

In jurisdictions across Canada, including B.C., governments have added employment-related requirements to welfare legislation. Benefit applicants and recipients must now complete a variety of job search and training activities in order to access and remain eligible for income support. This restructuring of welfare policy raises a number of questions about the nature of citizen entitlements and what, if anything, should be required of recipients in exchange for public income support.

The decision to link employment and welfare can be challenged on a number of fronts. The notion that welfare recipients are required to search for work is grounded in a welfare tradition that has been broadly criticized for its tendency to rely on narrow, stigmatized benefit categories. Further, other criticism targets the assumption that employment should be the pre-eminent goal for citizens—an outlook that tends to equate social worth with

economic contribution. These criticisms notwithstanding, as they inform a debate beyond the scope of this paper, any government that enacts such policies must not only demonstrate that its legislation is just and rational, but prove that it achieves its aim.

This *SPARC BC Policy Spotlight*—the first in a new SPARC BC publication series—therefore, explores the rationale being presented by the B.C. government for its reforms to welfare policy and whether sufficient evidence exists to support its claims of success. To this end, this paper briefly describes work-focused welfare, outlines the two principal arguments used to justify employment requirements in the welfare system, examines the data from one evaluation of the B.C.’s government’s job placement and training programs, and goes further to identify the types of outcome measures required to know and justify the full impact of the work-focused welfare approach.

WHAT IS WORK-FOCUSED WELFARE?

“The Ministry of Human Resources believes British Columbians who are employable have a personal responsibility to work. People who ask for assistance through BC Employment and Assistance must look for work and find it as quickly as possible.”

—BC Ministry of Human Resources Web Orientation

If you live in B.C., this statement probably sounds familiar. It reflects the significant change occurring in welfare policy in this province and in other jurisdictions across Canada. The crux of this new policy approach is a shift toward policies that oblige would-be welfare recipients to meet certain employment-related obligations in order to receive public income support. These work-focused welfare requirements include searching for employment, attending courses to improve resumé and interview skills, and participating in job placement or training programs. Persons who fail to meet these requirements are either not permitted to access the welfare system or have existing benefits discontinued.

In B.C., all adult, non-disabled benefit recipients, including those with persistent barriers to finding and keeping paid work, must now create ‘employment plans.’ An employment plan is a legal document that delineates an individual’s requirements to locate paid work. Failure to comply with one’s plan results in reduction or suspension of benefits.

The provincial government has contracted commercial

and non-profit organizations to deliver a variety of programs for job preparation, training, and placement. Despite public financing of these contracts, little information is available about agency operations due to contractual obligations and claims of business confidentiality. To date, media reports have featured both praise for and criticism of B.C.’s new welfare policies, but mostly based on the policies themselves and not their implementation or results.

In order to develop an informed opinion on work-focused welfare, British Columbians are obliged to sort through competing claims about the gains to be reaped from mandatory employment activities versus the hardship caused by more restrictive eligibility and benefit provisions. Firstly, it is important that British Columbians understand why we are witnessing a shift towards work-focused welfare and what results we can expect from this new policy orientation.

MOTIVATING IDEAS BEHIND WORK-FOCUSED WELFARE IN B.C.

The policy rationale for work-focused welfare in B.C. hinges on claims that for many people have a great deal of intuitive appeal. The two most common such claims about work-focused welfare are: (i) attaching employment obligations to welfare is of benefit to recipients; and (ii) meeting work requirements is a reasonable contribution for welfare

ILLUMINATIONS

- Welfare has traditionally been made available to individuals without any source of income in order to support their basic needs of food and shelter.
- Work-focused welfare policies oblige recipients of provincial welfare benefits to perform a variety of job search and training activities as a condition of eligibility for public income support.
- The move towards work-focused welfare in B.C. began in 1996 with the **BC Benefits** legislation. It was significantly strengthened and deepened in 2002 with the adoption of the **BC Employment and Assistance Act**.
- At the same time that the performance of employment-related requirements were strengthened, a number of benefits to assist welfare recipients with the transition to work were reduced or eliminated.

recipients to make in return for the support they receive. These two arguments and the assumptions underlying them are outlined below.

(i) The recipient's benefit argument:

"[BC Employment and Assistance] actively encourages self-reliance through employment, an approach that benefits families and individuals over the long-term." —Ministry of Human Resources 2004/05–2006/07 Service Plan

"Our goal is to assist every client to achieve self-reliance and build a brighter future. Through our programs, they are doing just that." —Murray Coell, former Minister of Human Resources, April 2002

The idea that employment obligations benefit the recipients who must meet them follows from an understanding of poverty and unemployment that focuses on individual shortcomings: poor persons are poor because of a lack of education, skills, or work experience, or, in some cases, possess 'moral' failings like dependency and poor work habits. Efforts to counteract these disadvantages benefit poor persons by helping them overcome the barriers preventing them from attaining greater financial security and independence. Adding employment-related requirements to the welfare system is one such effort. The possibility that short-term hardship will result from constraints created by work-focused welfare policies is overlooked—or at least becomes less objectionable—when finding a job is considered the path to a better life and a higher standard of living.

(ii) The reasonable contribution argument:

"I also want to be clear that clients must exercise personal responsibility and seek out the opportunities as best they can. The ministry will help where appropriate but is no substitute for self-reliance and determination." —Murray Coell, former Minister of Human Resources, April 16, 2002

The B.C. Government has "led a fundamental shift in the culture surrounding income assistance from one of entitlement to one with a renewed sense of personal responsibility. In the 1990s a growing case load was creating a cycle of poverty and dependence... What a waste of human potential and taxpayers' money." —Stan Hagen, for-

mer Minister of Human Resources, April 1, 2004

The reasonable contribution argument is based on the assumption that all able-bodied persons have a responsibility to find and maintain paid work in order to be self-sufficient and contribute to society. It is part of the deal: we pitch-in in exchange for enjoying the benefits of community membership. It may be legitimate for some persons to fail to meet this obligation; for example, persons with disabilities that prevent them from working, or working full-time. But when persons who are able to work turn to the welfare system, it is held up as a betrayal of the responsibility they owe to society—a betrayal magnified by the fact that, as tax payers, we cover the cost of their support. In effect, the reasonable contribution argument tells us that work-focused welfare policies simply help ensure that poor persons live up to their responsibility to find and keep a job. Proponents depict the obligation of welfare recipients to meet employment requirements as legitimate because self-sufficiency is a standard to which we can reasonably hold all persons, and it follows that the route to independence is paid work.

If you don't think either of those arguments sound too bad, you are probably not alone. The recipient's benefit and reasonable contribution arguments have popularized work-focused welfare with many citizens and policy makers across Canada. On one hand, these arguments tell us that work-focused welfare policies will actually help poor people to help themselves. On the other hand, they tell us that welfare recipients are not being asked to do anything that the rest of us do not already do. Either way, it can seem like an appealing message, both to those willing to invest in social security, and those who think this investment remains too high.

THE QUESTION OF EVIDENCE

While intuitive appeal can be an effective starting point for public policy makers insofar as it tends to get 'a foot in the door' in terms of the public perception of a given policy approach, that appeal is not a sufficient rationale. Policy makers should—by public demand if necessary—base policies on sound logic and the best possible information. They

should be able to conclusively demonstrate the resulting benefits to society. Unfortunately, in the case of work-focused welfare in B.C. and across Canada, adequate and comprehensive monitoring of the results is largely absent from the policy experiments. Some jurisdictions in the United States have made efforts to evaluate the operation of their programs, and their evidence does not uniformly demonstrate that work-focused welfare helps recipients move into paid work or escape poverty.

In Canada, Ontario was the first jurisdiction to embrace work-focused welfare through the aptly named program Ontario Works. Despite a multi-million dollar welfare restructuring, the province has pursued very little program evaluation to date. Other agencies that have invested time and resources into monitoring welfare policy outcomes, notably the City of Toronto Social Services Department, have little encouraging news to report. The results of the department's survey of former welfare recipients show that compared to the province as a whole, the jobs filled by Ontarians leaving welfare tend to be of poor quality with low pay, limited hours, and few benefits. In effect, even welfare recipients in Ontario who find paid work remain at the margins of the labour market, holding jobs that are unlikely to prove a path to self-sufficiency and independence.¹

In B.C., work-focused welfare policies are also subject to little substantive review. Initially, the provincial government conducted surveys to document the number of persons leaving welfare for paid work. Unfortunately, design flaws undermined the utility of the findings: principally, a large number of former welfare recipients declined to participate or could not be located, resulting in a response rate of only 30–37 per cent.² The surveys also failed to ask respondents with paid work whether their income was sufficient to cover the cost of basic goods and services—in effect, whether work has proved to be the path out of poverty. The provincial government discontinued the survey program and has yet to announce new evaluation measures to take its place.

Further, a report commissioned by the Ministry of Employment and Income Assistance became available in August 2005 that evaluates the Job Placement Program and the Training for Jobs Pilot. The authors of the re-

port assessed the cost and efficacy of the two programs. The data clearly demonstrates that the programs have been expensive and ineffective to date. Worse, the programs have failed to aid those who would benefit the most from individual job support. Despite the large price tag—a net cost of \$33 million through July 2005—individuals accepted into the employment programs showed only a marginal increase in time employed versus those who were referred to the programs but not accepted. In addition, the financial incentives in the service contracts with agencies were structured so that agencies ended up showing a preference for the most employable individuals referred to them—a group who generally finds steady work without assistance—rather than those who needed more support.³

While this employment programs evaluation shows that the government is examining at least some aspects of its work-focused welfare policy, a number of other measures and indicators are required to demonstrate that the policies are effective and just. What we have seen so far simply is not adequate.

SO, WHAT CAN BRITISH COLUMBIANS REASONABLY EXPECT?

So long as our government holds up the realization of self-reliance and financial independence as the overriding goals of the welfare system, it is incumbent upon them to also show that the policies adopted to achieve these ends are working. The results of the report on the Job Placement and Training for Jobs programs indicate that they need to be revised to better serve individuals on income assistance. But what about other aspects and impacts of the work-focused welfare policies?

The recipient's benefit and reasonable contribution arguments carry little weight if the assumption that underlies them—namely that welfare recipients will realize a better standard of living through finding paid employment—is not borne out.

Simply put, we can no longer afford to be without adequate information concerning the success of B.C.'s work-focused welfare policy experiment. Available data does show that persons with some paid work are less likely to be poor, and that poverty rates fall as weeks of

HIGHLIGHTS

- Work-focused welfare is a policy trend across the U.S. and Canada. British Columbia is leading the way with policies like a time limit on receipt of welfare benefits, and the requirement for non-disabled adults to demonstrate two years of financial independence to be eligible to receive benefits. These measures explicitly detach the provision of welfare benefits from consideration of need. Benefit applicants can be denied access to assistance, or recipients can have benefits discontinued, regardless of whether they have another source of support.
- The delivery of job placement and training services is carried out by private and non-profit agencies under contract with the provincial government. Very little information on the services provided by these agencies is available despite claims about large numbers of people leaving welfare for paid work. The only report available to date shows that the programs have cost more than \$33 million and show only a marginal increase in independence from welfare.

HIGHLIGHTS

- The need for work-focused welfare policies is defended with arguments that are intuitively appealing. The recipient's benefit argument states that attaching employment obligations to welfare will ultimately benefit the individual and his or her family. The reasonable contribution argument states that it is reasonable to expect welfare recipients to meet employment requirements in exchange for public income support. These arguments have succeeded in popularizing work-focused welfare despite a lack of evidence of its success.
- It is reasonable for British Columbians to expect greater accountability from governments concerning the operation and outcomes of work-focused welfare policies given the investment being made in policy reform, and the political currency gained from claims about the success of new welfare legislation and the number of people who have found paid employment.

work increase.⁴ This is unsurprising given the limited range of public support programs, and the fact that income from welfare benefits is far below the poverty line. However, the fact that employment can help ameliorate poverty is not in and of itself evidence that supports the work-focused welfare approach. The pressing question about work-focused welfare is whether it actually helps welfare recipients make the transition into paid work. The fact that persons may be less likely to be poor once employed tells us nothing about the role that employment requirements in the welfare system play in getting them there.

An even more important consideration concerning the role that employment can play in moving people out of poverty is the issue of job quality. Research tells us that the number of working poor—persons for whom employment income is not sufficient to secure basic goods and services—is increasing in Canada.⁵ If those who leave welfare are largely accessing precarious, low-paying jobs that do not deliver enough income to lift them out of poverty, it is difficult to argue that they have benefitted from their “independence,” “self-reliance,” and “personal responsibility.” Simply holding up independence from the welfare system is surely an inappropriate goal against which to measure the success of income security policies.

Of course, governments could decide it

is too difficult and costly to design studies to really answer questions about whether work-focused welfare policies realize the outcomes they advertise. No doubt this view would be sympathetically received by those already concerned about expenditures in this area. If this is the choice governments make, the consequence is that they must also choose not to use claims about the success of work-focused welfare programs as evidence for a particular reform agenda. Given the high profile currently given to claims about the success of B.C.'s work-focused welfare policy package, it is reasonable for British Columbians to expect a significantly higher level of accountability.

¹ Andrew Mitchell and Dean Herd. “Welfare to What? After Workfare in Toronto.” Forthcoming. *International Social Security Review*.

² Seth Klein and Andrea Long. 2003. *A Bad Time to be Poor*. Vancouver: CCPA and SPARC BC, p. 10-11. For links to the exit survey reports, see <<http://www.mhr.gov.bc.ca/research/reports/index.htm>>.

³ Ministry of Employment and Income Assistance. 2005. *Evaluation of the Job Placement Program and the Training for Jobs Program*. For links to the report and updates, see <http://www.mhr.gov.bc.ca/research/reports/eval_JP_TJ.htm>.

⁴ National Council of Welfare. 2004. *2001 Poverty Profile*. Ottawa: Minister of Public Works and Government Services Canada. <http://www.ncwcnbes.net/htmldocument/reportpovertypro01/PP2001_e.pdf>.

⁵ Dominique Fleury and Myriam Fortin. December 2004. “Canada’s Working Poor.” *Research Briefs*, vol. 7, no. 2. Ottawa: Policy Research Initiatives. <http://policyresearch.gc.ca/page.asp?pagenm=v7n2_art_09>.

FOR MORE INFORMATION

- **Economic Security Project (ESP):** The ESP brings together academic and community collaborators to analyze the effects of recent policy changes in B.C. on the economic security of vulnerable populations, and present workable alternatives. <<http://www.sfu.ca/economicsecurityproject>>
- **PovNet:** PovNet is a clearinghouse of information on welfare and poverty related issues and policies. <<http://www.povnet.org>>
- **National Council of Welfare (NCW):** The NCW is a citizen’s advisory body to the Minister of Social Development Canada on matters of concern to low income Canadians. Key publications include profiles of persons living in poverty in Canada, and reviews of the income delivered through provincial and territorial welfare programs. <<http://www.ncwbes.net>>
- **Social Assistance in the New Economy (SANE):** SANE examines the changes to income assistance in Ontario. Areas of investigation include the welfare and post-welfare experiences of benefit recipients and the operation of employment programs. <<http://www.utoronto.ca/facsocwkw/sane/index.html>>



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