives, 1999) at 6 [hereinafter Health and Wealth].

[58] See Toward a Healthy Future, supra note 56 at 72-93; Canadian Council on Social Development, Child Poverty - What are its Consequences? (Ottawa: Canadian Council on Social Development, 1996).

[59] Canadian Council on Social Development, *Income and Child Well Being: A New Perspective on the Poverty Debate* by D.P. Ross & P. Roberts (Ottawa: Canadian Council on Social Development, 1999) at 37. The authors argue that a combination of policy measures should be adopted to eliminate these outcomes.

[60] See Ontario, *Transitions: Report of the Social Assistance Review Committee* (Toronto: Ontario Ministry of Community and Social Services, 1988) at 114-115 [hereinafter *Transitions*].

disproportionately high rates of poverty, particularly Aboriginal children, twice as many infant deaths and a life expectancy seven years lower than the non-Aboriginal population.[61]

Richard Shillington points out that the LICO is adjusted both to inflation and average expenditures or living standards whereas the proposed MBMs are adjusted only to inflation. In his opinion, this means that the "spread between the MBM and LICO definition of poverty will increase over time as real income growth is reflected in relative poverty measures but not the MBM". He suggests that "children living at this [MBM] poverty line [will] over time, [fall] further behind the Canadian norm increasing their sense of exclusion and ensuring the intergenerational propagation of poverty".[62]

The justifications advanced by government officials for reducing child poverty also support a broader definition of poverty, whether defined by needs, relative consumption or income levels. Government promotional material talks about reducing the long-term social costs of poverty and ensuring that "all families have a chance to participate fully in society"[63] and that disadvantaged children have a chance to "realize their full potential".[64] In the *Framework to Improve the Social Union for Canadians* participating governments committed themselves to "promot[ing] equality of opportunity for all Canadians" and promoting "the full and active participation of all Canadians in Canada's social and economic life".[65] Among Canada's international commitments, Article 27 of the United Nations *Convention on the Rights of the Child* stipulates that states recognize the "right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development".[66] According to Arlene

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[61] *Toward a Healthy Future, supra* note 56 at 25-26.

[62] See R. Shillington, *What do we mean by poverty? Or HRDC Reduces our Obligations to Poor Children*, online: <http://home.istar.ca/ers2/poverty/MBM.htm> (date accessed: 16 January 1999). According to Shillington, if the 1997 LICO for a family of four was adjusted solely for inflation and not wealth, it would have fallen from $28,359 to $19,202, reducing the current poverty rate by about 50%. This does not mean, as Shillington points out, that poverty can never be eliminated. It does mean, however, that "relative poverty will not be reduced by economic growth unless there is redistribution to the poor" at http://home.istar.ca/ers2/poverty/star/230.htm.

[63] *NCB: What it Means for Canadian Families, supra* note 1 at 2.

[64] Ministers Responsible for Social Services, *The National Child Benefit: Fighting Child Poverty*, online: Social Union Homepage <http://socialunion.gc.ca/ncb/background_e.html> (last modified: 15 June 1998). See also Ministers Responsible for Social Services, *Public Dialogue on the National Children's Agenda: Developing a Shared Vision*, online: Social Union Homepage <http://socialunion.gc.ca/nca/June21-2000/english/sharedvision_e.html> (last modified: 21 June 2000), which presents a vision of children being loved, valued, developing their unique capacities, being respected and protected and belonging and contributing to communities.

[65] Ministers Responsible for Social Services, *A Framework to Improve the Social Union for Canadians: An Agreement Between the* Government of Canada and the Governments of the Provinces and Territories, online: Social Union Homepage <http://socialunion.gc.ca/news/020499_e.html> (last modified: 04 February 1999). Governments are also committed to "respect[ing] the equality, rights and dignity of all Canadian women and men and their diverse needs" and "provid[ing] appropriate assistance to those in need."

[66] *Convention on the Rights of the Child*, 20 November 1989, 44 U.N. 6AOR Supp. (No. 49) at 167, [1992] C.T.S. 3 (entered into force 2 September 1990).

Bowers Andrews, "[t]hrough this declaration, nations are essentially called to move beyond promoting childhood survival and subsistence to include support for fulfilment of human potential."[67]

Notwithstanding these pronouncements, anti-poverty groups face almost intractable difficulties in presenting their claims in a way that is compelling without getting mired in denials, stereotypes and individual blame. Acceptance of a narrower definition of poverty will only increase these difficulties while obscuring the more intangible harms suffered by people surviving on low incomes.

B. *Direct Impact on Particular Groups in the Poor Population*

The NCB has a differential impact on particular groups within the population living under the LICO. Households with incomes above the welfare thresholds in most provinces end up receiving the bulk of benefits though households with modest incomes also benefit from the NCB program. Families in receipt of social assistance receive minimal benefits from the NCB and single employables do not benefit at all.

Unattached individuals made up 39.4% of persons living under the LICOs in Canada in 1998.[68] Through its focus on 'child poverty' and families, the NCB by definition excludes those who are currently single and employable from any benefit regardless of whether they have paid employment. Parents with children over the age of 18 are also excluded from benefits even though many children continue to live in the home of the parent when attending post-secondary training or education and require significant support. Finally, while not formally excluded from the NCB program, households receiving social assistance have received substantially fewer benefits.

In Saskatchewan, a significant number of households in receipt of social assistance automatically moved off the system as a result of the payment of income from another source and the effective lowering of the welfare breakeven threshold (the income levels at which social assistance benefits are reduced to nil).[69] These households have benefited generally through decreased regulation and to the extent, if any, that the NCB Supplement exceeded their former entitlement to social assistance. Since payment of the NCBS is based on the previous year's income tax return, low-income households receiving the NCB Supplement will also benefit directly from any increases in income

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[67] A. Bowers Andrews, "Securing Adequate Living Conditions for Each Child's Development" in A. Bowers Andrews & N. Hevener Kaufman, eds., *Implementing the U.N. Convention on the Rights of the Child: A Standard of Living Adequate for Development* (Westport: Praeger Publishers, 1999) at 3. Note that other countries of comparable affluence have done much more to relieve the costs of child rearing and reduce the incidence of child poverty than Canada, see S. A. Phipps, "Taking Care of Our Children: Tax and Transfer Options for Canada" in J. Richards & W. G. Watson, eds., *Family Matters: New Policies for Divorce, Lone Mothers, and Child Poverty* (Toronto: C.D. Howe Institute, 1995) 186. According to a recent study by the United Nations Children's Fund, out of 23 industrialized countries, Canada ranked 17th in terms of the percentage of children (15.5%) living on incomes less than half the national median. Sweden had a child poverty rate of 2.6%, M. Philp, "Canada Does Poorly on Child Poverty" *The Globe and Mail* (13 June 2000) A2.

[68] Income In Canada, supra note 5 at 218.

[69] Rick August, Memo to the author (7 January 1999).

prior to their adjustment.[70] At the same time, however, the lagged response in the tax system means that any subsequent drops in income will not be reflected in an increased NCBS until the next tax year.[71] The lack of extended supplementary health benefits in some provinces also means that low-income families can be rendered worse off as a result of the loss of drug and dental coverage for their children.[72]

Since its inception, most governments have reduced the amount paid out in social assistance by the amount of the federal child supplement.[73] Consequently, households remaining on social assistance have generally not received any direct benefits through federal increases to the NCBS, although they did receive an increase of approximately $70 in the basic child Benefit announced in Budget 2000. In 1998, the National Council of Welfare estimated on the basis of a one month caseload that only 36% of all low-income households with children would see a direct increase in their monthly income as a result of the clawback of the NCBS.[74] The Council's estimate might be higher if the movement of households on and off social assistance through the course of a year is taken into account. In any case, the NCB is "a program where substantial sums of new federal money are being spent"[75] but large numbers of low-income households with children receive no direct monetary benefit for portions or all of the year that they are reliant on social assistance.

Those households reliant on social assistance for all of the year survive on incomes far below the LICOs.[76] Since 1992, benefits or related in-kind benefits have either been slashed dramatically (as in Alberta and Ontario) or have declined in real value as a result of inflation.[77] In Saskatchewan, welfare rates have not increased significantly for over ten years and shelter allowances are capped at levels significantly below the average real cost.[78] Advocates report that virtually all recipients pay for the shortfall between the actual and allowed cost of rent through their food money, resulting

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[70] N. Naylor, "Assessing the Possibility of a National Child Benefit Program" in J. Richards & W.G. Watson, eds., *Family Matters: New Policies for Divorce, Lone Mothers, and Child Poverty* (Toronto: C.D. Howe Institute, 1995) 217.

[71] Saskatchewan provides a Child Benefit Adjustment program that ensures that families receiving social assistance in the current year do not receive less from the integrated payment (which reflects the previous year's income) than they would otherwise have received from welfare.

[72] F. Stairs, "The Canada Child Tax Benefit: Income Support and the Tax System" (1999) 14 J. L. & Soc. Pol'y 123 [hereinafter *The Canada Child Tax Benefit*].

[73] See *supra* note 29.

[74] National Council of Welfare, *Child Benefits: Kids are Still Hungry* (Ottawa: Minister of Public Works and Government Services Canada, 1998) at 10 [hereinafter *Kids are Still Hungry*].

[75] *Ibid.* at 11.

[76] In Saskatchewan, a single parent with one child received 64% of the LICO; a couple with two children 63%; see Child Poverty Action Group, *Benefitting Canada's Children: Perspectives on Gender and Social Responsibility* by C. Freiler & J. Cerny (Ottawa: Status of Women Canada, 1998) at 66 [hereinafter *Benefitting Canada's Children*].

[77] *Ibid.* at 62-69. See survey results identifying cuts, restricted eligibility and work or training requirements imposed as a result of rising welfare costs in light of the recession and cuts to the federal employment insurance program.

[78] Jackson notes that welfare benefits in Saskatchewan are comparable to those in Alberta, *infra* note 87.

in high usage of food banks.[79]

Although the majority of poor children live in two-parent households, the rate of poverty is disproportionately high for female lone-parent households.[80] In 1998, the rate of poverty in households with two parents under 65 years of age was 10.7%, while in female lone-parent households, the rate of low income was 52.9% (down from 56.2% in 1997).[81] In terms of reliance on social assistance, female lone parents constituted only about 7% of all non-elderly adults and 27% of all non-elderly women receiving social assistance in 1994.[82] In terms of the *rate* of usage by *family type*, however, female-lone parents are disproportionately likely to receive social assistance relative to other groups.[83] In Saskatchewan, the number of single-parent households receiving social assistance compared to two-parent households approximates the national ratio of about

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[79] Interview with D. Daoust and M. Kerr (23 December 1998).

[80] *Income in Canada, supra* note 5 at 204 and 218. 7000,000 children live in low-income two-parent households; 529,000 live in female lone-parent households. The average depth of poverty increased for two-parent households without earnings from $12,466 to $14,181 and for lone-parent households without earnings from $10,490 to $11,224 between 1997 and 1998, *Income in Canada, supra* note 5 at 220. Two-parent households include married, common law and same-sex relationships.

[81] *Ibid.* at 218. Between 1980 and 1996, the numbers of female lone-parent households almost doubled: National Council of Welfare, *Poverty Profile 1998* (Ottawa: Minister of Public Works and Government Services Canada, 2000) at 17, 19. In 1991, 20% of all families with children were lone-parent families, 17% of Canadian children lived in a lone-parent family and 82% of all lone-parents were women: Statistics Canada: Housing, Family & Social Statistics Division, *Lone-parent Families in Canada* by C. Lindsay (Ottawa: Statistics Canada, 1992) at 5 [hereinafter *Lone-parent Families*]. Lone parents with children were 5.6 times more vulnerable to market poverty (a measure of income derived from the marketplace excluding government transfers) than childless couples: G. Schellenberg & D.P. Ross, *Left Poor by the Market: A Look at Family Poverty and Earnings* (Ottawa: Centre for International Statistics at the Canadian Council on Social Development, 1997) at 29 [hereinafter *Left Poor by the Market*]. Only 18% were employed year-round and they constituted 30% of market-poor families (*ibid.* At 27).

[82] K. Scott, *Women and the CHST: A Profile of Women Receiving Social Assistance in 1994* (Ottawa: Status of Women Canada, 1998) at 17-18 [hereinafter *Women and the CHST*]: Using data from the Canadian Survey of Consumer Finances, Scott found that in 1994, 339,000 lone-parent mothers received assistance out of 1,280,000 non-elderly adult women and 2,371,000 non-elderly adults. In absolute numbers, the largest group of women receiving social assistance were women living with a male partner. However, female lone-parent households constituted the largest group of women living with children since only 55% of women living with a male partner had children living at home. Only 3% of male social assistance recipients were lone parents in contrast to one in four women on social assistance (*ibid.* at 18). The National Council of Welfare estimated that in 1997, 29% of a 97% sample of welfare cases by family type across Canada were single-parent families and 11% of the sample were couples with children. The remaining 60% were unattached persons or couples without children: National Council of Welfare, *Profiles of Welfare: Myths and Realities* (Ottawa: Minister of Public Works and Government Services Canada, 1998) at 12 [hereinafter *Profiles of Welfare*].

[83] Women and the CHST, supra note 82 at 19. Forty-two percent of lone-parent mothers received social assistance in 1994, compared to 9% of all women living with male parents and 22% of male lone parents.

3:1.[84] According to the National Council of Welfare, in 1998 only 17% of low-income single-parent families, compared to 59% of low-income two-parent families, were likely to receive a direct benefit from the NCBS as a result of the clawback of benefits for households receiving social assistance.[85] Although a substantial number of employed single mothers will benefit from the NCBS to some degree given their low-income position, a disproportionate percentage of low-income households likely to be excluded by the clawback will also be female lone-parent households. In Saskatchewan, among those excluded are likely a disproportionate number of Aboriginal households living in urban centres.[86]

Andrew Jackson points out that the national rate of poverty for two-parent families with one earner and families with two earners significantly declined from 1997 to 1998, as did the depth of poverty for two-parent households and female lone-parent households with earnings. However, for households without earners, both the rate and depth of poverty increased from 1997 to 1998. These differences are likely a reflection to some degree of both the clawback of the NCBS and lower nominal or real social assistance benefits.[87] While households without earnings obviously are excluded by the clawback, it should be noted that a significant number of recipients who have earnings from either part-time or full-time employment *while receiving social assistance* are also affected. Katharine Scott's study of recipients indicated that 51% of all adults on assistance had participated in the labour force in 1994.[88] Ken Battle has estimated that in any given year, 26% of families rely only on social assistance, 16% on both social assistance and income and 30% have employment as their main source of income.[89] It

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[84] See *NCB Progress Report 2000, supra* note 16 at Table 8. In Saskatchewan, single-parent families numbered 12,119 and two-parent families 4,391 in 1996. Of those family types categorized as employable, single parent families were on average on assistance 19 months, compared to 16 months for two adult families, 9 months for childless couples and 6 months for single persons; Saskatchewan, Redesigning Social Assistance: Preparing for the New Century, (Regina: Government of Saskatchewan,1996) at 3 [hereinafter *Redesigning Social Assistance*].

[85] *Kids are Still Hungry, supra* note 74 at 8-9.

[86] In Canada, about 15% of all Aboriginal women were lone parents compared with seven per cent of non-aboriginal women in 1986: Lone-parent Families, supra note 81 at 14. Scott reports that between 1988 and 1990 the social assistance rate for Aboriginal women in Canada was four times higher than the rate for all women: *Women and the CHST, supra* note 82 at 28.

[87] A. Jackson, *The Incidence and Depth of Child Poverty in Recession and Recovery: Some Preliminary Lessons on Child Benefits* (Ottawa: Canadian Council on Social Development, 2001), online: http://www.ccsd.ca/pubs/2001/ajncb.htm (date accessed: 21 October 2001) at Table 1 [hereinafter *Some Preliminary Lessons*]. Although Jackson uses the post-tax LICO measure, the trends identified are similar to the pre-tax LICO measure. The average depth of poverty increased for two-parent households without earnings from $12,466 to $14,181 and for lone-parent households without earnings from $10,490 to $11,224 between 1997 and 1998, *Income in Canada, supra* note 5 at 220.

[88] *Women and the CHST, supra* note 82 at 35. About 40% of female recipients in 1994 were either employed or seeking paid work.

[89] *Best Thing Since Medicare?, supra* note 28 at 8. August notes that only about 17% of recipient households with children in Saskatchewan have employment earnings: "Income Security", *supra* note 8 at 67. However, this is a provincial average reflecting lower rates of employment in rural areas. According to Jackson, data from the Survey of Labour and Income

is difficult to determine how many rely simultaneously on social assistance and employment, and how many move from one to the other. Barrett and Cragg, in a study of B.C. recipients, found that "welfare spells" were generally short: the majority ended within three months and only 10% remained on assistance after a year (most of whom were single parents). There was, however, a high rate of return to social assistance for all demographic groups.[90]

In general, the benefits from the NCB flowing to households still receiving any portion of their income from social assistance are largely indirect. Recipients will clearly benefit through indexation of the Benefit as social assistance benefits are not indexed at all. The significant number of recipients moving off the system as a result of employment in the course of a year may also benefit through what participating government officials describe as an "easier transition to work". However, the transition back onto social assistance upon job loss in a labour market increasingly characterized by short-term unstable jobs will be made more difficult for workers and their children as a result of a greater loss of income.

Finally, recipients of social assistance may benefit through provincial and territorial reinvestments. The reinvestments are not a substitute for the loss of the Supplement since the reinvestments are also available to those not receiving social assistance. Throughout Canada, the majority of reinvestment expenditures since 1998 also appear to have been directed to those who are or can be employed. As such, most reinvestments will benefit households on social assistance only to the extent that they also have or are able to obtain part or full-time employment. In Saskatchewan, with the exception of expenditures for First Nations on reserves, the federal and provincial reinvestment funds, as well as additional provincial funds, will exclusively benefit households that have employment income.[91] On reserves, many of the reinvestments

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Dynamics showed that 75% of two-parent households with children in poverty (post-tax LICO) had some employment earnings as did 45% of lone-parent households; *Some Preliminary Lessons*, *supra* note 87.

[90] G.F. Barrett & M.I. Cragg, "An Untold Story: The Characteristics of Welfare Use in British Columbia" (1998) 31:1 Can. J. Econ. 165 at 178 [hereinafter "An Untold Story"]. Twenty-eight percent of single men without children returned within three months of leaving, 55% after one year, 65% within two years and 72% within four years. Fifty-one percent of single mothers and couples with children returned within one year (*ibid.* at 182).

[91] For example, in Saskatchewan, prior to July 1998, a single parent with one child who was wholly reliant on social assistance would have received a total income of $917.75 per month or about $11,000 per annum. Prior to July 1998, the same parent working full-time at the minimum wage would also have been eligible for social assistance generating a total monthly income from both sources of $1,500, i.e. $600 more than he or she would have received if entirely dependent on social assistance. As of July 1998, a single parent with one child employed full-time was estimated to receive about $700 more per month than a parent with one child who is wholly dependent on social assistance. From this differential, however, the parent would have to pay all employment-related expenses including child care resulting in net increase of $100 monthly from his or her pre-Reform position. This increase is not attributable to the Federal Child Benefit as the Benefit has been deducted dollar for dollar from the amount he or she would otherwise have received from social assistance. Rather, the $100 gain is the result of the difference between the Saskatchewan Employment Supplement and the former Working Income Supplement, as well as a reduction in the provincial earnings exemption. Of course, estimates of the income position change with more dependents. A single parent with two children working full-time was estimated

necessarily have little relation to employment given high levels of unemployment in these communities.

Most of the reinvestments providing a benefit to unemployed recipients of social assistance who live off-reserve appear to consist of services, such as early childhood development programs.[92] As Freiler and Cerny note, the NCB may in fact promote a shift from income to service solutions as a way of addressing the poverty of children in households receiving social assistance, even though both forms of support are needed to adequately address the problem.[93] As discussed, income supports are essential in order to secure better housing, food and clothing, and to better withstand the vagaries of the current labour market.

Consistent with the trend of devolution to the provinces and the removal of conditions on funding through the Canada Health and Social Transfer, there are no legally binding standards or protocols attached to the NCB. Provincial reinvestments are thus neither mandatory nor subject to uniform standards. Participating governments argue that the lack of legally enforceable standards and protocols encourage innovation and efficiency. Critics, however, are concerned that provinces will use the reinvestment funds as a way of withdrawing funding for existing services, and that a lack of national standards will induce a slide towards minimal provision of income security and minimal access to services for those reliant on social assistance.[94] Concerns have also been expressed regarding the mandatory participation of recipients in programs that are based on negative cultural stereotypes of single mothers and welfare recipients.[95]

The immediate financial outcomes of the NCB in each province for each family type will depend upon detailed income comparisons, along with projected expenses and related subsidies which vary across provinces. Jackson notes that the poverty rate and depth of poverty was much lower in Saskatchewan in 1998 than in Ontario and Alberta despite the more robust economic recovery in the latter provinces. He attributes this outcome to Saskatchewan's investment in households with children outside the social assistance system, but insufficient data is available to compare households with earnings

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to receive about $800 more per year than a parent of two who is solely dependent on social assistance (an increase of $69/month). Two parents, one of whom earns minimum wage, with two children would net about $300 more per year (an increase of $26/month) Saskatchewan, Resource Comparisons (Regina: Department of Social Services, 5 July 1998) [hereinafter Resource Comparisons].

[92] See text accompanying note 30, above; see *National Child Benefit Reinvestment Report 2000*, online: <http://socialunion.gc.ca/NCB-2000/toceng-reinvest2000html> (date accessed: 12 November 2001). A few jurisdictions appear to have also passed on a small annual child benefit to social assistance recipients, eg Nova Scotia's provision of $324 annually for the first child, $242 for the second child and $210 for the third child and each additional child, (*ibid.* at 11). Early childhood services and children-at-risk services made up 10% of reinvestment expenditures in 1999/2000, (*ibid.* at 3). In terms of other cash benefits, see *supra* note 29.

[93] *Benefitting Canada's Children, supra* note 76 at 56.

[94] C. Wiggins, *The Canada Child Tax Benefit* (Research Paper #8) (Ottawa: Canada Labour Congress, 1997) at 2.

[95] Interview S. Tingley, Centre for Equality Rights in Accommodation (20 February 2001) and see Part IV: Social Assistance Recipients: Stigma and Ideology, below.

and those without earnings in the province.[96] Clearly, those to directly gain the most from the NCB in Saskatchewan have been those who were formerly beyond the welfare threshold income level and were earning $15,000 to $25,000 per annum. Most of the households in this income bracket are likely two-parent households in which one or both parents are employed.[97] With respect to lone parents, as of July 1998, a single parent with one child in Saskatchewan, having an income of $15,000 to $20,000 in 1998 gained in excess of about $200 monthly because she or he became eligible for the maximum Supplement as well as reinvestment benefits. Families earning considerably more also have received a net benefit although the Supplement is reduced as income increases.[98] A single parent receiving both assistance and earnings approximating the minimum wage has been rewarded only by the provincial reinvestment, gaining about $100 monthly;[99] a parent working part-time has obtained a more modest benefit because the Saskatchewan Employment Supplement (SES) is based on quantum of earnings and peaks at incomes of about $835 per month. The single parent with one child who was wholly reliant on a social assistance has had to survive on an income in 1998 of about $11,000.

III. THE GOAL OF PROMOTING LABOUR FORCE ATTACHMENT

A. *The Ideology of Work*

The NCB has been put forward as a measure that is also intended to promote "attachment to the workforce...by ensuring that families will always be better off as a result of working".[100] Although anti-poverty activists argue that the clawback of benefits to recipients of social assistance substantially defeats or limits the goal of relieving child poverty, proponents of a Child Benefit argue that an extension of benefits to families on social assistance would maintain significant disincentives to employment that would "defeat the very purpose of the integrated benefit".[101]

Indeed, the concern with 'work' incentives appears to have shaped the design of the NCB in several significant ways. Proponents often advert to the need to lower the 'welfare wall' by compensating for the loss of the child allowance when a recipient moves from social assistance to waged work. Lower marginal tax rates have been cited

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[96] *Some Preliminary Lessons*, *supra* note 87.

[97] Interview with R. August (15 December 1998).

[98] See text accompanying note 25.

[99] In 1998, the minimum wage in Saskatchewan was $5.60 per hour resulting in an annual income for full-time employment of $11,648: R.R.S. 1996, c.L-1, O.C. 706/96. Effective January 1, 1999, the minimum wage rose to $6.00 per hour generating an annual income of $12,480: Sask. Reg. 83/98. The income required to meet the low-income poverty line in Saskatchewan in 1998 for a single parent with one child was $19,123. "One in Five Children Living in Poverty" [Saskatoon] Star Phoenix (3 December 1998) at A14.

[100] *Building a Better Future*, *supra* note 1. An explicit objective of the Saskatchewan government is likewise to ensure that "families will always be better off as a result of working": *Redesigning Social Assistance*, *supra* note 84 at 6, 8.

[101] K. Battle & M. Mendelson, *Child Benefit Reform in Canada: An Evaluative Framework and Future Directions* (Ottawa: Caledon Institute of Social Policy, 1997) at 21 [hereinafter *Child Benefit Reform in Canada*].

as the major justification for excluding social assistance recipients from the NCBS while extending benefits to modest-income households. More recently, government officials have agreed in principle that future reinvestments should be designed to avoid further increasing marginal tax rates for modest income earners.[102]

Although an explicit objective of the NCB is to encourage labour force participation, it is important to recognize how the program's design is more consistent with the narrower goal of reducing 'welfare dependency'. The NCBS does not, for example, promote paid work itself since the clawback effectively excludes those who are employed on a full or part-time basis while continuing to receive social assistance. Moreover, unlike its predecessor, the Working Income Supplement, the NCBS is not limited to those with employment income but is payable to those having income from any source other than social assistance.[103] Because entitlement is also determined on the basis of net 'family' income, the Supplement indirectly encourages nuclear family formation, which can typically entail economic dependence on a male breadwinner.[104] In this respect, it is consistent with other privatization strategies adopted over the last decade to deal with increasing poverty. Such strategies have included the implementation of child support guidelines, more rigorous enforcement of support obligations, broader definitions of 'family' under family and social assistance legislation, cutbacks in the healthcare and education sector and increased reliance on the voluntary sector.

According to Martha MacDonald, "[c]oncern over labour market disincentives has dominated social security reform discussion in the industrialized countries".[105] In Canada, the primary emphasis on 'work' incentives has been evident in the reforms to Unemployment Insurance and in the enthusiasm in some provinces for workfare. Beyond reducing program costs, the objectives associated with 'work' incentives have generally not been well-defined. As several critics have noted, however, the discourse of 'work' incentives and the primacy accorded labour force participation has significant implications for women. Defining 'work' itself as wage labour obscures the need for and the value and costs of domestic labour, which is performed largely by women.[106] For women receiving social assistance, it obscures the social value of work presently performed by them, particularly the physical and emotional care of children, disabled relatives or elders. In discussions with focus groups comprised of single mothers on assistance, Swift and Birmingham identified additional activities such as shopping and economizing, volunteer activities, socializing children and dealing with their anger and

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[102] Memo from R. August (10 December 1999).

[103] "The Canada Child Tax Benefit", *supra* note 72. Stairs also notes that even those who cannot obtain paid work, such as the severely disabled, do not receive the Supplement.

[104] Note that over its phase-out range at higher income levels, the Benefit may in theory encourage divorce or separation.

[105] M. McDonald, "Gender and Social Security Policy: Pitfalls and Possibilities" (1998) 4 Feminist Econ. 1 at 16.

[106] See Part III, "Domestic Labour, Childcare and Economic Dependence", below, for further discussion of the contradictions between paid and unpaid labour.

stress, as well as participation in community groups.[107]

An emphasis on 'work' incentives reinforces the dominant view of paid employment as the normative measure of autonomy, membership and deservingness.[108] In the discourse around the Child Benefit, the Saskatchewan government explicitly promotes the Saskatchewan Benefit as a program that seeks to "build independence", and presents adult dependency on welfare as inherently problematic.[109] However, critics have questioned the extent to which market work genuinely promotes autonomy in the sense of enhancing self-realization given the conditions and realities of the labour market.[110] Certainly, welfare dependency is *not* problem-free. However, as Fraser and Gordon note,[111] the disparaging of adult dependency on social assistance is selectively blind to other pervasive forms of dependency, including corporate dependence on government subsidies and expenditures on infrastructure, research and development, tax incentives, property and contract law, and the dependency of middle and upper-income households on subsidized post-secondary education, health care and transportation. Moreover, for women this construction of dependency fails to acknowledge the extent to which social assistance can provide independence from abusive husbands, exploitive employers and from the stressful and exhausting demands of both paid and unpaid labour.

Finally, although recognition of the existence of disincentives to employment for recipients of social assistance is important and a more rational alignment of incentives beneficial, the highly individualistic behavioral premises of the Benefit inflate the significance of financial incentives on labour force participation which leads to a distorted view of the causes and solutions to social inequality. By identifying individual 'work' disincentives as a dominant cause of poverty, other more significant structural causes of poverty are rendered less visible. Although admittedly a matter of degree, relative emphasis is important in shaping overall 'world views'. The primary emphasis

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[107] K. Swift & M. Birmingham, "Caring in a Globalizing Economy: Single Mothers on Assistance" in D. Durst, ed., *Canada's National Child Benefit: Phoenix or Fizzle?* (Halifax: Fernwood, 1999) 84 [hereinafter "Caring in a Globalizing Economy"]. Women on social assistance also expend significant time and effort in maintaining their benefits (visits with workers, completing documentation, participation in programs): A.A. Kemp, P. Jenkins & M. Biehl, "Reconceptualizing Women's Work: A Focus on the Domestic and Eligibility Work of Women on Welfare" (1996) 23 J. Sociology & Soc. Welfare 69 at 74. Pat and Hugh Armstrong also include tension management and sexual relationships in their discussion of unpaid labour: P. Armstrong & H. Armstrong, *The Double Ghetto: Canadian Women and Their Segregated Work*, 3rd ed. (Toronto: McLelland & Stewart, 1994) [hereinafter *The Double Ghetto*]. Recipients may also engage in waged work such as babysitting or housecleaning that is not reported as income, although the monetary gains for individuals are likely small.

[108] See J. Mosher, "The Harms of Dichotomy: Access to Welfare Benefits as a Case on Point" (1991) 9 Can. J. Fam. L. 97; see also C. Pateman, *The Sexual Contract* (Stanford: Stanford University Press, 1988).

[109] See the "Building Independence" initiative, online: Government of Saskatchewan Social Services <http://www.gov.sk.ca/socserv/> (date accessed: 23 October 2001).

[110] Mosher, *supra* note108. See also N. Kildal, "Justification of Workfare: The Norwegian Case" (1999) 19 Crit. Soc. Pol. 353, who critically evaluates a number of arguments in favor of promoting labour attachment in light of the realities of the current labour market.

[111] See N. Fraser & L. Gordon "A Genealogy of *Dependency*: Tracing a Keyword of the U.S. Welfare State" (1994) 19 Signs: J. Women Culture & Society 309.

on work incentive programs implies that jobs are available to those who want them (why else would incentives be offered?), and that a failure to respond to the incentive is a result of a lack of motivation or work effort. Poverty and employment are thereby more likely to be construed primarily as matters of individual choice and consent, obscuring not only barriers to employment but also the structural coercion and constraint inherent in a capitalist system of exclusive property ownership.[112] Indeed, the benefits of subsidized labour to employers as a class, and transnational corporations in particular,[113] are rarely if ever acknowledged as such in official discourse surrounding the NCB.

In the following two sections, I assess more specifically the governments' assumption that more recipients will take up and maintain employment as a result of the Benefit, thereby reducing both 'welfare dependency' and poverty in the long run. I then review other structural constraints on labour force participation that the NCB fails to either acknowledge or adequately address.

B. *The Welfare Wall and Marginal Tax Rates*

Patricia Evans identifies at least three different approaches to or perspectives adopted in research on the use of welfare and its relationship to employment: the work-leisure model (or static theory of labour supply) in which the individual seeks to maximize his or her utility by choosing between 'work' and 'leisure' or 'nonmarket time'; the human capital model in which education and training are emphasized as barriers to employment; and a dual market theory (or other theories of the labour market) in which the structure of the labour market itself is examined in relation to employment disadvantage and dependence on social assistance.[114] Clearly, the framework adopted in discourse surrounding the NCB is the work-leisure model and the focus of inquiry is accordingly how welfare itself affects 'work' effort by changing the relative returns (in terms of 'utility' or money) to paid work and/or non-market time. According to this perspective, social assistance potentially functions as a disincentive to paid work, both by raising the return to non-market time through the income guarantee (the level of benefits) and through high marginal tax rates (the rate at which benefits decline or taxes increase as income increases).

In terms of relative returns, single employables generally have a large financial incentive to obtain paid work because of extremely low basic levels of social assistance. Even though a full-time minimum wage job still results in an income substantially below the poverty or LICO line, single employables can substantially increase their income through employment at minimum wage.[115] Nonetheless, unattached individuals still

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[112] See generally J. Reiman, *Justice and Modern Moral Philosophy* (New Haven: Yale University Press, 1990) [hereinafter *Justice and Modern Moral Philosophy*].

[113] "Caring in a Globalizing Economy", *supra* note 107 at 97.

[114] P.M. Evans, "Work and Welfare: A Profile of Low-Income Single Mothers" (1984) Can. Soc. Work Rev. 81 [hereinafter "Work and Welfare"].

[115] National Council of Welfare, Incentives and Disincentives to Work (Ottawa: Minister of Supply and Services, 1993) at 31-34 [hereinafter Incentives and Disincentives to Work]. In 1992, a minimum wage income was, on average, 70-80% of the LICO line in all provinces.

comprise a large percentage of those living in poverty, both in the short and longer term.[116] In fact, a study of the B.C. caseload from 1980 to 1992 revealed that the majority of spells on income assistance were experienced by single men and women without children. They represented over 60% of the caseload in any given month; over half of the caseload was represented by individuals classified as employable.[117]

By contrast, one minimum wage income for a household with children has generally been less than the income received by a household totally reliant on social assistance.[118] Proponents of the NCB frequently note that social assistance rates, unlike wage rates, take into account the number of dependents and adjust for family size. Wages, by contrast, are not adjusted to reflect the number of children or children's needs. Moreover, parents in the labour market have also lacked access to free supplementary health, dental and drug assistance for their children and experience work-related expenses such as clothing, transportation, child care costs and income taxes paid on employment income, CPP/QPP contributions and EI premiums, none of which are paid on social assistance income.

According to Ken Battle and Michael Mendelson, these financial costs constitute a "welfare wall" or "welfare trap" that has often made employed parents and their children financially worse off than households receiving social assistance.[119] According to government promotional literature, "[i]n some cases, parents on social assistance who managed to find paid work risked forfeiting thousands of dollars in child benefits and services on top of seeing their (typically low) wage reduced by taxes and employment-related costs."[120] "By providing child benefits to all low-income families with children, regardless of their source of income, the NCB is levelling the playing field between families on social assistance and the working poor".[121] Further, the federal government, in its 1999 Budget Paper, suggested that "[t]he NCB ensures that low-income parents do not lose income supports and services when moving from welfare to the workforce".[122] However, Battle and Mendelson argue that the CCTB cannot ensure that someone is better off by full time paid labour because it addresses only one component of the welfare wall, the child allowance paid on social assistance, and does

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[116] See text accompanying note 68, above. According to Ross Finnie, unattached individuals, male and female, accounted between 1992-96 for over 40% of those who were poor for more than two years: R. Finnie, *The Dynamics of Poverty in Canada: What We Know, What We Can Do* (Toronto: C.D.Howe Institute, 2000) at 42, Table 5b.

[117] "An Untold Story", *supra* note 90 at 172.

[118] The National Council of Welfare in 1993 found that the income of a two-earner couple with one or two children could at minimum wage exceed welfare in most provinces by a modest amount. However, in most provinces, lone-parents and one-earner families with children could receive higher incomes from welfare than from full-time employment at the minimum wage: *Incentives and Disincentives to Work, supra* note 115 at 56-68.

[119] *Child Benefit Reform in Canada, supra* note 101 at 26-27.

[120] *NCB Progress Report 2000, supra* note 16 at 5.

[121] *NCB Future Directions, supra* note 18 at 2.

[122] Canada, *Budget 1999: Providing Tax Relief and Improving Tax Fairness* (Ottawa: Department of Finance, 1999) at 11.

not address the related employment expenses and the loss of in-kind benefits.[123]

At the level of discourse and ideology, the concept of a 'welfare wall' at least presents recipients of social assistance as rational actors facing irrational incentives rather than as generalized victims of a pathological dependency. However, rationality is generally presented in narrow terms with attention focused on individual behaviour or choice in relation to financial benefits or returns. The language of 'incentives' or 'disincentives' fails to fully reflect the dilemma facing parents who may, in order to cover the cost of employment, have to divert scarce resources away from the satisfaction of their children's immediate needs. Discourse around 'work' disincentives also rarely makes explicit the connection between employment and concerns regarding childcare.

Further, the notion of the 'welfare wall' together with the emphasis on 'child benefits' links the source of disincentives to benefits offered by the welfare system. Welfare benefits, as such, tend to be constructed as centrally problematic rather than external factors such as inadequate wages or the lack of social supports for parenting.[124] Obviously, wages, unlike social assistance, cannot readily be adjusted to the number of children in a market economy. However, this rationale for the subsidy tends to 'naturalize' the wage system and again implicitly attributes wage inadequacy to children and/or social assistance benefits. Such a rationale clearly undercuts any lingering assumption or expectation of a market-based family wage, even though only 1.2 children are currently born on average to each family. It also obscures the fact that a full-time job at minimum wage can no longer support even an individual labourer at low-income cut off levels.

According to Jane Ursel, governments have used ostensibly 'family' policies to subsidize wages and promote particular labour policies in the past.[125] Of course, in a capitalist economy organized around the private ownership of property and sale of labour, need for welfare and family programs will always be generated by deficiencies in the labour market. However, what is interesting, if Ursel is correct, is the tendency to present such policies as, or in terms of, family policies. Even though the benefit does in fact address to some extent the problem of low wages by supplementing them, its presentation as a child or family benefit and its rationale may deflect attention away from the extent to which the current labour market and an unequal distribution of wealth generate low wages, unemployment and poor working conditions.

It can also be misleading to suggest that recipients can lose "thousands of dollars in child benefits" by moving from social assistance to employment.[126] Although

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[123] *Child Benefit Reform in Canada, supra* note 101 at 26-27. The authors argue that, in addition to job creation, policies such as increased minimum wages, child care and relief from payroll and income taxes are necessary to ensure that market work pays better than welfare.

[124] See C. Murray, *Losing Ground: American Social Policy 1950-1980* (New York: Basic Books, 1984) for the view that welfare benefits themselves cause poverty because they inhibit work incentives.

[125] J. Ursel, *Private Lives, Public Policy: 100 Years of State Intervention in the Family* (Toronto: Women's Press, 1992) at 194. Ursel claims that the implementation of Family Allowances in 1954 was in fact intended to dampen wage demands given increased living costs and prevent inflation (*ibid.* at 191-193).

[126] *NCB Progress Report 2000, supra* note 16 at 5; see *Child Benefit Reform in Canada, supra* note 101 at 26.

marginal tax rates on assistance can exceed 100% when welfare, tax and non-cash benefits of social assistance are considered, the transition generally does not entail a financial loss of thousands of dollars in child benefits. Prior to the NCB, families with single earners at minimum wage were and still are eligible to receive social assistance in most if not all provinces. Provincial departments deducted their earnings from an assessment of their needs and paid the difference as a benefit. In Saskatchewan, most families only became ineligible for social assistance when their earnings exceeded $11,000 (depending on family size) at which point the increased income itself made up for the loss of one or more child allowances. In other words, those who no longer qualified to receive social assistance by definition had higher total incomes than recipients. Accordingly, there is no reason why the child benefit needs to be equivalent to the child allowance on social assistance since it does not represent a loss generally experienced by recipients in the transition from social assistance to employment.

A household can nonetheless be prejudiced by employment under certain circumstances, for example: if the head refused to apply for social assistance;[127] if the direct and indirect costs of employment were in fact greater than allowed for in the assessment of needs up to and beyond the welfare threshold; or if the income gain was offset by the loss of drug and dental coverage and the imposition of income and related taxes. In their assessment of family needs prior to the NCB, many provincial departments allowed some, if not all, childcare expenses and provided an earnings exemption to help defray the cost of transportation and clothing. Some provinces, such as Saskatchewan, also offered child care subsidies for low-income families that were not on assistance as well as income supplement programs and tax credits. However, generally the financial differential between assistance and employment has varied greatly with the wage rate, hours worked and other individualized circumstances such as the actual need for and cost of drugs, dental care and paid daycare. Thus, while the financial differential between assistance and employment through the loss of the child allowance has been overstated in some discussions of the 'welfare wall', the NCB Supplement will not necessarily address all other employment costs. Moreover, discussions of the 'welfare wall' have generally ignored the intangible non-financial costs of employment which arise from the structural contradiction between paid and unpaid labour. These costs, as will be discussed in more detail, include less time to perform domestic labour and to care for and nurture children.[128]

In any case, the work-leisure model (or static model of labour supply) suggests that the NCBS should provide individual recipients with a positive incentive to obtain employment or access another income source since additional benefits are only available to those who are not receiving social assistance. Although the NCBS does not reward paid work *per se*, it does have the practical consequence of raising the return to employment income (beyond the breakeven level) relative to welfare. Much like a wage increase, raising the value of market work should, according to neo-classical economic

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[127] Some otherwise eligible heads of households may be deterred from applying for social assistance as a result of stigma and the transaction costs of the welfare system. It is unclear how many fall into this category.

[128] P. Evans, "Work Incentives and the Single Mother: Dilemmas of Reform" (1988) 14 Can. Pub. Pol. 125 at 129 [hereinafter "Work Incentives and the Single Mother"]; see text accompanying notes 210 to 254.

theory, induce a substitution of employment for reliance on social assistance.[129] Assuming a rational utility maximizer, the clawback itself should provide an unambiguous positive incentive to enter the labour market for those without earned income.

It is noteworthy that only those who can make the leap to jobs generating an income that approaches the welfare breakeven level receive a portion or all of the NCB Supplement. Further, those who cannot make such a leap and who nonetheless try to maintain employment while receiving social assistance are still left with high marginal tax rates in the absence of earning supplements through provincial investments. High marginal tax rates mean that for each additional dollar earned, the worker keeps far less than a dollar, reducing the net reward for extra work. In Saskatchewan, the SES (not the NCBS) has reduced the marginal tax rate faced by recipients from close to 100% to about 80%.[130] Reduced marginal tax rates (MTRs) can only be achieved by lowering benefit levels or by expanding the scope of the program to higher income earners so that benefits decline more slowly as income rises.[131] However, in theory, reducing MTRs through an extension of benefits will not definitively increase labour supply. While reduced rates would decrease the disincentive to 'work', the extension may have other "entry effects" in that new recipients may reduce their labour supply to obtain the benefit. Empirical evidence is needed to establish the net overall effect on labour supply.

Modest income earners who were above the welfare breakeven income level, in the range of $15,000 to 25,000, have gained most in disposable income from the NCBS but they now also face high MTRs over its phase-out range. These high MTRs are compounded by the imposition of income taxes, employment premiums and reinvestments, such as earnings supplements, that are also reduced over this income range.[132] Over the phase-out range of a NCB, where benefits are declining, economic

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[129] Changes in the return to labour may induce both substitution and income effects. The substitution effect suggests that increasing the financial return to one activity (paid work) will induce a substitution of that activity for another (reliance on social assistance). The income effect suggests that any extra money received may allow recipients to consume as much as before with less work and may therefore reduce work effort. Since recipients of social assistance can only gain extra money through more employment or some other income source, they do not face a competing income effect.

[130] See "Income Security", *supra* note 8 at 67. August claims that the SES will generate stronger incentive effects than the Working Income Supplement because of an expected reduction in the time lag between earnings and benefits (*ibid* at 75). It appears that a single mother with two children working full-time at a minimum wage job and receiving partial assistance as of July 1998 gained about $160 per month as a result of employment (net of the costs), generating a net hourly wage increase of about $1, *Resource Comparisons, supra* note 90.

[131] See R. Moffitt, "Incentive Effects of the U.S. Welfare System: A Review" (1992) 30 J. Econ. Literature 1 at 40 [hereinafter " Incentive Effects of the U.S. Welfare System"].

[132] In theory, a Benefit will have different effects on those already in the labour force depending on their income position before it was introduced. Those with incomes in the phase-in range of the Benefit, where benefits are increasing with hours worked, may either increase their work hours (substitution effect) or reduce their work hours (income effect). In theory the results are ambiguous. Where benefits remain constant over an income range, the income effect would imply a reduction in market work. Over the phase-out range, where benefits are declining, both income and substitution effects would also imply a reduction in market work. Beyond the

theory suggests an unambiguous incentive to reduce hours of market work. According to Adil Sayeed, households in Saskatchewan earning between $17,500 to $22,980 now face "punishing" marginal tax rates of over 91%.[133] Sayeed argues that governments should discontinue earning supplements and reinvest in "programs that try to address the causes of poverty" such as parent training programs, head start and school nutrition programs.[134] In response, government officials participating in the NCB have agreed in principle not to increase marginal tax rates as the NCB grows.[135] In order to meet this constraint, governments will have to either invest only in early childhood development or extend income supplements higher up into the middle income range, reducing MTRs but also significantly increasing the cost of their initiatives.[136] However, reduced rates may not substantially increase labour supply overall if new recipients reduce their labour supply in response to the increased income.

Obviously, work disincentives and high MTRs are not ideal, in part because they may distort choices that might improve the financial prospects of recipients in the long run. Critics argue, for example, that recipients are discouraged from taking up jobs or promotions since they realize little financial gain for their efforts in the short run, thereby making it more difficult to escape poverty in the long run. Unfortunately, the extent to which one can escape poverty through low wage market work is unclear.[137] Moreover, those who advocate the abandonment of income supports because of high MTRs (and its potential negative impact on labour supply) tend to focus exclusively on the alleged costs and ignore the benefits of income redistribution.[138] From this perspective, reduced labour force participation is constructed as an absolute cost without taking account of the benefits of non-market time both for recipients and their dependents.[139] High marginal tax rates are certainly better than no income supports at

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Benefit's threshold income, individuals may also decide to reduce hours of waged work in order to qualify for the Benefit. All of the foregoing assumes that workers can control their hours of market work.

[133] A. Sayeed, *Improving the National Child Benefit: Matching Deeds with Intentions* (Toronto: C.D. Howe Institute, 1999) at 2. In Saskatchewan, marginal tax rates for modest income earning households will decline as the SCB is absorbed by the NCB, which has lower benefit reduction rates.

[134] *Ibid.* at 23. In the United States, critics have urged the abolition of a similar benefit, the Earned Income Tax Credit, on similar grounds: see A.L. Alstott, "The Earned Income Tax Credit and the Limitations of Tax-Based Welfare Reform" (1995) 108 Harv. L. Rev. 533 [hereinafter "The Earned Income Tax Credit"].

[135] Memo from R. August (10 December 1999).

[136] John Richards, among others, has suggested that the Child Benefit be "universalized" (extended upwards) in order to lower the high marginal tax rates facing modest income households, J. Richards, "The Case for Earnings Supplements: The Devil's in the Detail" in D.W. Allen& J. Richards eds., *It Takes Two: The Family in Law and Finance* (Toronto: C.D. Howe Institute., 1999) 170 [hereinafter "The Case for Earnings Supplements"].

[137] See text accompanying note 186, below.

[138] See "The Earned Income Tax Credit", *supra* note 134.

[139] In traditional economic analysis, a full evaluation of the welfare effects of an income guarantee would compare (by assigning weights to) the increased utility experienced by recipients and the young, sick or elderly who benefit from non-market labour (as well as taxpayers who desire poverty relief) against the disutility experienced by taxpayers. Realistic assumptions regarding the diminishing marginal utility of income would have to be made. The identification

all given the reality of poverty and the contradictions of paid and unpaid labour under current conditions. Reduced hours of employment, to the extent that it is within their control, can allow many low-income parents to better accommodate the work of social reproduction, increasing the well-being of both caregivers and children.

C. *Empirical Studies of Welfare and Labour Participation Rates*

The actual behavioural impact of financial incentives in this context, specifically the significance of the incentive generated by the clawback, is ultimately an empirical and not a theoretical matter. In terms of concrete realities, there is an initial question as to whether recipients are aware of the applicable benefits and marginal tax rates given the combined impact of different variables such as benefit reductions, taxes and premiums and other variable costs. Although this calculation is often complex and difficult to predict with precision, it seems likely that recipients are aware of the general economic impact of tax back rates through either their own experience or that of others. Certainly, recipients have complained about disincentives that make it economically irrational, if not irresponsible for them as parents, to leave assistance and obtain paid work.[140]

A more controversial question is what significance recipients generally attach to their knowledge of financial disincentives or incentives in light of the many factors that potentially impact on employment status. Felicite Stairs argues that recipients view welfare and employment income as qualitatively different in that employment represents the possibility of escape from welfare and "a matter of personal pride".[141] Several U.S. studies suggest that the vast majority of social assistance recipients have internalized a strong "work ethic".[142] As previously indicated, most recipients do in fact engage in paid work either alternating between social assistance and paid work or working part-time or full-time while receiving social assistance benefits.[143] In the United States, training and employment programs have generally been oversubscribed with the demand for such

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of reduced hours of employment as an efficiency loss reflects an assumption that the pre-transfer market allocation of labour (vs. non-market time) is optimal and not itself the product of market failure; but see N. Folbre, "'Holding Hands at Midnight': The Paradox of Caring Labor" (1995) 1 Feminist Econ. 73 at 78-80 who argues that children are a public good and an externality that results in the undervaluation of domestic labour; see N. Barr, "Economic Theory and the Welfare State: A Survey and Interpretation' (1992) 30 J. Econ. Literature 741 who presents efficiency based arguments for redistributive transfers. For a feminist critique of market-based evaluations of efficiency, see W. Wiegers, "Economic Analysis of Law and 'Private Ordering': A Feminist Critique" (1992) 42 U.T.L.J. 170 at 197.

[140] In an ethnographic study by Patrick Burman, recipients complained about the loss of health and drug coverage, rental subsidies and education grants as well as the cost of childcare: P. Burman, *Poverty's Bonds: Power and Agency in the Social Relations of Welfare* (Toronto: Thompson Educational, 1996) at 135, 165-66 [hereinafter *Poverty's Bonds*].

[141] "The Canada Child Tax Benefit", *supra* note 72 at 164.

[142] See M. Morris & J.B. Williamson, *Poverty and Public Policy: An Analysis of Federal Intervention Efforts* (New York: Greenwood Press, 1986) at 30-34; M.R. Rank, *Living on the Edge: The Realities of Welfare in America* (New York: Columbia University Press, 1994) at 174 [hereinafter *Living on the Edge*].

[143] See text accompanying notes 88 to 90, above.

programs and jobs far exceeding the available supply.[144]

There are as yet no empirical studies in Canada on the impact of the NCB in relation to either labour or welfare participation rates. The Saskatchewan Minister of Social Services has recently attributed a "major decline in welfare cases" of 3,800 families, including 8,100 children, since July 1997 to the government's Building Independence initiative.[145] However, government news releases do not indicate how many households moved off the Social Assistance Program simply as a result of having the same or more income from another source, reducing in effect the welfare breakeven threshold. Empirical research is also necessary to determine the extent to which the decline in caseload is a result of other factors, such as an improved economy and strong labour demand in urban centres, outmigration, income tax changes, changes to Employment Insurance policies, the Provincial Training Allowance (initiated in July 1997) and other employment or welfare reform initiatives. A further question to be assessed empirically is whether the decline in social assistance rates signifies improved well being for parents and children. In Canada overall, the number of people receiving social assistance benefits fell by 5.9% in 1999 but the numbers have generally been declining for the past six years and may largely result from both an improved economy and other welfare reform measures.[146]

The impact of the clawback of the NCB Supplement on labour supply would roughly represent the difference between the labour supply (hours worked and participation rates) with and without the clawback. Empirical studies potentially relevant to this issue include the impact of income maintenance experiments and the impact of wage rates and welfare parameters on labour supply. However, the NCBS is a unique benefit relative to other income support programs. While it may be analogized to a wage increase, which might be expected to increase labour participation rates and reduce welfare participation rates, receipt of the NCB is not contingent on market work *per se* and is subject to a benefit reduction rate. Moreover, a reduction in welfare participation does not necessarily imply an increase in labour participation rates.[147] Changes in welfare parameters, wage rates or external benefits may affect welfare participation rates and the length of welfare spells by reducing or increasing the households eligible for social assistance without affecting labour supply.[148] Variables may also have a differential impact on decisions regarding participation or non-participation in the labour

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[144] J. Handler & Y. Hasenfeld, *We the Poor People: Work, Poverty and Welfare* (New Haven: Yale University Press, 1997) at 86, 90 [hereinafter *We the Poor People*].

[145] Saskatchewan Department of Social Services, News Release 519, "Major Decline in Welfare Cases" (5 July 2001), online: http://www.gov.sk.ca/newsrel/2001/07/05-519.html (date accessed: 26 October 2001).

[146] Statistics Canada, *The Daily* (Ottawa: Statistics Canada, 15 August 2001) at 4.

[147] Or vice versa, unemployed persons may choose not to rely on social assistance because of the transaction costs of the system even if eligible for it and employment does not necessarily lead to independence from social assistance.

[148] Moffitt discusses this issue in relation to American research: "Incentive effects of the U.S Welfare System", *supra* note 131 at 8-11, 19, 26. He notes that smaller behavioural changes have been confirmed after controlling for mechanical impacts. Note that reduced breakeven levels in themselves, by making it easier to escape the stigma and surveillance of the current welfare system, may motivate additional work effort. It may be difficult, however, to isolate this impact empirically.

force relative to decisions regarding hours of paid work. Additionally, there is a question as to how well variables in multi-variate studies can account for the characteristics of and changes in the structure of the labour market such as the type of jobs now available and the conditions of paid work. The increase in non-standard employment and the lack of social supports and accommodation of child-related responsibilities (both pre-school and school-aged) may also explain persistent reliance on social assistance but these are variables that may be difficult to identify. In light of the many complexities surrounding these issues, a detailed exhaustive assessment of the empirical literature is beyond the scope of this article. The following review provides only a general appraisal of a number of empirical studies with respect to labour and welfare participation rates which demonstrate considerable uncertainty regarding the potential magnitude of the impact of the NCB Supplement.

Early income support studies such as the Mincome experiment conducted in Manitoba, suggested that the response in labour supply to a guaranteed income or negative income tax would be small across all groups.[149] Patricia Evans' study of data on low-income families in Manitoba between 1972-74 (the Baseline Survey results for the Mincome study) indicated that even then employment was an important feature of the lives of most single women. Seventy-four percent reported some employment income in the three year period.[150] Those who relied exclusively on assistance (26 %) usually had lower levels of education, poorer health and more pre-school children. However, there were no significant differences in education, training or the number of pre-school children between those single mothers who mixed welfare and work in some fashion (about 33 %) and those who relied exclusively on the labour market for their income (44 %). According to Evans, these outcomes suggested that while more education and work experience appeared to increase labour force participation, it did not necessarily lead to independence from social assistance. Because education and work experience did not appear to generate economic rewards for those who did participate in the labour market, Evans suggested that the labour market itself can function as a source of employment disadvantage by generating unstable, poorly paid and dead end jobs for women.[151]

Much of the empirical work has focused on variables affecting welfare participation, either static impacts or changes over time through movements on and off welfare programs. An early study of welfare participation rates, labour force participation and family status across provinces with differential welfare payments revealed that provinces with more generous payments had higher welfare participation rates and lower labour participation rates, although again, this impact was relatively

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[149] D. Hum & W. Simpson, *Income Maintenance, Work Effort, and the Canadian Mincome Experiment* (Ottawa: Minister of Supply and Services, 1991) at xiv, xv.

[150] "Work and Welfare", *supra* note 114.

[151] *Ibid.* at 922-93. Dual market theory suggests that the labour market is comprised of two major sectors, an oligopolistic primary sector that provides well paid and secure employment and a weak competitive sector that provides poorly paid and unstable jobs. Women, ethnic and racial minorities are relegated to the second sector as a result of discriminatory barriers.

small and differences in wage rates were not considered.[152] Empirical studies in the United States on the relationship between welfare receipt and labour supply suggested that Aid to Families with Dependent Children (AFDC) (which consisted of predominantly lone female-headed households) had, over a 20 year period, reduced hours of paid work; however, the magnitude of these effects, according to Robert Moffitt, was considerably uncertain.[153] Examining both econometric studies and time-series trends in the labour supply of female heads, Moffit estimated that AFDC had likely reduced paid work effort in the range of 2 to 8.2 hours per week and that the response of lone-parent females had been relatively inelastic and insensitive to variations in both benefit levels and benefit reduction rates.[154]

More recently, a Canadian study by Christofides, Stengos and Swidinsky of single mothers and fathers used data from the 1988-89 Labour Market Activity Survey to examine both welfare and labour participation decisions.[155] The authors found that welfare parameters did not generally appear to affect decisions regarding welfare, labour participation or hours worked, but rather that wage levels in particular, as well as access to pension and unemployment insurance income, age, education, disability and the presence of young children, were more strongly associated with these decisions. Charette and Meng found that the probability of welfare participation was significantly affected by the basic benefit level (the elasticity of welfare participation with respect to this variable being .38), the earned income exemption (an elasticity of .59), the

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[152] D.W. Allen, "Welfare and the Family: The Canadian Experience" (1993) 11 Journal of Labor Economics S201. According to Allen, births out of wedlock, divorce, and separation were much more responsive to even relatively minor changes in benefits (*ibid.* at 219). This raises a question as to whether Allen's research satisfactorily controls for all province-specific variables. In a recent study, welfare benefits did not influence the probability of single parenthood when a "dummy" variable was used to capture province-specific characteristics: P. Lefebvre, P. Merrigan & M.D. Dooley, "Lone Female Headship and Welfare Policy in Canada" (Hamilton: McMaster University, 1998) cited in "The Case for Earnings Supplements," *supra* note 136 at 192-93. Moffitt's review of U.S. literature finds little evidence to support the view that welfare has caused the growth in lone female headed families: "Incentive Effects of the U.S. Welfare System," *supra* note 131 at 29; see also M.D. Dooley, "Lone-Mother Families and Social Assistance Policy in Canada" in J. Richards & W.G. Watson, eds., *Family Matters: New Policies for Divorce, Lone Mothers, and Child Poverty* (Toronto: C.D. Howe Institute, 1995) 35 [hereinafter "Lone-Mother Families and Social Assistance Policy in Canada"].

[153] "Incentive Effects of the U.S. Welfare System," *ibid.* at 16.

[154] *Ibid.* at 18. Very little of the labour supply reduction arose from entry effects, i.e. new recipients reducing their hours of work to become eligible for AFDC. About 95% of recipients would remain eligible for benefits, even if cut off the program (*ibid.* at 17). About 80% of the exits from welfare were not the result of increased earnings but rather the result of a change in marital status (*ibid.* at 26). Levels of labour supply and earnings among lone female parents were also not significantly different overall from those of married women.

[155] L.N. Christofides, T. Stengos & R. Swidinsky, "Welfare Participation and Labour Market Behavior in Canada" (1997) 3 Canadian Journal of Economics 595 [hereinafter "Welfare Participation and Labour Market Behavior"]. Like the study by Christofides *et al.*, Bailey's study of welfare participation of B.C. recipients concluded that more generous earnings exemptions had an inconclusive impact on exit from welfare: N. Bailey, "The Effect of the B.C. Enhanced Earnings Exemption on the Probability of Leaving Social Assistance" in *CERF/BCMSS Workshop on Labour Markets and Income Support* (Vancouver: University of British Columbia, 1994) cited in "Welfare Participation and Labour Market Behavior" (*ibid.*).

composite welfare tax rate (1.47) and the wage rate (.38).[156] Additional significant variables included marital status, the presence of younger children, disabilities, and a low level of education. Neither the female unemployment rate nor recent participation in government-funded training programs were found to be statistically significant, although the authors noted that the relationship between welfare and labour market conditions was likely "more subtle than was allowed for in [their] empirical model."[157]

Examining data in Canada from 1973-1991, Martin Dooley found no dramatic increase in welfare use among lone mothers.[158] In fact, the use of social assistance increased more slowly among lone mothers than among married couples and unattached individuals. Further, the percentage of older lone mothers receiving assistance actually declined. The different experience of older and younger lone mothers reflected, in large part, reduced wage rates and fewer jobs for younger women, conditions experienced generally by younger workers during the 1980s. In a multivariate study of welfare participation by lone mothers, Dooley found wage and basic assistance elasticities of -1.5 and 0.75 respectively, but also found that the number of children, status of never having been married, and unemployment had significant impacts on the probabilities of welfare participation.[159] According to Dooley, the age differential disappeared when he controlled for demographic changes, changes in wage rates and unemployment, and welfare policy variables.

In another multivariate study of lone mothers in Ontario between 1990 and 1994, Stewart and Dooley found that the length of spells both on and off welfare was very sensitive to the level of welfare benefits with a basic assistance elasticity of 2 for longer on-welfare spells, and 2.5 for shorter off-welfare spells.[160] Potential welfare benefits appeared more important than levels of unemployment. But schooling, marital status and family size (more children), and minimum wage levels also had a sizeable impact on the duration of spells on welfare. Similarly, a recent study of Quebec single-parent households also found a significant correlation between the spell length of social assistance and a number of variables, including: level of education; the number of pre-school children; benefit levels; unemployment rate; and parameters of unemployment insurance.[161] This study found a basic assistance elasticity of .479 for all ages, which is

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[156] M.F. Charette & R. Meng, "The Determinants of Welfare Participation of Female Heads of Household in Canada" (1994) 27 Canadian Journal of Economics 290 at 300.

[157] *Ibid.* at 303.

[158] "Lone-Mother Families and Social Assistance Policy in Canada", *supra* note 152.

[159] M.D. Dooley, "The Evolution of Welfare Participation among Canadian Lone Mothers, 1973-1991" (1999) 32 Canadian Journal of Economics 589 at 607.

[160] J. Stewart & M.D. Dooley, "The Duration of Spells On Welfare and Off Welfare among Lone Mothers in Ontario" (1999) 25 Canadian Public Policy S47. The authors used administrative data made available by the Ministry of Community and Social Services. They found some evidence of negative duration dependence which they define at S49 as the "probability of terminating the spell changes as the spell proceeds"; but they note at S67 that support for this finding is weakest in their preferred specification.

[161] B. Fortin, G. Lacroix & J.F. Thibault, "The Interaction of UI and Welfare, and the Dynamics of Welfare Participation of Single Parents" (1999) 26 Canadian Public Policy S115. Contrary to Stewart and Dooley's finding, the authors found that an increase in the minimum wage reduced exit from welfare (presumably through an increase in unemployment).

lower than the estimate of Dooley and Stewart. Moreover, it is noteworthy that benefit levels were not significantly associated with the duration of off-welfare spells. A return to social assistance was also not affected by age or number of children, but was significantly correlated with the unemployment rate, minimum wage, and unemployment insurance. According to the authors, cuts in unemployment insurance accounted, in part, for the recent increase in welfare participation by lone mothers.

Several other studies of income supports are potentially relevant to the impact of the NCB Supplement, although again, these programs differ substantially in their design. Shelley Phipps examined the likely behavioral consequences of the 1992 changes to the child benefit system, including the targeting of child benefits (the abolition of universal family allowances) and the implementation of an earned income supplement, which reached a maximum of $500 on earnings over $3,750.[162] Phipps concluded that the NCB Supplement was more likely to affect hours worked than labour force participation, given its low amount and the number of hours recipients would have to work (in excess of 500 at a wage of $7.50) before they qualified for it. In terms of hours worked, Phipps argued that the NCB Supplement would also generate negative incentives, and that labour supply was not, in any event, very responsive to implicit changes in the wages. She noted that gross wage elasticities of labour supply for Canadian women as a whole (i.e., the percentage change in hours of paid employment expected for a one percent change in wage rate) are generally considered to be small.[163]

The Earned Income Tax Credit (EITC) is an income supplement payable on earned income that was expanded significantly during the Bush and Clinton administrations in the United States. The amount of the EITC increases with the amount of earned income (unlike the NCBS), flattens out, then decreases at a rate of 21.06% up to an income of $28, 495.[164] A study of the 1987 and 1988 changes to the EITC compared the labour participation rates of single women with children with those of childless single women. It found that the EITC had increased the labour participation rates of the former by up to 2.8%, while not reducing work hours of those women already in the labour force.[165] A more recent empirical study utilized the same approach to identify the impact of subsequent program changes, including the fact that the EITC has not been counted as income in most means-tested programs since 1991 and taking into account the substantial increase in benefits between 1994 and 1996. The authors concluded that the EITC accounted for 60% of a 9% increase in the annual employment

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[162] S. Phipps, "Canadian Child Benefits: Behavioural Consequences and Income Adequacy" (1995) 21 Canadian Public Policy 20 at 20.

[163] Phipps identifies a range of "reasonable" post-1980 estimates from .018 to 0.40. The latter suggests that a 1% increase in the wage rate results in a 0.4% increase in hours of paid employment (*ibid.* at 23-24, 28). Note that some authors have suggested that participation decisions may be more sensitive to changes in the net wage for women than decisions regarding hours of paid work: see Dickert *et al.*, *infra* note 166.

[164] N. Eissa & J.B. Liebman, "Labor Supply Response to the Earned Income Tax Credit" (1996) Quarterly Journal of Economics 605 at 608.

[165] *Ibid.* at 635. See also, "The Earned Income Tax Credit," *supra* note 134 at 551, footnotes 61-62.

of single mothers.[166]

In an experimental research project funded by the Federal Government called the "Self Sufficiency Project," single mothers on social assistance in British Columbia and New Brunswick were offered a generous subsidy (one that approximately doubled their gross annual earnings) for three years, provided they obtained and maintained paid employment for at least thirty hours per week. Only about 34% of those offered the subsidy had accepted the offer by the end of year one, and after 18 months only three-quarters of these remained on the supplement. In attempting to determine and exclude the number of women who would have obtained employment without the benefit of the supplement, comparisons with a control group indicated that the supplement itself induced a 15% increase in the employment rate over the first 18 months.[167] At the end of three years, about 28% of the program group and 19% of the control group were working full-time, resulting in a differential of 9%.[168] Note that the amount paid through the NCBS is much less than the amount paid to participants in this project.

In an in-depth qualitative study of twenty-five families in Surrey, British Columbia, researchers recently identified the largest obstacle to training and labour force participation as the lack of affordable and trustworthy childcare.[169] They also found that emotional support from immediate or extended family members, other households, or community programs was extremely important for successful employment experiences, work performance, and overall family well-being.[170]

Clearly, the relationship between income supports, welfare, and labour supply is not as obvious as the static model of labour supply suggests. The weight of the

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[166] B.D. Meyer & D.T. Rosenbaum, "Welfare, the Earned Income Tax Credit, and the Labor Supply of Single Mothers" (Cambridge, Massachusetts: National Bureau of Economic Research, 1999). See also a study by S. Dickert, S. Houser & J.K. Scholz, "The Earned Income Tax Credit and Transfer Programs: A Study of Labor Market and Program Participation" (1995) 9 Tax Policy and the Economy 1, which predicted that the EITC expansion would increase labour force participation rates for single parents by 3.3%, increase the participation of primary earners in two-parent families by 0.7%, and decrease the participation of secondary earners in two-parent families. The authors found that the impact of the EITC on labour participation rates would substantially offset the negative effect of the credit on the hours of work and participation of those already in the labour market (*ibid.* at 43).

[167] Social Research and Demonstration Corporation, *When Financial Incentives Encourage Work: Complete 18-Month Findings from the Self-Sufficiency Project* (Ottawa: Social Research and Demonstration Corporation, September, 1998) at ES-2. The 15% represented a 13% change in full-time employment from non-employment and a 2% change to full-time employment from part-time work. Nine thousand three hundred single parents participated in this project. Eligible recipients had to have been unemployed for one year. The increased income was generally spent on food (reduced reliance on the Food Bank), clothing, and housing in better neighborhoods.

[168] C. Michalopoulos *et al.*, *The Self-Sufficiency Project at 36 Months: Effects of a Financial Work Incentive on Employment and Income* (Ottawa: Social Research and Demonstration Corporation, 2000) at ES-6.

[169] J.H. Michalski & Mary-Jean Wason, *Labour Market Changes and Family Transactions: An In-depth Qualitative Study of Families in British Columbia* (Ottawa: Renouf, 1999) at 64 [hereinafter *Labour Market Changes and Family Transactions*].

[170] *Ibid.* at 31, 34.

empirical work does suggest that by changing the relative returns to or costs of market and non-market activities, the NCB Supplement will have a positive impact on labour participation rates, and thereby indirectly affect welfare participation rates to some degree. The actual magnitude of the impact, however, remains very much in question and clearly, a large number of households do not respond to the financial 'incentive.' In the next section, I examine other structural forces affecting recipients of social assistance (particularly households with children) which significantly constrain welfare and labour participation decisions.

D. *Structural Constraints on Labour Force Participation*

1. *Labour Market Realities: The Impact of Economic Restructuring*

Rising rates of child poverty have reflected growing disparities in earned income among Canadians over the last decade.[171] According to the Canadian Council on Social Development, the labour market is producing more income inequality and "is less able to ensure families' survival today than it was a decade ago."[172] Most commentators agree that technological change and a process of restructuring in the postwar period (particularly in the 1980s), among other factors, have contributed to significant changes in the labour market.[173] These changes have included a shift from the manufacturing to the service sector, a shedding of good jobs, and a growing proportion of temporary, part-time, casual, and/or non-standard jobs that offer low wages, few benefits, and no security.[174]

There are several practical problems with the construction of the NCB for those with no labour force attachment, the most obvious of which is the reality of

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[171] The child poverty rate according to the pre-tax LICO hit a record low of 15.2% in 1989, rose to 21.3% in 1996 and fell in 1998 to 18.8%, *Income in Canada 1998*, *supra* note 5 at 204, and see *supra* note 39 and accompanying text. Disparities in market and after-tax income have increased over the last decade. The top 20% of the population increased their share of market income from 41.9% in 1989 to 45.2% in 1998, while the bottom 20% fell from 3.8% to 3.1%. Those in the bottom 20% had an average market income of $10,388 in 1989 and an average of $8,627 in 1998: a drop of 17%. After government transfers, their average after-tax income had still fallen by 5.2% since 1989 (*ibid.* at 77, 79-80, 204). Comparisons of the average real income of all non-low-income families with all low-income families from 1984 to 1998 indicated that the former had increased (from 126.3% above LICO to 152%), while the latter had remained stable (at between 32-34% below LICO): *NCB Progress Report: 2000*, *supra* note16 at 7.

[172] *Left Poor by the Market*, *supra* note 81 at 22. According to the Council, the number of Canadian families experiencing "market poverty" (below poverty-level incomes from market sources before taking transfer payments and taxes into account) increased by 56% and the depth of poverty increased by 70% between 1984 and 1994. (*ibid.* at 42-43).

[173] For analyses of the relationships between the political process of global restructuring, labour markets, and the status of women, see K. Rittich, "Transformed Pursuits: The Quest for Equality in Globalized Markets" (2000) 13 Harv. Hum. Rts. J. 231; I. Bakker, "Restructuring Discourse and its Gendered Underpinnings: Toward a Macro-analytical Framework" in T.H. Cohn, S. McBride & J. Wiseman, eds., *Power in the Global Era: Grounding Globalization* (London: MacMillan Press, 2000).

[174] Economic Council of Canada, *Good jobs, Bad jobs: Employment in the Service Economy* (Ottawa: Economic Council of Canada, 1990).

unemployment. The official unemployment rate in 1998 in Canada, in the midst of what some have called an "economic recovery," was 8.3%; in Saskatchewan, the unemployment rate was 5.7%.[175] While the rate of unemployment has fallen at this point in the business cycle, by historical standards, rates of unemployment have been high for the last two decades. Moreover, the official rate of unemployment does not include discouraged or frustrated workers who have given up the search for a job, or those who are involuntarily self-employed, under-employed, or working part-time.[176]

Government officials in Canada have increasingly taken the position that full employment is ultimately a matter of private market growth, and that job creation is not a government responsibility.[177] Unemployment was in fact encouraged by a policy of relatively high interest rates in the 1980s and 1990s and government cutbacks.[178] The state of being unemployed can have a devastating impact on individuals, including a higher risk of health problems and reduced life expectancy.[179] These effects were seriously compounded by changes to the unemployment insurance program in 1996 that reduced benefits (both by lowering average payments and reducing the maximum duration of benefits) and imposed more stringent eligibility criteria.[180]

Increasing rates of reliance on social assistance closely parallel the rise in unemployment rates over time.[181] According to a 1998 study by the National Council of Welfare, provincial welfare agencies cited lack of work as the most common reason for being on social assistance (45%); disability was the reason in 27% of cases, single

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[175] Canada, *Canadian Economic Observer* (Ottawa: Statistics Canada, 2001) at 16, 57.

[176] The Canadian Public Health Association estimates that the real unemployment rate in 1996 was likely closer to 16.5%: Canada, *The Health Impact of Unemployment* (Ottawa: Canadian Public Health Association, 1996), online: http://www.cpha.ca/english/policy/pstatem/unempl/page2.htm (date accessed: 15 November 2001).

[177] Increased reliance on the private market and individual responsibility has been identified by Brodie as part of restructuring discourse which is manifest in changes to government policies, as well as the negotiation of free trade zones: J. Brodie, "Canadian Women, Changing State Forms, and Public Policy" in J. Brodie, ed., *Women and Canadian Public Policy* (Toronto: Harcourt Brace, 1996) 1 [hereinafter *Women and Canadian Public Policy*].

[178] A number of economists have argued that high unemployment experienced in the 1990s reflected largely low aggregate demand, fueled both by a high interest rate policy and government cutbacks: see A. Sharpe & T.C. Sargent, "Structural Aspects of Unemployment in Canada: Introduction and Overview" (2000) 26 Canadian Public Policy S1. Osberg and Lin, for example, argue that the high unemployment in the 1990s was not due to a structural mismatch between available jobs and skill levels of workers (which accounted for less than one-eighth of the national unemployment rate in 1999). They found a vacancy rate of only about .45 % of the labour force: L. Osberg & Z. Lin, "How Much of Canada's Unemployment is Structural?" (2000) 26 Canadian Public Policy S141 at S141-57.

[179] *Toward a Healthy Future, supra* note 56 at 54.

[180] According to the Caledon Institute, the percentage of unemployed Canadians receiving unemployment benefits fell from 86.8% in 1990 to 48.1% in 1996: Caledon Institute, *Persistent Poverty* (Ottawa: Caledon Institute, 1997). The eligibility criteria for frequent users have since been relaxed.

[181] *Ibid.* Between 1970 and 1992 the number of recipients increased by 3.8% (from 5.7 to 9.5%). Caseloads increased as a result of three recessionary periods, but the number of caseloads did not significantly decline after each recession: "An Untold Story," *supra* note 90 at 168.

parenthood in 14% of cases, and 14% were on social assistance for other reasons.[182] High unemployment or underemployment rates mean that work incentive and training programs may benefit some individuals on social assistance, but only at the expense of others. Such programs may affect the distribution of poverty among low-income populations but not the overall levels of unemployment or poverty. To the extent that the NCB augments the number of workers seeking paid work (increasing the competition for and supply of low paid workers), it may to some degree displace those who would otherwise have obtained employment. According to Handler and Hasenfeld, "unless jobs are created we engage in a zero-sum game in which one impoverished group benefits at the expense of another economically vulnerable group."[183]

During periods of economic slowdown, low-wage workers are often the first to be laid off and the last to be hired when the economy recovers. An excess labour supply and the shift to knowledge-based industries means that employers can demand increased skill levels for most jobs, whether needed for job performance or not, reducing the demand for employees who lack a high-school diploma or have literacy deficiencies. Unless provinces or territories make significant reinvestments in training programs which have generally been under-funded, the NCB will not increase "skill" levels for recipients. A host of issues surround the question of job training, such as how skills are defined and recognized and what kind of training actually results in more or higher paying jobs.[184] In any event, low-wage jobs are less likely to provide benefits such as pension or disability insurance, and more likely to leave workers vulnerable to events beyond their control, such as illness or shifts in the business cycle.[185] In addition, low-wage jobs may offer little prospect of getting most workers out of poverty in the longer run.[186]

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[182] *Profiles of Welfare*, *supra* note 82 at 14-15.

[183] *We the Poor People*, *supra* note 144 at 101.

[184] See D. Friedlander & G. Burtless, *Five Years After: The Long-Term Effects of Welfare-to-Work Programs* (New York: Russell Sage Foundation, 1995), who found that three of the four most significant training programs in the U.S. did not succeed in helping recipients find better paying or more secure jobs.

[185] According to Rank, poverty is a matter of "structural vulnerability" that arises where individuals have limited human capital because of limited education (due to limited family resources), race and sex segregation, and job discrimination. These factors, Rank argues, limit the ability to weather the effects of unemployment through the business cycle, structural shifts, illness, or divorce. Although "[h]uman capital influences who the winners and losers of the economic game will be....[it] does little to explain the game's tendency to produce economic losers in the first place. Social policy would be more effective if it focused on reducing the number of losers that the overall game produced": *Living on the Edge*, *supra* note 142 at 185.

[186] In a survey of employees between 1993 and 1995, only 21% of employees with low paying jobs (below the LICO levels) had increased their earnings by at least 10%; men were more likely than women to do so (33% of men compared to 17% of women), and female lone parents had a particularly hard time (only 12%), which could be attributed to less training, more work interruptions, or the types of jobs available to female lone parents (remuneration does not increase much with seniority). Upward mobility appeared more limited in thin labor markets such as those in Saskatchewan and Manitoba: Statistics Canada, *The Upward Mobility of Low paid Canadians: 1993-1995* by M. Drolet & R. Morissette (Ottawa: Statistics Canada, 1998). While 846,000 people crossed above the low income line in 1993-94, 1.2 million fell under: Statistics Canada, *Crossing the Low-income Line* by N. Noreau *et al.* (Ottawa: Statistics Canada, 1998). In an earlier study of

Since most of the benefits under the NCB are contingent on paid employment, the program will generally least benefit those individuals and groups facing the greatest barriers to participation in the labour force, including those with disabilities and childcare responsibilities, recent immigrants facing language barriers, and rural workers.[187] As a result of a colonialist history and the persistence of racism, aboriginal men and women and those identified as members of visible minorities also face higher rates of unemployment relative to the rest of the population.[188] In Saskatchewan, 31% of aboriginal people in the labour force age group in 1995 were employed, compared to 65% of the non-aboriginal population.[189] Applying the average Saskatchewan participation rate to aboriginal people, the unemployment rate for aboriginal people in 1995 was 53.6%.[190]

By rendering child benefits contingent on employment, the NCB not only fails to take account of unemployment, it also fails to take account of the fact that economic restructuring has generally worsened the *conditions* of paid work, increasing the contradictions between paid and unpaid work, and the cost of this contradiction for workers who are also primary caregivers. Women and visible minorities continue to dominate those segments of the labour market having the lowest paying jobs, most

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low wage poor households between 1988-1990, the majority remained at the same income level, went down, or dropped out of the labour force. Of the 40% who did experience a wage increase, many were young workers. Women in families and lone mothers were less likely to move up: C. Lochhead, "Identifying Low Wage Workers and Policy Options" in J. Pulkingham & G. Ternowetsky, eds., *Child and Family Policies: Struggles, Strategies and Options* (Halifax: Fernwood Publishing, 1997) 134.

[187] As indicated earlier, disability is commonly cited as a reason for being on social assistance. Disabled persons cite numerous barriers to their employment including "a lack of job accomodation and flexible hours, loss of supports and income and inadequate training": Federal, Provincial and Territorial Ministers Responsible for Social Services, *In Unison 2000: Persons with Disabilities in Canada* (Ottawa: Human Resources Development Canada, 2000) 33. J.R. Henly's research in the U.S. suggests that informal support networks are vital to low-income workers because employers rely on informal referrals by existing employees in hiring and because workers rely on such networks to care for their children and maintain their jobs: J.R. Henly, "Barriers to Finding and Maintaining Jobs: The Perspectives of Workers and Employers in the Low-Wage Labor Market" in J.F. Handler & L. White, eds., *Hard Labor: Women and Work in the Post -Welfare Era* (Armonk, New York: M.E. Sharpe, 1999) 48 [hereinafter "Barriers to Finding and Maintaining Jobs"].

[188] *Toward a Healthy Future, supra* note 56 at 57; see also Canada, *Report of the Royal Commission on Aboriginal People: Restructuring the Relationship*, vol. 2, (Ottawa: Supply and Services Canada, 1996).

[189] K. Lendsay, M. Painter & E. Howe, "Impact of the Changing Aboriginal Population on the Saskatchewan Economy: 1995-2045" in *Saskatchewan and Aboriginal People in the 21st Century: Social, Economic and Political Changes and Challenges* (Regina: PrintWest, 1997) 37 at 69.

[190] *Ibid.* at 79. Thirty-six per cent of aboriginal people within the labour force age group were receiving social assistance from either the Department of Social Services or Indian and Northern Affairs Canada *(ibid.* at 85). Note that aboriginal employment income on average in 1995 was $15,210 compared to $22,393 for non-aboriginal workers, and that the average personal income from whatever source for aboriginal adults was $11,481 compared to $20,396 (*ibid.* at 71).

irregular hours, few if any benefits, and little prospect of promotion or future security.[191] Although men have lost manufacturing jobs in 1999, 41% of employed women between the ages of 15 and 64 (compared to 29% of men in this age group) had non-standard work arrangements including temporary employment, part-time employment, self-employment, or multiple jobs.[192] As a result of economic restructuring in the 1980s and technological innovation, many of the jobs in which women are largely employed also appear to require fewer skills, involve increased supervision, and offer less opportunity for personal autonomy or initiative.[193]

Workers in general have experienced a significant intensification of their labour as a result of restructuring, including an increase in workload responsibilities through downsizing and an increase in paid and unpaid hours of work.[194] The expansion of non-standard employment (part-time, short-term, temporary help) has increased job turnover rates and employee insecurity. Along with the proliferation of small firms and workplaces, increased employee insecurity has reduced employee bargaining power and contributed to declining rates of private sector unionization.[195] Escalating workloads, particularly in the public sector, and increased conflict between work and family responsibilities, reduce the capacity of female workers in particular to organize and fight for improved working conditions.[196] Lack of employee bargaining power is conducive to employer abuse and exploitation including harsh, demeaning treatment, and non-compliance with labour and safety standards.[197] Colleen Sheppard has argued that increasing the economic insecurity of women also increases the risk of sexual

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[191] *The Double Ghetto*, *supra* note 107.

[192] Statistics Canada, *Women in Canada 2000: A Gender-based Statistical Report* (Ottawa: Statistics Canada, 2000) at 103.

[193] See *e.g.* H. Menzies, "Re-Thinking the Social Contract: Women, Work and Technology in the Post-Industrial Era" (1990) 4 C.J.W.L. 205.

[194] See Canadian Labour Congress, *More than Full-time: Long Hours and Overtime* (Ottawa: Canadian Labour Congress, 1998), online: Canadian Labour Congress <http://www.clc-ctc.ca/policy/jobs/fs5.pdf.> (last modified: 5 October 2001); Canadian Labour Congress, *Women and Work* (Ottawa: Canadian Labour Congress, 1996), online: <http://www.clc-ctc.ca/woman/womenwork.html.> (last modified: 5 October 2001). The Congress has supported a move towards work time reduction including an employee right to refuse overtime and to voluntarily reduce their paid work time through shorter work weeks or days, sabbaticals, job sharing, or leaves.

[195] J. Fudge, "Fragmentation and Feminization: The Challenge of Equity for Labour-Relations Policy" in *Women and Canadian Public Policy*, *supra* note 177 at 57; J. Fudge, "Reconceiving Employment Standards Legislation: Labour Law's Little Sister and the Feminization of Labour" (1991) 7 Journal of Law and Social Policy 73 [hereinafter "Reconceiving Employment Standards"].

[196] M. Luxton & E. Reiter, "Double, Double, Toil and Trouble...Women's Experience of Work and Family in Canada 1980-1995" in P.M. Evans & G.R. Wekerle, eds., *Women and the Canadian Welfare State: Challenges and Change* (Toronto: Univiversity of Toronto Press, 1997) 197.

[197] *Poverty's Bonds*, *supra* note 140 at 62-64. "To be poor in a marginal job is to confront the will-to-power of others without the protection of one's own (or a union's) countervailing power" (*ibid.* at 63).

harassment in the workplace, which is still a widespread problem.[198] Lucie White argues that the "deeper systemic problems that sap women's motivation to enter the labor market....arise from the violent or demeaning work culture of the jobs that are open to welfare recipients" in the United States.[199] Social welfare programs that are not themselves contingent on employment can potentially play a role in curbing employer abuse and in moderating the conditions of market work.[200]

There is also some evidence that lack of employee bargaining power reduces the likelihood, in low-wage workplaces, of voluntary accommodation of family related responsibilities, the provision of sick leave for children, and employee control over work schedules.[201] Less skilled workers are generally less able to negotiate favourable working conditions including flexible work hours. Self-employment has also not been the panacea for women that it was originally believed to be, particularly for women who work alone. Own account self-employed women are still concentrated in low-paid service industries without benefits such as disability coverage, parental leave, pensions, employment insurance, access to pay and employment equity initiatives, or increased training and education.[202]

Neither the NCB Supplement nor any of the provincial reinvestments address the conditions of paid work for parents. However, several U.S. studies have indicated that keeping jobs has been equally, if not more, problematic than finding jobs for

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[198] "The more fearful one is about potentially losing one's job, the more vulnerable one becomes to sexual harassment. Speaking out about harassment becomes a very risky proposition when a woman feels that she could readily lose her job and be replaced by someone else": C. Sheppard, "Systemic Inequality and Workplace Culture: Challenging the Institutionalization of Sexual Harassment" (1995) 3 C.L.E.L.J. 249 at 284.

[199] L. White, "No Exit: Rethinking 'Welfare Dependency' from a Different Ground" (1993) 81 Geo. L.J. 1961 at 1985; see also R. Austin, "Employer Abuse, Worker Resistance, and the Tort of Intentional Infliction of Emotional Distress" (1988) 41 Stan. L. Rev. 1.

[200] "It is easier for a woman to resist unfair demands and risk being fired, when she knows that the result will not be starvation for herself and her children....By reducing economic insecurity, the social programs thus enhance the workplace power of millions of low-wage working women": B. Ehrenreich & F.F. Piven, "Women and the Welfare State" in I. Howe, ed., *Alternatives, Proposals for America from the Democratic Left* (Toronto; Random House, 1984) 41 at 50.

[201] Women workers generally have less control than men over their work situations; see *The Double Ghetto, supra* note 107. In the United States, research suggests that part-time workers and employees of small establishments receive fewer benefits than full-time workers in medium and large workplaces: F.D. Blau, M.A. Ferber & A.E. Winkler, *The Economics of Women, Men, and Work*, 3rd ed. (Upper Saddle River, New Jersey: Prentice-Hall, 1998) at 313-30; and see B. Holcomb, "Friendly for Whose Family?" *Ms.* 10:3 (April/May 2000) 40. "Workers in low-wage jobs are half as likely as managers and professionals to have flextime; less likely to have on-site child care [which they are not likely able to afford in any event]; more likely to lose a day's pay when they must stay home to care for a sick child; three times less likely to get company-sponsored tax breaks to help pay for child care" (*ibid.* at 40). Holcomb notes that "[s]hort-notice overtime, rotating shifts, and strict attendance policies" are becoming, if anything, more common (*ibid.* at 42). Note however, that the wages in female dominated workplaces may already be discounted to reflect high turnover rates as a result of child care responsibilities.

[202] K.D. Hughes, *Gender and Self-employment in Canada: Assessing Trends and Policy Implications* (Ottawa: Renouf, 1999).

welfare recipients.[203] Frequent job loss has been the result of the nature of the job (short-term, seasonal, low-wage relative to the costs of employment including child care costs, "inherently unpleasant" jobs, inflexible or irregular hours), a lack of social or technical skill on the part of the recipient, health problems, wife abuse and family crises, child care breakdowns, insecure housing arrangements, and transportation costs (particularly where a commute involves dropping children off).

The NCB Supplement and many provincial reinvestments do respond to the problem of inadequate wages by supplementing them to some degree. However, a minimum wage job will not likely get a recipient with children beyond the welfare breakeven income in most provinces, permitting clawback of a portion or all of the NCBS. Some critics also argue that by subsidizing employers, the NCB Supplement will itself contribute to a reduction in long-term wages and "entrench a low wage strategy".[204] Employers will not likely be able to reduce wages directly for individual employees given the relative invisibility of the NCBS. However, if the incentive effects are significant, wages may be depressed through an increase in the supply of labour. Again, there is no clear empirical support for this outcome, although the potential exists in combination with the increasing use of workfare and reduced coverage of unemployment insurance. To the extent that markets are adaptable and not rigid, a reduction in wages may result in an increase in the number of available jobs. However, some studies suggest that the responsiveness of the aggregate demand for labour to the real wage is relatively small in the U.S.[205] Thus, policies promoting and mandating employment may result in both lower earnings and some degree of job displacement for low-income workers in the absence of economic expansion.[206]

As an alternative to a NCB that excludes social assistance recipients, the National Council of Welfare and the National Anti-Poverty Organization advocate an increase in the minimum wage. Between 1976 and 1995, the real value of the minimum wage declined by 25-30% in almost every province except British Columbia and Ontario.[207] In 1995, a single parent of one child, employed full-time at minimum wage, would still be $5600 to $8200 below the LICO in all provinces except Ontario and British Columbia where he or she would still be $3500 under; a household of four with

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[203] A.M. Hershey & L.A. Pavetti, "Turning Job Finders into Job Keepers" (Spring 1997) The Future of Children 74, online: http://www.futureofchildren.org (date accessed: 15 November 2001); see also "Barriers to Finding and Maintaining Jobs," *supra* note 187 at 48. The Self Sufficiency Plus Study also supports this finding: Social Research and Demonstration Corporation, *Learning What Works: Evidence from SRDC's Social Experiments and Research*, vol.1 (Ottawa: Social Research and Demonstration Corporation, 2001), online: Social Research and Demonstration Corporation <www.srdc.org/english/publications/volume_1_number_1-en.pdf> (date accessed: 12 November 2001).

[204] J. Pulkingham & G. Ternowetsky, "The New Canada Child Tax Benefit: Discriminating Between the 'Deserving' and 'Undeserving' Among Poor Families with Children" in Pulkingham & Ternowetsky, *supra* note 186, 204 at 206.

[205] R.M. Solow, *Work and Welfare* (Princeton: Princeton University Press, 1998) at 30-31.

[206] *Ibid.* at 32, in relation to the impact of workfare programs.

[207] *Left Poor by the Market*, *supra* note 81 at 41-42.

one wage earner would be $16,000 below the LICO in most provinces.[208] Neo-classical economics suggests that under conditions of reasonable competition an increase in the minimum wage will generate higher unemployment. However, a recent empirical study suggests that minimum wage increases have, in fact, had only a marginal impact on employment and have substantially increased the total wages paid to low wage workers.[209] The ramifications of a minimum wage increase cannot be fully explored in this paper. Increasing the minimum wage would validate to a greater extent the entitlement of workers to a 'living wage'; but would not resolve the issue of child poverty unless the income security needs of children were accounted for and wage levels above the minimum wage were also affected or addressed. Others have argued for improved and better enforced employment standards (such as the extension of equal benefits to part-time and casual workers) that would take account of the increase in non-standard work and family responsibilities.[210] Generally, however, governments have been unwilling to increase the cost of employment to employers in light of the widespread belief that wages must be kept low to compete internationally.[211] The NCB will likely reduce pressure for an increase in the minimum wage, at least in the short-run.

2. *Domestic Labour, Child Care and Economic Dependence*

Although more men are assuming some measure of responsibility, women still bear a disproportionate share of domestic labour and child care, whether they have employment outside the home or not.[212] The CCTB is customarily paid to the mother,

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[208] *Ibid.* at 42-43. "[A]pproximately 450,000 families were market poor in 1994, even though they had at least one supporting adult who had worked all year. And about 100,000 families were market poor despite having had two supporting adults work all year"(*ibid.* at 41).

[209] M. Goldberg and D. Green, *Raising the Floor: The Social and Economic Benefits of Minimum Wages in Canada* (Ottawa: Canadian Centre for Policy Alternatives, 1999). The authors recommend setting the minimum wage at $8 which would approximate the estimated LICO for a single person. A U.S. study also suggests that job losses due to an increase in the minimum wage have been negligible: see D. Card & A. Krueger, *Myth and Measurement: The New Economics of the Minimum Wage* (Princeton: Princeton University Press, 1995).

[210] See "Reconceiving Employment Standards," *supra* note 195.

[211] Saskatchewan is the only province to require that employers provide the same benefits (group life, dental, prescription, and death and disability benefits), on a pro-rated basis, to employees who have worked 390 hours in 26 weeks and 780 hours per year thereafter (exempting full-time students). For a review of employment standards across Canada, see G. England, *Individual Employment Law* (Toronto: Irwin Law, 2000). According to England, "[t]oday, the burning question facing Canadian governments is whether to halt the expansion of the statutory floor – or even to rescind existing protections – because of the cost to employers of paying for and administering the statutory benefits"(*ibid.* at 81). The Harris government in Ontario has already embarked on this process of deregulation. Susan Carter suggests that governments should compete with developing countries on different grounds such as a solid infrastructure and sophisticated labour force, rather than as a cheap source of labour: interview with Susan Carter (18 October 1998).

[212] *Toward a Healthy Future, supra* note 56 at 58.

who is presumed to be the primary caregiver.[213] This practice might suggest that women (in those households not reliant on social assistance) may be the primary beneficiaries of the NCB. In the early 1900s, Eleanor Rathbone advocated the payment of family allowances to mothers primarily as a way of redistributing income to women within the patriarchal family and compensating dependent wives for their domestic labour.[214] Nonetheless, the extent to which child or family benefits provide an immediate benefit for women is unclear. Anecdotal evidence indicates that at least some mothers, if not many, regarded the family allowance as a benefit that belonged to the child and not the parent, to the extent that these purposes can be distinguished.[215] While there appears to be no empirical data on how family allowances or child benefits have been used or are in fact used, empirical studies do show that expenditures on children increase with an increase in women's share of household income.[216]

Moreover, the conditions of eligibility for the NCB can often mask or defer the experience of poverty for women. Because entitlement is determined on the basis of family income as defined under the *Income Tax Act*, women with high income partners will find themselves ineligible even if the partner's income is not shared equitably within the household.[217] The clawback of the NCB Supplement while on social assistance directly encourages attachment to a male breadwinner as a way of qualifying for the NCBS.[218] While these benefits are helpful in the short run, nuclear family formation is not a long-term solution to women's poverty. Nuclear family formation may not only obscure unequal benefits while the relationship persists, but it may also obscure women's vulnerability to poverty upon divorce, separation, or in old age as a result of unpaid labour.[219] In a social context of gender inequality, economic dependence on a male wage can also generate and reinforce unequal gender relations in the home, which has costs not only for mothers but also for children through the intergenerational transmission of traditional gender roles.

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[213] The NCB is paid to the applicant identified as the primary caregiver of the children. The mother is usually considered to be the primary caregiver, and in 99% of all cases the payment is made to her. If parenting is shared, the Benefit will still commonly be paid to the mother. Often, however, the money is deposited into a joint account to which both parents have access. If a husband can establish that he is the primary caregiver, the Benefit will be paid to him. In cases of joint custody, the NCB may be split according to the number of children or paid to each in six month blocks. Where the wife is a non-resident, the Benefit will be paid to the husband notwithstanding her role as a primary caregiver: interview with Canada Child Benefit Office (8 December 1998). For a discussion of problems related to joint custody, see "The Canada Child Tax Benefit", *supra* note 72.

[214] E.F. Rathbone, *The Disinherited Family* (New York: Falling Wall Press, 1985).

[215] *Poverty's Bonds*, *supra* note 140 at 182.

[216] F. Woolley, "Work and Household Transactions: An Economist's View" in *How Families Cope and Why Policymakers Need to Know* (Ottawa: Renouf, 1998) 27.

[217] *Ibid.* According to Woolley, the evidence on changes in household expenditures suggests that family income is not shared equally between adult members. See also J. Pahl, *Money and Marriage* (Houndmills, Basingstoke, Hampshire: Macmillan Education, 1989).

[218] Note that the Saskatchewan Employment Supplement includes as qualifying income in an attempt to provide an incentive for recipients of social assistance to seek maintenance, and for judges to order it.

[219] See J. Pulkingham, "Investigating the Financial Circumstances of Separated and Divorced Parents: Implications for Family Law Reform" (1995) 21 Canadian Public Policy 1.

For employed women who are not recipients of social assistance, the NCB will provide more income and/or the option of reducing their or their partners' hours of paid labour, an important benefit in simply coping with the competing demands of paid and unpaid labour. In terms of encouraging labour force participation and an end to reliance on social assistance, however, the NCB does not adequately address or relieve barriers to participation in the labour force, such as the lack of accessible and quality child care; the costs of the intensification of women's labour; and the lack of supportive policies in the workplace.[220]

All of the literature indicates that one of the most significant barriers to women's employment is the lack of affordable, accessible and trustworthy child care.[221] The degree to which the NCB and reinvestments defray the costs of child care will vary across the country.[222] Child or day care funding represents the largest area of reinvestment expenditures. But 85% of this funding goes towards Ontario's Child Care Supplement for Working Families.[223] This program provides a maximum amount of only $1,310 per child per annum.[224]

To date, the NCB and reinvestments appear to do little to address issues of availability, reliability, and trust, which are critical to employment decisions. Disruptions in child care lead to low employee morale, employee absenteeism and dismissal, and parental stress. In one American study, almost one third of the recipients surveyed had lost jobs as a result of their reliance on unstable informal child care

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[220] For articles that emphasize the social and structural obstacles to employment for single mothers: see G. Bowen, L. Desimone & J. McKay, "Poverty and the Single Mother Family: A Macroeconomic Perspective" in S.M.H. Hanson *et al.*, eds., *Single Parent Families: Diversity, Myths and Realities* (Binghampton, New York: Haworth Press, 1995). Ethnographic accounts of women living in poverty are particularly enlightening with respect to the difficulties of single mothers in poverty: see S. Baxter, *No Way to Live: Poor Women Speak Out* (Vancouver: New Star Books, 1988) [hereinafter *No Way to Live*]; S. Baxter, *A Child is Not a Toy: Voices of Children in Poverty* (Vancouver: New Star Books, 1993) [hereinafter *Voices of Children*]; B. Blouin, *Women and Children Last: Single Mothers on Welfare in Nova Scotia* (Halifax: B. Blouin, 1989); *Poverty's Bonds, supra* note 140; V.E. Schein, *Working from the Margins: Voices of Mothers in Poverty* (Ithaca: Cornell University Press, 1995) [hereinafter *Working from the Margins*], V. Polakow, *Lives on the Edge: Single Mothers and their Children in the Other America* (Chicago: University of Chicago Press, 1993) [hereinafter *Lives on the Edge*]; *Living on the Edge, supra* note 142.

[221] Numerous studies suggest that women with pre-school children and more than one children are less likely to be employed; see *e.g.* M. Elliott & J. Packham, "When Do Single Mothers Work? An Analysis of the 1990 Census Data" (1998) 25 Journal of Sociology and Social Work 39, highlighting the importance of the lack of subsidized daycare and low education and job skills.

[222] While receiving social assistance, the Saskatchewan government will provide coverage for child care costs. Low-income parents no longer reliant on social assistance are eligible for a small day care subsidy in addition to the Employment Supplement and Saskatchewan Child Benefit.

[223] *NCB Progress Report: 2000, supra* note 16 at 20.

[224] *Ibid.* at 65.

arrangements.[225] More formal child care arrangements, either through licensed group day care homes or day care centres, tend to be more stable and reliable. Services provided in licensed centres also tend to be more visible and more easily monitored, reducing the risk of improper or inadequate care.[226] Centres, however, have few subsidized spaces available, often restrict eligibility to children who are toilet trained, and only operate during standard hours. In the low-paid retail and service sector, where most low-income women will work (at jobs such as office cleaners, waitresses, food service clerks, nursing home attendants), hours of work often include evenings, weekends, and rotating shifts. Single mothers face particular difficulties in finding adequate child care because they are unable to coordinate their schedules with another adult in the household, and thus may have to pay more or accept constraints on their ability to work shifts, work at a distance from home, or travel for work purposes.[227] While most low-income women face transportation difficulties in addition to an absence of high quality day care, these problems are likely particularly acute for rural women. Mothers of children with disabilities, including children with allergies and learning disabilities, also often have no alternative but to care full-time for their own children. In addition, there is a question as to the extent to which day cares are sensitive to cultural and ethnic differences.

Handler and Hasenfeld argue, as do many child care advocates, that high quality day care, not mediocre child care, is essential for the optimal development of children.[228] High quality day care, they suggest, is typified by relatively high worker/child ratios, low staff turnover, basic training in child development and health and safety practices, and a warm, supportive and committed environment that provides children with learning opportunities. According to Handler and Hasenfeld, the quality of child care is generally related to the resources allocated to it and the wages paid to child care workers.[229] Initial findings of the Growing Up in Poverty Project on the impact of mandatory workfare in three states of the United States suggest that young children are moving into poor quality day care (few educational materials, significant use of television and videos, unclean facilities etc.), and that many mothers are suffering

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[225] In Henly's study, the recipients relied on the informal care of friends and relatives because they could not afford more formalized child care arrangements. These arrangements often proved to be tenuous and unstable, requiring frequent changes: see "Barriers to Finding and Maintaining Jobs," *supra* note 187.

[226] Based on a sampling of interviews with mothers on assistance. Lucie White suggests, however, that some mothers would prefer home-based care to centre-based care, viewing the latter as too institutional, routinized, and beyond their effective control: L. White, "Quality Child Care for Low-Income Families: Despair, Impasse, Improvisation" in Handler & White, *supra* note 187 at 116.

[227] House of Commons, *Minutes of Proceedings and Evidence of the Sub-Committee on Poverty of the Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women*, 3rd Sess., 34th Part, (5 December 1993) at 9:4-9:16 (Testimony of Friesen). Professor Friesen argued that single parents are constrained both in terms of their time and work choices and that poverty lines should reflect these additional constraints and costs for single parents relative to two-parent households.

[228] *We the Poor People, supra* note 144.

[229] *Ibid.* at 124.

from clinical depression and high levels of social isolation.[230]

The "neo-liberal" reform agenda has, to date, not included measures such as universal day care, work sharing, family or sick leave policies that include children, access to a telephone for family conversations, a shorter work week, increased vacation time or other child-friendly employment policies that would significantly benefit low-income parents. Recent changes to employment insurance that provide parental leave benefits for up to one year at 55% of the worker's average weekly salary effectively exclude many low-income women, disproportionately sole support mothers, immigrant women of colour, Aboriginal women and women with disabilities, who cannot survive on half a salary.[231] Moreover, while leave is very important in helping women cope with infant care, Sweden's experience suggests that generous parental leaves may reinforce rather than change the gendered division of labour in the workplace and family.[232]

In terms of public day care initiatives, the province of Quebec has initiated the development of early childhood centres, non-profit organizations that offer parenting courses, outreach programs and 24 hour preschool and after-school day care (including holidays) for five dollars per day to all parents.[233] Most other provinces, however, have not addressed strategies that would reconcile the labour force participation of women and men with high quality, trustworthy child care. On the contrary, cuts to the public sector, particularly schools and hospitals, have resulted both in fewer well paying jobs for women and more unpaid labour. In terms of its impact on day care and domestic workers (who are overwhelmingly women), the Benefit might relieve the downward pressure on the wages of child care workers to some degree. However, the low amount of the Benefit, in combination with low wages for mothers in sex-segregated job markets, will generally maintain the pressure for informal arrangements and low wages for child care workers.[234] Indeed, some feminists have criticized the use of public funds to subsidize exploitative in-home child care arrangements (many of which involve

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[230] *Remember the Children: Mothers Balance Work and Child Care under Welfare Reform*, Growing up in Poverty Project, Wave 1 Findings-California, Connecticut, Florida (Berkeley: University of California, 2000), online: Berkeley University Home Page <http://www-gse.berkeley.edu/research/PACE/remthechild_exsum.pdf> (date accessed: January 14, 2002). See also L. Dodson, P. Joshi & D. McDonald, *Welfare in Transition Study Results* (Massachusets: Radcliffe Public Policy Centre, 1998), online: Radcliffe Public Policy Centre Homepage <http://www.radcliffe.edu/pubpol/publications/wit/results.html> (date accessed: 27 October 2001).

[231] N. Iyer, "Some Mothers are Better than Others: A Re-examination of Maternity Benefits" in S. B. Boyd, ed., *Challenging the Public/Private Divide: Feminism, Law, and Public Policy* (Toronto: University of Toronto Press, 1997) at 174-175 [hereinafter *Challenging the Public/Private Divide*] and P. Evans & N. Pupo, "Parental Leave: Assessing Women's Interests" (1993) 6 C.J.W.L. 402 [hereinafter "Parental Leave"].

[232] "Parental Leave", *ibid.* at 412-413.

[233] Interview with L. Travers (Ministry of Education: Quebec) (30 October 1998). Note that Quebec also offers an integrated child allowance, as well as a Parental Insurance Plan, which potentially will increase the eligibility of self-employed and non-standard workers for maternity leave and increase the compensation provided.

[234] In a private market for child care, care providers' wages must be kept low if low-income women are to maintain paid employment. In 1992, Saskatchewan government officials attempted to include in-home domestic workers under employment standards legislation and subsequently repealed the legislation as a result of pressure.

women of colour as live-in domestic workers), rather than expanding and improving the salaries of licensed and public child care providers.[235] Claire Young argues that the funding of child care through the tax system "privatizes" child care labour and exacerbates its "invisibility and undervaluation".[236] The Benefit and reinvestments appear to have reduced the likelihood of implementation of a national public day care program.

Women across class lines have experienced an intensification of their labour through an increase in their labour force participation rates, an intensification of labour in the paid workplace and a failure by male partners to shoulder a proportionately increased share of domestic labour and child care. The result of these developments has been increased stress for all women,[237] although the costs are arguably greatest for low-income mothers. Mothers living in poverty do not have the same access to labour-saving technology such as freezers, dishwashers, washing machines and dryers, as well as domestic services such as nannies, housekeepers or restaurant meals.[238] Mothers receiving social assistance require more time for unpaid work, not only because they lack time-saving appliances, but because they must rely on public transportation to purchase necessaries. Recipients of social assistance must also spend greater time budgeting, reporting to caseworkers and dealing with health issues.[239] In terms of child rearing, single mothers on assistance must also inevitably deal with their children's stress and homework, as well as the requirements established by schools and day cares, alone.[240] These demands can be very significant. Given that the majority of lone-parents are either divorced or separated, the need for parental attention may be heightened if the children have experienced trauma as a result of the marital breakdown, particularly if either the wife or children have been victims of domestic violence.[241] Children from low-income families, who are disproportionately visible minorities or Aboriginal and disproportionately from lone-parent families, will also likely confront some degree of prejudice or marginalization at school and will need the support, comfort and

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[235] See *e.g.* S. Arat-Koç, "Importing Housewives: Non-Citizen Domestic Workers and the Crisis of the The Domestic Sphere in Canada", in M. Luxton, H. Rosenberg & S. Arat-Koç, eds., *Through the Kitchen Window: The Politics of Home and Family*, 2d enl. ed. (Toronto: Garamond Press, 1990) 81.

[236] C. F.L. Young, "Public Taxes, Privatizing Effects, and Gender Inequality" in *Challenging the Public/Private Divide, supra* note 230 at 312.

[237] Although women live longer than men on average, women suffer more work stress than men and more chronic disabilities: *Toward a Healthy Future, supra* note 56 at 13, 32.

[238] F. Stairs, "Sole Support Mothers and Opportunity Planning in the Thomson Report" (1989) 5 J. L. & Soc. Pol'y 165 at 190-191 [hereinafter "Sole Support Mothers"].

[239] C. Hanson, L. Hanson & B. Adams, *Who Benefits: Women, Unpaid Work and Social Policy* (Ottawa: Status of Women Canada, 2001) at 24, 26.

[240] *Ibid.* Note however that many employed mothers in two-parent families also bear a double, if not, a triple burden.

[241] See eg. *Working from the Margins, supra* note 220 at 30-37 describing the need to deal with the effects on children of a father's absence, alcoholism, mistreatment of the children or abuse of the mother. Also see Hanson et al., *supra* note 238 at 25: "women often commented that nurturing children, developing coping skills, and finding counselling for them and their children to deal with past and present abuse issues takes time. Some equated this time use as dealing with the 'X', or educating their children about abuse. Others talked about the energy it took to escape the 'X'."

commitment of their parents to deal effectively with it.

To date, many of these concerns have been substantiated in the Self Sufficiency Project (SSP). Frequently cited concerns with taking up employment included: exhaustion and stress from the dual responsibilities of paid and unpaid labour; the difficulty in finding affordable and, as important, trustworthy caregivers for children; loss of quality time spent with children; insecure jobs and worry about getting fired if children become sick; a shortage of jobs, particularly jobs with stable day-time hours and good prospects; transportation problems for both employment and child care; poor pay and loss of health benefits for themselves and children; low self-esteem; poor health; lack of skills and discrimination against older women, single parents, people with disabilities and those on social assistance.[242]

Of those recipients who took up employment, half felt that it had a positive impact on their relationship with their children because life was more stable or their children had more respect for them. However, the remaining half felt that the impact was negative - the children saw less of their parents and worried about the stress levels of their parents.[243] A subsequent developmental assessment of the impact of the SSP on children of the group offered the Supplement relative to a control group indicated that, at least in the short term, the SSP had no impact on children under three, small positive benefits for children aged three to eight and small negative effects on adolescents, who engaged to a greater degree in substance abuse and minor delinquent activity.[244] The researchers speculate that the benefits observed flowed from the increase in parental income, which almost doubled as a result of the payment of the Supplement.[245]

The Surrey study indicated that neither income assistance nor employment status in itself predicted the strength or capacity to cope of household members. Factors that tended to undermine resiliency, however, were the nature of employment, in

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[242] W. Bancroft & S. Currie Vernon, *The Struggle for Self-Sufficiency: Participants in the Self-Sufficiency Project Talk about Work, Welfare, and Their Futures* (Vancouver: Social Research and Demonstration Corporation, 1995). Note that those who refused the Supplement were disproportionately better educated than others in the program (*ibid.* at 33). Most takers ended up getting jobs as cashiers, waitresses and store clerks in gas stations and food outlets; as chambermaids in hotels and as telemarketers (*ibid.* at 40).

[243] *Ibid.* at 43-44.

[244] P. Morris & C. Michalopoulos, *The Self-Sufficiency Project at 36 Months: Effects on Children of a Program that Increased Parental Employment and Income* (Ottawa: Social Research and Demonstration Corporation, 2000).

[245] Voluntary employment by low-income mothers has been shown in other studies to have a neutral or positive impact on child development: M. J. Zaslow & C. A. Emig, "When Low-Income Mothers Go to Work: Implications for Children" (1997) 7 Future of Child. 110. However, Parcel and Menaghan argue that low wages and poor working conditions can jeopardize this result by limiting the material benefits and the amount and quality of time spent with children: T. L. Parcel & E. G. Menaghan, "Effects of Low-Wage Employment on Family Well-being" (1997) 7 Future of Child. 116 at 118. Hanson et al. note that research in Canada is needed to assess the impact of labour market poverty *i.e.* " 'low-wage dead end' jobs [on the] time use of mothers and the overall well-being of women and children", *supra* note 238 at 26.

particular non-standard work, and the lack of external social and emotional supports.[246] Certainly, some recipients have feared that employment might increase "the probability that they will not be able to provide a good home, and their children will grow up troubled and/or be apprehended" by state authorities.[247] Obviously, leaving social assistance is a complex decision for single mothers, one that may not be in their own best interests, nor the best interests of their children, in light of the lack of high quality child care homes or centres, the particular needs of their children and the nature of employment available to many recipients.

The contradictions and complexity of an expectation of paid work for poor mothers and the supports that would be necessary to combine child care and labour market participation effectively have, by and large, not been addressed in the promotional and social policy reports on the Benefit.[248] Part-time work is one way in which women themselves try to resolve these contradictions. However, part-time work is typically poorly paid with few benefits and little prospect for advancement. Child care on a stable part-time basis is also difficult to arrange. The CCTB is not paid to single mothers on assistance who have only part-time income and earnings supplements through reinvestments, as in Saskatchewan, provide only a small benefit.

Several commentators have argued that since the mid-1970s, governments in Canada and the United States have increasingly treated women on social assistance as generic workers and not as mothers.[249] In Saskatchewan, single mothers are generally subject to the requirement that they look for paid work when their child is two years old, subject to their caseworker's discretion.[250] Evidence suggests that this requirement is not

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[246] *Labour Market Changes and Family Transactions*, *supra* note 169 at 63-64. Henly also suggests that low-wage jobs provide workers with "less independence, authority and flexibility to respond to competing demands" of work and family: "Barriers to Finding and Maintaining Jobs", *supra* note 187 at 70. Henly argues for improvements in the quality of the low-wage labour market and more formal supports for parenting.

[247] "Sole Support Mothers", *supra* note 237 at 192-194. These concerns may be compounded by the mistrust of social workers and the stigma of single parenthood and assistance, see *infra* text accompanying notes 297 to 312.

[248] As Brodie notes in her study of debates on economic restructuring, gender and women appear to have disappeared from the discourse: J. Brodie, *Politics on the Margins: Restructuring and the Canadian Women's Movement* (Halifax: Fernwood, 1995).

[249] See K. Scott, "The Dilemma of Liberal Citizenship: Women and Social Assistance Reform in the 1990's"(1996) 50 Stud. in Pol. Econ. 7; "Work Incentives and the Single Mother", *supra* note 128; M. Minow, "The Welfare of Single Mothers and Their Children" (1994) 26 Conn. L. Rev. 817.

[250] Hanson *et al.*, *supra* note 238 at 12. Alberta, for example, expects mothers to find a job six months after giving birth and in Saskatchewan a pilot workforce project requires employment or training for mothers between 18 and 22. In Australia, New Zealand and England mothers with children up to the age of 14 or 16 are not expected to seek paid employment: M. Baker, *Poverty, Social Assistance and the Employability of Low-income Mothers: Cross-National Comparisons* (Ottawa: Human Resource Development Canada, 1997). Baker also notes that rates of reliance on social assistance and the level of benefits for low-income mothers are much lower in Canada than in the other countries.

consistently applied in practice.[251] Overall, however, the NCB will further legitimize the expectation of paid work for recipients of social assistance and may indirectly stimulate further changes in the employability standards used by provincial welfare agencies and the extension of mandatory workfare programs. An expectation of market work that fails to account for the need for domestic labour and the demands of child care also indirectly encourages a traditional familial model which typically entails women's economic dependence.[252]

The expectation that women, who are primarily responsible for children and domestic labour, also engage in paid work is likely a partial result of both the increasing labour force participation of middle-class women in the post-war period and a corresponding change in the ideology of motherhood.[253] Earlier in this century, the discourse surrounding the establishment of mothers allowances and family allowances presented maternal care as essential to the well-being and development of children. In relation to the NCB, however, maternalist discourse is notably absent, notwithstanding the fact that child care remains largely the primary responsibility of women. This absence reflects a number of changes including the impact of fathers' rights groups and the impact of women's groups, to the extent that the latter have tried to encourage men to undertake more responsibility for child care.[254] Fatherhood and motherhood are now seen to a greater extent as equally important to children, at least in theory.[255] While a significant segment of the population still adheres to the view that the presence of the mother is most beneficial in early years, according to Swift and Birmingham, this view appears to be increasingly reserved for middle- and upper-income mothers.[256] The

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[251] Hanson et al. found, based on focus groups with recipients in Saskatchewan, that some women with infants had been subjected to the work test, while others were not required to engage in job searches until their youngest child was in kindergarten. In all cases, the monthly cheque would be withheld if evidence of job searches was not submitted, *supra* note 240 at 19.

[252] While emotional and physical abuse is experienced by women across socio-economic and class lines, economic dependence and poverty can make it more difficult to escape. See generally J. Abell, "Structural Adjustment and the New Poor Laws: Gender, Poverty and Violence and Canada's International Commitments" (Canadian Feminist Alliance for International Action, 2001). Ian Morrison notes that a work requirement can be particularly problematic for women in low-income households who are victims of wife abuse; "Ontario Works: A Preliminary Assessment" (1998) 13 J. L. & Soc. Pol'y 1 at 25. Attempts by women to establish economic independence through job training or employment and escape or diminish the power and control of male partners can trigger or exacerbate domestic abuse. Women who have experienced domestic violence also generally suffer from post-traumatic stress disorder and a loss of self-esteem.

[253] In "Work Incentives and the Single Mother", *supra* note 128, Evans notes that fiscal restraint, increasing unemployment and the increasing numbers of single mothers on social assistance have contributed to this shift.

[254] See J. Drakich, "In Search of the Better Parent: The Social Construction of Ideologies of Fatherhood" (1989) 3 C.J.W.L. 69.

[255] C. Smart, "Deconstructing Motherhood" in E. B. Silva, ed., *Good Enough Mothering? Feminist Perspectives on Lone Mothering* (New York: Routledge, 1996) at 54.

[256] "Caring in a Globalizing Economy", *supra* note 107 at 94. See also K. Teghtsoonian, "Work and/or Motherhood: The Ideological Construction of Women's Options in Canadian Child Care Policy Debates" (1995) 8 C. J. W. L. 411, who argues that employment for poor women

position of the Reform Party on the tax treatment of single-earner families relative to two-earner families is suggestive of this double standard: we should encourage women who are economically dependent on male partners to take care of their children, but not single mothers dependent on social assistance. The clawback contributes to this lack of recognition of the domestic labour of low-income women.

3. *Additional Barriers in the Welfare System*

While the NCB eases the transition to paid work in some respects, barriers to labour participation, within and as a result of, the welfare system remain. Welfare rights advocates in Saskatchewan complain that the likelihood of overpayments being assessed, particularly against a part-time worker, is a real deterrent to employment.[257] After taking a job and reporting income, a wage adjustment can take up to three months, given staff shortages.[258] Inevitably, given the severe budgeting constraints most recipients experience, due largely to the inadequate shelter allowance, recipients end up with overpayments that only make budgeting for their family's future needs more difficult. These difficulties are compounded by the fact that the system is complex and that many, if not most, recipients lack knowledge and information as to the calculation of their exemptions and specific entitlements. The NCB has also made budgeting more difficult because recipients with earnings can receive income at different points in the month and have to allocate their payments accordingly. Welfare advocates in Saskatchewan report that the split in delivery of benefits has increased the difficulty of paying rent at the beginning of the month and has jeopardized the viability of the household in a number of different situations.[259]

A further barrier to paid employment arises from the fact that in Saskatchewan, at any rate, the earnings exemption for fully employable persons does not come into effect until the recipient has been employed for three months.[260] According to welfare advocates, earnings exemptions once earned are often in fact used to recover overpayments. Most importantly, reduced benefits in all provinces (as a result of de-indexation or cuts) have made the transition to paid employment even more difficult.[261] In Saskatchewan, the declining real value of assistance over time means that many

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dependent on social assistance and full-time motherhood for other women reflects a tension in neo-conservative ideology between its pro-market and pro-family components.

[257] Interview with M. Eagles and L. Manning (24 June 1998); interview with M. Kerr and D. D'aoust (Equal Justice for All) (23 December 1998).

[258] A. Kyle, "Social Workers Restate Concern about Workloads" *[Saskatoon] Star Phoenix*, (27 May 1999) A7.

[259] Examples include voluntary placement or apprehension of one or more children while the parent(s) receive treatment and joint custody situations. Recipients who move frequently also have experienced delays in the recovery of benefits: Interview with M. Kerr (April 2000).

[260] The intent here is probably to avoid entry effects or increased exit from off-welfare spells, see "Lone-Mother Families and Social Assistance Policy in Canada", *supra* note 152 at 66, 70.

[261] Interview with M. Farrell (National Anti-Poverty Organization) (17 October 1998). See also Community Social Planning Council of Toronto and the Ontario Social Safety NetWork, *Workfare Watch Project: Interim Report*, online: Welfarewatch Homepage <http://www.welfarewatch.toronto.on.ca/promises/summary.html> (date accessed: 27 October 2001).

recipients are no longer able to afford stable residences, newspapers, transportation or suitable clothes, let alone adequate food, all of which makes it harder for them to get a job.[262] Not having enough money to cover basic needs can undermine the physical and emotional health of recipients and their children and contribute to a chronic sense of disempowerment.[263] The lack of full drug, dental and optical coverage for adults when not reliant on social assistance is also a deterrent.[264] Indeed, as previously mentioned, in jurisdictions where reinvestments do not include the extension of drug, dental and optical coverage for children, households automatically excluded from assistance as a result of the NCB may be worse off.[265] In general, counselling and other supports, such as back-up for family and transportation problems, that might help recipients maintain employment have not been available.

Finally, the stigma of being on social assistance can be internalized, contributing to low self-esteem, which is itself dysfunctional in terms of obtaining a job.[266] Recipients also complain that employers tend to view the mere fact of having been on social assistance for a significant period of time as a reason not to hire them.[267]

IV. SOCIAL ASSISTANCE RECIPIENTS: IDEOLOGY AND STIGMA

Perhaps no group is as openly maligned and defined without apology, as 'deviant', as are social assistance recipients in Canada. Patrick Burman in his 1989 interviews of recipients in London, Ontario, identifies respect as a "social resource" which entitles individuals to expect civility in social encounters.[268] Recipients of social assistance interviewed by Burman complained of disrespectful attitudes from caseworkers, employers, landlords, and bank tellers. They talked about "zone(s) of disrespect" such as subsidized housing projects and how "[h]iding the empirical marks of one's deviant status [as a social assistance recipient] is a daily concern".[269] Recipients saw themselves as vulnerable to being labelled lazy, stupid, inadequate, discreditable

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[262] In focus groups, women receiving social assistance in Saskatchewan spoke of a "paralyzing cycle of debt", "being forced to sell off or pawn their few assets" and "feeling forced to be devious or dishonest about working under the table or holding garage sales" in order to adequately feed their children: Hanson et al., *supra* note 238 at 17-18.

[263] L. Davies, J. A. McMullin, W. R. Avison with G. L. Cassidy, *Social Policy, Gender Inequality and Poverty* (Ottawa: Status of Women Canada, 2001) at 76.

[264] For example, dental work, hearing aids and glasses may be required for employment. These costs are only partially covered in Saskatchewan. Over the counter drugs are not covered in Saskatchewan for either parents or children.

[265] "The Canada Child Tax Benefit", *supra* note 72 at 162-163.

[266] Low income is correlated with an increased risk of depression, *Toward a Healthy Future, supra* note 56 at 18. A number of studies indicate a disproportionately high level of maternal depression among female recipients of social assistance.

[267] Henly's interviews with employers in the U.S. suggested that the latter do rely on assumptions and stereotypes regarding the negative attitudes and motivation of welfare recipients. They doubted whether recipients would be good employees, even though they acknowledged that they had little actual knowledge of welfare recipients: "Barriers to Finding and Maintaining Jobs," *supra* note 187 at 59-62.

[268] *Poverty's Bonds, supra* note 140 at 166.

[269] *Ibid.* at 168.

and undeserving. A central feature of their experience was a presumptive lack of an entitlement to equal respect and regard.

While stigma may certainly be affected by the adequacy and manner of payment of benefits, dominant discourses and ideologies play a central role in constructing recipients of social assistance as "others", as alien and different, and not as people who struggle, who long for rewarding work and who care for and about their children. Research in the United States suggests that lone parent recipients experience stigma along two particular dimensions: the familial and economic.[270] On the economic level, recipients are presumed to be unwilling or unmotivated to 'work' or to allocate their resources responsibly. Lone parents face a further level of stigma arising largely from the belief that the 'family', normatively defined as the traditional nuclear (heterosexual) family, is or should be primarily responsible for the cost of children and their caregivers. Stigma, as well as low rates of welfare provision, encourage women to either seek paid work or find a person upon whom they can be economically dependent as a way of coping and providing for themselves and their children.

Notions of deservingness are generated by culturally and historically specific ideologies that reflect material relations of production and reproduction and the dominance of particular social groups. In male-dominated advanced capitalist economies such as Canada and the United States, deservingness or worth has been primarily associated with property ownership and paid employment and an expectation of individual responsibility. As previously noted, this dominant definition of worth or membership devalues the domestic labour traditionally performed by women and generally devalues the work of building relationships and community. Among others, the ideology of the traditional heterosexual nuclear family constructs as undeserving or deviant both men who cannot meet the norms of providers, and women who are not attached to a male breadwinner.[271] Dominant ideologies of motherhood also construct norms for 'good' and 'bad' mothers that reflect a particular class and cultural orientation. Members of specific groups of women - those who are poor, non-white, single or lesbian - are more likely to be perceived as 'bad mothers'.[272] As the previous discussion illustrates, poor women are also increasingly subject to the contradictory expectations of dominant ideologies related to both employment and motherhood. While it is difficult for all women to meet these norms under current conditions, it is likely even harder for low-income women to negotiate the material contradictions between paid and unpaid labour.

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[270] R.L. Jarrett, "Welfare Stigma Among Low-Income, African-American Single Mothers" (1996) 45 Fam. Rel. 368 and K. Seccombe, D. James & K. B. Walters, "They Think You Ain't Much of Nothing: The Social Construction of the Welfare Mother" (1998) 60 J. Marriage & Fam. 849.

[271] Many authors discuss the notion of ideology and the impacts of familial ideology and the ideology of motherhood. See *e.g.* S. B. Boyd, "Some Postmodernist Challenges to Feminist Analyses of Law, Family and State: Ideology and Discourse in Child Custody Law" (1991) 10 Can. J. Fam. L. 79, "(Re)Placing the State: Family, Law and Oppression" (1994) 9 Can. J. L. & Soc'y 39 and "Challenging the Public/Private Divide: An Overview" in *Challenging the Public/Private Divide*, *supra* note 231 at 1; S. Gavigan, "Paradise Lost, Paradox Revisited: The Implications of Familial Ideology for Feminist, Lesbian and Gay Engagement to Law" (1993) 31 Osgoode Hall L. J. 589 and Phillips & Young, *supra* note 22.

[272] See Iyer, *supra* note 230 and Kline, *infra* note 302.

Unfortunately, governments generally appear either indifferent to the issue of stigma, or increasingly willing to accept the view that stigma or the construction of deviance is necessary to deter reliance on social assistance. The rhetoric and policies of government officials and leaders often tend to explicitly or implicitly reinforce a climate of suspicion towards recipients. However, the construction of recipients as presumptively lazy, dishonest or irresponsible has the effect of not only deterring reliance on social assistance, but of denying or minimizing the hardship experienced by current recipients. Poverty is also thereby constructed as a matter of individual or family (mis)behaviour, rather than as an outcome of broader structures and processes that have affected all classes and social groups to varying degrees. In particular, this construction of deviance fosters divisions among the working class and those living in poverty who would otherwise share common ground.

In the following section, I examine how the most significant structural and discursive features of the NCB reinforce these dominant ideologies and discourses, rendering it easier to minimize the causes and harms of poverty, and correspondingly more difficult to eradicate them. Particular features of the NCB, as currently constructed, that combine to reinforce stigma include: the visibility and effect of the clawback; the emphasis on 'work' incentives; the capping of benefits at or below levels of social assistance; and the notion of 'taking children off welfare' and the presentation of the Benefit as a child benefit in response to child poverty.

A. *Reinforces Exclusion*

Government rhetoric about the NCB, particularly in relation to the 'social union', suggests cohesion and consensus, a resolution of conflict and a uniform commitment to significant social values. The NCB has been identified as a potential "model for intergovernmental relations and future social program development in Canada" and as a model for the new "social union".[273] Of course, the label of "social union", like all forms of nationalist and social contract discourse, obscures numerous sources of conflict and exclusion apart from the fact that Quebec is not party to the agreement. In relation to the process of negotiating the Benefit, citizen groups complained of "extreme secrecy" and a lack of direct citizen participation or input.[274] In its promotional material in 1998, the Department of Human Resources and Development identified nine non-governmental organizations as a Reference Group for the NCB.[275] Most members of the Reference Group had some established relation to children and child welfare. Few of these organizations, however, had meaningful input into policy formation beyond information sessions with federal officials.[276] In Saskatchewan, citizen

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[273] "Income Security", *supra* note 8 at 72.

[274] *Kids are Still Hungry, supra* note 74 at 30-31.

[275] Canada, "Minister's Reference Group on the National Child Benefit", online: Social Union Homepage <http://socialunion.gc.ca/ncb/refgrp_e.html> (date accessed: September 1998).

[276] One exception is Ken Battle of the Caledon Institute of Social Policy. Other members of the Reference Group included Campaign 2000, the Vanier Institute of the Family, the Child Poverty Action Group, Canadian Institute of Child Health, Child Welfare League of Canada, Child Care Advocacy Association of Canada, and the Canadian Council on Social Development.

input was apparently obtained through public meetings on draft position papers and random opinion polls which revealed popular concern with both child poverty and the 'working poor'. The Romanow government, however, accorded little weight to the views of provincial welfare rights or child advocacy groups, the only organized groups with members having direct experience with poverty.

Of course, beyond exclusion in relation to the process, the NCB can be viewed as discriminatory in substance, because children in households receiving social assistance receive little if anything, while households with significantly higher levels of income and well being are obtaining additional benefits. According to the National Anti-Poverty Organization, the NCB is experienced as "insulting and discriminatory by families on social assistance".[277] In a social climate that is rife with disrespect towards recipients, the clawback can reinforce a sense of not belonging for recipients of assistance *and* their children. Symbolically, the clawback signifies exclusion; the entitlement or deservingness of children requires parental participation in the labour force or dependence upon a breadwinner.

The government response to claims of exclusion and discrimination has been to emphasize the indirect benefits of the program for social assistance recipients and to deny that recipients are directly excluded. Ken Battle, a major proponent of an enhanced Benefit, has argued that the NCB merely achieves equality in the treatment of children in families on and off social programs, since the federal government pays the same amount on behalf of each child regardless of the parents' income source.[278] Similarly, a House of Commons Standing Committee report attributed the use of the term 'clawback' to a misunderstanding since the federal Benefit itself is not being "clawed back".[279] This reliance on formally equal treatment of households with children on and off assistance by the federal government, however, simply evades the issue of whether provincial governments, with the explicit encouragement and agreement of the federal government, should be deducting the amount of the federal payment from the social assistance income of recipients. It functions as a denial of the significance of the disparate substantive impact of the NCB in relation to those households that generally endure the worst conditions of poverty.

It is true that even in the absence of any agreement on the deduction of the CCTB, provinces could still have gradually or eventually reduced welfare benefits to current levels. Indeed, the current agreement is non-binding and provincial officials can still depart from the guidelines. However, the symbolic or ideological impact would have been different had benefit levels been reduced gradually or in an *ad hoc* fashion, and for reasons other than the joint promotion of 'work' incentives and the relief of

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The National Anti-Poverty Organization was formerly but is not currently listed as a member of the Reference Group.

[277] National Anti-Poverty Organization, "Bill C-36 and the National Child Benefit" (Presentation to the Standing Committee on Finance, Ottawa, 23 April 1998), online: National Anti-Poverty Organization Homepage <http://www.napo-onap.ca/publications/index.html> (date accessed: 25 October 2001).

[278] *Best Thing Since Medicare?, supra* note 28 at 8.

[279] Canada, House of Commons, Standing Committee on Finance and Sub-Committee on Tax Equity for Canadian Families with Dependent Children, *For the Benefit of Our Children: Improving Tax Fairness* (Ottawa: Public Works and Government Services Canada, 1999) at 9 (Co-Chairs: M. Bevilacqua & N. Discepola).

child poverty. The implementation of the NCB has arguably been particularly stigmatizing because the Supplement has been enhanced in successive stages, but never to the point of providing a net benefit to recipient households.

Underlying the initiatives undertaken by participating governments in the social union, there is a strong current of anti-welfare sentiment. This approach in part reflected fiscal concerns over the deficit, although critics would argue that there were other reasons for the deficit and other ways of addressing it.[280] The neo-conservative critique of the welfare state defines welfare itself as a significant cause of poverty since it either inhibits 'work' incentives or induces a child-like dependency.[281] Although the concern with 'work' incentives is more pronounced and explicit, both these perspectives are reflected to some degree in discourse surrounding the NCB.[282] Some proponents of the NCB, however, also rely upon a related but more explicitly "progressive" critique of welfare, focusing on the stigmatizing nature of relief, the isolation of recipients and the bureaucratic surveillance and invasion of their privacy. According to this view, these problems are inherent in a needs-based system and can only be resolved through a move towards less-intrusive income-tested benefits. Welfare today, according to Michael Mendelson, is a reflection of the inadequacy of other state programs: inadequate support and resources for children and families, the mentally and physically disabled, and the unemployed. If these supports were available, as well as adequate seniors' benefits, unemployment insurance and a commitment to full employment at a reasonable minimum wage, welfare would ideally function as a truly residual program providing short-term assistance for adults only.[283]

Consideration of the relative merits of the delivery of benefits through a needs-based or income-tested system is beyond the scope of this paper.[284] Certainly, one of the greatest advantages of the Child Benefit program and the Saskatchewan Employment Supplement is that the programs are designed to neither look nor feel like welfare. Delivery of the CCTB through the tax system, where income is the sole determinant of

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[280] See *e.g.* B. Campbell and M. Barlow, *Straight through the Heart: How the Liberals Abandoned the Just Society* (Toronto: Harper Collins Publishers, 1995).

[281] For this reason, the Fraser Institute has called for time-limits on welfare use similar to the five-year limit applied through welfare reform in the United States, J. Clemens, "Fraser Institute says Canadian welfare reform too weak to make significant impact" (16 August 2001), online: Fraser Institute Homepage <http://www.fraserinstitute.ca/media/media_releases/2001/20010816.html> (date accessed: 20 October 2001).

[282] According to one provincial official, welfare inevitably generates a quasi-parental relationship in which recipients come to be treated and to act like children. This belief in child-like behavior on the part of recipients does not appear to have an empirical source and is belied by the large numbers of recipients that leave welfare or combine welfare and paid work. "Passivity" may also be a rational adjustment to an impersonal bureaucratic process that does not allow recipients a voice.

[283] M. Mendelson, "The Best Income Security System We Never Had" in *Family Security in Insecure Times: National Forum on Family Security*, vols. 2 and 3 (Ottawa: Canadian Council on Social Development, 1996) 123. Mendelson envisages social assistance ideally as a form of a participation wage involving an obligation to either obtain paid work, if available, or engage in other socially acceptable or useful activities.

[284] For an assessment of the relative merits of a welfare or tax system see "The Canada Child Tax Benefit", *supra* note 72.

benefits for family size, reduces institutional demands on recipients' time and energy. There are no special reporting requirements other than reporting the birth of a child and annually filing an income tax return.[285] There is no face-to-face contact with social workers and payment is not subject to the same range of conditions as receipt of social assistance, such as enforcement of spousal maintenance or disclosure of paternity although, and this is an important caveat, "spousal cohabitation" may still disentitle a claimant given the use of the family as the entitlement unit. Moreover, payment of the CCTB is not highly selective but is broadly based, extending to modest and middle-income families, which reduces the likelihood of stigma attaching to its receipt.

These two models, however, are not the only administrative models available for providing supportive assistance and the problem with income-tested benefits may lie precisely in their lack of responsiveness to differences and changes in individual and familial need.[286] Insofar as the progressive vision assumes or encourages paid employment for all adults, one might also question whether it recognizes the value, and the many forms and dimensions, of caring labour.[287] Furthermore, there are significant risks associated with narrowing the scope of the welfare system before other elements of the vision such as full employment, an adequate minimum wage, affordable quality child care and adequate adult welfare are in place. In reducing welfare to an adult only program and nominally removing groups widely regarded as more "deserving" such as children and potentially the disabled, the stigma associated with welfare provision may well intensify. The smaller and more isolated the stigmatized group, the more vulnerable it is to further, less visible cuts and the less likely it is to receive adequate funding in competition with public spending on health and education.[288] Inadequate funding itself increases the stigma and exclusionary impact of poverty because it diminishes the ability to participate on an equal basis in the community. According to one welfare rights advocate, the NCB is "not the way to dismantle the welfare system, it will only make people on assistance feel worse about themselves."[289]

B. *Reinforces Narrow Conceptions of the Causes of Poverty*

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[285] The Saskatchewan Employment Supplement also shares these benefits. The application and income reporting is completed by telephone with minimal necessary documentation. Income changes are reported as they occur, or at least quarterly, by automated telephone and payments are made electronically by transfer to clients' bank accounts. Again, this administrative model, while not part of the tax system, attempts to depart from the traditional program/client interaction on social assistance and "move towards a client-program relationship that more closely resembles the type of relationship that citizens in the economic mainstream form in the course of their daily lives." "Income Security," *supra* note 8 at 73.

[286] In relation to the provision of income-tested benefits through the tax system, Stairs argues that the tax system is unable to respond quickly to drops in income - changes to child benefits may take up to 18 months - causing hardship to recipients. Stairs also suggests that although the tax system, unlike the welfare system, has tended to presume compliance rather than fraudulent behavior, more intensive enforcement and verification may be undertaken in the future, "The Canada Child Tax Benefit", *supra* note 72.

[287] See *e.g.* N. Fraser's critique of the 'universal breadwinner model' in "After the Family Wage: Gender Equity and the Welfare State" (1994) 22 Pol. Theory 591.

[288] Interview with S. Carter (18 October 1998).

[289] Interview with L. Manning (24 June 1998).

I have argued that the emphasis on 'work' incentives in the design of the NCB privileges paid work and ignores the impact of unpaid domestic and caring labour on poverty, particularly women's poverty. The design of and the discourse surrounding the NCB also reinforce an individualistic perspective because they focus on changes in individual behavior as the dominant response to poverty. This implies that jobs are available and that those who remain without employment are not sufficiently motivated. Obscured in this perspective is the unequal distribution of property and jobs and the structural forces underlying the employment contract itself. Through the employment contract, relations of subordination and onerous work conditions, as well as the impact of colonialism, racism and sexism, can more easily be presented as a consensual exchange "between people who just happen to differ in what they own".[290]

While these assumptions are fairly obvious, similar assumptions underlying other discursive features of the NCB are more subtle. The use of child-centred discourse in promoting the NCB also potentially reinforces an ideology that blames individuals, rather than general economic or social conditions for the existence of poverty.[291] First, by defining and framing the problem to be addressed as 'child poverty', rather than social inequality or poverty more generally, state discourse suggests that only the poverty of children is a matter of social concern. By implication, adults can or should be able to fend for themselves. In a decade of significant unemployment and 'economic restructuring', when individuals have been increasingly feeling a loss of control over their well- being, this trend in discourse signals an attempt to distance us from that lived experience. As a dominant, if not exclusive, state approach to poverty, it constitutes a denial of the material, emotional and psychic harm suffered by adult men and women living in poverty.

The discursive framing of poverty as 'child poverty' also relies on the dominant contemporary construction of children, at least young children, as passive, innocent victims. Young children, unlike adults, cannot readily be held individually responsible for their economic status in part because they cannot and are not expected to engage in paid labour. Children are seen to be 'naturally' dependent and hence cannot be blamed for 'welfare dependency'.[292] The exemption of children implicitly reinforces the general principle of adult responsibility and independence, even though adult dependency may be the predictable outcome of structural constraints.

Although the "natural dependence" of children ostensibly justifies some measure of social responsibility, the separate focus on children also obscures their immediate *de facto* dependency, primarily upon mothers for their daily care and survival. As previously indicated, labelling what is essentially a wage supplement a child benefit and a response to child poverty may deflect attention from conditions in the current restructured labour market, as well as the unresolved contradictions between the demands of paid and unpaid labour. Ironically, both these characterizations can obscure

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[290] *Justice and Modern Moral Philosophy, supra* note 112 at 250.

[291] I discuss the implications of this discourse in "The Framing of Poverty as 'Child Poverty' and Its Implications for Women" (Ottawa: Status of Women Canada) [forthcoming in 2002].

[292] P.M. Cicchino, "The Problem Child: An Empirical Survey and Rhetorical Analysis of Child Poverty in the United States" (1996) 5 J.L.& Policy 5.

the real work of raising children.

C. *Impugns the Deservingness of Children in Households Receiving Social Assistance*

The NCB generates contradictory messages about the status of children. By defining the problem to be addressed as child poverty, governments have implied that children are inherently innocent and deserving and, moreover, are a matter of social not just private familial responsibility. However, collective responsibility for children is ultimately undermined by conditioning net benefits on parental withdrawal from social assistance. Thus, the NCB ultimately reinforces the view that child poverty is predominantly a parental or private responsibility, while allowing participating governments to claim that they are in fact doing something about what is widely perceived to be a social problem.[293]

The contradiction between the objective of reducing child poverty and the *de facto* exclusion of children in households receiving social assistance from additional benefits is deeply disturbing. Such a contradiction could have been avoided had the Benefit been presented as an earnings supplement or at least mitigated if the supplement had been large enough to provide recipient households with significant benefits. Having presented the NCB as a primary response to child poverty, however, the government appears to be punishing children in families on social assistance or at least making them pay the cost of providing their parents with 'work incentives'. The poverty of children on assistance is seemingly not important enough to warrant direct subsidies - in fact, the government is explicit about its intention to make families with paid employment and their children 'better off'. All of this indirectly implies that children in families on social assistance matter less or are less deserving because of their parents' income source. It impugns not only the parents' worthiness, but also that of their children, since their enjoyment of any net benefit is effectively contingent on their parents' income status.

Some defenders of an integrated child benefit have argued that the removal of child benefits from the welfare system will itself benefit children by reducing the stigma associated with welfare receipt. The Report of the Ontario Social Assistance Review Committee in 1988 recommended the payment of child allowances separate and apart from the receipt of social assistance for this reason.[294] Several provincial governments have responded to the idea of "taking children off welfare" through their own investments even in advance of an enhanced Supplement.

Of course, 'taking children off welfare' is only fictionally realized by shifting the child allowance to another income source, since the Benefit itself represents only a small portion of what is actually needed to support a child. Shelter costs that are adjusted for children, as well as school supplies and special needs, will remain covered by social assistance.[295] Moreover, the alleged withdrawal of children from the welfare

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[293] See *e.g.* Prime Minister Chretien's response to the United Nations Human Development Report in September 1998: "Of course they're talking about child poverty, but it's a problem we have already started to work (on)". "PM accents the positive despite criticism from UN" *[Saskatoon] Star Phoenix* (10 September 1998) A11.

[294] See *Transitions, supra* note 60 at 115.

[295] For problems related to split delivery of benefits, see *supra* note 258.

system in this manner will not likely reduce the stigma suffered by children in households on social assistance. While children are individuals in their own right, they are also inevitably dependent both emotionally and economically on the caring labour and on the well-being of their parents. In short, the needs of children cannot be fully addressed outside of the context of their immediate caregivers.

Studies of children's responses to poverty suggest that children are aware of their poverty status (can identify differences between low- and middle-income homes), are burdened by worry (about eviction, drugs or violence in their neighbourhoods or about not having friends), and know that "being poor makes them a belittled and disparaged population who are blamed for their plight".[296] In Lillian Rubin's study of adults who were raised poor, memories of childhood were often coloured by anger, fear and loneliness, but the children remained very sensitive to the struggles of their parents.[297]

'Taking children off welfare' is not going to change the day to day realities – neither the economic deprivation nor the stigma – of children living in poverty, though the illusion of change may make middle and owning classes feel better. In fact, to the extent that the notional removal of children from welfare becomes known to them, it may only confuse children. The idea of 'taking kids off welfare' encourages children to identify separately from their mothers and fathers on the basis of the provision of public assistance. Encouraging a separate identification implies that there is something wrong with their parents. Essentially, it undermines children's respect for their parents. According to one advocate, "moms will feel worse".[298]

The tendency to blame parents living in poverty is reflected in the increasing visibility and targeting of single parents.[299] Martha Fineman argues that single mother households in the United States are seen as inherently deviant as a result of dominant familial ideology and generally suspect as inadequate mothers.[300] Nancy Dowd outlines the ways in which single parenthood is stigmatized in the US: it is seen as the cause of poverty rather than gender discrimination in the wage labor market or insufficient supports; as a family form that is psychologically unhealthy for children; and as the result of immoral and irresponsible activity.[301] Several other authors have shown how Aboriginal women, women identified as visible minorities and women with disabilities, all of whom are disproportionately poor or low-income single mothers, are more likely

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[296] S. Weinger, "Poor Children "Know their Place": Perceptions of Poverty, Class and Public Messages" (1998) 25 J. Soc. & Soc. Welfare 100 at 116. See also S. Baxter, *No Way to Live*, *supra* note 54.

[297] Lillian Rubin, *Worlds of Pain, Life in the Working-Class Family* (New York: Basic Books, 1976).

[298] Interview with Dorothy D'aoust , Equal Justice for All (Saskatoon: 23 December 1998).

[299] Patricia Evans, "Targeting Single Mothers for Employment: Comparisons from the United States, Britain, and Canada" (1992) 66 Soc. Sc. Rev. 378.

[300] Martha Fineman, "Images of Mothers in Poverty Discourses" (1991) Duke L. J. 274.

[301] Nancy E. Dowd, "Stigmatizing Single Parents" (1995) 18 Harv. Women's L. J. 19 at 26-51.

to be perceived as 'bad mothers' and discouraged from having and rearing children.[302]

A classic example of the targeting of single mothers in Canada was the statement by Premier Harris that the elimination of a pregnancy nutrition allowance in Ontario was necessary in order to prevent single mothers from spending this money on beer.[303] Although Premier Harris subsequently apologized for this remark[304] and the allowance has been reinstated, his comment reflects a tendency to characterize all single mothers on assistance as lazy and irresponsible parents. Premier Harris not only constructs the problem of poverty as one of individual misbehavior, consistent with his overall anti-welfare policy, but constructs parents on assistance as deviant in a most fundamental way, in relation to the care of and concern for their children.[305] These remarks impugn the concern and ability of all recipients, as a group, to care for and about their children. Taken to its logical conclusion, increases in welfare could never effectively redress child poverty given the irresponsible nature of parents receiving social assistance. Their behavior presumably renders the fate of their children inevitable, short of state apprehension.[306]

Arguably, the clear preference for employment and early childhood development programs over income supports for recipients reflects and potentially reinforces negative stereotypes and assumptions regarding their ability to parent and manage resources responsibly.[307] Specific programs that are funded as provincial reinvestments and linked to eligibility for social assistance may also reflect negative

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[302] See *eg.* Marlee Kline, "Complicating the Ideology of Motherhood: Child Welfare Law and First Nation Women" (1993) 18 Queen's L. J. 306 and Dorothy Roberts, "Racism and Patriarchy in the Meaning of Motherhood" (1993) 1 Am. Univ. J.Gend. Law 1; reprinted in Martha Fineman & Isabel Karpin, eds., *Mothers in Law; Feminist Theory and the Legal Regulation of Motherhood* (New York: Columbia University Press, 1995) 224.

[303] "What we're doing, we're making sure that those dollars don't go to beer, don't go to something else, but in fact, if there are requirements for the health of the mother, they'll get it from us ... But it won't be a blanket cheque that can be spent on anything. It will be spent to the benefit of the child." Margaret Philp and Richard Mackie, "Beer gibe earns Harris a blast" *The Globe and Mail* (17 April 1998) A1 [hereinafter "Beer Gibe"].

[304] "In answering the question earlier today, I did not intend to suggest that all who were receiving the allowance were misusing the money ... If anyone has drawn that inference, I apologize."(*ibid.* at A6).

[305] It is interesting that, in this context, conservatives demonstrate a concern about unequal sharing of income within the family. The same concern is rarely demonstrated in relation to women and children who are economically dependent on men and do not share equally in the male wage within the context of the traditional patriarchal family.

[306] The same assumptions and punitive approach may underlie the recently announced plans of the Harris government to provide children of 'working poor' households with $100 before Christmas, R. Mackie, "Ontario's Working Poor to Get Christmas Bonus" *The Globe and Mail* (5 November 2001) A1. Of course, if parents are unable to meet the needs of their children, the result can be increased institutionalization through voluntary placement or surrender or apprehension. Increasing the use of the foster care system, however, is extremely costly in both human and monetary terms. For a discussion, see J.F. Handler, "Welfare Reform in the United States"(1997) 35 Osgoode Hall L.J. 289 at 297-300.

[307] Christa Freiler and Judy Cerny note that in a survey of economically secure and insecure groups, the former tended to support the provision of services to poor families with children rather than income supports, *Benefiting Canada's Children*, *supra* note 76 at 18.

assumptions and stereotypes.[308] In relation to spending practices, there is no empirical evidence that social assistance recipients generally do not spend family or child allowances on their children. To the contrary, Burman discusses the tendency of mothers to sacrifice their own legitimate needs for their children's because of a feeling that they as individuals are not entitled to benefits.[309] Empirical studies do suggest that children in single parent households are worse off on average and face a higher statistical risk of dropping out of school, teenage pregnancy, etc. than children in two-parent households. However, these correlations may be largely attributable to differences in income, differences in support structures, or abuse or marital conflict prior to separation. A government report on research based on the National Longitudinal Survey of Children and Youth stated that "despite the emotional, social and financial pressures involved when one adult is responsible for all child-rearing and household duties, the outcomes for most children in these households are no different from those for children in two-parent households".[310] Poor parenting styles and developmental outcomes, however these are defined and identified, are not limited to single parents and cross class and socio-economic lines. As previously mentioned, developmental risks are higher in low-income populations, but these correlations are not necessarily the outcome of "poor parenting" because of the many social impacts on poor children over which parents have little, if any, control.[311] Moreover, even though the percentage of children experiencing problems declines with increased income, the greatest number of children experiencing developmental risks in fact live in middle-income and modest-income households.[312]

Experiential and ethnographic studies also indicate that parents receiving social assistance, like virtually all parents, want the best for their children.[313] Recipients in

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[308] See text accompanying note 95.

[309] *Poverty's Bonds, supra* note 140 at 182.

[310] Human Resources Development Canada, *Investing in Children: Ideas for Action, Report from the National research Conference held October 27-29, 1998* (Ottawa: Human Resources Development Canada, 1999) at 18. E. L. Lipman *et al*, "What About Children in Lone-Mother Families?", in *Investing in Children: A National Research Conference.* Ottawa, Human Resources Development Canada. Cat. No. W-98-11ES, found a higher risk of 'poor developmental outcomes' even when income and social supports are taken into account, but also indicated that the "magnitude of the strength of the relation and the variance explained was limited". Stronger predictors included hostile parenting (which has a worse impact in one as opposed to two-parent families) and low maternal education. Low household income was most consistently and significantly associated with child difficulties. Another study found that single parent status constituted a risk only for children aged 4 to 11. See S. Landy & K. K. Tam, *Understanding the Contribution of Multiple Risk Factors on Child Development as Children Grow* (Ottawa: Human Resources Development Canada, 1998) at 18. Note that is is easier to find statistical significance where large sample sizes are used as with the NCLY data. In addition, as single cross-sections of data were used in these studies, more data is needed to sort out causal relationships such as whether the outcomes were a result of marital discord and abuse, or violence prior to separation. These studies do not address the question of whether the children would have been better off if the child had remained in a two-parent household because they lack a measure of the child's well-being prior to separation.

[311] See text accompanying notes 55 to 61.

[312] *Toward a Healthy Future, supra* note 56 at 74.

[313] *Supra* note 219.

these accounts tell of the herculean difficulties in budgeting from month to month given the extremely limited funds available to them and of how mothers struggle to protect their children at significant personal cost. Mothers will ensure, for example, that their children are well fed by eating less themselves. They talk about the pain of continually denying their children access to extra-curricular activities and the kinds of clothes or toys that children in an affluent capitalist culture are encouraged to desire and expect. They worry about the impact of their economically unstable, insecure lives and dangerous neighborhoods on the future of their children. From these accounts, it would appear that the major challenges facing parents living in poverty are not only how to provide more opportunities for their children but how to foster an intrinsic sense of belonging and entitlement in a social climate of exclusion and marginalization.

V. CONCLUSION

The NCB has a number of positive features compared to the types of welfare reform measures that have been adopted in some jurisdictions. It is less coercive and less stigmatizing than workfare or other programs that mandate paid work or training as a condition of receiving assistance. Although the Benefit implies that jobs are available and purports to resolve concerns with 'work' disincentives, the provision of incentives at least presupposes a rational and financially self-interested decision maker. Instead of simply blaming recipients for their dependency or reducing welfare payments to levels that are even more inadequate, the NCBS also extends concrete assistance to those who can manage to exit the welfare system. Those who can manage to exit the system (through employment or nuclear family formation) as well as those moved off the system as a result of reduced welfare breakeven levels will benefit from delivery of an income-tested benefit that is less intrusive and stigmatizing.

Unfortunately, the NCB is also too much like other contemporary welfare reform measures in that the promotion of 'work' incentives through the clawback comes at a substantial cost in terms of poverty relief. While the NCB will likely increase paid work overall, the magnitude of its impact cannot be predicted with certainty. Clearly, however, a substantial number of parents will not be able to enter the labour force and respond to the 'incentive.' Barriers to participation in the labour force include the following: unemployment and underemployment, transportation difficulties, a lack of trustworthy, affordable and accessible daycare, disabilities and a lack of accommodation in the workplace; language barriers and racism; and other barriers in the welfare system. The emphasis on the 'welfare wall' suggests, however, that state benefits will increasingly be measured against the 'working poor' notwithstanding these barriers and despite the fact that the 'working poor' is a diverse group which overall enjoys a higher level of income.[314] Concern about high marginal tax rates for low and modest income

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[314] In its most recent effort at welfare reform, the Saskatchewan government is intensifying the emphasis on employment by requiring that potential recipients apply to employment programs before receiving assistance. The government has refused to raise the shelter allowance provided to recipients even though rising rents are forcing them to "choose between paying the rent and feeding their children." B. A. Adam, "Gov't to test job plan for welfare applicants" *[Saskatoon] Star Phoenix* (12 December 2000) A3. "Van Mulligan said the government's main concern is social housing for all low-income families, not just those on

earners will tend both to 'freeze' social assistance rates and to reinforce a shift away from income supports to service delivery through Reinvestments and the National Children's Agenda. The National Council of Welfare has noted that welfare incomes in most provinces have been 'frozen' and in fact declined in real or nominal terms since the implementation of the NCB.[315] While income transfers are not the solution to poverty, they are an essential way of improving opportunities for children by enabling parents to provide better housing, clothing, food and extracurricular activities and to better withstand the uncertainties of the current labour market.

Recipients who do manage to leave assistance through employment and to benefit from the NCB will still incur costs as a result of a social structure that does not recognize or alleviate the ongoing and contradictory demands of paid and unpaid labour and the instability of low-wage employment. Employment will increase the ability of parents to meet the material needs of children but it may also diminish the time and energy available for caring for and nurturing children and the time for building social networks of support. The costs borne by the primary caregivers, generally women, include double workdays, stress and exhaustion. These costs, which may be especially acute in the case of single parents, are more easily ignored or discounted because they are costs that women have 'naturally' or traditionally been expected to bear without complaint.

The Benefit itself is not likely to change the traditional sexual division of labour and the disproportionate share of domestic labour typically assumed by women. Because receipt of a net benefit can depend upon attachment to a (typically) male breadwinner, it may actually reinforce gendered patterns of caregiving. The Benefit will not substantially relieve the long term costs of child care for women, including a higher incidence of poverty within marriage, upon marital breakdown and in old age. In the short-term, however, it will make it easier for some women to cope. For women assuming full-time care of children in eligible households, the Benefit may slightly increase their share of familial income. For women already in the paid workforce, the Benefit may also make it easier to accommodate unpaid labour by allowing them to reduce their hours of paid work. Low-income workers, however, have a greater need for income and many may have little control over their work schedules. While the NCB may also defray child care costs to varying degrees, it does not ensure accessible and high quality day care. Moreover, it does not affect unfavorable conditions in the low-wage labour market itself which governments appear loathe to address (apart from attempts to persuade business to voluntarily institute family-friendly policies), presumably as a result of a perceived need to maintain a cheap, flexible source of labour in the global

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welfare. 'Adequacy is a concern to us, specifically in terms of shelter allowance for people on social assistance, how does that help other low-income working families, how does that help them with their shelter? It doesn't help them." B. A. Adam, "Shift towards employment target of welfare reform plan" *[Saskatoon] Star Phoenix* (14 December 2000) A5. While housing is a concern for all low-income families, critics argue that the NDP government has not made, nor indicated that it plans to make, the necessary investments in social housing. Interview with Peter Gilmour, Anti-Poverty Ministry, (Regina: 29 August 2001).

[315] National Council of Welfare, *Welfare Incomes 1997 and 1998* (Ottawa: Minister of Public Works and Government Services, 1999-2000) at 68; National Council of Welfare, *Welfare Incomes 1999* (Ottawa: Minister of Public Works and Government Services, 2000) at 66-67.

economy. Although the Benefit may "ease the transition to work" for workers in some income ranges, the clawback may also increase the economic instability of some families given the unstable nature of the increasing number of non-standard jobs and high rates of return to social assistance. Overall, the Benefit and reinvestment framework to date either fail to address, or substantially reduce, the most significant constraints on labour force participation.

I have also attempted to show how the structural and discursive features of the NCB combine in a number of ways to reinforce dominant ideologies that can in turn reinforce the stigma experienced by recipients of social assistance, including children. The central features of the NCB mark and trace the boundaries of dominant ideologies about the deserving and undeserving poor, the definition of work as paid work (obscuring the social value of unpaid labour) and the significance of individual motivation and effort as opposed to external constraints on access to wealth and employment. In spite of the inherent deservedness of children implied by the discursive framing of poverty as child poverty, the NCB ultimately reinforces private responsibility for children by making social responsibility contingent on non-reliance on social assistance. By denying children in households receiving social assistance a net benefit while claiming to rescue them from welfare, the Program also impugns their deservedness and implicitly encourages them to think less of their parents because of the receipt of social assistance.

The analysis I have presented suggests that participating governments should have disentangled or separated the two objectives of increasing 'work' incentives and relieving child poverty. Relief of child poverty could have been achieved through both a universal Child Benefit and a targeted Supplement. Payment of the former would have acknowledged the equal importance and inherent value and worth of all children. The latter, if not clawed back from social assistance income, would recognize the impact of reduced ability to pay on the costs of raising children. There were also alternatives to dealing with employment costs such as earnings or employment supplements that, while perhaps more costly in administrative terms, would not have been as stigmatizing to recipients as the NCB. Child care supports such as subsidized or universal daycare, an increased minimum wage, the extension of drug and dental benefits in all provinces, more child-friendly work environments, funding for social housing and reduced income tax for low-income families, would also have changed the "focus of government rhetoric and put it on a more positive plane."[316] Long term education and training, higher benefit levels and community programs to combat the emotional isolation and hopelessness experienced by recipients, with or without children, would also reduce the human toll of poverty and social inequality.[317] Equally important, however, is finding measures that acknowledge and value caring labour. In the social assistance context, this would entail higher benefit levels and the exemption of recipients who choose to care for young children full-time from the requirements of paid work.

As it now stands, the NCB does more to reinforce the trend towards increasing

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[316] Interview with Steve Kerstetter (17 December 1998) and see *Kids are Still Hungry*, *supra* note 74.

[317] For a discussion of numerous anti-poverty strategies in relation to women's poverty, see C. Lochhead and K. Scott, *The Dynamics of Women's Poverty in Canada* (Ottawa: Status of Women Canada, 2000).

social inequality than to promote an inclusive sense of community. As such, it is consistent with other recent policy measures such as increased consumption taxes, reduced income taxes and increasing tuition rates in post-secondary institutions, all of which either benefit least or most adversely impact those most in need. By targeting social assistance recipients around the issue of paid work, the NCB deflects attention from the impacts of economic restructuring and divides individuals who share common interests as women, working class people and members of racialized communities and who need each other as allies to have an effective voice. Unfortunately, if the American experience is any guide, we can expect rhetoric around the work ethic and family structure to intensify as the business cycle turns and economic growth subsides.[318]

If participating Government officials are not prepared to change the structure of the NCB, they should nonetheless support a substantial increase in the Supplement so that children in households on social assistance receive a net financial benefit. Failing this, it must surely be asked whether a 'social union' that effectively excludes those most victimized and oppressed is at all worth having.

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[318] *We the Poor People, supra* note 144; J.F. Handler & Y. Hasenfeld, *The Moral Construction of Poverty: Welfare Reform in America* (Newbury Park, Cal.: Sage Publications, 1991) at 240.